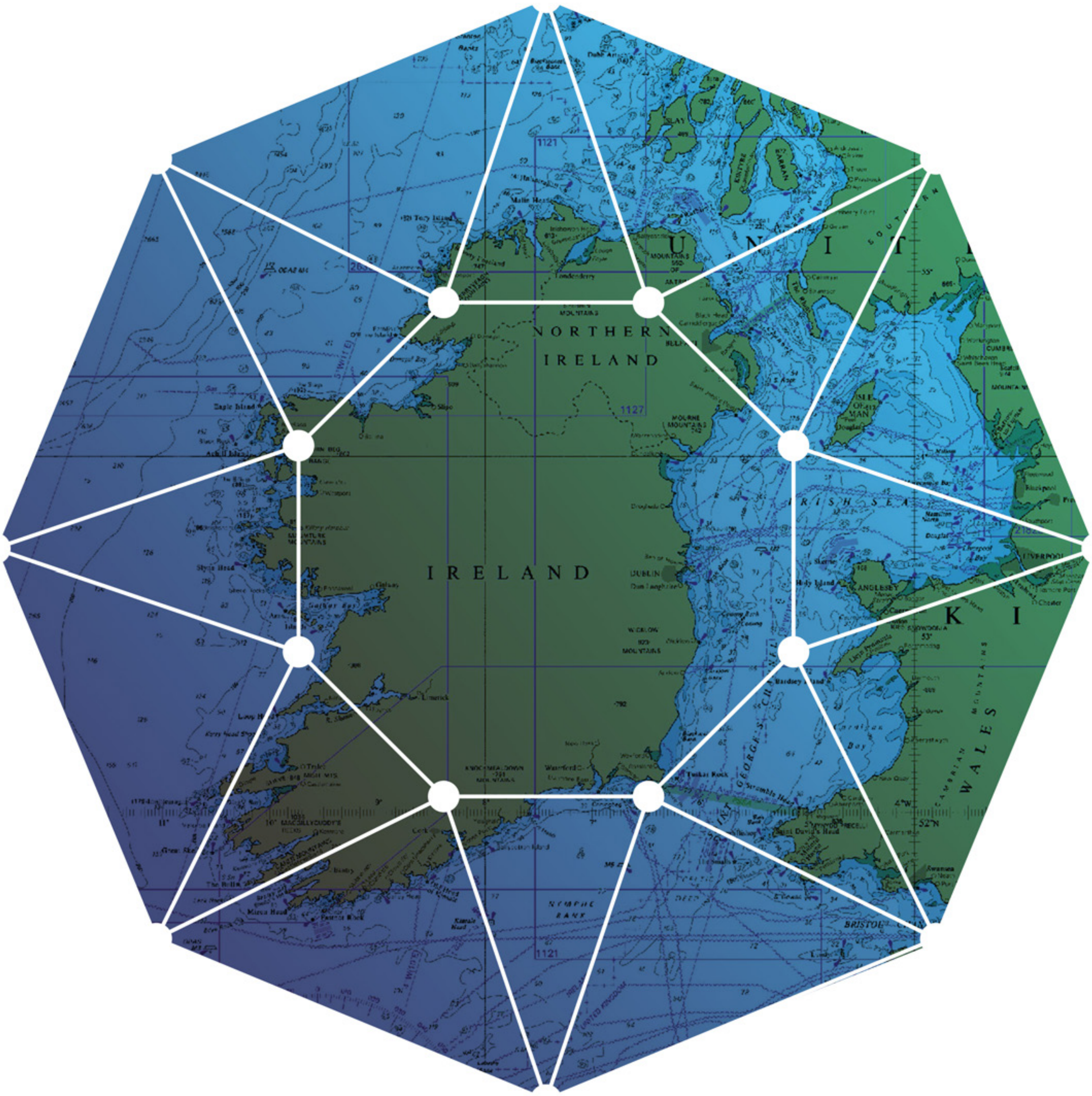
Commissioners of IRISH LIGHTS | Navigation and Maritime Services

Annual Report and Accounts

Year Ended 31 March 2020



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.

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1. Chairman's Summary

I am pleased to report that 2019/20 was another very successful year for Irish Lights with tangible progress made in the delivery of our strategy 'Safe Seas - Connected Coasts 2018 - 2023'. In parallel Irish Lights continued to meet the International availability standards for the provision of Aids to Navigation (AtoN).

During the year, Irish Lights consulted widely with all marine users of General AtoN as part of our 5 Year Strategic Review to assess the amount, mix and nature of AtoN required around the coast, in accordance with the volume of traffic and degree of risk. Five regional workshops were held to examine all aspects of navigation from the ship's bridge to e-Navigation, small and large vessel requirements, human interactions, training and other risk issues and developments. This provided valuable user input to the review, published in May 2020.

Throughout the year, we worked closely with Local Lighthouse Authorities (LLA) to ensure that AtoN standards in ports and harbours and on offshore aquaculture structures and energy developments met International Association of Marine Aids to Navigation & Lighthouse Authorities (IALA) standards. Against our annual target, 91% of local inspections were undertaken. Ninety-seven statutory approvals for aquaculture sites were processed and sixty-two changes to local aids were approved through our statutory consent process.

Irish Lights continued to participate in meetings of the National Search and Rescue Committee (Ire) and the United Kingdom (UK) Safety of Navigation Committee. This year also saw our participation for the first time in the Irish Sea Working Group comprising the UK Secretary of State Representative (SOSREP), HM Coastguard, Irish Coastguard, Isle of Man Coastguard and the Royal National Lifeboat Institution (RNLI).

Important work took place at international level and with General Lighthouse Authority (GLA) Research and Development team (GRAD) to advance the development of new systems and information services to support safe navigation. In November, Lights advanced the case for agreement on the frequency allocation for the satellite component of the VHF Data Exchange System (VDES) during the World Radio Conference. Irish Lights continues to work with the Commissioner for Communications Regulation (COMREG) and the Maritime Radio Affairs Unit to bring this agreement into operation at sea, which will facilitate the delivery of new services to support maritime safety.

Throughout the year, we made a strong input into the ongoing work to prepare Ireland's first Marine Spatial Plan, the new Marine Planning and Development Framework and the Marine Planning and Development Management Bill. Our focus has been on ensuring that all aspects of safe navigation are taken into account.

> **With a strong focus on environmental sustainability, 23 of our 65 lighthouses, all of our lighted beacons and 115 of our 116 buoys now use Solar Power only and we are on target to be diesel free by 2025.**

"Irish Lights operated well within sanctioned budget and funding and efficiency targets agreed with UK Department for Transport (DfT) and Department of Irish Transport, Tourism and Sport (DTTAS).

We will continue to work in collaboration with relevant government departments, agencies and industry to play our part to deliver essential maritime navigation and safety services to support successful implementation in 2020/21.

Our capital investment programme continued during the year with works completed at Fastnet, Blackrock Sligo, Broadhaven and Wicklow Head Lighthouses. With a strong focus on environmental sustainability, 23 of our 65 lighthouses, all of our lighted beacons and 115 of our 116 buoys now use Solar Power only and we are on target to be diesel free by 2025. In May, Granuaile successfully completed her 20-year Special Survey at Garvel Clyde Dockyard to International Convention for Safety of Life at Sea (SOLAS) and Lloyds Classification Society requirements.

The Great Lighthouses of Ireland tourism initiative had another strong year with ticketed visitor numbers in 2019 exceeding 145,000. This outcome is an excellent tribute to our operating partners and tourist agencies benefiting local coastal communities through employment and economic activity. The complimentary Irish Lights Archive project commenced during the year and promises to deliver fascinating insights into Ireland's marine heritage in the years to come.

Overall financial results were in line with expectations and Irish Lights operated well within sanctioned budget and funding and efficiency targets agreed with UK Department for Transport (DfT) and Department of Irish Transport, Tourism and Sport (DTTAS).

Underlining the importance of the integrated maritime safety service we provide around the coasts of UK and Ireland in collaboration with our sister GLA's Trinity House (TH) and Northern Lighthouse Board (NLB) and our long-standing historic ties, we were delighted to welcome HRH Princess Anne to Irish Lights. It was an honour to have this opportunity to showcase the vital work to the Princess Royal who met employees, toured our Dun Laoghaire offices and workshops and visited a number of our Lighthouses and the ILV Granuaile.

Finally, on behalf of the Board of Irish Lights, I would like to thank the UK DfT and DTTAS along with TH and NLB for their continued support during the year. I would also like to thank the management team and all the staff of Irish Lights for their contribution during the year and their continued commitment to the success of Irish Lights.

Kieran Crowley
Chairman 25 September 2020

Rockabill Lighthouse (Pic. Andrew Collins)

Hook Head (Pic. Arent Van der Veen)

> Maritime transport is the most important means of connecting Ireland to international markets accounting for more than 90% of Ireland's international trade in volume terms.

2. Performance Report
Chief Executive Review

Introduction

I am delighted to acknowledge the continued progress of the Irish Lights team in the second year of our Strategy, Safe Seas – Connected Coasts 2018-2023 with significant achievements in each of our five Focus Areas, delivering a modern aids to navigation service while supporting the safe and sustainable development of the wider marine economy.

Key results for the organisation included meeting IALA availability targets. In terms of IALA, 2019/20 has been a milestone year, which saw the culmination of a process whereby IALA will move from a Non-Governmental Organisation status to a new status of an Inter-Governmental Organisation (IGO). The benefits of this decade long move include greater co-operation with and recognition by Governments when adopting legislation and standards for AtoN and greater co-operation with other IGOs such as the International Maritime Organisation (IMO) and International Hydrographic Organisation (IHO) in defining standards for maritime safety. The change of status will enter into force when 30 states have ratified the convention and Irish Lights will work with DTTAS and DfT in this regard.

Efficiencies in service delivery are being driven by the adoption of new technologies at the coast and the central implementation of new systems. Examples include a new coastal monitoring system and a cloud based works management system, which will facilitate more effective information retrieval and further efficiencies in maintenance programmes. New investments included progress on our energy efficient and carbon reducing capital consolidation programme, and the 20-year refit of Granuaile, which included the replacement of domestic fresh water piping.

> **Key results for the organisation included meeting IALA availability targets.**

Innovation has always been part of our service and in October 2019, Irish Lights announced the successful completion of the bearing trial at Tory Island Lighthouse. Importantly this trial paves the way to deploy latest technology while retaining the heritage First Order Fresnel lenses at lighthouse stations where mains electricity is available such as Rathlin East, Rathlin West, St John's Point, Down, Blackhead, Antrim, Old Head of Kinsale, Loop Head and Galley Head.

Work continued with our colleagues in GRAD to advance innovative solutions to existing and new AtoN challenges. In 2019/20, GRAD implemented a planned change to their project selection and reporting methodology, which will enable new research to be conducted on thematic lines. Some of the key areas for development include VDES authentication and the Maritime Connectivity Platform; a software driven registry of authorised users and applications that can be used to advance e-Navigation.

Our tourism offering the Great Lighthouses of Ireland had another strong year with over 145,000 visitors. This was complemented by the commencement of an exciting heritage project to unlock the content of the Irish Lights Archive, which spans over 200 years. Already we can see it will be a rich source of maritime, social, political, military, engineering, architectural, scientific and administrative history of Ireland in the nineteenth and twentieth centuries.

While commercial income was slightly below expectations financial results overall were in line with our targets and cost sanction. We are pleased to report that Irish Lights will exceed its 5-year (2016-21) RPI-X cost efficiency target of 2.08% and achieve a result of circa 5.0%.

2.1 Strategy of the Organisation

Our Mission – Safe Navigation at Sea
To be the leading and innovative provider of reliable, efficient and cost effective navigation and maritime services for the safety of all

Our Vision – Next Generation Maritime Services
To protect lives, property, trade and the environment by delivering next generation maritime services at the interface of navigation, technology, engineering and data management.

Business Strategies
Maritime transport is the most important means of connecting Ireland to international markets accounting for more than 90% of Ireland's international trade in volume terms. Facilitating this commerce, along with fishing, leisure and coastal tourism activities, the fixed and floating AtoN provided by Irish Lights are a critical national safety infrastructure for the maritime sector.

Safe navigation is our business and the development and delivery of our services now and into the future is reflected in the Irish Lights strategy "Safe Seas – Connected Coasts" which covers the period 2018-23.

The strategy is structured around five key focus areas will see Irish deliver on six ambitious outcomes covering, safety of all, international leadership, technology and innovation, collaboration and partnership, supporting the development of the wider maritime economy and safeguarding the past while positioning for the next generation of maritime services.

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2.2 Operational Performance

Key Developments during the year
Progress against our strategy is reflected in our operational performance as set out below.

FOCUS AREA 1
PROVISION OF GENERAL AIDS TO NAVIGATION

Implementation of new Technologies to improve service delivery, reduce costs and improve environmental impact

The AtoN performance in Appendix A shows that all categories of AtoN have performed to better than the IALA International Standards. This is a core operational target for Irish Lights.

Irish Lights continued its capital programme upgrading and consolidating its AtoN Infrastructure during the year with capital works completed at Fastnet, Blackrock Sligo, Broadhaven and Wicklow Head Lighthouses. Similar reinvestment took place on the ILV Granuaile which completed a successful dry-dock in May 2019 along with water pipes upgrade, engine crankshaft overhaul and preparations for international Water Ballast regulations.

Implementation of a new Automatic Identification System (AIS) based AtoN Monitoring & Traffic Analysis solution progressed to plan with the initial install and base configuration and testing complete. System integration and advanced system configuration continues. In parallel, an extended trial of an in-house designed and developed "remote equipment reset solution" using low powered wide area network (LPWAN) technology continues following on from a very successful deployment on the Dublin Bay Buoy.


Fastnet Rock (Pic. Jason Town)

Irish Lights upgrades its Buoy stock with lower maintenance modern technology and additional equipment as they become due for a refit. A total of 8 statutory buoys were refurbished and deployed during the year. Of these, one was fitted with a self-contained lantern adding to the 23 Buoys already using this technology and two new Buoys have had AIS fitted i.e. Loo (Co. Cork) and Carrickpatrick (Co. Mayo). As part of its innovation programme, the plastic Buoy trial continued with 8 of the 10 buoys to be deployed currently at sea. Two further Type 2 plastic buoys to be located at Tail of Beal (mouth of the Shannon) and Strangford (Strangford Lough) will be deployed in 2020.

The Navigation Services team completed its work on the 2020 Aids to Navigation Review. This followed analysis of traffic volumes and patterns together with consultations with our Stakeholders and AtoN users. Risk assessments were peer reviewed by our Tri-GLA partners and while there are no new or disestablished AtoN's some changes were made to AtoN ranges to enhance navigation safety.

Looking forward to the development of future e-navigation services Irish Lights, in conjunction with IALA and GRAD continued to have a focus on future enhanced navigation through digital communication and data services. In this regard, digitisation is seen as a key enabler of decarbonisation and the greening of maritime transport, through initiatives such as just-in-time arrival. In addition, Irish Lights continued to monitor the roadmap for Galileo (position, navigation & timing satellites) and EGNOS (augmentation of Galileo for enhanced accuracy and signal integrity).

As part of its statutory functions, with a view to ensuring navigation safety, Irish Lights attended and assessed a number of Ship Wrecks and Groundings including the abandoned, derelict and unlit vessel MV ALTA which went aground during Storm Dennis on a rocky foreshore adjacent to Ballyandreen Bay, Ballycotton.

FOCUS AREA 2
LOCAL AIDS & OTHER NAVIGATION SERVICES

Deliver an efficient and proactive local AtoN service to third parties

There are over 3,200 local AtoN around the island of Ireland managed by 60 LLA's. Local AtoN are situated close to Ports and Harbours and they also mark aquaculture and other marine developments. Activity close to shore continues to increase and 77 applications for new aquaculture sites were processed during the year. Irish Lights met 91% of its target of inspecting local AtoN. Additionally we processed 24 statutory sanctions for 70 new / changed local aids.

Work is ongoing to improve the process for interfacing with LLA's, including how the LLA use the online portal, how Irish Lights conducts inspections and audits, and how we store and handle data including a review of aquaculture records in conjunction with BIM and DAFM. This work will result in a more client-focused process, with improved communications and information flows. In addition, following LLA organisation restructure training was conducted with Local AtoN main contacts in Mayo and Cork.

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FOCUS AREA 3
COMMERCIAL SERVICES

Ship Charter/Buoy Services/ Commercial Property/Technology and Data Services/Consultancy Advice and Training

Irish Lights' commercial strategy focuses on revenue generation from reserve capacity and full asset utilisation. Any net income generated is an important contributor to reducing our net operational cost. Irish Lights had a challenging year delivering a net €1.3m (Gross €1.5m) of income against a target of €1.5m – down from €2.1m (Gross 2.5m) in 2018/19. Fewer ship charter opportunities presented themselves during the year however our reoccurring rental, third party buoy maintenance and equipment hosting was on par with the previous year.

Irish Lights continues to promote its unique coastal infrastructure to third parties and during the year won contracts to site and deploy Lidar equipment to test the suitability of offshore locations for renewable energy on the east coast of Ireland. Additionally, there is a focus on leveraging the unique data collected by Irish Lights to support this emerging sector through the provision of environmental and vessel traffic analysis services to industry as a key input to site selection.

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Irish Lights user consultation in Co. Sligo for 5 Year AtoN Review

FOCUS AREA 4
VALUE ADDED SERVICES

Irish Lights Met and Costal Data Services / Navigation Advice / Risk Assessment/ Marking of Zones / Support for Modelling in Ports and Harbours / Surveying and Charting

Irish Lights continued to provide its Met Ocean service, which now has over 12,000 followers on Twitter – an increase of 30% on 2018. To maintain the quality of the service Met-Ocean sensors were recapitalised on a number of Irish Lights Buoys and commercial buoys.

Irish lights continued its collaboration with the Irish Coastguard on planning for emergency oil spill response and with DTTAS on National Strategic Emergency Management.

A new governance structure has been established for Search & Rescue (SAR) in Ireland. These new governance measures bring together the previously separate domains of maritime SAR, aviation SAR and land SAR into a single National SAR Plan implemented and led at the strategic level by a National SAR Committee (NSARC). In addition to sitting on the supporting consultative Committee Irish Lights is one of the Agencies offering assistance at a tactical and operational level to NSARC. In January 2020 the Granuaile also provided dive support to An Garda Siochana for recovery operations off the South Coast.

The Marine Planning and Development bill is the first major reform of the Foreshore Act 1933 and it will establish a legal basis for An Bord Pleanala and Coastal Authorities to consent to development in the maritime area. As a key Stakeholder Irish Lights worked closely during the year with the Department of Housing, Planning and Local Government to provide input on navigation safety and the AtoN consenting process.

FOCUS AREA 5
TOURISM HERITAGE AND COMMUNITY ENGAGEMENT

Great Lighthouses of Ireland/Surplus Heritage Property/Storage and Display of Irish Lights Artefacts/Archive Project

Great Lighthouses of Ireland now collectively offers fourteen lighthouse experiences in breath-taking coastal locations around the Island of Ireland and continues to be an effective platform to protect and promote our built heritage. Capacity building and supporting sustainable social enterprise are key strategic drivers for the brand with a view to improving the quality of the visitor experience and building awareness of Irish Lights and its reputation as a leading maritime safety and service organisation.

Although 2019 was considered a challenging year for the tourism sector in general the overall visitor numbers were on par with 2018, with over 145,000 ticketed visitors and an average occupancy rate of 42% which is in line with national tourism trends. Public interest continued to grow with a focus on digital engagement which delivered strong results this year with social media interactions up by an average of 84% demonstrating a return on investment in digital media.

In Northern Ireland the Great Lighthouses of Ireland launched a film bursary funded by Heritage Lottery Fund to unlock and share the "hidden maritime and industrial heritage associated with our lighthouses in Northern Ireland". Five winning bids launched their promotional films at the Belfast Titanic Centre in December 2019.

Looking to 2020, in collaboration with Local County Councils and with State support, the Great Lighthouses of Ireland lighthouse tourism offering will continue to expand its offering on existing and new sites with development plans underway at Loop Head, Valentia and Blacksod Lighthouses.

The Irish Lights Archive project got into full swing in 2019/20 and a detailed activity plan is underway to unlock the content of the archive and make it accessible to both researchers and the general public. The archive includes everything from personal and administrative histories to technical innovation and large scale construction and shipbuilding projects, all set against a backdrop of events of national and international significance in the 19th and 20th centuries. Key progress during the year included procurement of an Archive Management Solution which is now facilitating a large scale cataloguing project; digitisation of iconic Lighthouse Journals; conservation of the unique War and Raid Files collection and preparing historical articles for on line publishing.

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Fanad Head

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Strategy Enablers/other reporting metrics

Organisational Change
To facilitate progress on its new strategy Irish lights has reorganised its operational resources under four directorates, Coastal Operations (CO), Information and Communications Technology (ICT), e-Navigation and Maritime Services (EMS) and Corporate Services (CS). These changes came into effect in April 2019. Continuous performance improvement is a cornerstone of our corporate culture and we introduced a new Competency and Career Development framework during the year. Irish Lights also continues to develop its staff through training and development. During the year, 106 staff undertook formal technical and developmental training participating in 68 accredited courses.

Irish Lights is committed to effective communications, which is maintained through formal and informal briefings, including an Organisation Review Day, an annual newsletter, employee bulletins and regular updates via the intranet and email. 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.

> Continuous performance improvement is a cornerstone of our corporate culture and we introduced a new Competency and Career Development framework during the year.

Health and Safety Review
Irish Lights' core health and safety objective is to ensure that none of our employees suffer an injury or ill health while carrying out their work. This is achieved by keeping the importance of safe working practices to the fore in all operations and through employing a proactive and risk assessment based approach to safety management. Our employees are our most important asset and ensuring they remain healthy and do not suffer an injury or ill health while carrying out their work is the corner stone of our health and safety strategy. This objective also extends to visitors and contractors working on our behalf. It is not a matter of putting safety before business but striving to do our business safety.

2019/20 was another busy year on the health and safety front with a lot achieved in most areas most particularly in relation to accident prevention where the concentrated focus and effort over the past number of years is starting to show some dividends. Safety training continues to play an important role in how we manage health and safety. A full programme of safety training was undertaken across all branches of the Service during the year. The number of accidents reduced from 9 in 2018/19 to 7 in 2019/20 and the number of days lost from 104 to 60 and on an equally positive note there was an increase in Zero harm months, over the course of the year.

Information and Communications Technology
A number of information systems (archiving, access control and a cloud based Work Management system) were introduced for employees during 2019/20. Infrastructure upgrade projects included a replacement uninterruptible power supply in the primary data centre, a new network-switching infrastructure, a cloud based telephony system and new audio visual and videoconferencing solutions. Communications links to the Granuaile have been upgraded with the introduction of a software-defined wide area network solution resulting in increased range and improved communications speed.

With the ever evolving and increasing cyber security threat landscape Irish Lights strengthened its cyber resilience through periodic penetration tests, ongoing employee education and stronger disaster recovery and backup capability for the new coastal monitoring system.

Business Continuity Management (BCM)
Given the criticality of the vital navigation safety service provided by Irish Lights BCM plans are in place. While individual service area plans are exercised and updated annually their importance and the experience of previous training was underlined as Covid 19 became reality towards the end of the year. The benefit of BCM planning meant Irish Lights was a position to seamlessly invoke plans that allowed the organisation to continue to provide all of its statutory services while working within the Covid 19 restrictions.

Tri-GLA Co-operation
The General Lighthouse Authority 'Joint Strategic Board' (JSB) oversees and co-ordinates strategic activities which are of value and benefit to all three organisations. During the year Mr Mark Barr of Irish Lights was appointed Chairman of the JSB. In 2019/20, the JSB focused on the future of the Differential Global Positioning System (DGPS) service, the operational challenges surrounding Brexit, ship replacement in Trinity House and Northern Lighthouse Board, continuing oversight of efficiencies and ensuring value from the shared research and development activities undertaken by GRAD. Across the three GLA there is ongoing day to day collaboration in relation to ship cover, aircraft services, insurance, research & development, procurement, technical support and safety. This close inter GLA working delivers improved services and response times for our users and value for our funding stakeholders. The day to day nature of this activity is critical to Irish Lights' effectiveness.

General Data Protection Regulation (GDPR)
Irish Lights successfully met the new GDPR standard that came into effect in May 2018. There were no reportable data breaches during the year.

2.3 Sustainability Reporting

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 (SEAI) public sector energy efficiency initiative which endeavours to improve energy efficiency in the public sector by 33% by 2020. In 2019, Irish Lights signed up to SEAI's Public Sector Energy Partnership programme.

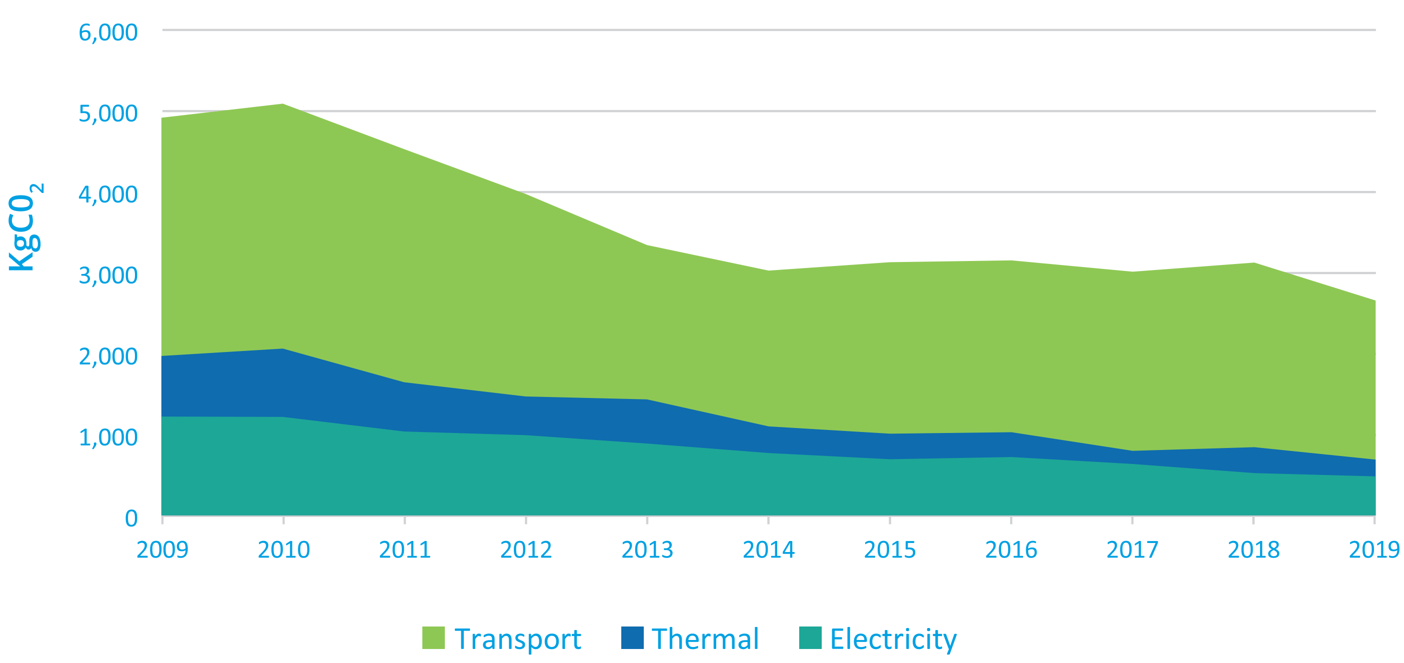
Irish Lights is continually reviewing all issues affecting environmental considerations which take account of the sensitive coastline in which it operates and the occasionally hazardous nature of some of the operations it has to undertake and is a leader in the use of renewable energy sources for navigational aids, principally through the installation of solar-electric power systems. In early 2020, the Board of Irish Lights approved an Environmental Policy and Plan. All of Irish Lights 116 navigation buoys and 53% of its lighthouse & beacon lights are fitted with light emitting diode (LED) based energy efficient light sources. This fitting of energy efficient light sources enables the solarisation of these stations eliminating the requirement for fossil fuels. The graph below represents Irish Lights reduction in CO2 emissions since 2009 and is derived from the annual data submitted to SEAI.

In 2019, overall energy consumption across all Irish Lights operational activities has reduced by 44.3% compared to our benchmark year of 2009.

Wicklow Head Light (Pic. Will McLellan)

"In early 2020, the Board of Irish Lights approved an Environmental Policy and Plan. All of Irish Lights 116 navigation buoys and 53% of its lighthouse & beacon lights are fitted with light emitting diode (LED) based energy efficient light sources. This fitting of energy efficient light sources enables the solarisation of these stations eliminating the requirement for fossil fuels.

CO_2 Emissions Since Baseline



2.4 Financial Performance Overview

The key financial highlights for the year include:

- There was an overall net accounting deficit of €1.8m for the year in Irish Lights Statement of Comprehensive Net Income (SoCNI), compared with a deficit of €1m last year. The year on year change is mainly attributable to increased employer pension costs and downward revaluation of fixed assets, in particular the Granuaile.
- Gross commercial income decreased to €1.6m, down 39% on last year, mainly as a result of lower charter activity during the year due to the depressed market.
- With the introduction of the new Leases International Financial Reporting Standards (IFRS 16) the concept of Right of Use (RoU) Assets has been introduced for the first time with these assets being capitalised/depreciated whereas in the past these would have been treated as operating leases in running costs. This in turn has changed the complexion of the SoCNI and the Statement of Financial position (SoFP).
- Irish Lights net costs were within the UK DfT financial sanction limits for the year.
- Republic of Ireland (RoI) self-financing targets were achieved including RoI Light dues income of €7.1m for the year, up 2% on last year.

Financial Results

Highlights
The financial summary for the year to 31 March 2020, contained in these Accounts and Notes, shows an overall net accounting deficit on the SoCNI of €1.8m (2018/19 – deficit of €1.0m). The movements in the asset valuations are reflected in the financial results with year on year gains and losses primarily attributable to "non-cash" revaluations and related depreciation charges.

Staff Costs are on a par with last year, however Pension Costs have increased by 32% because of the significant increase in employer contribution rates that came into effect on 1 April 2019. Other Expenditure costs have decreased by 7% primarily as result of the change in the accounting treatment of operating leases which as explained above are now being capitalised as RoU assets and are being depreciated.

While net commercial income was broadly in line with expectation during the year, it was down on last year due to lower ship charter income.

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 5.0%.

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 RoI 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 of 0.3% and a decrease of 1.0% in constant price terms for 2019/20 as compared to 2018/19.

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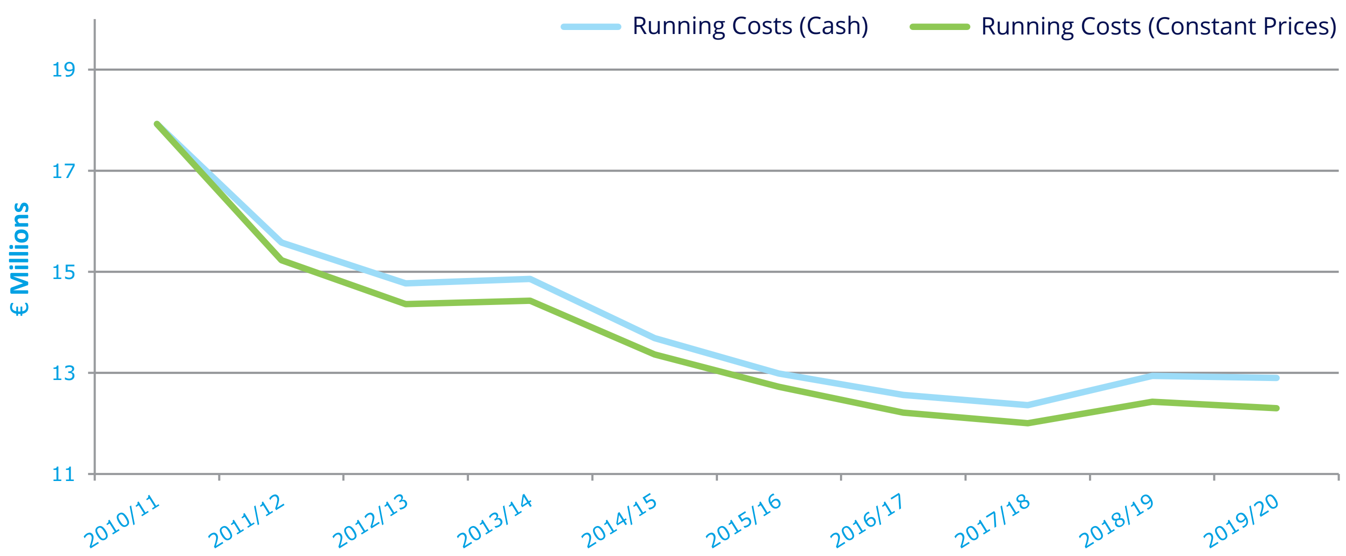
The results which are set out in the following table and graph show a decrease in actual running costs of 0.3% and a decrease of 1.0% in constant price terms for 2019/20 as compared to 2018/19.

Running Costs in Cash and Constant Prices (Gross)



Running Costs in Cash and Constant Prices (Gross)

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Running Costs (€'000)	17,926	15,580	14,770	14,857	13,690	12,991	12,564	12,362	12,939	12,898
Variance (%)		-13.1%	-5.2%	0.6%	-7.9%	-5.1%	-3.3%	-1.6%	4.7%	-0.3%
Running Costs (Constant Prices €'000)	17,926	15,232	14,362	14,427	13,366	12,727	12,217	12,005	12,431	12,302
Variance %		-15.0%	-5.7%	0.5%	-7.4%	-4.8%	-4.0%	-1.7%	3.6%	-1.0%
RoI Consumer Price Index	100.0	102.3	102.8	103.0	102.4	102.1	102.8	103.0	104.1	104.8

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.

Source of Finance

Irish Lights is financed from advances made by the UK DfT from the General Lighthouse Fund (GLF). The GLF advances, based on the annual cash requirements of Irish Lights, finance Irish Lights' net expenditure and are credited to the SoCNI.

The sources of finance include light dues paid in Ireland, a contribution from the GLF to cover operations in Northern Ireland, commercial income and an Irish Government contribution. For the financial year 2019/20 the Irish Government contribution will be €5.4m (2018/19 - €4.2m). The increase in 2019/20 is due to a number of factors including higher expenditure on Capital projects, increased employer pension costs and a decrease in Commercial Income.

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 tanker, RoRo, container and passenger (cruise) shipping sectors resulted in Irish Lights Dues increasing by 2% to €7.1m in the year. Light Dues income in Northern Ireland was £1.1m in 2019/20 compared with £1.2m last year.

The light dues collected in Ireland are forwarded to the GLF. Lights dues 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.

Yvonne Shields O'Connor
Chief Executive and Accounting Officer
25 September 2020

Irish Lights was delighted to welcome HRH The Princess Royal to its Dun Laoghaire headquarters

3. Accountability Report

3.1 Corporate Governance Report

Irish Lights is committed to maintaining the highest standards of corporate governance in accordance with the DfT Framework Document for the General Lighthouse Authorities. Irish Lights has also 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 cornerstones and highlights of Irish Lights' Governance include:

- An independent non-executive Board of Commissioners.
- The Audit and Risk Committee which operates in line with the HM Treasury Audit and risk assurance committee handbook (March 2016).
- A Risk Management Framework which is formally reviewed by the Board, Executive and Senior Managers on a biannual basis and in practice is considered as part of the control of all key projects and activities.
- Irish Lights Corporate Governance Manual (January 2020)
- A Tri-GLA Annual Risk Management & Insurance Scrutiny which was last reviewed by the three GLAs during the winter of 2019.
- Internal Audits undertaken by the Government Internal Audit Agency (GIAA). In 2019/20 audits covered Health and Safety, Procurement, Cyber Security, Key Financial Controls and an audit on behalf of the UK Maritime and Coastguard Agency on Aids to Navigation. Overall the internal auditor provided a 'substantial' opinion on Irish Lights.
- External Audit by the National Audit Office (NAO) who independently review the Irish Lights Annual Report and Accounts as part of their audit of the consolidated GLF Annual Report and Accounts and report on their findings to the Audit and Risk Committee.
- There is an annual Corporate Plan budgetary approval process managed by the DfT followed by monthly management accounting reporting and analysis.
- The Annual Management Assurance Return, reviewed by the Audit and Risk Committee and submitted to the UK DfT in March 2020

"Irish Lights is committed to maintaining the highest standards of corporate governance in accordance with the DfT Framework Document for the General Lighthouse Authorities.

3.1.1 Directors Report

The Board of Irish Lights is comprised of:

- Up to twelve 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 relevant company directorships or other significant interests held by Board members is maintained. The Board Chairman was satisfied that these did not conflict with the duties and responsibilities of Board members as non-executive Directors of the Commissioners of Irish Lights during 2019-20. The Board has appointed a Chief Executive and Management Team to run the day to day activities of the organisation.

The Board met on seven occasions this year. Certain matters were 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 monitored progress against the new strategy "Safe Seas – Connected Coasts" covering the period 2018-2023 along with external developments related to Brexit, Tri-GLA Helicopter Contract and Covid 19. The Board also reviewed and agreed the Corporate Plan 2020-25 and the 2018/19 Annual Report and Accounts.

Membership of the Board during 2019/20 was as follows:

Co-opted Commissioners

*John Coyle (Chairman & Office Bearer to 31 December 2019)

Kieran Crowley (Vice-Chairman to 31 December 2019 and Chairman & Office Bearer commencing 1 Jan. 2020)

Mark Barr (Vice Chairman & Office Bearer from 1 Jan. 2020)

David Delamer

Michael Maclaran

Andrew Jones

Donal O'Mahony

Adam Grennan

Dan Maher

Sally Montgomery

Olive Hill

Elizabeth Shanks (retired on 31 May 2019)

Ex-officio Commissioners (Representatives of Dublin City Council)

Councillor Ciaran Cuffe to 1 June 2019

Councillor Paddy Bourke to 31 May 2019

Councillor Dermot Lacey – appointed to board and sworn in 20 September 2019

Councillor Danny Byrne – appointed to Board and sworn in 20 September 2019

Councillor Donna Cooney – appointed to Board and sworn in 25 October 2019

Executive Board Members

Yvonne Shields O'Connor (Chief Executive)

Board Members on inspection visit at Maidens Lighthouse, Northern Ireland

Board Membership and Committee Structures

Attendance at scheduled meetings of the Board and its committees in the financial year ended 31 March 2020

Name	Board #	Audit & Risk Committee	Remuneration Committee	Nominations Committee	Corporate Management Committee
Commissioners:					
John Coyle (Chairman)	4/7(C)	-	0/0 (C)	0/0 (C)	1/1
Kieran Crowley	7/7	2/2 (C)	0/0	0/0	-
David Delamer	6/7	-	0/0	0/0	1/1
Michael Maclaran	6/7	3/3	-	0/0	-
Elizabeth Shanks	1/1	-	-	-	-
Mark Barr	7/7	2/2	0/0	-	1/1 (C)
Donal O'Mahony	5/7	3/3	-	-	1/1
Adam Grennan	7/7	-	-	-	0/1
Dan Maher	7/7	1/1	-	-	0/1
Olive Hill	5/7	0/1	-	-	-
Andrew Jones	5/7	3/3 (C)**	-	-	-
Sally Montgomery	7/7	-	-	-	-
Councillor Ciaran Cuffe	1/1	-	-	-	-
Councillor Paddy Bourke	0/1	-	-	-	-
Councillor Dermot Lacy	4/5	-	-	-	-
Councillor Danny Byrne	3/5	-	-	-	-
Councillor Donna Cooney	4/5	-	-	-	-
Yvonne Shields O'Connor	7/7	3/3	0/0	0/0	1/1

* Note (C) denotes Chairman of Committee

** Note Chairman of Committee from 1 January 2020

\# 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. In aggregate, expenses paid to and behalf of Board Members in respect of their duties were €12,933 (2018/19 €14,987). 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 Chief Executive Officer /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 GIAA and the 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 2020. The main activities for the year included the review of the 2018/19 Annual Report and Accounts and the recommendation that they be formally approved by the Board; reviewed the Irish Lights risk register; reviewed the Annual Management Assurance Return to the UK DfT and considered the reports provided by both the Internal and External Auditors. It should be noted that the NAO do not provide an audit opinion on the Irish Lights Annual Accounts. The Committee also reviewed the Business Continuity Maintenance programme, GDPR status post implementation, the internal audit programme, cyber security health check report, Charities Regulator annual returns, new accounting standards and the updated procedures for Leased asset revaluations.

b) Remuneration Committee

The Remuneration Committee did not meet in 2019-20.

c) Nominations Committee

The Nominations Committee is responsible for the appointment of elected members of the Board of Irish Lights. The Nominations Committee did not meet in 2019-20

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. The Committee completed a 3 day inspection of South Coast stations in June 2019 and a 3 day inspection of North East Coast stations in August 2019.

e) The Corporate Management Committee

The Corporate Management Committee met in September2019 and considered the Corporate Plan covering the period 2020 to 2025 with a focus on year three business targets within the five year strategy 'Strategy Safe Seas – Connected Coasts'. The budget to achieve targets for 2020/21 was reviewed and recommended to the Board for approval.

f) Tri-GLA JSB

The JSB supports the co-ordination of tri-GLA activity and ensures that improvements and efficiencies in Tri-GLA performance are achieved. The JSB met on two occasions in 2019-20 in May and in November. Key issues discussed included Tri-GLA monitoring, helicopter activity in relation to cross border helicopter operations post-Brexit, Global Navigation Satellite System (GNSS) vulnerability, DGPS, GLA efficiencies, Corporate Plans, Brexit, cyber security, RPI-x (in the context of GLF efficiencies), autonomous vessels, new vessel procurement and Tri-GLA research and development.

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.

The Board held a workshop to review its effectiveness on the 4 October 2019. Topics covered included follow-up on the actions from the 2017-18 review, corporate governance and future organisational priorities to 2025. The outcomes of the workshop were noted at the Board (Commissioners) Meeting in October 2019.

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

External Auditors[1]
Comptroller and Auditor General
National Audit Office
157 Buckingham Palace Road
Victoria, London, SW1W 9SP

Internal Auditors
Government Internal Audit Agency (GIAA)
Zone 2/16, Great Minster House,
33 Horseferry Road,
London, SW1P 4DR

Bankers
Bank of Ireland
39 St. Stephen's Green East
Dublin 2

Bank of Ireland
P.O. Box 13
Donegal Place, Belfast BT1 5BX

Solicitors
Mullany Walsh Maxwells
19 Herbert Place, Dublin 2
O'Reilly Stewart
Courtside House
75-77 May Street
Belfast, BT1 3JL

Philip Lee
7/8 Wilton Terrace, Dublin 2

[1] It should be noted that the NAO review the Irish Lights Annual Report and Accounts as part of their audit of the consolidated General Lighthouse Fund Annual Report and Accounts. However, they do not provide an audit opinion on the Irish Lights Annual Accounts.

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 (FReM) 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 FReM 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 are fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that they are fair, balanced and understandable.

3.1.3 Governance Statement

Overview

The Board has in place specific arrangements to comply with the requirements set out by the UK DfT Framework Document for the GLAs, 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 relevant legislation.

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, strategy, 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 2020 and up to the date of approval of the Annual Report and Accounts.

Risk Management Policy

Irish Lights has a risk management framework in place covering risk policy, a corporate risk register and a system of Management and Board review. 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 of 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 & Insurance Scrutiny in 2019 which contains the business risks, risk management policy, and strategy for the GLAs.

External Input to Navigation Risk Management

External stakeholders are involved in a continuing dialogue on risks. This involves User Committees, general consultation with marine sector representatives and the Lights Advisory Committee. Irish Lights continues to facilitate a User Committee structure and now holds 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 2020 were:

- *COVID -19 Pandemic.* Corona virus developments are being monitored very closely in line with Health Service Executive (HSE) and Government guidelines. Irish Lights has been designated as an essential service and work continues in fulfilling its statutory duties pertaining to safe navigation. Since the start of the pandemic essential work has continued at our coastal stations and aboard the ILV Granuaile. The majority of office based employees have been working from home following safe work guidelines. The economic risks will impact on our business with an anticipated reduction in commercial income in 2020-21. Having considered all of the associated issues and the impacts of the pandemic on Irish Lights' operations it has been concluded that no adjustment is required to the 31 March 2020 financial statements.

- *Brexit – risks associated with UK exit from the European Union.* The Board continues to closely monitor the progress of Brexit developments and the implications for Irish Lights. The possible economic risks and their impact on costs, commercial and lights dues income have been evaluated in so far as these are known, along with potential operational disruption on cross boarder or Tri-GLA activities. A Tri–GLA Brexit risk register was developed to monitor risks, controls and mitigation measures. The Board is confident that Irish Lights is prepared for Brexit and that Irish Lights can continue to provide AtoN services to our Stakeholders.

- *Cyber Security.* Irish Lights continues to focus on the every changing cyber threat landscape and proactively conducts and addresses findings from a range of controls including vulnerability scanning, internal and external penetration tests and the employee awareness and education initiatives.

- *DGPS Obsolescence.* The DGPS service is over ten years old and operates on end of life hardware and software that are no longer supported. A decision has been taken to discontinue the Aids to Navigation service from March 2022 and in the interim measures will be taken to continue operation and address any hardware or software vulnerabilities. Consideration is being given to non GLA requirements and to potential alternative GLA use for the DGPS infrastructure after March 2022.

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 UK DfT. The UK 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 UK DfT on 23 March 2020.

Ardnakinna Lighthouse (Pic. Andrew Collins)

Irish Lights host the Women in Marine Conference 2019

Head of Internal Audit Opinion
On the basis of the evidence obtained during 2019/20, 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 is the same rating as provided 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.

Five audits were conducted over 2019/20 covering a range of topics: Health and Safety, Procurement, Cyber Security, Key Financial Controls and an audit of behalf of the UK Maritime and Coastguard Agency on Aids to Navigation. Although the audits highlighted areas where improvements can be made, overall corporate governance and risk management processes are strong at Irish Lights and ensure generally effective controls 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.

Significant Internal Control Issues
There have been no significant internal control or governance problems in the year ended 31 March 2020.

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 GLA's (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.

> ❝ ...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.

3.2 Remuneration and Staff Report

Staff Costs

Staff costs comprise:	2019/20 Total	Permanently Employed Staff	Others	2018/19 Total
	€'000	€'000	€'000	€'000
Wages and Salaries	7,071	6,683	388	7,118
Social Security Costs	496	479	17	490
	7,567	**7,162**	**405**	**7,608**
Redundancy Costs	-	-	-	-
Less Capitalised Costs[1]	(310)	(310)	-	(346)
	7,257	**6,852**	**405**	**7,262**
Employer Pension Contribution Costs	1,774	1,750	24	1,334
Third Party Pension Costs	1	-	1	9
	1,775	**1,750**	**25**	**1,343**
TOTAL	**9,032**	**8,602**	**430**	**8,605**

[1] Capital Irish Lights staff costs are included in the valuation of Fixed Asset additions.

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 2019/20 or 2018/19.

Pay Multiples	2019/20	2018/19
Band of Highest paid Executive Total Remuneration (€000's)	145-150	145-150
Median Total Remuneration at year end	€46,421	€46,421
Ratio	3.2	3.1

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 2019/20, no employees received remuneration in excess of the highest-paid Executive. The total remuneration including taxable benefits paid to Chief Executive and other key management was €642,134[2] (2018/19 €540,704).

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 scheme.

[2] Includes full annual salary for employee that joined Feb '19.

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 PCSPS is a multi-employer defined benefit scheme in which the Commissioners for Irish Lights are unable to identify its share of the underlying assets and liabilities. 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 RoI can opt to open a Personal Retirement Savings Account (PRSA) also with an employer contribution.

One employee availed of a PRSA in 2019/20 who transferred to the Alpha Scheme in July 2019 (€1,259 2019/20).
There was one employee who retired early on ill-health grounds and one deferred pensioner during the year 2019/20.

Employer Pension Contributions Costs
Employer contributions are payable to the PCSPS at one of four rates in the range 26.6% to 30.3% (2018/19: 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 2019/20 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.

	2019/20	2018/19
	€'000	€'000
Employer contributions cost	1,775	1,334

Staff Report

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

	2019/20 Total	Permanently Employed staff	Others	2018/19 Total
Directly employed	116	108	8	117
Staff engaged on capital projects	6	6	-	6
TOTAL	**122**	**114**	**8**	**123**

Diversity Information
The number of Board members together with people employed on 31 March, including full-time, part-time, permanent and temporary employees:

	2019/20 Male	2019/20 Female	2019/20 Total	2018/19 Male	2018/19 Female	2018/19 Total
Board Members	11	3	14	11	3	14
Chief Executive & Directors	4	1	5	4	1	5
Managers	9	4	13	9	2	11
Employees	126	15	141	127	15	142

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.

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.

Sickness Absence
During 2019/20 the percentage number of work days lost due to sickness was 2.64% (2018/19: 4.71%). Total days lost due to sickness amounted to 730 days (2018/19: 1,256 days). The average number of days lost per employee was 6.40 (2018/19: 11.42).

Expenditure on Consultancy
During the year €62K (2018/19 €50K) 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 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 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 2016/17 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 year 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
25 September 2020

ILV Granuaile


Galley Head Lighthouse (Pic. John Finn)

Commissioners of IRISH LIGHTS
Navigation and Maritime Services

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

Statement of Comprehensive Net Income for year ended 31 March 2020

	Notes	2019/20 €'000	2018/19 €'000
Income			
Advances from General Lighthouse Fund		14,654	12,981
Other Income	2	1,558	2,543
		16,212	**15,524**
Expenditure			
Staff Costs	3	7,257	7,262
Pension Costs	3	1,775	1,343
Depreciation (Owned)	7	2,118	2,727
Depreciation (Leased)	8	328	-
Amortisation	9	44	26
Loss/(Reversal of Loss) on Revaluation of Property, Plant & Equipment	6	1,458	(471)
Other Expenditures	4	5,039	5,411
		18,019	**16,298**
Net Income / (Expenditure)		**(1,807)**	**(774)**
Interest	5	(59)	-
Revaluation of Investment Properties Gain / (Loss)	10	19	(227)
Net (Deficit)/Income after interest		**(1,847)**	**(1,001)**
Statement of Other Comprehensive Net Income			
Asset Revaluations Gain / (Loss)	6	892	1,473
Total Comprehensive Income / (Expenditure)		**(955)**	**472**

All results derive from continuing operations
The accounting policies and notes on pages 36 to 54 form part of these accounts

Statement of Financial Position as at 31 March 2020

	Notes	2019/20 €'000	2018/19 €'000
Non-current assets:			
Property, plant and equipment (Owned)	7	46,896	47,991
Property, plant and equipment (Leased)	8	2,723	
Intangible Assets	9	200	130
Investment Assets	10	1,565	1,497
Total non-current assets		**51,384**	**49,618**
Current Assets:			
Assets classified as held for sale	11	428	305
Inventories	12	407	425
Trade and other receivables	13	697	830
Cash and cash equivalents	14	466	531
Total current assets		**1,998**	**2,091**
Total assets		**53,382**	**51,709**
Current Liabilities:			
Trade and other payables	15	(3,285)	(3,211)
Provisions: Current Element	18	(491)	(319)
Total current liabilities		**(3,776)**	**(3,530)**
Non-current assets plus/less net current assets/liabilities		**49,606**	**48,179**
Non-current liabilities:			
Provisions	18	(206)	(199)
Other payables	15	(2,904)	(529)
Total non-current liabilities		**(3,110)**	**(728)**
Assets less liabilities		**46,496**	**47,451**
Reserves:			
Accumulated Reserve		21,811	23,026
Revaluation Reserve		24,685	24,425
Total		**46,496**	**47,451**

Yvonne Shields O'Connor
Chief Executive and Accounting Officer
25 September 2020

Statement of Cash Flows for the year ended 31 March 2020

	Notes	2019/20 €'000	2018/19 €'000
Cash flows from operating activities:			
Net Surplus/ (Deficit) after interest		(1,847)	(1,001)
(Profit) /Loss on disposal of property, plant and equipment and intangible assets		66	80
Depreciation (Owned)	7	2,118	2,727
Depreciation (Leased)	8	407	-
Amortisation	9	44	26
Asset Revaluation:			
- (Reversal of Loss)/ Loss on Revaluation of Property, plant and equipment	6	1,458	(471)
- (Upward)/ Downward valuation on Investment Assets	6	(19)	227
(Increase)/Decrease in trade and other receivables		133	(73)
(Increase)/Decrease in inventories		18	(73)
Increase/(Decrease) in trade payables		(302)	698
Use of provisions		179	(20)
Net cash inflow /(outflow) from operating activities		**2,255**	**2,120**
Cash flow from investing activities:			
Purchase of property, plant and equipment		(1,829)	(1,630)
Purchase of intangible assets		(114)	(93)
Purchase of investment assets		-	(53)
Proceeds from disposal of non-financial assets		-	-
Net cash outflow from investing activities		**(1,943)**	**(1,776)**
Cash flows from financing activities			
Capital element of payments in respect of finance leases		(377)	-
Net cash flow from financing activities		**(377)**	-
Net cash flow from all activities		**(65)**	**344**
Net Increase/(Decrease) in cash and cash equivalents in the period	14	**(65)**	**344**
Cash and cash equivalents at the beginning of the period	14	531	187
Cash and cash equivalents at the end of the period	14	466	531

Statement of Changes in Reserves for the year ended 31 March 2020

	Accumulated Reserve €'000	Revaluation Reserve €'000	Total Reserve €'000
Balance at 1 April 2018	**23,488**	**23,491**	**46,979**
Transfers between reserves	499	(499)	-
Retained (Deficit)/ Surplus (SoCNI)	(1,001)	-	(1,001)
Asset Revaluations	-	1,473	1,473
Release of Reserve on Asset Disposal	40	(40)	-
Balance at 31 March 2019	**23,026**	**24,425**	**47,451**
Transfers between reserves	565	(565)	-
Retained (Deficit)/ Surplus (SoCNI)	(1,847)	-	(1,847)
Asset Revaluations	-	892	892
Release of Reserve on Asset Disposal	19	(19)	-
Release of Reserve on asset reclassification	48	(48)	-
Balance at 31 March 2020	**21,811**	**24,685**	**46,496**

Crookhaven Lighthouse (Pic. Arent Van der Veen)

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.

Many of the material balances and transactions in these statements, such as property, plant and equipment, are underpinned by surveyors' valuations. Surveyors have reported that COVID-19 is a source of "material valuation uncertainty" as defined by the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards, effective 31 January 2020. The following inference is made: that this does not mean that their valuations cannot be relied upon, but rather that less certainty should be attached to those valuations. For example, recent transactions for a specific type of property in a specific location may not form as reliable a precedent for a property's current value as under normal circumstances. Given the unprecedented nature of this issue, the GLF Group does not consider that it is possible to indicate the limits of this uncertainty.

IFRS 16 Leases became effective for periods beginning on or after 1 January 2019, although the UK Government FReM deferred adoption until 2021. As the UK Department for Transport contains material components that prepare their accounts in accordance with IFRS rather than the FReM, therefore the components had to adopt IFRS 16 this year. To ease preparation of these group accounts, HM Treasury permitted these Departments and their components, including the GLF, of which Irish Lights is a part, to adopt IFRS 16 in 2019-20. The cumulative catch up method has been used; this is described in more detail in Note 1(e). Consequently, the comparatives for 2018-19 reflect the requirements of IAS 17.

1. Accounting Policies

a) Accounting Convention
These accounts have been prepared in accordance with the 2019/20 UK Government Financial Reporting Manual FReM issued by HM Treasury. The accounting policies contained in the FReM follow International Accounting Standards (IAS) 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 GLFs 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 20120 shows net assets of €46,496K (31 March 2019 €47,451K).

The UK DfT has approved the sanction of the cash required to meet Irish Lights costs as set out in its Corporate Plan for 2019/20 and there is no reason to believe that the UK DfTs 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 at cost and are amortised over the life of the licence. Amortisation is 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 amortised. If an intangible asset cannot be revalued because there is no active market for assets of that type the intangible assets are carried at cost less any accumulated amortisation and impairment losses.

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 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 SoCNI.

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 SoCNI 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 IAS 16 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.

Asset Class	Valuation Method	Valued by
Non Specialised Land & Buildings	Fair Value, using Existing Use Valuation principles	Royal Institution of Charted Surveyors (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	Fair Value 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.

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

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 SoCNI 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 SoCNI. 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
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

Working at Fastnet (Pic. Andrew Collins)

e) Leases

Scope and classification

In accordance with IFRS 16, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease. Low-value items are excluded from lease treatment, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items. Contracts with a term shorter than twelve months are also excluded. The lease term comprises the non-cancellable period, together with any extension options it is reasonably certain will be exercised and any termination options it is reasonably certain will not be exercised.

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), the GLF recognises a RoU asset and a lease liability. The lease liability is measured as the sum of payments, net of value added tax, for the remaining lease term (as defined above), discounted either by the rate implicit in the lease, or, where this cannot be determined, the incremental cost of government borrowing provided by HM Treasury. The payments included in the liability are those that are fixed or in-substance fixed, excluding charges arising, for example, from future rent reviews or changes in an index.

The RoU asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a "peppercorn" lease), the asset is measured at its existing use value.

Subsequent Measurement

RoU assets are subsequently measured using the fair value model. The GLF considers that the cost model is a reasonable proxy for the fair value model for leases of items other than land and property, and for leases of land and property with regular rent reviews. For other leases, the asset is carried at a revalued amount using professional valuation where it is practical to do so and material to the accounts. The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

Lease Expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.

Leases as the Lessor

Where the GLF acts as lessor, it assesses whether those leases are finance or operating leases. For finance leases, it derecognises the asset and recognises a receivable. Interest is accrued throughout the financial year and is recognised in income. For operating leases, rental income is recognised on a systematic basis, usually straight-line, over the lease term.

Transitional arrangements

The following arrangement have been applied to transition from IAS 17 to IFRS 16.

- Adoption of IFRS 16 using the cumulative catch up method i.e. without restatement of comparative balances. Consequently, the SoCNI and the SoFP for 2018-19 reflect the requirements of IAS 17;
- No reassessment of the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts have been classified using the IFRS 16 criteria;
- For leases previously treated as operating leases:
  - To measure the liability at the present value of the remaining payments, discounted by the incremental cost of borrowing as at the transition date;
  - To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease;
  - To exclude leases whose term ends within twelve months of first adoption;
  - To use hindsight in assessing remaining lease terms;
- For leases previously treated as finance leases:
  - To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the RoU asset and lease liability as at first adoption.

Estimates and judgements

For embedded leases, the GLF determines the amounts to be recognised as the RoU asset and lease liability based on the stand-alone price of the lease component and the non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. Some contracts cover both a lease of land which the lessee controls and rights of access through adjacent land which the lessee does not control. In more remote locations, where stand-alone prices are not readily observable, the GLF has elected to take the practical expedient of treating the entire contract as a lease.

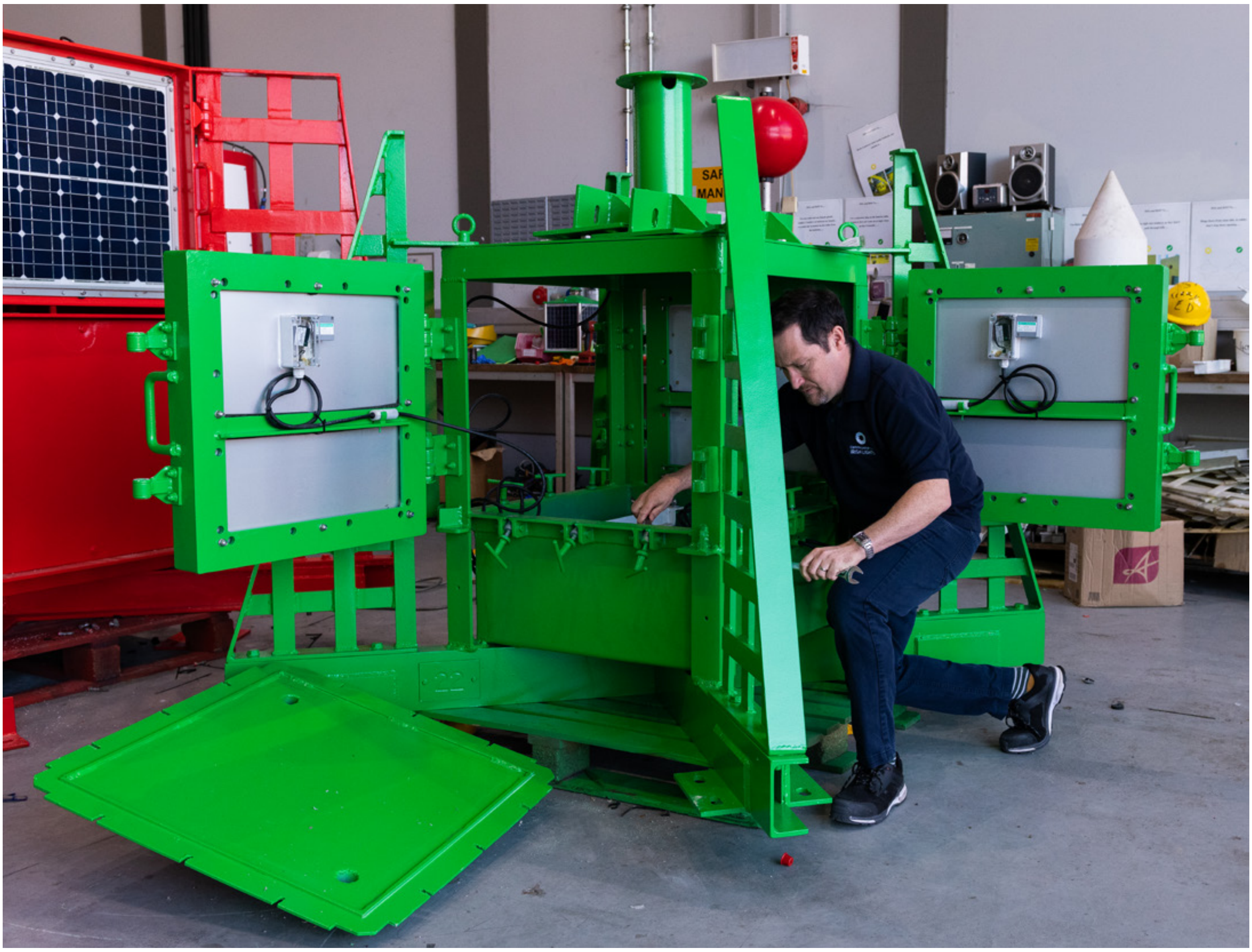
The FReM requires that RoU assets held under "peppercorn" leases should be measured at existing use value. These leases include historic, long-term leases as well as more recent arrangements. The GLF has distinguished these from leases in which the consideration is low, but proportionate to the asset's value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals). When an existing use value is required for low values or peppercorn leases, this is calculated based on similar arrangements within the estate i.e. using current rentals for similar property as a proxy. If similar arrangements are not available a professional valuation is sought.

Leases under IAS 17 (2018/19 only)
Arrangements conveying the right to use an asset are treated as leases, regardless of their legal form. Leases are classified as finance leases if the risks and rewards of ownership are transferred to the lessee. Finance leases are capitalised at the commencement of the lease term at the lower of the fair value of the leased item or the present value of the minimum lease payments. Finance charges are allocated between periods to achieve a constant rate of interest on the remaining liability balance and are charged directly against operating expenditure. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Other leases are classified as operating leases. Operating lease payments are recognised as an expense in Net Operating Expenditure on a straight-line basis over the lease term.

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

g) Research and Development
Research and Development work is co-ordinated by GRAD. Direct expenditure incurred via this channel or any other research and development activity is charged to the Statement of Consolidated Income as incurred.

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/£0.8845).

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 SoCNI 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

Loans, trade receivables and accrued income are covered by the financial instruments standards IFRS 9 and, for the comparative year, IAS 39. Financial assets were previously categorised as loans and receivables under IAS 39 and have been categorised as financial assets held at amortised cost under IFRS 9. 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. Credit loss allowances for trade receivables and similar arrangements are measured at the lifetime expected credit loss where material.

Financial liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate. Where the effective interest rate is not materially different from the actual interest rate the actual interest rate is used instead. Financial liabilities are derecognised when extinguished.

Embedded derivatives

Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value through profit or loss, the embedded derivative is split out and reported at fair value with gains and losses being recognised in the Income and Expenditure Account. As at 31 March 2020, Irish Lights had no contracts that contained embedded derivatives.

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

IFRS 16 (Leases) has been adopted for the first time in these financial statements, one year earlier that required by the FReM. The Secretary of State for transport issued the GLF and the GLAs with an accounts direction mandating early adoption to ensure accounting policy is aligned across the transport group which also adopted early. This standard is adopted by the cumulative catch-up method, as such, the comparatives for 2018-19 reflect the requirements of IAS 17 (Leases).

o) New Standards and Interpretations not yet adopted

The standards listed below are not yet effective for the year ended 31 March 2020 and have not been applied in preparing these financial statements

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to European Union adoption, it may become effective for accounting periods commencing on, or after, 1 January 2021 and should be included in the 2021-22 FReM at the earliest. The GLF considers that it has no contracts which meet the definition of insurance contracts.

Other changes due to come into effect after 2019/20 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 contractual obligations are met in accordance with IFRS 15. 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 RoI.

q) Estimates
The key estimates in the accounts relate to asset valuations. A number of qualified surveyors are engaged to provide professional valuations of different elements of the asset base as disclosed in note 5. Specific estimation uncertainty arises in respect of the valuation of the lighthouse estate, the Depreciated Replacement Cost of which constitutes the largest element of the buildings category in note 6. Key assumptions are made in the following areas.

- For each lighthouse, the GLF selects a modern equivalent asset (MEA) based on the navigation requirement at the asset's location. This selection is based on a decision tree common to each of the GLAs which draws on key considerations for construction strategy such as whether a structure is onshore or offshore; and the degree of challenge posed by wave patterns at the location. The analysis of available construction techniques draws on the professional expertise of suitable expert GLA staff and the options emerging from recent case studies into possible rebuild or refurbishment work following market engagement. The design of this decision tree is a matter of professional judgement since more prudent engineering assumptions will tend towards the selection of more expensive MEAs, risking overvaluation, while more aggressive engineering assumptions will tend towards less expensive ones, risking undervaluation through optimism bias. The GLF has followed the principal of neutrality in any judgements arising and considered the results of the decision tree based on a number of actual locations.
- Costing rates are determined for the gross replacement cost of each MEA, establishing a standard valuation to apply to each lighthouse in that category rather than costing each one individually. This portfolio approach is permitted by the FReM and RICS 'Red Book'. These are determined based on the most recent available data from case studies, with a consideration of indexation. Adjustment factors are applied based on location and physical characteristics of the site, to reflect the varying difficulty and cost of construction, e.g. for remote islands.
- As required by the FReM, a discount is made to the gross replacement cost to reflect the GLFs assessment of the proportion of each lighthouse's useful life which has been expended. Condition point estimates which drive the measurement of this discount are based on the available data in respect of asset condition (including age), combined with professional judgement which considers the type of construction for the asset in use.

r) Pension Benefits
Past and present employees are covered by the provisions of the UK Civil Service Pension arrangements comprising the PCSPS and the Civil Servants and Others Pension Scheme also known as Alpha, introduced on 1 April 2015. Both are unfunded, defined benefit, contributory, public service occupational pension schemes. The PCSPS was originally set up under the UK Superannuation Act 1972. It comprises four pension arrangements known as Classic, Classic plus, Premium and Nuvos and is closed to new members.

PCSPS and Alpha are unfunded schemes and the cash required to meet the payment of pension benefits is paid from public funds provided by UK Parliament. Members contribute on a 'pay-as-you-go' basis, with these contributions (along with those made by employers) being credited to the Exchequer under arrangements governed by the aforementioned Acts. The contributions due from employers and employees to fund future service liabilities are set by the Actuary at the four-yearly Scheme valuation. These have been adjusted to take account of the move to Alpha. Unlike many other schemes, the employer/employee split is not fixed. However, a cost-capping mechanism is in place to prevent the employer cost becoming disproportionate to the employee cost.

Employers are required to pay the additional cost of termination benefits beyond the normal PCSPS/Alpha benefits.

s) 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 21 days (2018/19 20 days).

2. Other Operating Income

	2019/20 €'000	2018/19 €'000
Property Rentals	676	684
Buoy Rentals	187	245
Tender Hire	659	1,537
Sundry Receipts	36	27
Grant Income	-	50
TOTAL	**1,558**	**2,543**

3. Staff Costs

	2019/20 €'000	2018/19 €'000
Staff costs comprise:		
Wages and Salaries	7,071	7,118
Social Security Costs	496	490
	7,567	**7,608**
Redundancy Costs	-	-
Less Capitalised Costs	(310)	(346)
	7,257	**7,262**
Employer Pension Contribution Costs	1,774	1,334
Third party pension costs	1	9
	1,775	**1,343**
TOTAL	**9,032**	**8,605**

The Chief Executive's remuneration including taxable benefits was €148,000 (2018/19 €146,300). No bonus or pay increase has been paid. The change reflects the final stage of restoration of a voluntary salary reduction which was implemented in 2014

4. Other Expenditure

	2019/20 €'000	2018/19 €'000
Running Costs	4,779	4,894
Rental under Operating Leases	-	437
Variable lease costs	194	-
Profit /Loss on disposal of non-financial assets	66	80
TOTAL	**5,039**	**5,411**

Auditor's remuneration relates to the C&AG's review of Irish Lights transactions and balances contributing to his audit opinion on the GLF and is paid directly by the GLF. The proportion of the GLF fee that relates to Irish Lights for 2019/20 is €25.2K/ GBP£22.0K (2018/19: €21.2K/ GBP£18.7K).

5. Interest Payable

	2019/20 €'000	2018/19 €'000
Interest payable	59	-
TOTAL	**59**	-

Note: Interest Payable is in respect of Right of Use Assets.

6. 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 IAS 16 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 2019/20 these valuations were professionally updated to 31 March 2020 with the assistance of the following Independent Experts, in accordance with the FReM, IAS 16 and IFRS 13:

Asset	Valuer	Organisation
Land & Buildings including Beacons RoI	Mr Niall Deegan MRICS	Irish Valuations office
Lighthouse AtoN Plant RoI	Mr Niall Deegan MRICS	Irish Valuations office
Land & Buildings including Beacons NI	Mr Sean Daly MRICS	LPS Mapping and Valuation Services
Lighthouse AtoN Plant NI	Mr Sean Daly MRICS	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 Charted Surveyors – 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:

	2019/20 €'000	2018/19 €'000
Profit/(Loss) on Property, plant and equipment valuations (via Statement Net Income)	(1,458)	471
Profit/(Loss) on Property, plant and equipment valuations (via Revaluation Reserves)	892	1,473
(Downward)/ Upward valuation on Investment Assets (Note 10)	19	(227)
TOTAL	**(547)**	**1,717**

Revaluation Movements 2019/20	PPE Note 7 €'000	Intangible Assets Note 9 €'000	Investment Assets Note 10 €'000	Held for Resale Note 11 €'000	2019/20 Total €'000
Revaluation Movement - cost	(2,437)	-	19	123	(2,295)
Revaluation Movement - accumulated depreciation	1,748	-	-	-	1,748
TOTAL					**(547)**

Flying to Skelligs (Pic. Andrew Collins)

7. 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 2019**	**4,133**	**27,754**	**47**	**5,538**	**3,417**	**10,088**	**260**	**1,300**	**52,537**
Additions	-	-	-	636	20	767	65	341	1,829
Disposals	-	(13)	-	(474)	(6)	(684)	-	-	(1,177)
Impairments	-	-	-	-	-	-	-	-	-
Transfers	-	378	-	123	41	327	-	(869)	-
Reclassifications	-	(50)	-	-	-	-	-	-	(50)
Revaluations	(3)	4	(10)	(1,866)	62	(624)	-	-	**(2,437)**
Balance at 31 March 2020	**4,130**	**28,073**	**37**	**3,957**	**3,534**	**9,874**	**325**	**772**	**50,702**
Depreciation €'000 **Balance at 1 April 2019**	**-**	**7**	**-**	**315**	**104**	**3,940**	**180**	**-**	**4,546**
Charged in year	-	663	12	664	153	593	33	-	2,118
Disposals	-	(2)	-	(473)	-	(635)	-	-	(1,110)
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(662)	(12)	(506)	(101)	(467)	-	-	(1,748)
Balance at 31 March 2020	**-**	**6**	**-**	**-**	**156**	**3,431**	**213**	**-**	**3,806**
Net Book Value **1 April 2019**	**4,133**	**27,747**	**47**	**5,223**	**3,313**	**6,148**	**80**	**1,300**	**47,991**
Net Book Value **31 March 2020**	**4,130**	**28,067**	**37**	**3,957**	**3,378**	**6,443**	**112**	**772**	**46,896**

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 2019 - €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 2018	**4,161**	**27,148**	**51**	**6,275**	**3,333**	**9,860**	**318**	**928**	**52,074**
Additions	-	12	-	105	-	302	52	1,159	**1,630**
Disposals	-	-	-	-	-	(131)	(110)	-	**(241)**
Impairments	-	-	-	-	-	-	-	-	-
Transfers	-	4	-	-	-	363	-	(787)	**(420)**
Reclassifications	(51)	(186)	-	-	-	-	-	-	**(237)**
Revaluations	23	776	(4)	(842)	84	(306)	-	-	**(269)**
Balance at 31 March 2019	**4,133**	**27,754**	**47**	**5,538**	**3,417**	**10,088**	**260**	**1,300**	**52,537**
Depreciation €'000									
Balance at 1 April 2018	**-**	**6**	**-**	**(1)**	**53**	**3,865**	**270**	**-**	**4,193**
Charged in year	-	618	10	1,311	151	617	20	-	**2,727**
Disposals	-	-	-	-	-	(51)	(110)	-	**(161)**
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluations	-	(617)	(10)	(995)	(100)	(491)	-	-	**(2,213)**
Balance at 31 March 2019	**-**	**7**	**-**	**315**	**104**	**3,940**	**180**	**-**	**4,546**
Net Book Value 1 April 2018	**4,161**	**27,142**	**51**	**6,276**	**3,280**	**5,995**	**48**	**928**	**47,881**
Net Book Value 31 March 2019	**4,133**	**27,747**	**47**	**5,223**	**3,313**	**6,148**	**80**	**1,300**	**47,991**

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 2018 - €410K) held on behalf of the Irish Government.

8. Right of Use Assets

	Land	Plant & Equipment	Total
COST €'000			
Opening Balance	-	-	-
Initial Recognition at 1 April 2019	1,765	1,386	3,151
Lease Reassessment	-	(21)	(21)
Balance at 31 March 2020	**1,765**	**1,365**	**3,130**
DEPRECIATION €'000			
Opening Balance	-	-	-
Charged in year*	29	378	407
Balance at 31 March 2020	**29**	**378**	**407**
Net Book Value at 1 April 2019	**-**	**-**	**-**
Net Book Value at 31 March 2020	**1,736**	**987**	**2,723**

There is just one RoU asset included under the heading of Land above which is the long-term lease of a section of seabed adjacent to the Irish Lights headquarters in Dun Laoghaire. There is quayside structure erected on this section of seabed.

The Plant and Equipment heading above includes one RoU asset which is Irish Lights' share of the Tri-GLA helicopter contract to the extent that the costs are fixed. As at 31 March 2020 the contract had 1.6 years remaining. There are extension options within the contract which have yet to be exercised.

There are no lease commitments which have not yet commenced.

* Leased asset deprecation in the SoCNI is less €79K in respect of helicopter deprecation charged to capital under PPE

Leaving the Island (Pic. Andrew Collins)

9. Intangible Assets – current year

	Assets in Construction	Computer Software	Total
COST €'000			
Balance at 1 April 2019	20	382	402
Additions	-	114	114
Disposals	-	(11)	(11)
Transfers	(20)	20	-
Balance at 31 March 2020	**-**	**505**	**505**
AMORTISATION €'000			
Balance at 1 April 2019	-	272	272
Charged in year	-	44	44
Disposals	-	(11)	(11)
Balance at 31 March 2020	**-**	**305**	**305**
Net Book Value at 1 April 2019	20	110	130
Net Book Value at 31 March 2020	**-**	**200**	**200**

Intangible Assets – prior year

	Assets in Construction	Computer Software	Total
COST €'000			
Balance at 1 April 2018	-	321	321
Additions	20	73	93
Disposals	-	(12)	(12)
Balance at 31 March 2019	**20**	**382**	**402**
AMORTISATION €'000			
Balance at 1 April 2018	-	258	258
Charged in year	-	26	26
Disposals	-	(12)	(12)
Balance at 31 March 2019	**-**	**272**	**272**
Net Book Value at 1 April 2018	**-**	**63**	**63**
Net Book Value at 31 March 2019	**20**	**110**	**130**

10. Investment Assets

	2019/20 €'000	2018/19 €'000
Opening Balance	1,497	1,319
Additions	-	53
Reclassifications	49	(68)
Revaluations	19	(227)
Transfer from AUC	-	420
TOTAL	**1,565**	**1,497**

11. Assets Held for Resale

	2019/20 €'000	2018/19 €'000
Opening Balance	305	-
Revaluations	123	-
Reclassifications	-	305
TOTAL	**428**	**305**

At 31 March 2020 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 IFRS 5. As these assets are being transferred for zero consideration they have been impaired to their net realisable value of zero.

12. Inventories

	2019/20 €'000	2018/19 €'000
Inventories of consumable stores and fuel	407	425
TOTAL	**407**	**425**

13. Trade receivables and other current assets

	2019/20 €'000	2018/19 €'000
Amount falling due within one year:		
Trade Receivables	146	62
VAT Recoverable	51	141
Other receivables	309	387
Prepayments and accrued income	191	240
	697	**830**

14. Cash and cash equivalents

	2019/20 €'000	2018/19 €'000
Balance at 1 April 2019	531	187
Net Change in cash and cash equivalents	(65)	344
Balance at 31 March 2020	**466**	**531**

The above figure includes cash to the value of €83K (31 March 2019 - €77K) held on behalf of the Irish Government.

The following balances at 31 March 2020 were held at:

	2019/20 €'000	2018/19 €'000
Commercial banks and cash in hand	466	531
Balance at 31 March 2020	**466**	**531**

15. Trade payables and other current liabilities

	2019/20 €'000	2018/19 €'000
Amounts falling due within one year:		
Other taxes and social security	276	613
Trade payables	510	653
Other payables	320	302
Accruals and Deferred Income	1,794	1,643
Lease Liabilities	385	-
TOTAL	**3,285**	**3,211**

	2019/20 €'000	2018/19 €'000
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	44	42
Value of asset held on behalf of the Irish Government	493	487
Lease Liabilities	2,367	-
TOTAL	**2,904**	**529**

16. Commitments under Leases

These lease commitments in this note represent the lease liabilities relating to the two RoU assets described in note 8 above.

Reconciliation from the IAS 17 operating lease commitment on 31 March 2019 to the IFRS 16 opening lease liability on 1 April 2019.

Under IAS 17 future lease commitments were not included as a liability on the SoFP but as a note to the accounts. Under IFRS 16 lease liabilities are included on the SoFP at the Net Present Value of the future lease payments.

This table reconciles the amount of the Irish Lights' operating lease commitments as at 31 March 2019 to the lease liabilities as at 1 April 2019, immediately following adoption of IFRS 16. The material reconciling items are an adjustment for the impact of discounting the lease commitments to Net Present Value and for the differing assessments of the lease term (the previous operating lease commitment reflected amounts payable during the non-cancellable lease period, while the IFRS 16 lease term reflects the Irish Lights' assessment of the likelihood that it will exercise lease extension or cancellation options.

Measurement of lease liabilities	**€'000**
Operating lease commitments disclosed as at 31 March 2019 (IAS 17)	**4,567**
Add: finance lease liabilities recognised	-
(Less): impact of discounting	(1,349)
(Less): short-term leases not recognised as a liability	-
(Less): low-value leases not recognised as a liability	(9)
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	(58)
Lease liability recognised as at 1 April 2019 (IFRS 16)	**3,151**
Of which:	
Current	383
Non-current	2,768
	3,151

	2019/20 €'000
Lease liabilities as at 31 March 2020	
Current	385
Non-current	2,367
	2,752
Amounts falling due:	
Not later than one year	385
Later than one year and not later than five years	696
Later than five years	1,671
	2,752

16. Commitments under Leases continued

Amounts recognised in expenditure:	2019/20
Depreciation expense	407
Less Capitalised Depreciation Costs	(79)
Interest expense	59
Rental on leases of low-value assets	7
Rental of leases expiring within 12 months	-
	394
Cash flows	
Interest	59
Repayment of lease liability	437
	496
Income from subleasing right of use assets	-
Note: As at 31 March Irish Lights had no Finance Leases	
Lessor income from operating leases:	
Lease income	632
Income relating to variable lease payments that do not depend on an index or a rate	71
	703
Maturity analysis of operating lease payments receivable	
Amounts due:	
Within 1 year	641
Between 1 and 2 years	466
Between 2 and 3 years	433
Between 3 and 4 years	409
Between 4 and 5 years	342
After 5 years	2,016
	4,307

Note: For purpose of calculating the above lease receivables we have included a maximum of 25 years income as we believe this is a reasonable and prudent period to assume continuity of income

Operating Leases under IAS17 (for 2018/19 only)

Total future minimum lease payments under operating leases are given in the table below

	2018/19 €'000
Obligations under operating leases for the following years comprise:	
Land:	
Not later than one year	50
Later than one year and not later than five years	200
Later than five years	2,829
	3,079
Other:	
Not later than one year	403
Later than one year and not later than five years	1,085
Later than five years	-
	1,488

17. Capital Commitments

	2019/20 €'000	2018/19 €'000
Contracted capital commitments at 31 March 2020 not otherwise included in these financial statements		
Property, plant and equipment	84	124
TOTAL	**25**	**124**

18. Provisions for Liabilities and Charges

	Remedial Works/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Provisions at 1 April 2019	**242**	**276**	**518**
Provided in year	298	100	398
Provisions not required and written back	(61)	-	(61)
Provisions utilised in the year	(124)	(34)	(158)
Provisions at 31 March 2020	**355**	**342**	**697**

Analysis of expected timing of discounted flows

	Remedial Works/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Not later than one year	355	136	491
Later than one year and not later than five years	-	53	53
Later than five years	-	153	153
Provisions at 31 March 2020	**355**	**342**	**697**

A view from Skellig Michael (Pic. Andrew Collins)

19. Pension Commitments

Merchant Navy Officers Pension Fund (MNOPF)
Irish Lights along with the other GLA's were Participating Employers of the now closed MNOPF, a defined benefit scheme providing benefits based on final pensionable salary. The MNOPF scheme was closed on 31 March 2016 by its trustees, therefore GLA employees no longer participate in the scheme. However, the GLAs could be liable to contribute towards historic deficits along with all employers who have ever participated in the fund.

The MNOPF publishes full actuarial valuations on a triennial basis and is unable to determine the proportion of gross deficit attributable to the GLAs. The MNOPF's last full valuation reported a gross deficit of £73m as at 31 March 2018. Allowing for the present value of deficit contributions due after this date, a net deficit of £9m is reported. The trustees published a recovery plan on 26 March 2019 in which an assumption has been made for the fund assets to exceed the average discount rate by 0.1%, eliminating the deficit by 30 September 2023. Accordingly, the MNOPF trustees determined that no additional contributions would be required in order to eliminate the deficit. The trustees will review the need for additional deficit contributions as part of the 31 March 2021 valuation.

20. Events after Reporting Period

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

21. Inter GLA Transactions

Ships Agreement
There were no interventions under the Inter – GLA Ship Sharing Agreement (dated 1 April 2003) during 2019/20.

22. Related Parties

The GLF is administered by the UK DfT who sponsors 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 2019/20 Irish Lights has received advances of €14,654K (2018/2019 €12,981K) 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 2020 the balances outstanding with the GLAs were as follows:

	Balance due from Irish Lights	
	2019/20 €000's	**2018/19 €000's**
GLA		
Trinity House	5	-
Northern Lighthouse Board	114	95

	Balance due to Irish Lights	
	2019/20 €000's	**2018/19 €000's**
GLA		
Trinity House	-	-
Northern Lighthouse Board	-	-

23. Approval of Annual Report and Accounts

This Annual Report and Accounts was approved by the Board on 25 September 2020.

Appendix A – Aids to Navigation Performance Metrics

Resources

AtoN Inventory
The total inventory of AtoN as at 31 March 2020 is as follows:

Type of Station	2019/20 Total	2019/20 Deployed	2018/19 Total	2018/19 Deployed
Lighthouses (Automated)	67	65	67	65
Lighted Beacons	5	5	5	5
Unlighted Beacons	15	15	15	15
Solar Lighted Buoys	177	135	175	135
Hauling Off/Mooring Buoys	6	1	7	3

Other AtoN provided by Irish Lights:

Type of Station	2019/20	2018/19
DGPS	3	3
RACONs on Lighthouses	14	14
RACONs on Buoys	10	10
AIS on Buoys	63	62
AIS at Lighthouses	48	48
AIS Base Stations at other bases	7	11
Met/ Hydro on Buoys	9	9
Met/ Hydro on Lighthouses	2	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.

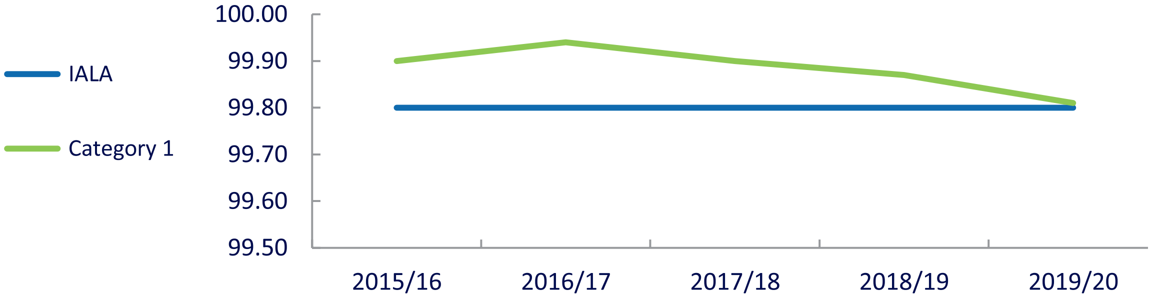
The AtoN reliability statistics for Irish Lights are presented in the following tables and graphs under the agreed three categories. Irish Lights has exceeded the recommended IALA minimum levels of availability for all categories of AtoN.

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%.

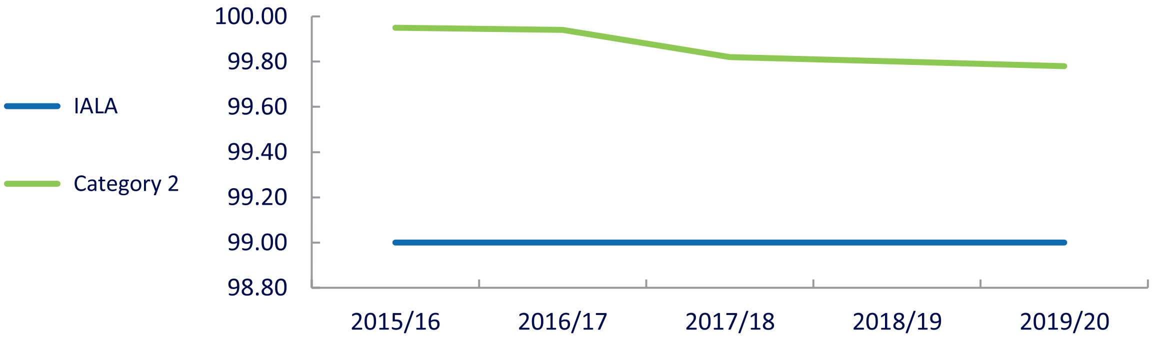
AtoN Availability Compared To IALA Minima - 3 Year Rolling Averages

Category	IALA	2015/16		2016/17		2017/18		2018/19		2019/20	
	Minimum	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff
1	99.8%	99.9	0.1	99.94	0.14	99.9	0.1	99.87	0.07	99.81	0.01
2	99.0%	99.95	0.95	99.94	0.94	99.82	0.82	99.8	0.8	99.78	0.78
3	97.0%	99.81	2.81	99.86	2.86	99.75	2.75	99.78	2.78	99.76	2.76

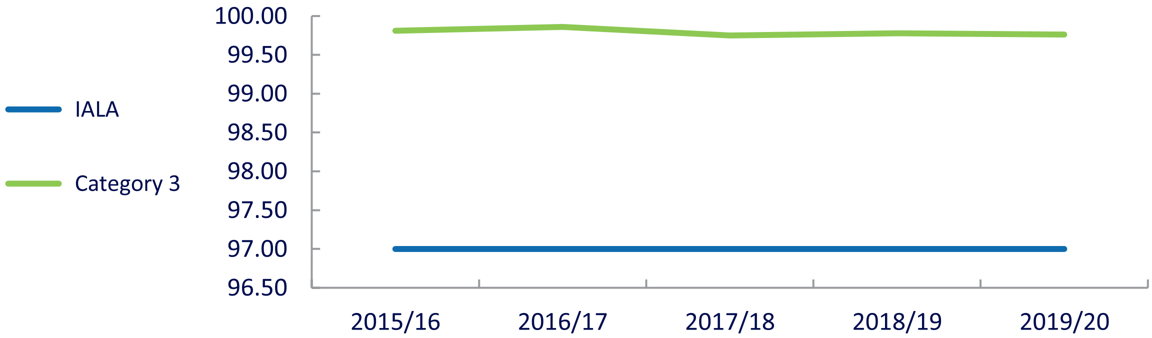
Category 1



Category 2



Category 3



Appendix B – Statutory Background and Charitable Status

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 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.

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).

Maidens Rock (Pic. John Kelly)

Appendix C – List of Acronyms and Abbreviations

AIS	Automatic Identification System
AtoN	Aid to Navigation
BCM	Business Continuity Management
CETV	Cash Equivalent Transfer Values
CO	Coastal Operations
CS	Corporate Services
DfT	Department for Transport
DGPS	Differential Global Positioning System
DHC	Depreciated Historic Cost
DRC	Depreciated Replacement Cost
DTTAS	Department of Irish Transport, Tourism and Sport
EMS	e-Navigation and Maritime Services
FReM	Government Financial Reporting Manual
GDPR	General Data Protection Regulation
GIAA	Government Internal Audit Agency
GLA	General Lighthouse Authority
GLF	General Lighthouse Fund
GNSS	Global Navigation Satellite System
GPS	Global Positioning System (American)
GRAD	GLA Research and Development
HSE	Health Service Executive
IALA	International Association of Marine Aids to Navigation & Lighthouse Authorities
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IGO	Inter-Governmental Organisation
JSB	Joint Strategic Board
LED	Light Emitting Diode
LLA	Local Light Authority
LPWAN	Low Powered Wide Area Network
MAR	Management Assurance Return
MEA	Modern Equivalent Asset
MNOPF	Merchant Navy Officers Pension Fund
MoU	Memorandum of Understanding
NAO	National Audit Office
NDPB	Non Departmental Public Body
NLB	Northern Lighthouse Board
NSARC	National Search and Rescue Committee
PCSPS	Principal Civil Service Pension Scheme
PPA	Partnership Pension Account
PRSA	Personal Retirement Savings Account
RICS	Royal Institute of Chartered Surveyors
RoI	Republic of Ireland
RoU	Right of Use
SAR	Search and Rescue
SEAI	Sustainable Energy Authority of Ireland
SOLAS	International Convention for Safety of Life at Sea
SoCNI	Statement of Comprehensive Net Income
SoFP	Statement of Financial position
TH	Trinity House
UK	United Kingdom
VDES	VHF Data Exchange System
VHF	Very High Frequency

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