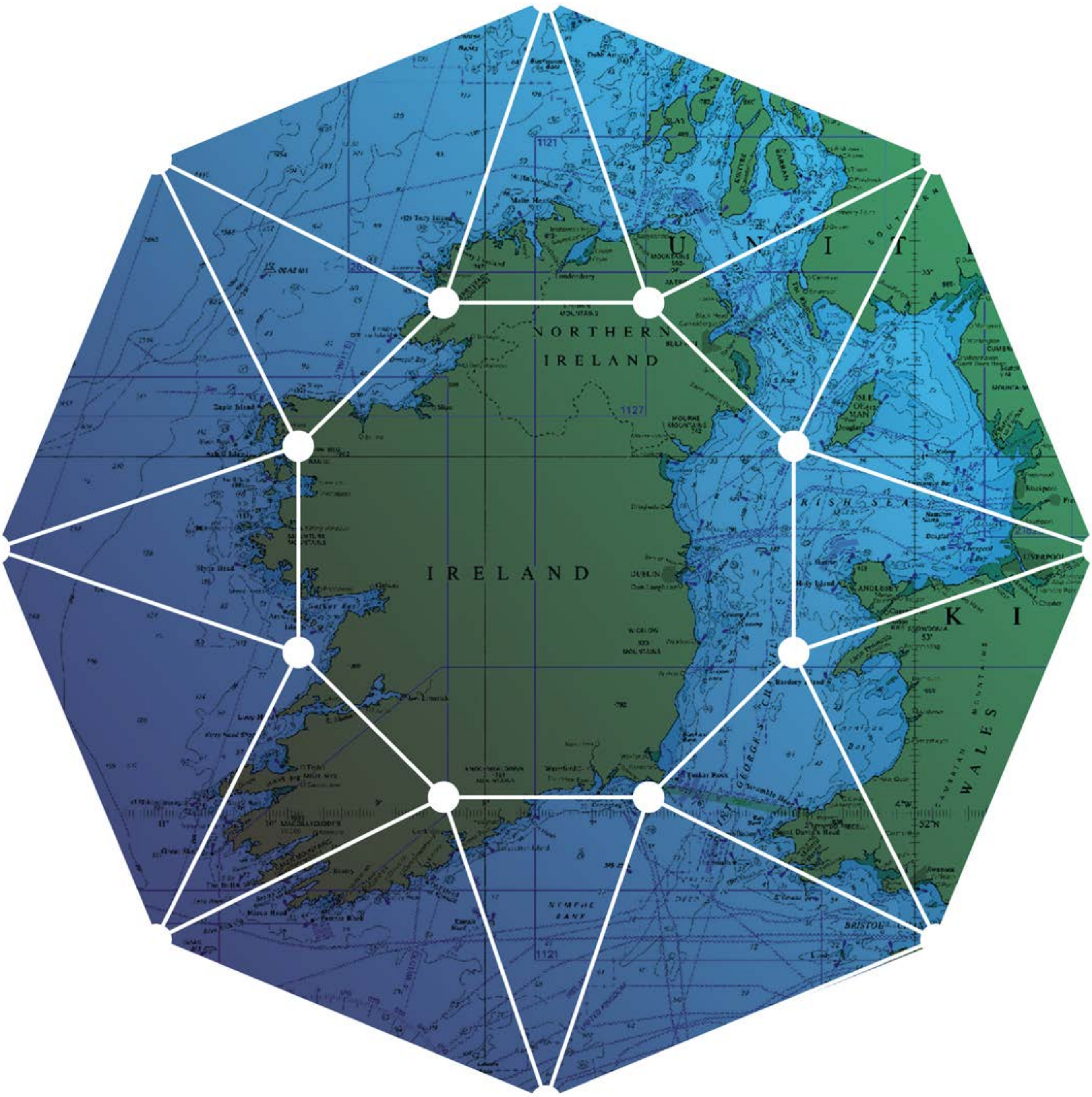
Commissioners of IRISH LIGHTS

Navigation and Maritime Services

Annual Report and Accounts

Year Ended 31 March 2019



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 present the Irish Lights Annual Report and Accounts for 2018/19 which was the first year of our new five year strategy 'Safe Seas - Connected Coasts 2018 - 2023'.

While the strategic priority in year one was on resourcing the new strategy and creating momentum in each of our five focus areas it was also a year where Irish Lights continued to excel in providing our core Aids to Navigation service to the highest international standards.

Marine activity around the island of Ireland continued to grow during the year reflecting the close correlation that exists between the performance of the economy and international trade. Volume of traffic moving through Irish Ports increased by 4% to reach new record levels and the number of arrivals increased by 9% to 13,621. In anticipation of even further volume growth there are major development projects currently taking place to grow capacity in the larger Ports. Other marine activity including fishing, aquaculture and the leisure sectors continued to develop and combined with the focus on increasing offshore renewable energy underlines the requirement for safe navigation and the essential services provided by Irish Lights.

To maintain the quality of its services Irish Lights continued its capital reinvestment programme with major works undertaken at its iconic Fastnet and Kish Lighthouses and new light solutions deployed at Corlis Point, Wicklow Head and Blackrock Sligo. In line with the innovative approach in our new strategy Irish Lights progressed trials of a new first order Lens Bearing at Tory Lighthouse, deployed new self-contained Buoy lanterns and commenced trials of plastic Buoys in the Rusk Channel. On the information technology side Irish Lights upgraded its corporate systems and installed a new Information and Communication Technology monitoring system at its Dun Laoghaire IT facility.

During the year Irish Lights undertook a review of its superintendence services to further strengthen our support to Local Light Authorities and ensure compliance with International Association of Marine Aids to Navigation & Lighthouse Authorities standards. We experienced an increase in requests from a range of sectors for our MetOcean data sets. Additionally, Irish Lights has been working with the University of Limerick on an exciting project to test over the horizon communication technologies which, if proven to be a success, will open up opportunities for a range of offshore services.

Driven by strong partnership arrangements with tourist agencies and local operators, Irish Lights tourism offering 'The Great Lighthouses of Ireland' located at 13 sites had another successful and busy year with growth in ticketed visitor numbers to over 143,000 in 2018. Public interest in our rich heritage was also reflected in the viewing audiences of the four part documentary series on Irish Lights that broadcast on RTÉ in the autumn and attracted viewing audiences of over 450,000.

Following continuous year on year running cost reduction over the previous 10 years Irish Lights costs increased by 4.7% in 2018/19. While this was largely planned it also included costs for remedial works on the Fastnet Lighthouse and Granuaile ship engines. Cost increases were offset by the excellent result in net commercial income which was 40% up on the previous year to €2.1m largely due to strong charter activity. Reflecting the growing sea trade, light dues collected in Ireland increased by 8% during the year.

The integrated maritime safety service we collectively provide around the coasts of UK and Ireland with our sister General Lighthouse Authorities (GLA) Trinity House and the Northern Lighthouse Board is reflected in our operational and financial results and I would like to thank our colleagues for their continued support throughout the year. Additionally, the work of the Tri-GLA research and development team will complement the early adoption of new technology envisaged under our new strategy.

On behalf of the Board of Irish Lights, I would like to thank the UK DfT and DTTAS for their continued support in helping Irish Lights meet its targets during the year. In everything we do, Irish Lights achievements are a reflection of the collective effort of the Board, Management and our Employees. To all of them I give my sincere thanks for their ongoing contribution and support throughout the year.

John Coyle
Chairman 20 September 2019

“Public interest in our rich heritage was reflected in the viewing audiences of the four part documentary series on Irish Lights that broadcast on RTÉ in the autumn and attracted viewing audiences of over 450,000.

Ballycotton Island Co Cork (Photo John Delaney)

> Marine activity around the island of Ireland continued to grow during the year reflecting the close correlation that exists between the performance of the economy and international trade.

Ardnakinna Lighthouse Co Cork (Photo Andrew Collins)

2. PERFORMANCE REPORT

Chief Executive Review

2018/19 was another successful and busy year in which Irish Lights delivered on its core mission of safe navigation at sea.

It was also the first year of our new five year strategy and good progress was made across the 13 action programmes designed to deliver on each of the 5 focus areas. An important component of our strategy implementation involved an organisational restructuring and resourcing programme which will come into effect on the 1st April 2019.

Key achievements for the organisation included meeting the International Association of Marine Aids to Navigation & Lighthouse Authorities (IALA) availability targets facilitated by our high quality and cost efficient maintenance programme. New investments included progress on our capital consolidation programme and deployment of 12 replacement Automatic Identification System (AIS) base stations. We continue to deliver efficiencies by advancing the use of technology and applying innovative approaches in all aspects of our work.

On our tourism offering the Great Lighthouses of Ireland had another excellent year with record visitor numbers.

Financial results are in line with expectations and were helped by the excellent performance on commercial income. Our net costs show that Irish Lights will exceed our 5 year (2016-21) RPI-X target of 2.08% and achieve a result of circa 4.52%. We continue to meet our funding targets by keeping our direct Government contribution to a minimum by exceeding our commercial targets.

Through a combination of the dedication, expertise and hard work of our staff, coupled with their commitment to innovation and excellence, Irish Lights will continue to build on its success and provide a reliable efficient and cost effective navigation and maritime services to our Stakeholders in the year ahead.

ILV Granuaile

> 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.

Helicopter Underslinging, Fastnet Rock

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, the fixed and floating Aids to Navigation (AtoN) provided by Irish Lights are a critical national infrastructure for the maritime sector.

Safe navigation is our business and the delivery of our service 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.

2.2 Operational Performance

Key Developments during the year

To implement our strategy Irish lights has set out 13 action programmes across the five strategic focus areas. 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.

Our capital programme progressed well with works completed at Corlis Point, Blacksod and the Kish Lighthouses. Additionally, work was also commenced at Blackrock Sligo, Broadhaven and Wicklow Lighthouses. Budgetary cost challenges were experienced at Kish and Donaghadee but savings elsewhere allowed us to work within our total capital budget. The Fastnet project was delayed while elevated mercury levels and water systems were addressed. However, all projects were back on schedule by year-end.

New fixed and flashing Light Emitting Diode (LED) technology solutions were deployed at Mew Island and significant progress was made on the trial of the innovative first order lens bearing at Tory Island. It is envisaged that this solution will be deployed at four other locations over the coming years, which will facilitate the retention of the heritage lens while deploying a modern light source solution.

A total of 16 buoys were refurbished during the year, of which 13 have already been deployed by the Granuaile. Of the 13 buoys deployed, three have had AIS added. Self-contained lanterns were fitted to eight of the 13 buoys. This reduces refurbishment cost, provides the same standard of service to the mariner and makes maintenance at sea easier and safer.

As part of our long-term assessment of plastic buoy technology, four buoys were deployed in the marking of the Rusk Channel in the south Irish Sea and two Type 2 buoys were commissioned for deployment at Strangford Lough and at the mouth of the Shannon.

12 time expired AIS base stations (underpinning the AIS network) were recapitalised with futureproofing design for VHF Data Exchange System (VDES) capability. These will be a key component of the new coastal monitoring system that was fully specified for tendering purposes in 2018/19 and will be commissioned in 2019/20. During the year a number of enhancements were made to disaster recovery and business continuity arrangements and these will continue through 2019/20. A successful trial of low powered wide area network (LPWAN) technologies to enable remote command/reset of equipment was completed and a targeted deployment of this technology will facilitate cost effective maintenance at remote sites

Buoy Operations on ILV Granuaile

Focus Area 2 – Local Aids & Other Navigation Services

Deliver an efficient and proactive local AtoN service to third parties

There are 3,259 local AtoN around the island of Ireland managed by 60 Local Lighthouse Authorities (LLAs) and during 2018/19 Irish Lights fully met its target of inspecting 50% of all local aids and 50% of the LLAs. Additionally we processed 20 statutory sanctions for 62 new / changed local aids. The LLAs achieved 80% against a target of 90% on time quarterly performance reporting during the year.

During the year Irish Lights undertook a comprehensive review of its superintendence services to further strengthen our support to LLAs and ensure compliance with IALA standards. This review will feed into the upgraded web-reporting portal planned for 2019-20 and the development of a new LLA training programme.

During the year, Irish Lights continued to monitor international developments in vessel traffic services (VTS) and other local port services that will be relevant to Irish Ports.

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 income generated is an important contributor to reducing our net operational cost. Irish Lights had a successful year delivering €2.1m of income against a target of €1.5m – our best year since 2014/15. Charter income made up 62% of the total with significant charters covering a marine scientific survey off the Rockall bank and wind farm cable inspections off the UK coast in the Irish Sea.

Reoccurring income increased during the year driven by the growth in the Great Lighthouses of Ireland (GLI) activity and Irish Lights has let a portion of its Buoy bank in Dun Laoghaire to facilitate the high performance Irish Olympic sailing team. Irish Lights managed to retain its Buoy and Equipment hosting income against the background of a consolidating market for these services.

Landing on Inishtearaght (Photo Andrew Collins)

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 MetOcean service, which now has almost 9,000 followers on twitter – an increase of 50% on 2017. Additionally, requests for our MetOcean data sets extended across a range of sectors including off shore renewable companies, state agencies and academic institutions.

The lack of economical and speedy communications beyond the horizon is one of the biggest challenges faced by seafarers. Addressing the challenge, Irish Lights is working with the University of Limerick to research the possibility of using evaporation duct communications technology in Irish waters. If this technology proves to be a success, it could open up the possibility of new communications services in the future.

During the year Irish lights continued its cross collaboration with other Agencies to strengthen the response to Maritime Incidents. Exercises were undertaken with the Irish Coast Guard and the Dublin Fire Brigades Marine Emergency Response Team to train and equip the Team to deal with an offshore emergency fire situation. Irish Lights also provided advice on navigation matters as input to the Marine Spatial Plan currently being developed by the Department of Housing, Planning and Local Government.

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 is continuing to grow and expand as a significant and innovative all-island coastal visitor experience that is well aligned with the key tourism Agency strategies.

2018/19 was a successful year for GLI with the addition of its first associate partner, Fastnet Tours and now supports 21 attractions including 5 exhibitions, 6 guided tours, 4 café outlets, 2 walking tours and 2 boat tours. Overall visitor numbers to lighthouse sites increased to over 400,000, including 170,000 visitors to the Great Light located in the Titanic walkway in Belfast, which was only launched last year. Ticketed tower tours of 143,580 were recorded which represents 4.6% increase over 2017. Of these, 48% were from overseas which is demonstrating a return on the international focused investment to date. Lighthouse accommodation performed well this year with an average occupancy rate of 49.4% and a bed night availability of 19,747 across eight sites. The GLI website was upgraded and had 222,000 visitors.

An economic review commissioned of the GLI operations during the year noted a direct income of €1.9m and the creation of 80 jobs in the community with the indirect contribution in the local economy estimated to be in excess of €4.9m and supporting a further 133 jobs. These results endorse the Irish Lights approach of seeking alternative use for properties that preserves the heritage asset, removes property maintenance costs while facilitating economic development in coastal communities.

Irish Lights reviewed its archive during the year and now has developed a plan to bring its archive up to a modern and best practice standard. This will preserve our unique archive and make it available to researchers and it will facilitate outreach programmes to the public who continue to show an ever-increasing interest in Irish Maritime Heritage as was evidenced by the high viewing numbers of the four-part documentary aired on RTE in the autumn.

> An economic review commissioned of the GLI operations during the year noted a direct income of €1.9m and the creation of 80 jobs in the community with the indirect contribution in the local economy estimated to be in excess of €4.9m and supporting a further 133 jobs.

Wicklow Head GLI (Irish Landmark Trust)

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 across 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.

Health and Safety Review
Irish Lights' core health and safety objective is to ensure that none of its employees suffers an injury or ill health while carrying out their work. This is achieved through employing a proactive and risk assessment based approach to safety management, through the continual development, promotion and improvement of our Safety Management Systems and ensuring that safety training and certification is maintained for all employees.

Following the discovery of elevated mercury vapour readings at one of our lighthouses, a significant amount of time and resources were deployed in 2018/19 reviewing our existing Mercury Procedures and Risk Assessments and engaging toxicological expertise to provide the necessary reassurance to Irish Lights management and employees. Mercury vapour checking will be carried out during 2019/20 at all of our existing lighthouses where mercury currently is or has previously been present. An asbestos survey will be completed at the same time.

There was an encouraging decrease in the number of accidents on duty and the resulting days lost compared to 2017/18. As in previous years, the findings of the investigation reports identify human factors as being the primary root cause of most accidents as opposed to system or equipment failures. Four months in 2018/19 were Zero Harm months. All accidents are fully investigated to ascertain the root cause and to put measures in place to prevent a re-occurrence.

Information and Communications Technology
During the year, our ICT department replaced a number of corporate systems including payroll, human resources, and time and attendance systems. In addition to a major upgrade of the Citrix remote access and software deployment software, a new ICT infrastructure monitoring system was installed and a new solution was put in place to improve bandwidth between the Granuaile and shore. Considerable work, including penetration tests, vulnerability scans and education and awareness initiatives were completed during the year to strengthen our cyber security controls.

Business Continuity Management
Business Continuity Management (BCM) is a critical requirement to ensure that Irish Lights can maintain its services in the event of a resource disruption. Irish Lights completed a comprehensive BCM maintenance programme during the year that included a full crisis management exercise and a review of each of its service and enabler plans and associated business impact assessments together with a follow up on the actions from previous BCM exercises.

Tri-GLA Co-operation
During 2018/19 the GLAs continued to engage on many operational and procurement activities as well as at a strategic level via the Joint Strategic Board (JSB). The Tri-GLA Differential Global Positioning System (DGPS) is approaching end of life and the GLAs are jointly working on a user requirements survey to determine future requirements. Irish Lights continued to work with the GLA Research and Development (GRAD) department to progress developments in Resilient PNT, VDES and the Maritime Connectivity Platform. The three GLAs collectively continue to monitor developments on Brexit the potential impact on Tri-GLA working in the event of a soft or hard Brexit.

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

2.3 Sustainability Reporting

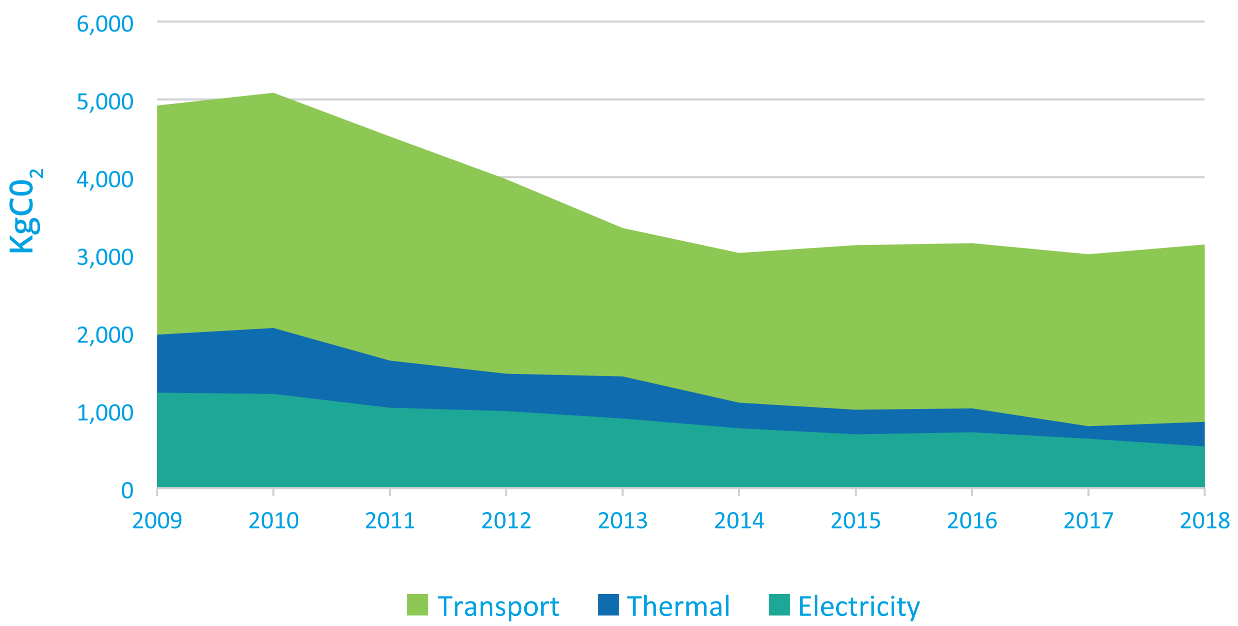
Irish Lights seeks to develop its environment management policies in a manner fully consistent with Government initiatives and public opinion. In 2014, Irish Lights signed up to the Sustainable Energy Authority of Ireland (SEAI) public sector energy efficiency initiative which endeavours to improve energy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

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. Irish Lights is retrofitting many of its stations with LED-based energy efficient light sources. This 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 2018, overall energy consumption across all Irish Lights operational activities has reduced by 36.1% compared to our benchmark year of 2009.


Puffins on Skellig Michael (Photo: Andrew Collins)

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 €1.0m for the year in Irish Lights Statement of Comprehensive Net Income (SoCNI), compared with a gain of €1.0m last year. The year on year change is mainly attributable to movements on fixed asset revaluations and related depreciation charges.
- Running costs increased by 4.7% since last year. This follows successive year on year cost decreases of 31% or €5.8m since 2009/10.
- Commercial income increased to €2.5m, up 40% on last year, mainly as a result of the securing of a number of large commercial charters during the year.
- 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 €6.9m for the year, up €0.5m on last year.

Kish Maintenance (Photo Andrew Collins)

Financial Results

Highlights

The financial summary for the year to 31 March 2019, contained in these Accounts and Notes, shows an overall net accounting deficit on the SoCNI of €1.0m (2017/18 – gain of €1.0m). Following last year's full assets revaluation exercise the majority of the assets were revalued using indexation in the current year. 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.

In terms of our cash sanction it was envisaged that running costs would increase this year as pay restoration took effect along with the commencement of the replacement of vacant positions. The running cost increase also includes an element of variable cost associated with servicing increased commercial income. Unplanned running cost included the mercury removal and water systems repair at the Fastnet lighthouse along with crankshaft repairs on the Ship. Capital expenditure is marginally down on last year reflecting the capital programme for the year.

Commercial income exceeded expectations as Irish Lights was successful in securing important Ship charters around the Irish / UK coast and in the near Atlantic. Reoccurring income also increased due to strong performance of the GLI during the year.

CPI – X Targets

As part of the 2016-21 Annual Corporate Plan process Irish Lights agreed a CPI-X target of 2.08% for the five year target period to 2021. The CPI-X target is effectively an annualised running cost reduction target which takes into account inflation. Because of the success of ongoing cost curtailment measures and initiatives such as the ongoing Lighthouse consolidation programme and the introduction of the new Tri-GLA helicopter contract, Irish Lights now expects to achieve a five year target of 4.52%.

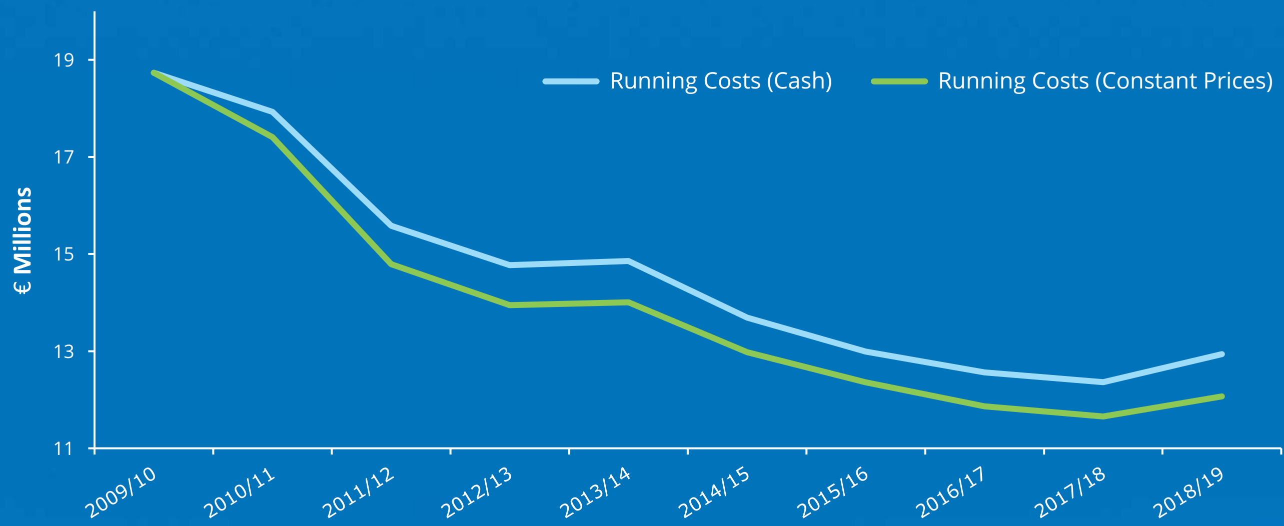
Cost Effectiveness

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 an increase in actual running costs of 4.7% and an increase of 3.6% in constant price terms for 2018/19 as compared to 2017/18.

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

> Commercial income exceeded expectations as Irish Lights was successful in securing important Ship charters around the Irish / UK coast and in the near Atlantic.

Running Costs in Cash and Constant Prices (Gross)



Landing on Skelligs (Photo Andrew Collins)

Running Costs in Cash and Constant Prices (Gross)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Running Costs (€'000)	18,733	17,926	15,580	14,770	14,857	13,690	12,991	12,564	12,362	12,939
Variance (%)	-11.2%	-4.3%	-13.1%	-5.2%	0.6%	-7.9%	-5.1%	-3.3%	-1.6%	4.7%
Running Costs (Constant Prices €'000)	19,334	17,963	15,264	14,392	14,457	13,394	12,753	12,242	12,029	12,070
Variance %	-8.4%	-7.1%	-15.0%	-5.7%	0.5%	-7.4%	-4.8%	-4.0%	-1.7%	3.6%
RoI Consumer Price Index	96.9	99.8	102.1	102.6	102.8	102.2	101.9	102.6	102.8	107.2

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 Statement of Comprehensive Net Income.

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 2018/19 the Irish Government contribution will be €4.2m (2017/18 - €4.5m). The main contributing factor to the reduction in 2018/19 was an increase in Light Dues and 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 8% to €6.9m in the year. Light Dues income in Northern Ireland was £1.2m which is in line with 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
20 September 2019

Landing Supplies at Fastnet (Photo Andrew Collins)

3. ACCOUNTABILITY REPORT

3.1 Corporate Governance Report

Irish Lights is committed to maintaining the highest standards of corporate governance. Irish Lights has reviewed the Irish Code of Practice for the Governance of State Bodies (August 2016) and the UK Code on Corporate Governance in Central Government Departments (April 2017) and arrangements are in place to ensure that governance structures and internal controls encompass the main principles of these codes and where relevant specific guidelines are adapted for implementation. The 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.
- A Triennial Risk Management Review, which was last reviewed by the three GLAs during the winter of 2018.
- Internal Audits undertaken by the Government Internal Audit Agency (GIAA). In 2018/19 audits covered ship management, estates, General Data Protection Regulation (GDPR), programme management and key financial controls. 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 General Lighthouse Fund 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 2019

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 2018-19. The Board has appointed a Chief Executive and Management Team to run the day to day activities of the organisation.

The Board met on eight 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 developments in strategic external influencers including Brexit. The Board also reviewed and agreed the Corporate Plan 2019-24 and the 2017/18 Annual Report and Accounts.

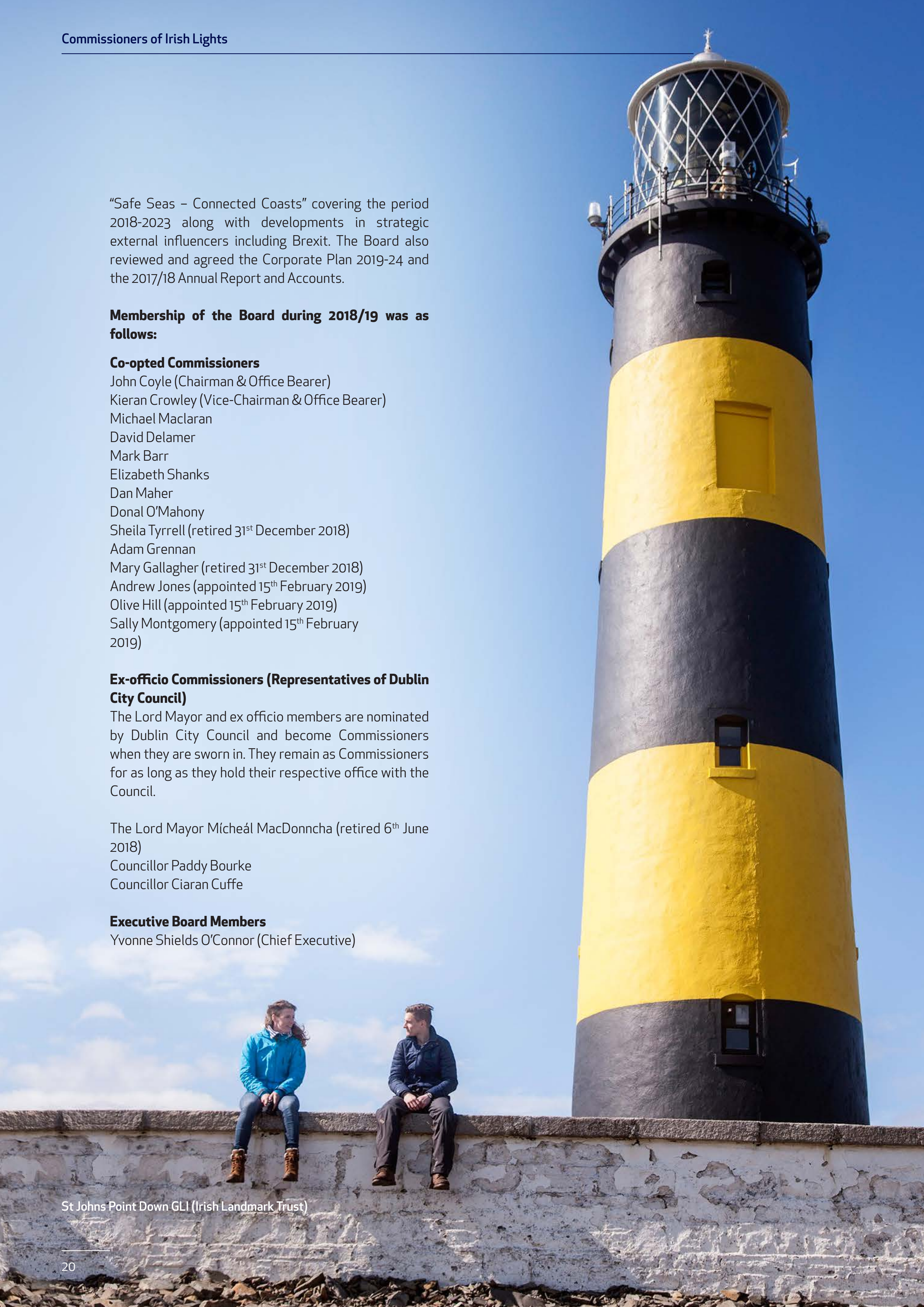
Membership of the Board during 2018/19 was as follows:

Co-opted Commissioners
John Coyle (Chairman & Office Bearer)
Kieran Crowley (Vice-Chairman & Office Bearer)
Michael Maclaran
David Delamer
Mark Barr
Elizabeth Shanks
Dan Maher
Donal O'Mahony
Sheila Tyrrell (retired 31st December 2018)
Adam Grennan
Mary Gallagher (retired 31st December 2018)
Andrew Jones (appointed 15th February 2019)
Olive Hill (appointed 15th February 2019)
Sally Montgomery (appointed 15th February 2019)

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

The Lord Mayor Mícheál MacDonncha (retired 6th June 2018)
Councillor Paddy Bourke
Councillor Ciaran Cuffe

Executive Board Members
Yvonne Shields O'Connor (Chief Executive)



St Johns Point Down GLI (Irish Landmark Trust)

Board Membership and Committee Structures

Attendance at scheduled meetings of the Board and its committees in the financial year ended 31 March 2019

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

* Note (C) denotes Chairman of Committee

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 €14,987 (2017/18 €17,916). 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 CEO/Accounting Officer on issues relating to management controls, the financial stewardship of the funds at the Board's disposal, risk, compliance and corporate governance issues and the systems of internal control. The Committee also meets with the Group Head of Internal Audit of the Government Internal Audit Agency (GIAA) and the National Audit Office (NAO) to review the Annual reports and Accounts and to discuss any observations raised by the Auditors in their Report to those Charged with Governance

The Irish Lights Audit and Risk Committee met on three occasions in the year ended 31 March 2019. The main activities for the year included the review of the 2017/18 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 management programme, GDPR status post implementation, the internal audit programme, Charities Regulator annual returns, new accounting standards and the updated procedures for full asset revaluations.

b) Remuneration Committee
The Remuneration Committee met on one occasion in 2018-19. The meeting reviewed and agreed proposed organisation changes to underpin the implementation of the new five year strategy.

c) Nominations Committee
The Nominations Committee is responsible for the appointment of elected members of the Board of Irish Lights. The Nominations Committee met in October 2018 to review and recommend the appointment of three new Board members to replace retiring members. The meeting was also attended by representatives of the DTTAS the UK DfT.

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 West Coast stations in August 2018. A planned North East Coast inspection in September was cancelled for operational reasons and will be rescheduled in 2019.

e) The Corporate Management Committee
The Committee met in September to review the Corporate Plan and budget estimates for 2019-2024. A new more streamlined Corporate Plan format was agreed with UK DfT during the year.

f) Tri-GLA JSB
The JSB supports the co-ordination of tri-GLA activity and ensure that improvements and efficiencies in Tri-GLA performance are achieved. The JSB met on two occasions in 2018-19 in June and in November. Key issues discussed included Tri-GLA monitoring and helicopter activity, Global Navigation Satellite System (GNSS) vulnerability, DGPS, GLA efficiencies, Corporate Plans, Brexit 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.

A full Board effectiveness review took place in autumn of 2018. The results were discussed and action agreed at a Commissioners meeting in October 2018. 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	McKinty & Wright 7th Floor Montgomery House, 29-33 Montgomery Street, Belfast, BT1 4NX

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 fair, balanced and understandable and that she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

3.1.3 Governance Statement

Overview

The 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, 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 2019 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 that the occurrence and whether it should be treated, tolerated, transferred or terminated.
- Irish Lights in conjunction with the other two GLAs produced a Triennial Risk Management Review in 2018 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 2019 were:

- Irish Lights Funding. In November 2018 the UK DfT and DTTAS signed an Agreement in relation to the Funding of Irish Lights. This Agreement provides financial certainty to the Organisation going forward.
- Brexit – risks associated with UK exit from the European Union. The Board has been closely monitoring 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. 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. With the ever changing and increasing sources on cyber threat Irish Lights reassessed it cyber risks during the year and now monitors these risks on a more granular level to reflect the different sources of cyber risk including malware introduction, external attack, loss of data, phishing etc. Irish Lights has put in place a dedicated resource to manage cyber risk and conducted vulnerability scans and penetration tests during the year along with ongoing education of its employees.
- DGPS Obsolescence. The DGPS service is over ten years old and operates on end of life hardware and software that are no longer supported. Pending a Tri-GLA market evaluation of DGPS and a decision to replace the system it remains vulnerable to downtime.

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 12 March 2019.

Head of Internal Audit Opinion
On the basis of the evidence obtained during 2018/19, 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 2018/19 covering a range of topics: ship management, GDPR, estates, programme management and key financial controls. The first two audits received a 'substantial' opinion, with a 'moderate' opinion being awarded to the other three.

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 2019.

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.

Launching the workboat , West Coast

3.2 Remuneration and Staff Report

Staff Costs

Staff costs comprise:	2018/19 Total	Permanently Employed Staff	Others	2017/18 Total
	€'000	€'000	€'000	€'000
Wages and Salaries	7,118	6,540	578	7,056
Social Security Costs	490	464	26	484
	7,608	7,004	604	7,540
Redundancy Costs	-	-	-	5
Less Capitalised Costs[1]	(346)	(346)	-	(235)
	7,262	6,658	604	7,310
Employer Pension Contribution Costs	1,334	1,334	-	1,340
Third Party Pension Costs	9	-	9	(16)
	1,343	1,334	9	1,324
TOTAL	**8,605**	**7,992**	**613**	**8,634**

[1] Capitalised 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 2018/19 or 2017/18.

Pay Multiples	2018/19	2017/18
Band of Highest paid Executive Total Remuneration (€000's)	145-150	140-145
Median Total Remuneration at year end	€46,421	€45,572
Ratio	3.1	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 2018/19, 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 €540,704[2] (2017/18 €515,525).

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 one additional person for two months

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 is 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 Republic of Ireland can opt to open a Personal Retirement Savings Account (PRSA) also with an employer contribution. One employee availed of a PRSA in 2018/19 (Nil 2017/18).

No persons retired early on ill-health grounds during the year (2017/18: none).

Employer Pension Contributions Costs

Employer contributions are payable to the PCSPS at one of four rates in the range 20% to 24.5% (2017/18: 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 2018/19 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.

	2018/19 €'000	2017/18 €'000
Employer contributions cost	1,334	1,340

On the bridge of ILV Granuaile

Staff Report

Average number of persons employed

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

	2018/19 Total	Permanently Employed staff	Others	2017/18 Total
Directly employed	117	106	11	116
Staff engaged on capital projects	6	6	-	5
TOTAL	**123**	**112**	**11**	**121**

Diversity Information

The number of people employed on 31 March, including full-time, part-time, permanent and temporary employees:

	2018/19 Male	2018/19 Female	2018/19 Total	2017/18 Male	2017/18 Female	2017/18 Total
Board Members	11	3	**14**	11	3	**14**
Chief Executive & Directors	4	1	**5**	3	1	**4**
Managers	9	2	**11**	10	1	**11**
Employees	127	15	**142**	127	17	**144**

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 2018/19 the percentage number of work days lost due to sickness was 4.71% (2017/18: 3.98%). Total days lost due to sickness amounted to 1,256 days (2017/18: 1,075 days). The average number of days lost per employee was 11.42 (2017/18: 9.68).

Expenditure on Consultancy

During the year €50K (2017/18 €44K) was spent on Consultancy Services in relation to the provision to management of objective advice relating to strategy, structure, management or operations of the organisation, in pursuit of its purposes and objectives.

Off Payroll Engagements

There were no off payroll engagements during the year.

3.3 Parliamentary Accountability Disclosures

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

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

Losses and special payments

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

Regularity of expenditure

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

Contingent Liabilities:

Protection and Indemnity

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

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

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

Yvonne Shields O'Connor

Chief Executive and Accounting Officer
20 September 2019

Workboat operations

Inishtearaght Lighthouse

Commissioners of IRISH LIGHTS | Navigation and Maritime Services

FINANCIAL STATEMENTS

Year ended 31 March 2019

Statement of Comprehensive Net Income for year ended 31 March 2019

	Notes	2018/19 €'000	2017/18 €'000
Income			
Advances from General Lighthouse Fund		12,981	12,876
Other Income	2	2,543	2,139
		15,524	**15,015**
Expenditure			
Staff Costs	3	7,262	7,310
Pension Costs	3	1,343	1,324
Depreciation	6	2,727	2,512
Amortisation	7	26	21
Loss/(Reversal of Loss) on Revaluation of Property, Plant & Equipment	5	(471)	(1,953)
Other Expenditures	4	5,411	4,962
		16,298	**14,176**
Net Income / (Expenditure)		**(774)**	**839**
Revaluation of Investment Properties Gain / (Loss)	8	(227)	202
Net (Deficit)/Income after interest		**(1,001)**	**1,041**
Statement of Other Comprehensive Net Income			
Asset Revaluations Gain / (Loss)	5	1,473	738
Total Other Comprehensive Income / (Expenditure)		**472**	**1,779**

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 2019

	Notes	2018/19 €'000	2017/18 €'000
Non-current assets:			
Property, plant and equipment	6	47,991	47,881
Intangible Assets	7	130	63
Investment Assets	8	1,497	1,319
Total non-current assets		**49,618**	**49,263**
Current Assets:			
Assets classified as held for sale	9	305	-
Inventories	10	425	352
Trade and other receivables	11	830	757
Cash and cash equivalents	12	531	187
Total current assets		**2,091**	**1,296**
Total assets		**51,709**	**50,559**
Current Liabilities:			
Trade and other payables	13	(3,211)	(2,525)
Provisions: Current Element	15	(319)	(315)
Total current liabilities		**(3,530)**	**(2,840)**
Non-current assets plus/less net current assets/liabilities		**48,179**	**47,719**
Non-current liabilities:			
Provisions	15	(199)	(223)
Other payables	13	(529)	(517)
Total non-current liabilities		(728)	(740)
Assets less liabilities		**47,451**	**46,979**
Reserves:			
Accumulated Reserve		23,026	23,488
Revaluation Reserve		24,425	23,491
Total		**47,451**	**46,979**

Yvonne Shields O'Connor

Chief Executive and Accounting Officer
20 September 2019

Statement of Cash Flows for the year ended 31 March 2019

	Notes	2018/19 €'000	2017/18 €'000
Cash flows from operating activities:			
Net Surplus/ (Deficit) after interest		(1,001)	1,041
(Profit) /Loss on disposal of property, plant			
and equipment and intangible assets		80	133
Depreciation	6	2,727	2,512
Amortisation	7	26	21
Asset Revaluation:			
- (Reversal of Loss)/ Loss on Revaluation of Property, plant and equipment	5	(471)	(1,953)
- (Upward)/ Downward valuation on Investment Assets	5	227	(202)
(Increase)/Decrease in trade and other receivables		(73)	(62)
(Increase)/Decrease in inventories		(73)	163
Increase/(Decrease) in trade payables		698	(149)
Use of provisions		(20)	70
Net cash inflow /(outflow) from operating activities		**2,120**	**1,574**
Cash flow from investing activities:			
Purchase of property, plant and equipment		(1,630)	(1,966)
Purchase of intangible assets		(93)	(22)
Purchase of investment assets		(53)	-
Proceeds from disposal of non-financial assets		-	482
Net cash outflow from investing activities		**(1,776)**	**(1,506)**
Net cash flow from all activities		**344**	**68**
Net Increase/(Decrease) in cash and cash equivalents in the period	12	**344**	**68**
Cash and cash equivalents at the beginning of the period	12	187	119
Cash and cash equivalents at the end of the period	12	531	187

Statement of Changes in Reserves for the year ended 31 March 2019

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

Notes to the Accounts for the Year Ended 31 March 2019

Key Accounting Issues

Basis for preparation of Accounts

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

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

1. Accounting Policies

a) Accounting Convention

These accounts have been prepared in accordance with the 2018/19 UK Government 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 2019 shows net assets of €47,451K (31 March 2018 €46,979K).

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 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 Statement of Comprehensive Net Income.

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

Operating software, without which related hardware cannot operate, is capitalised, with the value of the related hardware, as property, plant and equipment.

Application software, which is not an integral part of the related hardware, is capitalised separately as an intangible non-current asset.

Any gains or losses on the eventual disposal of property, plant and equipment are recognised in the Statement of Comprehensive Net Income when the asset is decommissioned. Gains are not classed as revenue.

Valuation
After recognition, the item of Property, plant and equipment is carried at Fair Value in accordance with 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 statement of Comprehensive Net Income to the extent that it reverses a revaluation decrease of that class of asset previously recognised in profit and loss. If the assets carrying amount is decreased as a result of revaluation, the decrease is recognised in the statement of Comprehensive Net Income. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve. The decrease recognised in other comprehensive income reduces the amount held in the revaluation reserve in respect of that asset.

Attending Fastnet

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

e) Inventories

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

f) Research and Development

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

g) Leasing Commitments

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

h) Foreign Currency Transactions

Transactions in foreign currencies are recorded at an average rate ruling during the period in which the transaction occurred. All differences are taken to the Statement of Consolidated Income. At the year-end significant monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date (€1.00/£0.8617).

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 2019, 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
IFRS 9 (Financial Instruments) and 15 (Revenue Recognition) have been adopted for the first time in these financial statements. IFRS 9 addresses classification, measurement and impairment of financial assets. The implementation of this standard has not had a material impact because of the nature of the financial assets held by Irish Lights.

IFRS 15 Revenue from contracts with customers has been adopted by the FReM with effect from 1 April 2018. Income earned from property rental, buoy rental and ship charters falls within the scope of IFRS 15. However, the income recognition criterion introduced by IFRS 15 is consistent with how Irish Lights previously accounted for income and there is no impact of the new standard on opening balances. Income from these revenue streams is recognised progressively as the performance obligations of the contracts are satisfied over time.

o) New Standards and Interpretations Adopted Early
The GLF has chosen not to adopt early any new standards or interpretations.


Buoy Workshop Operations , Dun Laoghaire. (Photo Brendan Lyons)

p) New Standards and Interpretations not yet adopted

The standards listed below are not yet effective for the year ended 31 March 2019 and have not been applied in preparing these financial statements. IFRS 16 will affect future financial statements from 1 April 2019. The other standards listed will affect the financial statements if, after further consultation, they are adopted by the FReM:

2019-20

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. The standard applies to public services from 1 April 2020 and has been adopted by the 2020/21 FReM. However, the UK DfT will adopt IFRS 16 one year early on 1 April 2019. Accordingly, and with HM Treasury consent, IFRS 16 will also be adopted by the GLF from 1 April 2019. The estimated impact of IFRS 16 is disclosed at section u) below.

Subsequent years

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

Other changes due to come into effect after 2018/19 are considered to have no material impact.

q) 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.

r) 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.

s) 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 (CSOPS) 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/CSOPS benefits.

t) 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 20 days (2017/18 19 days).

u) IFRS 16 Impact Assessment

From 1 April 2019 the GLF group will adopt IFRS 16. IFRS 16 gives a narrower definition of a lease than IAS 17 and IFRIC 4, by requiring that assets and liabilities will be recognised initially at the discounted value of the minimum lease payments, and that the assets, to be described as "right of use" assets, will be presented under Property, Plant and Equipment. Existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. Therefore, implementation of IFRS 16 will increase the value of property, plant and equipment assets and the value of lease liabilities.

After initial recognition, right-of-use assets will be amortised on a straight-line basis and interest will be recognised on the liabilities. The cost model will be applied to assets for leases other than leases with a peppercorn rental, which will be measured on a depreciated replacement cost basis. As a result, the timing of the recognition of the total costs of leasing will change, as interest costs will be higher at the start of a lease.

The FReM 2019/20 mandates that IFRS 16 will be implemented using the cumulative catch-up method; as a result, comparatives will not be restated and the measurement of the asset and liability balances recognised with effect from 1 April 2019. HM Treasury will also issue a central internal rate of borrowing for entities to apply, when they cannot obtain the rate implicit in the lease contract. For the material arrangements within the scope of IFRS 16, the impact of implementation is currently considered to be as follows:

	€'000
Relevant figures/ disclosures prior to the implementation of IFRS16:	
Operating Lease Commitments at 31 March 2019	
Land	3,079
Buildings	-
Other	1,488
	4,567
General Fund	23,026
Revaluation Reserve	24,425
Total Equity at 31 March 2019	**47,451**
Restated opening figures after the implementation of IFRS16:	
Right-of-Use Assets at 1 April 2019	**3,197**
Leasing Obligations at 1 April 2019	**3,190**
Revised General Fund	23,033
Revised Revaluation Reserve	24,418
Revised Total Equity at 1 April 2019	**47,451**

Included in the Right of Use Assets and Lease Commitments is an amount of €1,425K relating to Irish Lights' proportion of the Tri-GLA Helicopter contract. This commitment is only applicable once the contract is still in existence.

2. Other Operating Income

	2018/19 €'000	2017/18 €'000
Property Rentals	684	634
Buoy Rentals	245	264
Tender Hire	1,537	844
Sundry Receipts	27	70
Grant Income	50	327
TOTAL	**2,543**	**2,139**

3. Staff Costs

	2018/19 €'000	2017/18 €'000
Staff costs comprise:		
Wages and Salaries[1]	7,118	7,056
Social Security Costs	490	484
	7,608	7,540
Redundancy Costs	-	5
Less Capitalised Costs	(346)	(235)
	7,262	7,310
Employer Pension Contribution Costs	1,334	1,340
Third party pension costs	9	(16)
	1,343	1,324
TOTAL	**8,605**	**8,634**

[1] The Chief Executives remuneration including taxable benefits was €146,300 (2017/18 €142,300). No bonus or pay increase has been paid. The change reflects partial restoration of a voluntary salary reduction which was implemented in 2014.

4. Other Expenditure

	2018/19 €'000	2017/18 €'000
Running Costs	4,894	4,400[2]
Rental under Operating Leases	437	429[2]
Profit /Loss on disposal of non-financial assets	80	133
TOTAL	**5,411**	**4,962**

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 2018/19 is €21.2K/ GBP£18.7K (2017/18: €28.7K/ GBP£25.3K).

[2] The 2017/18 comparative figures for "Running Costs" and "Rental under Operating Leases" have been restated to reflect the inclusion of the Tri-GLA Helicopter contract as an operating lease.

5. Asset Valuation Exercise

Following the reclassification of the GLAs as a Central Government Body, the UK DfT issued a new Accounts Direction in February 2013, requiring that Property, Plant and Equipment is valued at Fair Value as per 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 2018/19 these valuations were professionally updated to 31 March 2019 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 Mark Adamson MRICS MSCSI	Irish Valuations office
Lighthouse AtoN Plant RoI	Mr Mark Adamson MRICS MSCSI	Irish Valuations office
Land & Buildings including Beacons NI	Mr Sean Daly 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:

	2018/19 €'000	2017/18 €'000
Profit/(Loss) on Property, plant and equipment valuations (via Statement Net Income)	471	1,953
Profit/(Loss) on Property, plant and equipment valuations (via Revaluation Reserves)	1,473	738
(Downward)/ Upward valuation on Investment Assets (Note 10)	(227)	202
	1,717	**2,893**

Revaluation Movements 2017/18	PPE Note 8 €'000	Intangible Assets Note 9 €'000	Investment Assets Note 10 €'000	Held for Resale Note 11 €'000	2017/18 Total €'000
Revaluation Movement - cost	(269)	0	(227)	0	(496)
Revaluation Movement - accumulated depreciation	2,213	0	0	-	2213
					1,717

6. Property, Plant and Equipment– current year

	Land	Buildings	Tenders & Ancillary Craft	Vessel	Buoys & Beacons	Plant & Equipment	ICT Equipment	Assets in Course of Construction	Total
Cost €'000									
Balance at 1 April 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	-	-	-	(751)	-	(220)	-	-	**(971)**
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.

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

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

7. Intangible Assets – current year

	Assets in Construction	Computer Software	Total
COST €'000			
Balance at 1 April 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**

Intangible Assets – prior year

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

8. Investment Assets

	2018/19 €'000	2017/18 €'000
Opening Balance	1,319	1,117
Additions	53	-
Reclassifications	(68)	-
Revaluations	(227)	202
Transfer from AUC	420	-
TOTAL	**1,497**	**1,319**

9. Assets Held for Resale

	2018/19 €'000	2017/18 €'000
Opening Balance	-	470
Disposals	-	(470)
Reclassifications	305	-
TOTAL	**305**	**-**

At 31 March 2019 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.

10. Inventories

	2018/19 €'000	2017/18 €'000
Inventories of consumable stores and fuel	425	352
TOTAL	**425**	**352**

11. Trade receivables and other current assets

	2018/19 €'000	2017/18 €'000
Amount falling due within one year:		
Trade Receivables	62	112
VAT Recoverable	141	48
Other receivables	387	406
Prepayments and accrued income	240	191
	830	**757**

12. Cash and cash equivalents

	2018/19 €'000	2017/18 €'000
Balance at 1 April 2018	187	119
Net Change in cash and cash equivalents	344	68
Balance at 31 March 2019	**531**	**187**

The above figure includes cash to the value of €77K (31 March 2018 - €70K) held on behalf of the Irish Government.

The following balances at 31 March 2019 were held at:

	2018/19 €'000	2017/18 €'000
Commercial banks and cash in hand	531	187
Balance at 31 March 2019	**531**	**187**

13. Trade payables and other current liabilities

	2018/19 €'000	2017/18 €'000
Amounts falling due within one year:		
Other taxes and social security	613	272
Trade payables	653	672
Other payables	302	273
Accruals and Deferred Income	1,643	1,308
TOTAL	**3,211**	**2,525**

	2018/19 €'000	2017/18 €'000
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	42	36
Value of asset held on behalf of the Irish Government	487	481
TOTAL	**529**	**517**

Fanad Head GLI, (Photo Andrew Collins)

14. Capital Commitments

	2018/19 €'000	2017/18 €'000
Contracted capital commitments at 31 March 2019 not otherwise included in these financial statements		
Property, plant and equipment	124	107
TOTAL	**124**	**107**

Commitments under Leases

Operating Leases

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

	2018/19 €'000	2017/18 €'000
Obligations under operating leases for the following years comprise:		
Land:		
Not later than one year	50	50
Later than one year and not later than five years	200	200
Later than five years	2,829	2,879
	3,079	**3,129**
Other:		
Not later than one year	403	382[1]
Later than one year and not later than five years	1,085	1,454[1]
Later than five years	-	-
	1,488	**1,836**

With the introduction of IFRS 16, from 1 April 2019 the "Other" operating lease obligations now includes a figure of €1,479K relating to Irish Lights' future share of the Tri-GLA Helicopter contract. This obligation is only applicable once the contract remains in force.

[1] The 2017/18 comparative figures for the "Other – Obligations under operating leases" have been restated to reflect the inclusion of the Tri-GLA Helicopter contract.

15. Provisions for Liabilities and Charges

	Remedial Works/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Provisions at 1 April 2018	**209**	**329**	**538**
Provided in year	111	53	164
Provisions not required and written back	(6)	(76)	(82)
Provisions utilised in the year	(72)	(30)	(102)
Provisions at 31 March 2019	**242**	**276**	**518**

Analysis of expected timing of discounted flows

	Remedial Works/ Responsible Withdrawal €'000	Other Provisions €'000	Total €'000
Not later than one year	242	77	319
Later than one year and not later than five years	-	43	43
Later than five years	-	156	156
Provisions at 31 March 2019	**242**	**276**	**518**

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

16. Pension Commitments

MNOPF

Irish Lights also contribute as necessary to the MNOPF which is a defined benefit scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from the GLF, being held in separate funds managed by trustees of the scheme. Contributions to the scheme in respect of temporary officers are charged to the Statement of Comprehensive Net Income when they are paid. During 2018/19 there were no officers employed who were members of MNOPF. The most recent valuation of the MNOPF was carried out as at 31 March 2018. Irish Lights has been informed that there is no liability for Irish Lights as a result of this valuation.

17. Events after Reporting Period

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

18. Inter GLA Transactions

Ships Agreement

The following were the interventions under the Inter – GLA Ship Sharing Agreement (dated 1 April 2003) during 2018/19:

- Trinity House provided the services of the *Mair* to Irish Lights for a period of 0.9 days.
- Irish Lights provided the services of the *Granuaile* to Northern Lighthouse Board for a period of 11.25 days.

While there was no transfer of funds between the GLAs in respect of these services, these transactions gave rise to a net notional income of €117,364.

19. 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 2018/19 Irish Lights has received advances of €12,981K (2017/2018 €12,876K) 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 2019 the balances outstanding with the GLAs were as follows:

	Balance due from Irish Lights	
	2018/19 €000's	**2017/18 €000's**
GLA		
Trinity House	-	-
Northern Lighthouse Board	95	77

	Balance due to Irish Lights	
	2018/19 €000's	**2017/18 €000's**
GLA		
Trinity House	-	-
Northern Lighthouse Board	-	-

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

20. Approval of Annual Report and Accounts

This Annual Report and Accounts was approved by the Board on 20 September 2019.

APPENDIX A – Aids to Navigation (AtoN) Performance Metrics

Resources

AtoN Inventory

The total inventory of AtoN as at 31 March 2019 is as follows:

Type of Station	2018/19 Total	2018/19 Deployed	2017/18 Total	2017/18 Deployed
Lighthouses (Automated)	67	65	67	65
Lighted Beacons	5	5	5	5
Unlighted Beacons	15	15	15	15
Solar Lighted Buoys	175	135	184	136
Hauling Off/Mooring Buoys	7	3	7	3

Other AtoN provided by Irish Lights:

Type of Station	2018/19	2017/18
DGPS	3	3
RACONs on Lighthouses	14	14
RACONs on Buoys	10	10
AIS on Buoys	62	59
AIS at Lighthouses	48	48
AIS Base Stations at other bases	11	11
Met/ Hydro on Buoys	9	8
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.

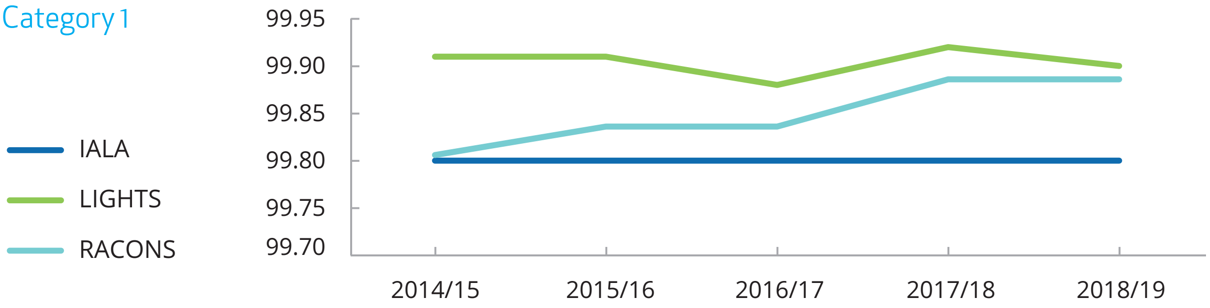
Differential GPS Service

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%.

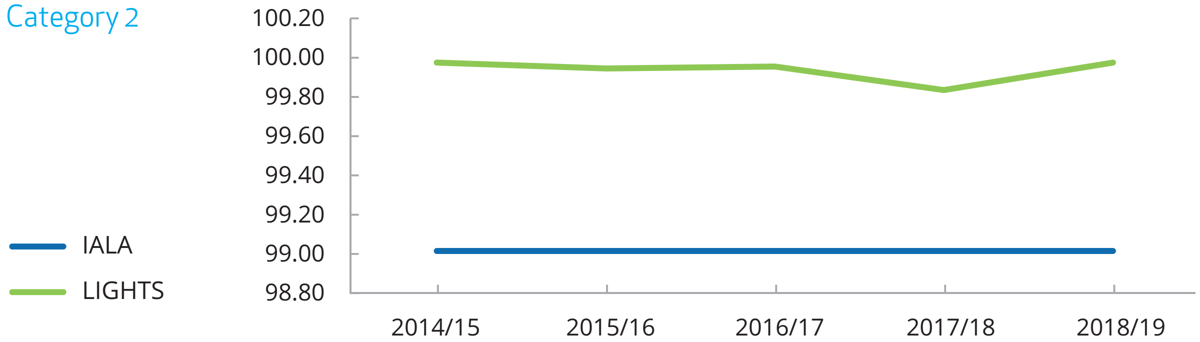
AtoN Availability Compared To IALA Minima - 3 Year Rolling Averages

Category	AtoN	IALA	2014/15		2015/16		2016/17		2017/18		2018/19	
		Minimum	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff	Actual	Diff
1	Major Lights	99.8%	99.91	0.11	99.91	0.11	99.88	0.08	99.92	0.12	99.90	0.10
	Racons	99.8%	99.81	0.01	99.84	0.04	99.84	0.04	99.89	0.09	99.89	0.09
2	Other Lights	99.0%	99.96	0.96	99.93	0.93	99.94	0.94	99.82	0.82	99.96	0.96
3	Buoys	97.0%	99.83	2.83	99.80	2.80	99.82	2.82	99.76	2.76	99.76	2.76

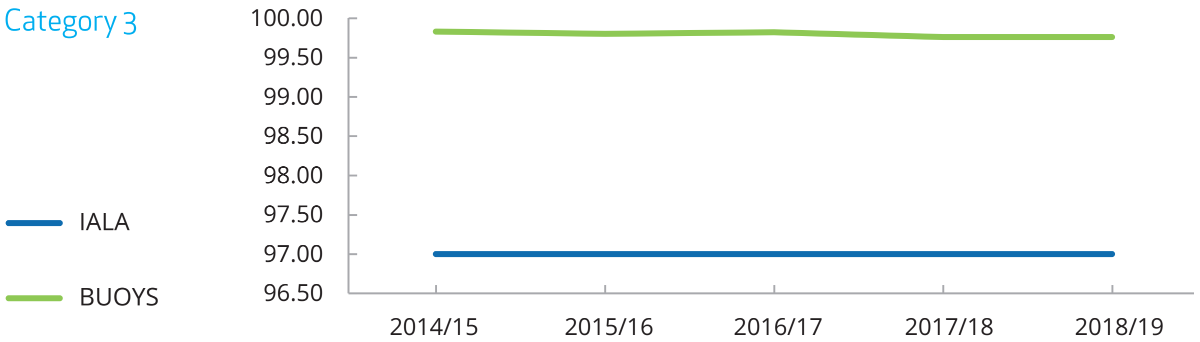
Category 1



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 Aids to Navigation (AtoN) service throughout the coastal waters of Ireland and the United Kingdom (UK). AtoN are provided to recognised standards set by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA).

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

Irish Lights also has authority for the marking and removal of wrecks for Ireland under the Merchant Shipping (Salvage and Wreck) Act 1993 Part IV. For Northern Ireland this authority is vested under the Merchant Shipping Act 1995 Section 253 (1).

The Revenue Commissioners, Customs and Excise Division are authorised by Irish Lights under Section 648 of the Merchant Shipping Act 1894 to collect light dues in Ireland. Continuous monitoring of vessel arrivals is undertaken to ensure compliance with light dues collection rules and payments. The Institute of Chartered Shipbrokers have this responsibility for Northern Ireland under Section 205 of the Merchant Shipping Act 1995.

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

Charitable Status

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

APPENDIX C – 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
GLI	Great Lighthouses of Ireland
GNSS	Global Navigation Satellite System
GPS	Global Positioning System (American)
GRAD	GLA Research and Development
IALA	International Association of Marine Aids to Navigation & Lighthouse Authorities
IAS	International Accounting Standards
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IGC	Information Group Committee
IRCG	Irish Coast Guard
ITT	Invitation to Tender
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
MCA	Maritime and Coastguard Agency
MNOPF	Merchant Navy Officers Pension Fund
MoU	Memorandum of Understanding
NAO	National Audit Office
NLB	Northern Lighthouse Board
PADS	Performance and Development System
PCSPS	Principal Civil Service Pension Scheme
PPA	Partnership Pension Account
PRSA	Personal Retirement Savings Account
RoI	Republic of Ireland
R&RNAV	Research and Radio Navigation Directorate (Tri-GLA)
SEAI	Sustainable Energy Authority of Ireland
SOLAS	International Convention for Safety of Life at Sea
SoCNI	Statement of Comprehensive Net Income
TH	Trinity House
UK	United Kingdom
VDES	VHF Data Exchange System
VHF	Very High Frequency

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