

Annual Report and Accounts

2014



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Chief Executive's Review

2014 has been an important year for Waterways Ireland as the body began delivery of its refocused Corporate Plan which covers the period 2014-2016.

A commitment to protecting the natural environment and built heritage in our care, alongside expanding use of the waterways is central to this important work. We aim to contribute to improving the lives of the people who live near the navigations whilst attracting new visitors, new uses and through this activity also contribute to growth and prosperity.

Waterways Ireland's resources are focussed on keeping essential navigation infrastructure open and working. To expand what major infrastructural repairs could be completed this year, Waterways Ireland used reserves accumulated since the body was formed in income generated largely by the sale of assets.

Development of new facilities took place largely through partnerships with other agencies and this will continue to be the model for the next number of years. Waterways Ireland is delighted to work alongside local authorities throughout the waterways network to deliver new recreational facilities and opportunities. The 16km of towpaths redeveloped along the network, such as the route along the disused Longford Canal branch and harbour is an excellent example of facilities developed for local communities providing new off-road walking along the canal, whilst serving the navigation with the new activity providers established in the area.

We also began a programme to breathe new life into disused navigation buildings by working in partnership with local communities. Lease agreements have been put in place with Carlow Sub Aqua Club to restore Carlow Lock House on the Barrow Navigation, and with the Ribbontail Paddlers Canoe Club to restore the Collector's House at Longwood Harbour on the Royal Canal for use as club rooms and a store.

The opening of the first Blueway on the North Shannon by Minister Humphreys was a prime example of how to rework and reuse an asset with minor modifications to attract new users to an underdeveloped waterway. Existing jetties were modified by Waterways Ireland staff to create canoe access and trails extended with partners ranging from the National Trails Office, Leitrim Tourism, local authorities and the Irish Canoe Union. Waterways Ireland looks forward to further building and extending this product in the future.

Waterways Ireland primary user research commissioned first in 2004 and updated in 2010 was again completed in the autumn of 2014. This evidenced even in autumn, that one in four of our visitors is a tourist, and of the remainder, over 30% of local people are regular users visiting on average three times per week with walking the most popular recreational activity. The high customer service satisfaction levels also evidenced by this research is a credit to Waterways Ireland staff across the body and the many community and voluntary groups who assist them to keep the navigations open in these challenging times of limited resources.

Waterways Ireland has to continually focus the delivery of services on the areas of greatest need and benefit in order to maximise the volume of services it provides.

2014 was a year which saw increased levels of boat use with now over 14,500 registered boats on the waterways with in excess of 900 boats on the Lower Bann, 5,500 on the Erne System, 8,500 on the Shannon Navigation and over 500 on the Canals. Maintaining adequate water supplies and water levels in good weather remains a challenge. Each waterway is affected in a different manner and Waterways Ireland staff is actively engaged in ensuring recreational users' interests are represented in the management of water levels.

One of Waterways Ireland's goals is to examine ways to earn income. The potential for generation of income from hydro electricity is being examined at Carnroe and at Tarmonbarry where Waterways Ireland will have to carry out repair work.

As we move forward, Waterways Ireland is also engaged in reshaping how we communicate to reflect the changing information and communication requirements of the visitors who use the navigations daily. We recognise the need to change in a rapidly developing digital world and launched our first online navigation guides in 2014, and the Lakeland Treasures App which links visitor attractions and services adjacent to the waterways to encourage visitors to use these whilst making their journey.

Moving forward there is a lot to do. We need to complete the upgrade of the towpaths as Blueways along the Royal and Grand Canals and Barrow Navigation, so their potential as long distance routeways for walking, cycling, canoeing and boating is maximised with over 360km of towpath. Dublin, with both Grand Canal Dock and Spencer Dock at the heart of the city, has the potential for development as a new city destination – the city's blue outdoor playground. It is also the starting point for visitors to travel along the canal's recreational corridors, linking to the west the Shannon Navigation, and south east along 90km of the Barrow Navigation.

I want to thank both Minister Ní Chuilín and Minister Humphreys for their support in 2014, for championing the wider recreational development of the waterways both for local communities benefit and the economic benefits their use can bring.

While we continue to work in times of reduced staff and funding, it is thanks to the time and effort of Waterways Ireland staff and the support of the sponsor departments DAHG and DCAL, that Waterways Ireland is successfully moving forward the management and development of what is one of Ireland's greatest natural treasures.



Dawn Livingstone

Chief Executive

Part 1

The Role of Waterways Ireland

Our Strategy

Our Key Performance Indicators

The Role of Waterways Ireland

Who we are

Waterways Ireland is a cross-border Body, the largest of six North South Implementation Bodies established under the British Irish Agreement of 10th April 1998. The Agreement was given domestic effect by means of the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999, and the British-Irish Agreement Act, 1999 respectively.

We currently employ 316 full time equivalent staff located in a number of offices and depots close to our inland waterways.

What we do

We are the navigation authority responsible for approximately 1,000km of navigable waterways, comprising:-

- The Barrow Navigation
- The Lower Bann Navigation
- The Royal Canal
- The Erne System
- The Shannon-Erne Waterway
- The Grand Canal
- The Shannon Navigation

Our statutory function is to manage, maintain, develop and restore specified inland navigable waterways, principally for recreational purposes. In July 2007, our remit was extended by the North South Ministerial Council (NSMC) to include responsibility for the reconstruction of the Ulster Canal from Upper Lough Erne to Clones, and following restoration, for its management, maintenance and development, principally for recreational purposes.

At an operational level, we have responsibility for navigation channels, embankments, towpaths, adjoining lands, harbours, jetties, fishing stands, bridges, locks, weirs, sluices, lock houses, along with buildings and archives.

Our work programmes are critical to providing a safe and high quality recreational environment for our customers, whilst also preserving the industrial and environmental heritage of the waterways for future generations. These challenges must be balanced with our objective of increasing recreational activity across all our waterways.

How we operate

As a cross-border Body, we operate under the policy direction of the NSMC and the two Governments, and are accountable to the Northern Ireland Assembly and the Houses of the Oireachtas. At an administrative level, we report to our Sponsor Departments, the Department of Culture, Arts and Leisure (DCAL) in Northern Ireland and the Department of Arts, Heritage and the Gaeltacht (DAHG) in Ireland.

Funding is provided by grants from money voted by the Northern Ireland Assembly and the Houses of the Oireachtas. 15% of recurrent or maintenance funding is provided by the Assembly in Northern Ireland, and 85% by the Irish Government, this reflecting the current distribution of waterways in each jurisdiction. Capital development programmes are funded separately by the jurisdiction where the works are carried out.

Our operational performance targets are agreed with both Sponsoring Government Departments, and we report against these targets on a bi-monthly basis. Waterways Ireland's Annual Report and Accounts are audited externally by the Comptrollers and Auditor Generals who are heads of the Northern Ireland Audit Office and the Office of the Comptroller and Auditor General in Ireland. These external audits provide independent assurance on the regularity and propriety of Waterways Ireland's accounts and our processes in relation to expenditure, revenue and assets. Waterways Ireland also has an Audit Committee, consisting of independent non-executive members, whose remit is to advise the Chief Executive as Accounting Officer, on whether an appropriate system of internal control is in operation.

Management of the Navigational Network

Our headquarters is based in Enniskillen, Co. Fermanagh with regional offices and depots located throughout the navigational network.

Northern Regional Office, Carrick-on-Shannon, Co. Leitrim

The Northern Region includes the Lower Bann Navigation, the Erne System and the Shannon-Erne Waterway.

Western Regional Office, Scarriff, Co. Clare

The Western Region comprises of the Shannon River and its associated lakes and tributaries, stretching from Lough Allen to the Shannon Estuary at Shannon Bridge in Limerick City.

Eastern Regional Office, Dublin

The Eastern Region consists of three navigations, namely the Royal Canal, the Grand Canal and the Barrow Navigation.

Each region is served by a regional office. These are located in Carrick-on-Shannon, Co. Leitrim, for the Northern Region, Scarriff, Co. Clare, for the Western Region, and Dublin for the Eastern Region. The organisation also has a number of work depots and offices across the waterways network.

Our Strategy

The 2014-2016 Corporate Plan focuses on key infrastructural development and maintenance programmes, and the creation of new recreational opportunities that can contribute to supporting more diverse use of the inland waterways. These programmes include the development of the linear land corridors of the canals for walking and cycling, and encouraging and supporting both communities and visitors to use the waterways for other sporting activities such as fishing, sailing, canoeing and rowing.

The development of increased recreational opportunities that offer sustainable access and appreciation of the rich natural, built and cultural heritage associated with waterways is the challenge - yet also the legacy still to be realised. This renewed understanding of our product, our existing and potential customer base and their needs marked the beginning of a changed strategic focus for Waterways Ireland in 2014.

Our Strategic Business Objectives

1. Manage and maintain the 1,000km of navigation in our care to provide safe, open and accessible public recreational space.
2. Inspire more people to discover and enjoy recreational activities on the inland waterways, and to explore these rich environment and heritage attractions.
3. Focus future development on unlocking opportunities to achieve recreational growth, and economic and social development.
4. Re-organise and optimise the use of our resources to deliver a high quality public service, and achieve budget efficiencies.
5. Explore and develop opportunities to earn income to fund future investment in the inland waterways.
6. Continue to develop Waterways Ireland as the respected and valued custodian of the inland waterways.

Our Mission

“To provide recreational opportunities along the inland waterways that sustains people, communities, heritage and nature”.

This Annual Report sets out Waterways Ireland’s progress in achieving these Strategic Business Objectives in 2014.

Our Key Performance Indicators

The performance indicators report detailed below demonstrates our key delivery outputs in 2014.

Action Reference	2014 Business Plan Key Performance Indicators	Key Outputs
Strategic Business Objective 1		
Manage and maintain the 1,000km of navigation in our care to provide safe, open and accessible public recreational space.		
1.1	<ul style="list-style-type: none"> Keep 95% of the navigable waterways available for navigation from April to October. 	<ul style="list-style-type: none"> Over 99.08% of the navigations remained operational from April to October.
1.2.3	<ul style="list-style-type: none"> Consult and implement the Canal Byelaws by year end. 	<ul style="list-style-type: none"> Canal Byelaws were revised following consultation. There is ongoing dialogue with the Sponsoring Departments regarding proposed changes.
1.4	<ul style="list-style-type: none"> Deliver a prioritised programme of infrastructure upgrade and restoration. 	<ul style="list-style-type: none"> Installation of 160m of floating moorings at Crom Castle on the Erne System. 4.1km of bank strengthening works on the Grand Canal and 200m on the Royal Canal. Commenced replacement of Lock Gates at Tarmonbarry on the Shannon Navigation, and remedial works at Connaught Harbour. Dredging on the Lower Bann Navigation at Toome, Portna Slipway and Portneal Jetty, and at Clashganna on the Barrow Navigation.
1.6	<ul style="list-style-type: none"> Deliver a biodiversity and built heritage programme by year end. 	<ul style="list-style-type: none"> Built Heritage Study of the Lower Bann Navigation completed. Ecology surveys carried out on the Lower Bann Navigation, Lough Owel Feeder, Edenderry Branch of the Grand Canal and a section of the Royal Canal. Developed a Geographic Informations System (GIS) based impact assessment tool.

Strategic Business Objective 2 Inspire more people to discover and enjoy recreational opportunities on the inland waterways, and to explore their rich environmental heritage.		
2.1.2	<ul style="list-style-type: none"> Support 100 events along the waterways through sponsorship and practical and technical assistance. 	<ul style="list-style-type: none"> 105 events were offered sponsorship support in 2014, 35 in Northern Ireland and 70 in Ireland. The sponsored events attracted over 39,000 participants and 221,000 spectators to the inland waterways, generating an estimated €10.4 million.
2.2	<ul style="list-style-type: none"> Expand delivery of the Schools Education Programme and develop an Archive Educational Programme. 	<ul style="list-style-type: none"> “All about Waterways” teachers pack issued to an additional 138 schools. 455 students from 16 primary schools participated in Engineers Week. Digitisation of Map archives in Enniskillen completed.
2.5	<ul style="list-style-type: none"> Develop two new partnerships to care for a section of waterway or associated facility. Develop a plan to promote and support volunteer opportunities and pilot the Canal Warden Scheme. 	<ul style="list-style-type: none"> Eastern Regional Partnerships developed with Mountjoy Prison and Dublin Institute of Technology. Northern Regional Partnership developed with ‘Row the Erne’, a community based rowing initiative. Canal Warden Scheme under development.
2.6.3	<ul style="list-style-type: none"> Develop a programme to use e-technology to support effective information management and promotion. 	<ul style="list-style-type: none"> On-line navigational guides produced for the Lower Bann, Erne System and Shannon Navigation.

Strategic Business Objective 3 Focus future development on unlocking opportunities to achieve recreational growth, and economic and social development.		
3.1	<ul style="list-style-type: none"> • Deliver programmes to enhance facilities at key locations to increase their use. 	<ul style="list-style-type: none"> • 255m of moorings developed at Sallins for both visitors and long-term residential use.
3.2	<ul style="list-style-type: none"> • Deliver two programmes to increase use of the canals for walking and cycling. 	<ul style="list-style-type: none"> • 2.4km greenway for walkers and cyclists developed on the Royal Canal in west Dublin from Ashtown to Castleknock. • 2km walkway/cycleway developed along the Grand Canal from Edenderry Harbour. • Ireland's first Blueway (a multi activity trail alongside water) developed along the Shannon Navigation between Drumshanbo and Carrick-on-Shannon, Co Leitrim. • Multi-use trackway along disused Longford Branch of Royal Canal and Main Line, linking Longford Town to Richmond Harbour, Clondra.
3.4	<ul style="list-style-type: none"> • Support the development of two new businesses along the waterways. 	<ul style="list-style-type: none"> • Two new businesses were supported on the Shannon-erne Waterway and at Charlemont Place, on the Grand Canal, Dublin.
3.5	<ul style="list-style-type: none"> • Develop partnerships with stakeholders to promote the refurbishment and reuse of two navigation properties. 	<ul style="list-style-type: none"> • Amenity lease granted to Carlow County Council to restore Carlow Lock House for the local sub aqua club. • Amenity lease granted to the Trustees of Ribbontail Paddlers Canoe Club to restore Collector's House, Longwood as a club facility.
Strategic Business Objective 4 Re-organise and optimise the use of our resources to deliver a high quality public service, and achieve budget efficiencies.		
4.1	<ul style="list-style-type: none"> • Develop and implement a programme to achieve budget efficiencies. 	<ul style="list-style-type: none"> • A review of operational overheads was conducted which has resulted in the renegotiation and termination of rental agreements, reductions in training provisions, and introduction of Voice over Internet Protocol (VoIP) across the organisation saving an estimated €200k per annum.
4.2.1	<ul style="list-style-type: none"> • Review key staff groups to effectively manage change. 	<ul style="list-style-type: none"> • Review of Lock Keeper service requirements completed and negotiations are continuing.
4.3.1	<ul style="list-style-type: none"> • Complete a feasibility study into automation of lock opening/water control on the navigations to reduce operating costs by year end. 	<ul style="list-style-type: none"> • Automated recording of water levels and rainfall amounts at Banagher on the Shannon Navigation.

Strategic Business Objective 5 Explore and develop opportunities to earn income to fund future investment in the inland waterways.		
5.1.1	<ul style="list-style-type: none"> Develop and implement an Energy Management Action Plan to include sites which give the best return. 	<ul style="list-style-type: none"> Ongoing energy monitoring and controls have been established throughout regional offices, depots and in the management of plant and fleet. Options to generate renewable energy at identified locations have been examined.
5.2.1	<ul style="list-style-type: none"> Prepare a report on navigational charges for consideration by the Sponsoring Departments and Ministers. 	<ul style="list-style-type: none"> A draft report was completed but has not yet issued to Sponsoring Departments.
5.2.2	<ul style="list-style-type: none"> Implement new charges on the canals for houseboats and boat permits, following implementation of revised Canal Byelaws. 	<ul style="list-style-type: none"> There is ongoing dialogue with the Sponsoring Departments regarding proposed charges.
5.3.1	<ul style="list-style-type: none"> Identify opportunities for realising commercial rents and disposal of properties. 	<ul style="list-style-type: none"> Historic rental agreements continued to be modernised and progression of land recovery and property registration continues.
Strategic Business Objective 6 Continue to develop Waterways Ireland as the respected and valued custodian of the inland waterways.		
6	<ul style="list-style-type: none"> Continue to implement good governance in all Waterways Ireland corporate processes, procedures and programmes. 	<ul style="list-style-type: none"> All statutory training and Health & Safety requirements were delivered and a programme of safety audits and reviews are ongoing. Staff training provided on Equality, Dignity at Work, Customer Care, Management and Leadership, Social Media, Safeguarding Vulnerable Groups and Leave no Trace. Freedom of Information requests, Data Protection requests and customer complaints were all managed in accordance with procedures and targets.
6.2.1	<ul style="list-style-type: none"> Develop 2015 Business Plan by July 2014 	<ul style="list-style-type: none"> Draft 2015 Business Plan produced by July 2014.
6.11	<ul style="list-style-type: none"> Produce bi-monthly reports on risk management and submit quarterly reports to Sponsor Departments on audit report recommendations and financial performance. 	<ul style="list-style-type: none"> Internal Audit Programme for 2014 was implemented. Risk Register was regularly updated and reported to Sponsor Departments on a bi-monthly basis.

Part 2

Our Strategic Performance

- Objective 1 Principal Activities
- Objective 2 Increasing Public Participation
- Objective 3 Capital Investment Programme
- Objective 4 Managing and Developing our Resources
- Objective 5 Growing our Income
- Objective 6 Corporate Governance

Principal Activities

Manage and maintain the 1,000km of navigation in our care to provide safe, open and accessible outdoor public recreational space.

The 1000km reach and geographic spread of the navigational network and associated linear land corridors, make them the largest outdoor public recreational space in Ireland. It is an unspoilt natural environment with over €670 million of heritage assets including 160 locks, 360 bridges, 13,790 metres of moorings and over 1200 heritage structures. Many of the navigational assets are over 200 years old and are intrinsic to our shared heritage, as well as being unique features of the landscape throughout the island of Ireland.



The management and maintenance of these public assets is central to Waterways Ireland's principal work programmes. While continuing constraints on our operating budgets necessitated a reduced maintenance programme in 2014, we ensured emergency repairs to navigational infrastructure were carried out to keep navigations safe, open and accessible. Regular inspections of public facilities, navigational structures, canal embankments and towpaths informed resulting emergency works, and abandoned and sunken vessels on the canals were removed as resources permitted. The nature of our climate greatly impacts on the delivery of our plans and the magnitude of maintenance works required, as was evident after the flood conditions on the River Barrow for most of January and February. Prolonged periods of dry warm weather from April through to October had the effect of reducing water levels and water supply and additionally accelerated weed growth, this further increasing resource requirements.

The attractiveness of our waterways network is also testament to the work of many volunteers and Inland Waterway Association of Ireland members throughout the waterways. They are at the heart of the waterways on a daily basis organising cleanups, tree planting and supporting us in our plans to sustain this unique natural environment for future generations to come. Waterways Ireland also developed new community partnerships with Mountjoy Prison and Dublin Institute of Technology. Our volunteers reflect the diversity of goodwill that exists in our society, and they demonstrate how social action can also transform local communities and towns and enrich people's lives. We take this opportunity to highlight the invaluable contribution of all our volunteers - we could not do our job without them.

Infrastructural upgrades

A prioritised infrastructural upgrade programme was delivered throughout the navigational network which included the installation of 160m of floating moorings at Crom Estate on Upper Lough Erne, the rebuild of a retaining wall at Portland Place in Dublin, and repairs on the Royal Canal to Mosstown culvert and the deep gates at Lock 4.

On the Shannon Navigation the lock gates at Tarmonbarry were replaced and at Connaught Harbour facility enhancements were carried out to include the installation of additional mooring bollards, the development of a picnic area, improved lighting and safer access to the harbour. The works at Connaught Harbour were substantially completed by the year end with funding provided by Fáilte Ireland. At Ballyleague, approximately 150m of riverside wall was constructed together with a paved promenade, seating and landscaping along the entire length of the wall, with access created for disabled fishing stands. Waterways Ireland collaborated with a number of organisations to achieve a significantly enhanced investment in this facility with funding provided by Roscommon County Council, Inland Fisheries Ireland, Fáilte Ireland and the Ballyleague Village Renewal Committee.

Critical repairs to Carnroe Weir on the Lower Bann Navigation cannot be conducted until the completion of an environmental study which must run for 12 months, with planning approval to be obtained thereafter.



Safeguarding our Environment and Heritage

Safeguarding the high quality environment of our waterways is integral to maintaining our assets and the success of our programme activities. It is the reason why people use our waterways, and it is our custodial responsibility to manage the navigations as resources of environmental and heritage significance and to promote awareness of their significance.

Given the number of national and European conservation sites throughout our waterways, it is often necessary to undertake a range of detailed environmental assessments for a variety of capital and maintenance works to satisfy regulatory requirements. In the interests of satisfying these requirements, capital and maintenance works can require substantive time to complete.

Throughout the year detailed ecological surveys on the Barrow Line, the Lough Owel Feeder, the Edenderry Branch of the Grand Canal and a section of the Royal Canal Main Line were successfully completed. The resulting survey reports greatly enhance our knowledge of these ecological resources and will be used to ensure ongoing maintenance and capital projects are undertaken in a sustainable manner. We also project managed, in conjunction with the National Transport Authority, the development of a new GIS-based cumulative impact assessment tool to ensure the Royal Canal proposed Natural Heritage Area can accommodate enhanced recreational use without being adversely impacted.

Extensive consultation was undertaken with the Royal Society for the Protection of Birds and the Northern Ireland Environment Agency, in order to prepare Environmental Impact Reports and an overarching Habitat Regulations Assessment to accompany a successful planning application for 18 single point moorings, located throughout Upper and Lower Lough Erne. In addition, Waterways Ireland is working in partnership with Inland Fisheries Ireland, Queen's University Belfast and other international research institutions to fund a PhD research project investigating appropriate control and management measures for invasive species in these lakes. We have also continued an extensive water quality monitoring programme on the canals to ensure these waterways are compliant with the Water Framework Directive. Invasive species greatly impact on water quality and in this context we have continued to map, monitor and control their

growth along the navigable waterways. Mitigating measures have included marking known stands of Japanese Knotweed, producing a Control Guide and undertaking tool box talks for ground staff.

A Heritage Survey for the Lower Bann Navigation was completed to provide an inventory of 343 heritage sites as well as a detailed history of the Bann from 7900BC. The prevalence of archaeological artefacts that have been found along the Lower Bann underlies the importance of the river to people since they first set foot in Ireland after the last Ice Age, with Ireland's oldest known settlement confirmed at Mountsandel. The full survey report, as well as previous heritage survey reports for the Grand Canal, Royal Canal, Barrow Navigation, Shannon Navigation, Shannon-Erne Waterway and Erne System, has been uploaded to our website. These survey reports provide the basis for developing current and future programmes that seek to celebrate and share our unique heritage assets with local communities and visitors.

The development of the organisation's Heritage and Biodiversity Plan commenced with the launch of an on-line questionnaire seeking public input on a range of environmental and heritage issues. All of the input gleaned from this survey is being used in stakeholder workshops which is the next stage in the development of the plan.

Managing the multi-functional use of the waterways

Safe, busy and functioning waterways are our ultimate goal on a daily basis. Making it happen is also the result of a team of dedicated Lock Keepers, Waterway Patrollers and our Inspectorate. Our Lock Keepers facilitated 57,329 lock passages in 2014, an increase of 5% from 2013. The busiest locks were Albert Lock on the Shannon Navigation; Lock 1, Corraquill on the Shannon-Erne Waterway; Clondra on the Royal Canal; and Portna on the Lower Bann Navigation.

Whether it is the experienced boater or the first time a customer has passed through a lock, our Lock Keepers and Waterway Patrollers make it possible with their helpful information, due diligence, care and assistance. Each of our 30 Lock Keepers has a unique insight in the history of the waterways, many of them third and fourth generation waterways staff. However, due to reductions in Waterways Ireland's operating budgets it has been necessary to review lock service provision in order to realign this to the times and locations of greatest use. A report has been completed and negotiations are continuing with Lock Keepers to optimise the value of this important resource.

The Inspectorate also fulfils an important role in ensuring that waterway users operate safely and in compliance with the navigational byelaws. Their approach is one of supporting and educating users about the byelaws, facilitating communities in organising waterway events and in promoting safe multi-functional use of the waterways environment. byelaw enforcement duties, particularly in the area of unauthorised moorings and non-permitted craft were carried out, including the removal of craft where necessary. Whilst the navigations continue to be managed within the framework of the existing byelaws, new byelaws for the Canals and also the Erne System are being considered by the Sponsoring Departments.

With an overall increase in recreational activity across all waterway environments and often diverse recreational activities taking place on the same stretch of waterway at the same time, Inspectorate boat and vehicular patrols were in operation at 182 events through the year, an 8% increase from 2013. They additionally processed 587 new vessel registrations, 94 requests for extended stays at public moorings on the Shannon Navigation, 381 Canal Permit requests, and issued 144 Marine Notices to boaters, commercial operators and interest groups.

Increasing Public Participation

Inspire more people to discover and enjoy recreational activities on the inland waterways, and to explore these rich environment and heritage attractions.

The 2014 Marketing and Communication programmes focussed on inspiring people to firstly discover the magic of the waterways, and secondly on growing public participation. The use of social media platforms such as Facebook and Twitter with over 2,500 followers has been central to engaging a new generation of waterways users, as well as capturing the interest of people who traditionally may not have accessed our printed publications. These social media platforms are being used by both communities and Waterways Ireland to discuss and promote waterway events, activities and additionally act as new access points for customer service.

As part of our cost reduction programme, we have transitioned away from print media to digital, and harnessed new technologies to assist with the delivery of information to customers. This included enhancements to the website and the development of a series of online navigation guides for the Lower Bann Navigation, the Erne System and the Shannon Navigation, providing significantly advanced information access. The online guides draw data from Waterways Ireland's GIS system to present navigation information for boaters including moorings, markers and services, in a convenient digital format across a range of platforms.

Waterway enthusiasts will vouch that if you experience the escapism and beauty of the waterways environment only once, you will be hooked. The growth in recreational use of the waterways and their linear land corridors in the last five years prove this to be true, with the top recreational activities being walking, angling, boating and boat trips, cycling and attending waterside events.

Customer Profiling

Out of a sample of 1,247 recreational users surveyed in 2014, 56% identified themselves as being regular users or local. Walkers avail of the waterways most frequently averaging 97 times per year, private cruisers/barges 91, and cyclists 76. These research findings help us to understand who our customers are and their needs and behaviours. This information is central to the development of future capital investment programmes and also informs how best we should communicate with both existing and potential customers. The installation of 22 visitor counters at 12 locations along the Barrow Navigation was initiated to inform the development of a Barrow Blueway in 2015. Initial findings over a period of 27 weeks revealed a total of 137,339 visits of which 11% were cyclists, with the most popular location being the Carlow towpath.



Sponsorship

Sponsorship support was offered to 105 events, these ranging from small community events in towns and villages to high profile events which generated large numbers of visitors and tourists to the waterways. These included the Riverfest in Coleraine; Irish Long Distance Swimming Association Championship on the Erne System; TriAthy; Dublin Dragon Boat Regatta; Killaloe Water Festival; Lough Key Triathlon; Waterways Ireland Docklands Summer Festival and the Lucan Fishing Competition involving 120 wheelchair anglers with physical disabilities and mobility impairments. Over 39,000 participants and 221,000 spectators attended the sponsored events, with an estimated economic benefit of €10.4 million. We also organised and supported over 180 events in the Grand Canal Basin area of Dublin, attracting 40,000 people with an estimated economic impact of €1.6 million. A community activity programme for residents and groups in the Pearse Street and Ringsend area was hugely successful in raising awareness of water safety, with two of the group participants since qualifying as Life Guards.



Building and Growing Partnerships

During 2014, we continued to build and support partnerships with communities and other stakeholders in order to deliver opportunities that would increase recreational use of the waterways. This included joint marketing initiatives such as the Lakelands and Inland Waterways programme (L&IW) in partnership with Fáilte Ireland, Tourism Ireland, Fermanagh Lakeland Tourism and the various Local Authorities along the Shannon Navigation, Shannon-Erne Waterway and the Erne System. Programme delivery included the redesign of the Lakelands section of the discoverireland.ie website, development of the Primary Schools Booklet with 117,120 copies issued to schools North and South, and further extension of the free Lakelands Treasure App to the Android platform, which is available from the Playstore. The App opens up the fun of the Lakeland Treasures to a whole new set of people and includes heritage, cultural and family attractions across the midlands of Ireland. Over 600 people downloaded the App in 2014 and plans are in progress to create apps for other parts of the navigational network.

‘Row the Erne’ based on the Erne System is an example of how a community based organisation was facilitated to create waterway access opportunities for people of all abilities and ages. In 2014, they engaged over 60 people to build and row a 33ft traditional Irish boat (curach), volunteering an estimated 2,500 hours to make it happen. Over 300 adults and children subsequently rowed or journeyed on the curach for nine months of the year, including 87 families associated with disability groups. The project is unique in that it provides people with an opportunity to experience being on a waterway, who may not have the resources to own or rent a boat, or do not have the confidence to get into a canoe or kayak. The team approach to rowing the curach proved to be one of the most successful ways in which to move people from fear of the water to experiencing the tranquillity of its natural environment and discovering a desire to keep rowing in the future. The last rowing expedition of 2014 was held on 21st December, the Winter Solstice.

Education and Legacy

A hugely important role for us is sharing our knowledge of the waterways and archives with children and young people. In recognising that the waterways hold the key to our past and young people are the key to our future – the engagement of young people is vital in our quest to sustain the future of the waterways. From a curriculum perspective, it is also recognised that many parts of the curriculum can best be understood by using examples of waterways engineering and the natural environment. The 2014 education programme provided a mix of classroom based learning and school visits to the waterways including a ‘Celebrating City Canals’ tour around Grand Canal Basin, Dublin with 875 children taking part from 32 different schools. Children were provided with the opportunity to operate the lock and marvel at its history, dress up in period costume and explore life as a ‘greaser’.

We have a wealth of engineering expertise located throughout our regions and sharing this with a new generation of young people is always a privilege. In 2014 we hosted Engineers Week at five locations with over 455 students from 16 primary schools visiting the waterways and engaging in learning opportunities. Throughout the year our staff facilitated work placements for 12 students from secondary schools and eight students from post secondary schools. Further guidance and support was offered to students at Interview Skills Days in five schools. Additionally, as part of our schools publicity programme, we distributed 138 copies of the ‘All about Waterways’ teachers resource packs to schools.

Other educational projects included a programme to celebrate the 20th anniversary of the re-opening of the Shannon-Erne Waterway. A Bolinder 9hp semi-diesel engine donated by the Heritage Boat Association for permanent exhibition in our headquarters office in Enniskillen has provided schools and the community with a unique opportunity to see and understand how barges were used for transport on the canals from the 1920s. The digitisation of archive documents continued throughout the year and a dedicated digital access point is to be developed in 2015.



Capital Investment Programme

Focus future development on unlocking opportunities to achieve recreational growth and economic and social development.

Over €2.2 million was spent on direct capital investments in 2014 with partnership funding from local councils and other third party funders further increasing the overall scale of infrastructure developed. The resulting programme largely focussed on the enhancement of existing facilities at key locations and the development of the linear land corridors of the canals for walking and cycling.

Ireland's first Blueway (a multi-activity trail running alongside water) located on the Shannon Navigation between Drumshanbo and Carrick-on-Shannon in Co. Leitrim was developed in conjunction with the National Trails Office, Canoeing Ireland, Leitrim County Council and Leitrim Tourism.

The Shannon Blueway includes a 16.5km water trail and over 10km of looped walking routes.

It provides for a range of recreational activities such as canoeing, fishing, walking and cycling - all linked by the waterway to local towns and villages.

This development represents a new opportunity to extend the benefits of our existing infrastructure and provides a low cost way to attract new visitors to underused sections of the navigations, whilst also providing excellent recreational amenities for the local community.

Plans are in place to further extend the Shannon Blueway to additional locations on the Shannon Navigation and to connect eastwards with the Shannon-erne Waterway. On the Barrow Navigation, preliminary environmental assessments and designs are in progress to develop a 100km section of waterway to create a Barrow Blueway, subject to planning approval. Along the canals, 20.4km of towpath enhancement has been completed to provide walkways/cycleways that will extend the reach and experience of being close to the waterways. This included a 2km towpath enhancement from Edenderry Harbour along the Grand Canal in partnership with Offaly County Council.

A further 2.4km of greenway was developed by Fingal County Council in conjunction with Waterways Ireland and the National Transport Authority along the Royal Canal from the 10th Lock at Ashtown to the 12th Lock at Castleknock. This is the latest section of the proposed 'coast to coast' greenway that will run from Dublin to Galway, funded by the Department of Transport, Tourism and Sport and the National Transport Authority. Additionally, a 16km multiuse trackway was developed along the disused Longford Branch of the Royal Canal and Main Line, linking Longford Town to Richmond Harbour, with funding provided by the Leader Programme.

In the village of Sallins, Co. Kildare 255m of moorings were created along the Grand Canal with 210m made available for residential use.

The facility has been developed to the highest standards and includes electricity, water, lighting, broadband, rubbish disposal and sewage pump out facilities. A similar facility planned for Hazelhatch is undergoing an Environmental Impact Assessment and planning preparation.

Other capital investment programmes included enhancements to Rooskey Quay on the Shannon Navigation which has greatly improved safety along the quay wall and the village as a tourist attraction. Additionally, two new businesses were supported with license agreements, a cruise hire business in Carrick-on-Shannon and a lunchtime food market at Charlemont Place in Dublin.

Managing and Developing our Resources

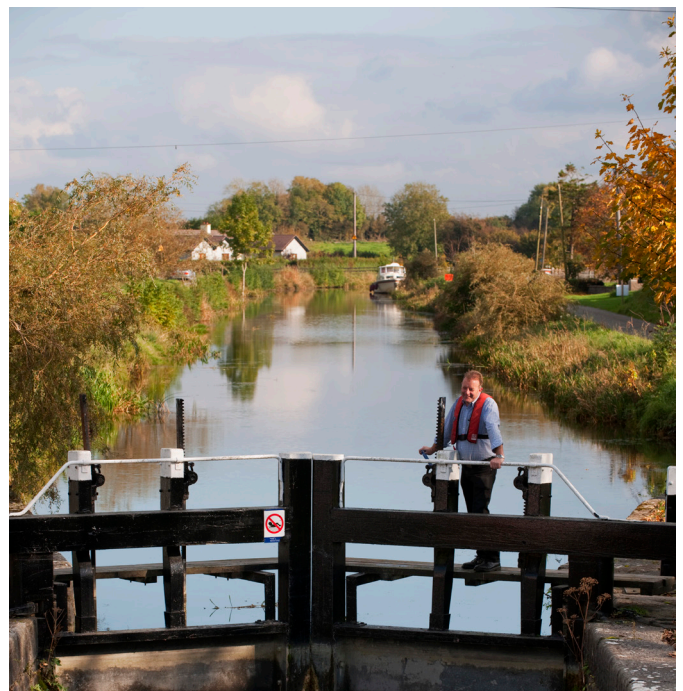
Re-organise and optimise the use of our resources to deliver a high quality public service, and achieve budget efficiencies.

Throughout the year the Senior Management Group and management teams across the organisation reviewed and controlled expenditure, and implemented opportunities to achieve continuous improvement and best value in our processes, performance and delivery outputs. We put in place robust business systems which included enhanced Risk Management reporting and an updated project management system that tracks operational inputs, outputs and the longer term benefits of our investment programmes to ensure we are continually focussed on delivery.

Cost efficiencies were achieved across regional offices, depots, plant and fleet, with every facility and plant manager proactively monitoring and controlling operational costs. An Energy Management team continued to identify and mitigate areas of high energy consumption which led to an overall year end reduction of 11% and a saving of over €128,000. These efficiencies were mainly due to renegotiated tariffs and reductions in electricity, gas and petroleum products which are used for operational transport and mechanical works. A proposal to install roof-mounted photo-voltaic panels on properties at The Cutts and Portna on the Lower Bann Navigation was approved for installation in 2015.

At a navigational level, advanced technologies to improve the management of water levels on the Shannon Navigation included the installation of an automated rain gauge at Banagher and the design of water level recorders for installation at Poolboy Lock.

We also reviewed and changed our property and technological operations and put in place measures to achieve increased cost efficiencies. The implementation of Voice over Internet Protocol (VoIP) across the organisation in 2014 is expected to save approximately €200,000 per annum on telecommunication. Rental agreements were renegotiated and a capital investment of €12,000 to build a new secure storage area on Waterways Ireland's property at Monasterevin, has eliminated the need for rented accommodation which had been used as an operations depot at a cost of €6,000 per annum. A workforce planning strategy continues to be developed to take account of changing business needs and reduced funding. A key element of this strategy is the cost of operational service provision, with options to realign to the times of greatest use examined as part of the Lock Keepers Review. Negotiations are continuing with Lock Keepers to achieve the required efficiencies.



Growing our Income

Explore and develop opportunities to earn income to fund future investment in the inland waterways.

Our plan for growing income included the modernisation of historical property rental agreements, property recovery along the Royal Canal, disposal of surplus assets and an examination of our property portfolios and resources to identify capital investment opportunities. The resulting programme included the execution of 20 modernised property rental agreements and disposal of 17 surplus assets which contributed to achieving an income of €543,000 in 2014; an increase of 5% from 2013.

Waterways Ireland's baseline position had been one of generating incomes from property rents and lease agreements, and from the sale of property, navigational permits, winter moorings, smart cards, merchandise and lock tolls. A report on future navigational charges was prepared in 2014 and is being considered in the context of the revision of navigational bye-laws.

Large scale income programmes are currently in the early stages of development and include the generation of Hydropower at 10 possible site locations. The total capital cost for all sites is estimated at approximately €11 million with a yearly income of over €1 million.

We believe that for some of our properties income generation should continue to be nominal because the benefit of investing in community partnership projects and sustaining the future of the properties will derive a greater legacy. This is particularly relevant in the case of 30 disused Lock Houses which we wish to see restored and purposefully used, either as a community or recreational resource or for commercial activity. During 2014, we moved closer to achieving this aspiration by entering into lease agreements to restore Carlow Lock House on the Barrow Navigation for use by the local sub aqua club, and the Collector's House at Longwood Harbour, Royal Canal, Co. Meath for use by the Ribbontail Paddlers Canoe Club. Proposals to restore Toome Lock House on the Lower Bann Navigation are being developed in association with Toome Industrial Development and Leisure (TIDAL), with options being considered including redevelopment for community use as a café and waterway heritage building.

As part of our community outreach programme, we began to open up our office buildings to facilitate community groups and other public sector organisations to hold meetings, exhibitions and events and in doing so also enable them to discover what we do and how they could participate. There were 19 bookings throughout the year for rental space within our headquarters building located in Enniskillen.

Corporate Governance

Continue to develop Waterways Ireland as the respected and valued custodian of the inland waterways.

Waterways Ireland is committed to achieving the highest standards of Corporate Governance in all its activities and processes, and it is an area that is continually reviewed in order to find new ways to improve how the organisation is governed.

Internal Audit

Internal Audit forms part of the governance and control environment by exercising an independent appraisal function charged with reviewing activities across all areas within the organisation. The role of Internal Audit is to objectively examine, evaluate and report on whether the systems, procedures and controls which management operate in pursuance of the organisation's objectives are being complied with in the most economic, efficient and effective manner and in accordance with applicable laws and regulations. It assists all levels of management in exercising its responsibilities of ensuring that sound systems of internal control are introduced and maintained.

During 2014, Internal Audit completed an annual programme of audits and reports to the Audit Committee, which is comprised of three independent members and led by a Chairperson with wide ranging experience in both the public and private sectors. The Audit Committee has unrestricted access to the internal and external auditors and met three times during 2014 to review and approve Internal Audit reports, the Internal Audit Plan and to ensure that appropriate action is being taken by management to implement agreed internal audit recommendations. Nineteen audits were completed and approved by the Audit Committee throughout the year.

Risk Management

Waterways Ireland embraces the principal of Risk Management in order to define the organisation's capacity, tolerance and system of managing risk. With advice from the Audit Committee, we have satisfied ourselves and our Sponsoring Departments that appropriate systems are in place to enable us identify, assess and manage key risks.

The system of Risk Management and internal controls in place is designed to manage rather than eliminate risk, and operates through ongoing reviews by each directorate and reports to management, the Audit Committee and our Sponsoring Departments. Ongoing reviews of our internal controls and compliance standards demonstrate that appropriate Risk Management standards are in place.

Control Environment

A clear organisational reporting structure with delegated responsibilities is communicated to all staff together with standards and processes for each functional area. Management and staff are fully informed of the standards of propriety and conduct expected in the performance of their functions, as detailed in a number of policies including a Code of Conduct policy and Dignity at Work policy, with all policy areas continuing to be reviewed. This work is supported by an annual programme of safety audits, resulting safety interventions to ensure staff and customer care, implementation of recruitment standards and a process of staff appraisal and development.

Our Corporate Plan and yearly Business Plan

The Corporate Plan 2014-2016 and the Business Plan 2014 were prepared in line with budgetary considerations approved by both Sponsoring Departments and the NSMC.

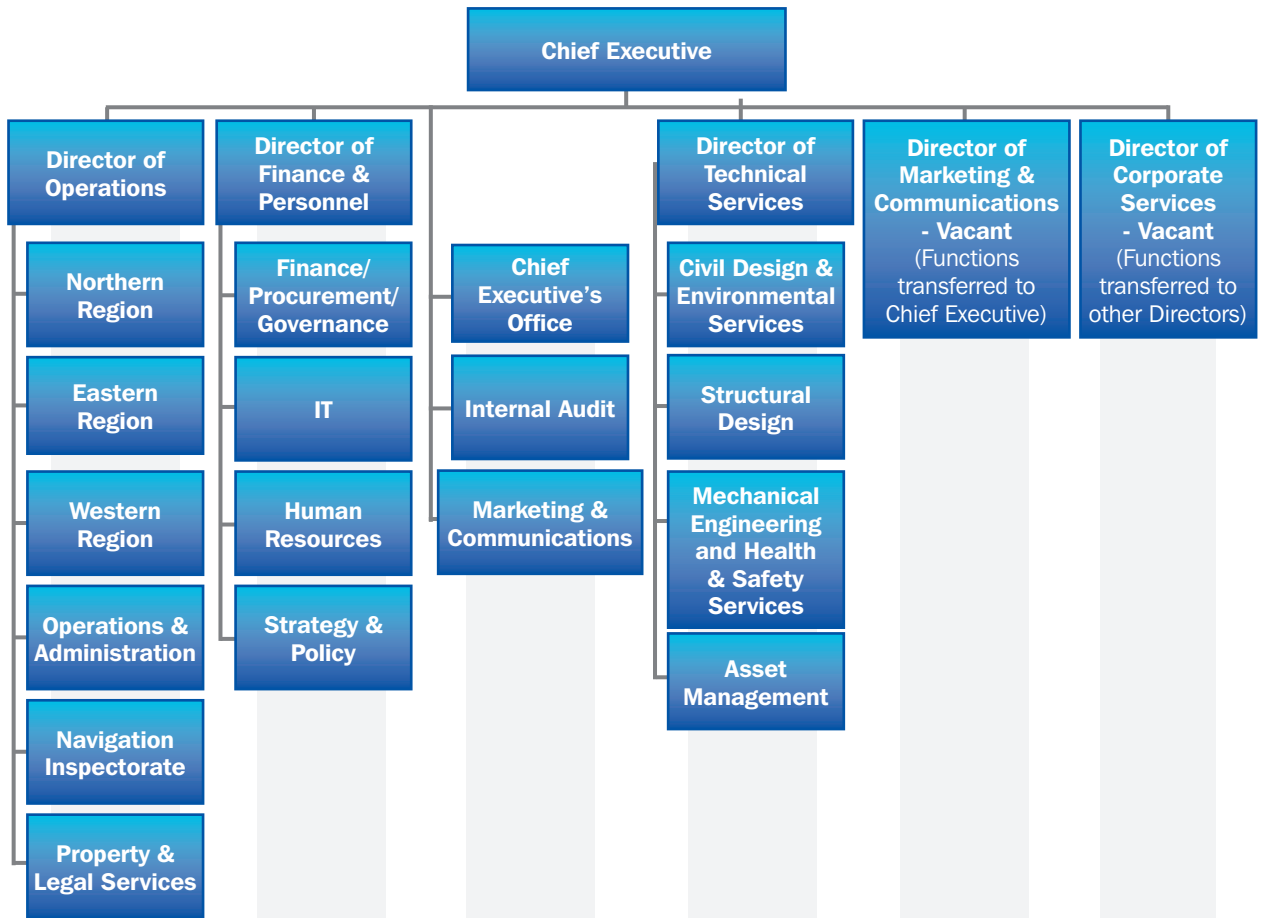
Part 3

Appendix 1 **Waterways Ireland Organisational Chart**

Appendix 2 **Our People and Contact Details**

Appendix 1

Waterways Ireland Organisational Chart



Staff Numbers							Total
Professional, Technical and Administration	40	30	14	33	-	-	117
Operational	199	-	-	-	-	-	199
Total	239	30	14	33	-	-	316

Appendix 2

Our People and Contact Details

Dawn Livingstone began her term as the new Chief Executive on 29th July 2013. The Chief Executive is assisted by two Directors, three Regional Managers and professional, technical, operational and administration staff located throughout the navigational network.

Director of Finance & Personnel..... Colin Brownsmith

Director of Technical Services..... Nigel Russell

Eastern Regional Manager John McKeown

Northern Regional Manager Joe Gillespie

Western Regional Manager Ray Dunne

Waterways Ireland

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Regional Office

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Inspector of
Navigation**Inspectorate**

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of Navigation

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Lough Erne Warden

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Part 4

Accounts for the year ended 31st December 2014

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Foreword to the Accounts

Background Information

Waterways Ireland was established on the 2nd December 1999 under the British Irish Agreement Act 1999 and the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999. Its functions are the management, maintenance, development and restoration of the island's inland navigable waterway system, principally for recreational purposes. The accounts contained in this document refer to the year ended 31st December 2014.

These accounts have been prepared in accordance with:

The financial arrangements as set out in Part 7 of Annex 2 to the Schedule of the British-Irish Agreement Act, 1999 and as set out in Part 7 of Annex 2 to the Schedule of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 establishing Implementation Bodies;

A direction by the Department of Arts, Heritage, and the Gaeltacht, (DAHG) and the Department of Culture, Arts and Leisure (DCAL), as provided for in the Body's Financial Memorandum in 2002;

The Annual Report and Accounts Guidance provided by the Department of Public Expenditure and Reform (DPER) and the Department of Finance and Personnel (DFP) (2009).

Business Review

A full review of Waterways Ireland's activities is given in the Annual Report.

Results for the Period

The results of Waterways Ireland are set out in detail on page 35. The surplus for the period was €1,153,000 (STG£929,000). The deficit for 2013 was €179,000 (STG£154,000).

Reporting Currency

The normal operating currency of the Body is Euro. Sterling values are the Euro values translated at the Bank of England average exchange rate for the year of €1.2411 (2013 €1.1776) to £1 for the Income and Expenditure Account while the Balance Sheet is translated at the Bank of England closing rate at year end of €1.2841 (2013 €1.2004) to £1.

Fixed Assets

Details of the movements in fixed assets are set out in note 7 to the accounts.

Waterways Ireland took over from DAHG and DARD (Department of Agriculture and Rural Development) an asset portfolio comprising mainly infrastructure assets such as waterways, canals, tow-paths, lock-houses and associated navigational features (locks, weirs, etc). The Shannon-Erne Waterway was transferred in 1999 and the Erne System, Grand Canal (including the Barrow Navigation), the Lower Bann Navigation, the Royal Canal and the Shannon Navigation were transferred in 2000 and valued in the accounts of Waterways Ireland in 2003.

Under guidance provided by the Department of Public Expenditure and Reform and the Department of Finance and Personnel definable major assets or components within an infrastructure system or network with determinable finite lives are treated separately and depreciated over their useful economic lives.

Operational heritage assets including land, navigational structures and work in progress have been valued in the accounts. Where title and value have been verified, land and buildings of a non operational nature have been valued in the accounts. A valuation increase in year in Operational Heritage Assets of €15,581,000 and a net valuation increase in Tangible Assets of €143,000 are detailed in Notes 1.6, 7.1 and 7.2.

Research and Development

Waterways Ireland undertook an assessment through primary research in 2014 of the profile of waterway user, their requirements and satisfaction levels with service provided. Delivered across several locations and with a range of recreational and navigational users, the survey found high levels of user satisfaction with the services and facilities provided by Waterways Ireland.

Waterways Ireland is interested in investigating appropriate control and management measures for invasive species in Upper and Lower Lough Erne to facilitate the management and development of recreational activity in the lake. Waterways Ireland are currently involved in a joint funded research project investigating the eradication, control and mitigation of invasive species. This is a four year project and Waterways Ireland are partnering with Queens University Belfast, McGill University, Montreal, Quebec and University of Windsor, Ontario to progress this important issue.

Future Developments

With reduced capital funding available from Sponsor Departments the programme of Capital development works is concentrated on major refurbishment of existing navigation assets to keep these operational, in particular lock and weir structures. Upgrades are planned to the long stay moorings on the Grand Canal and towpath enhancements to encourage recreational use.

The project to reopen the Ulster Canal from Upper Lough Erne to Castle Saunderson has been approved by Government and work has now commenced.

Board Members

Under the British Irish Agreement Act 1999 and the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 the functions of the Body are exercised by the Chief Executive. There are no board members.

The Chief Executive holds a directorship in Lakeshore Homes. There were no transactions which would conflict with her management responsibilities.

Equality Policy

Waterways Ireland has prepared an Equality Scheme in compliance with the requirements of Section 75 of the Northern Ireland Act 1998 and is fully committed to meeting the equality requirements of both jurisdictions.

Policy in relation to people with disabilities

Waterways Ireland is an equal opportunities employer and welcomes people with disabilities as employees.

Employee Involvement

The Staff Partnership Forum with representatives of management, unions and other staff, met during 2014 to discuss items of common interest.

Practice on Late Payments

Waterways Ireland is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment Of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2013 – Statutory Instrument 2013 No. 395 and the Irish Prompt Payment of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations (S. I. No. 580 of 2012). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During 2014, 88% (2013, 83%) of invoices were paid within 30 days and interest charges of €2,255 (2013 €2,409) and late penalty charges of €26,236 (2013, €21,670) were incurred which are included with currency gains. Waterways Ireland aim to improve on these performance levels going forward and for the month of December 2014 achieved 97% of invoices paid within 30 days.

Charitable Donations

Waterways Ireland made no charitable donations during the period.

Health and Safety

Waterways Ireland is committed to ensuring a safe working environment for its staff. A Health and Safety Statement is available and is updated annually. A Health and Safety committee meets quarterly and Health and Safety workshops are held three times per year to review overall Health and Safety issues across Waterways Ireland. To assure Waterways Irelands Health and Safety that it's systems are in use and compliant with legislation some 13 internal safety audits are undertaken each year.

External Audit

Waterways Ireland accounts are audited by the Comptroller and Auditor General for Northern Ireland and the Irish Comptroller and Auditor General (C&AGs) in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. The C&AGs and the staff of their offices are wholly independent of Waterways Ireland. They report their findings to the Northern Ireland Assembly and the Houses of the Oireachtas. The charge for the audit services for the financial year, which is included as a cost in the Income and Expenditure account, is €44,000 (STG£34,000). The auditors do not carry out non audit work in relation to Waterways Ireland.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Body are the continued funding of its activities by the Northern Ireland Assembly and Dáil Éireann. While there is a reasonable expectation that the respective Governments will continue to fund the activities of the Body, the level of funding is under constant review. The Corporate Plan 2014-2016 reflects efficiency savings of 12% over the period of the plan with no formal long-term funding agreements in place thereafter.

The Body faces significant exchange rate pressure. In 2014 the business plan exchange rate was £0.86 to €1, however, the prevailing exchange rate over the year was an average of £0.81 to €1. This resulted in sterling expenditure of €300,000 more than budgeted which places further pressure on an already diminishing budget.

Waterways Ireland pays the pension costs for all retired staff from its operating budget. In 2001 over 200 staff transferred and designated to Waterways Ireland from the previous inland waterway management bodies. Waterways Ireland is liable for their full pension costs including the period of employment prior to 2001. Each year pension costs continue to increase; by 2016, it is estimated that there will be 148 pensioners who are retired or eligible to retire against a known approved workforce complement in 2014 of 331 staff.

Pensions

In 2014 the decrease in the discount rate of AA rated UK corporate bonds and Eurozone corporate bonds at 31st December 2014 along with the net change in inflation rates and lower salary increase assumptions have resulted in an actuarial loss on the scheme and a increase in scheme liabilities in the year.

Business Plan 2014, Business Plan 2015 and Corporate Plan 2014- 2016

Waterways Ireland Business Plan 2014, Business Plan 2015 and Corporate Plan 2014 - 2016 were approved at a North South Ministerial Council meeting on 18th December 2014.

Post Balance Sheet Events

The North/South Pension Scheme is being reformed from 1st April 2015. The main changes are outlined in Note 21.7.

Statement of Responsibilities

Waterways Ireland Responsibilities

The Department of Arts, Heritage and the Gaeltacht, and the Department of Culture, Arts and Leisure have directed Waterways Ireland to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction at Appendix 1 to these accounts. The accounts are prepared on an accruals basis and must give a true and fair view of the Body's state of affairs at the year end and of its income and expenditure, total recognised gains and losses, and cash flows for the financial year.

In preparing the accounts Waterways Ireland is required to:

- Observe the accounts direction issued by the Department of Arts, Heritage and the Gaeltacht and the Department of Culture, Arts and Leisure, 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 have been followed and disclose and explain any material departures in the accounts.
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that Waterways Ireland will continue in operation.

Chief Executive's Responsibilities

The Chief Executive's responsibilities, as the Accountable Person for Waterways Ireland, include responsibility for the propriety and regularity of the public finances and for the keeping of proper records as set out in the Financial Memorandum of the Body.

Statement on Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Waterways Irelands policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland and Public Financial Procedures.

Public Financial Procedures

The Financial Memorandum between Waterways Ireland and its Sponsor Departments sets out in detail the responsibilities of the Accounting Officer, within a financial and business framework.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Body's 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 Waterways Ireland for the year ended 31st December 2014 and up to the date of approval of the annual report and accounts, and accords with the Finance Departments' guidance.

Capacity to Handle Risk

I have carried out appropriate procedures to ensure that we have identified the Body's objectives and risks and determined a control strategy for each of the significant risks. As a result risk ownership has been allocated to the appropriate staff and the Body has set out its attitude to risk to the achievement of its objectives.

The Risk and Control Framework

I have ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. Risk management has been incorporated fully into the corporate planning and decision making process of the Body. The Directors group report to me regularly on key risks identified that may affect their area of work and they have provided assurance that policies and procedures have been followed in their Divisions. I receive periodic reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress on key projects.

Review of Effectiveness

As Accountable Person, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within Waterways Ireland who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by management and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Body has established the following processes:

- The Senior Management group meet regularly to review and monitor progress on business plans and any other issues.
 - A finance sub-committee met three times to review financial matters (this committee comprises senior members of Waterways Ireland and representatives of the Sponsor Departments).
 - A monitoring committee meets bi monthly where the organisation reports progress on business plan and addresses any other issues (this committee comprises senior members of Waterways Ireland and representatives of the Sponsor Departments).
 - Regular reports by internal audit, which include the Internal Auditor's independent opinion on the adequacy and effectiveness of Waterways Ireland's system of internal control together with recommendations for improvement. Implementation of a robust audit prioritisation methodology based on risk ranking.
 - The audit committee met three times in 2014. The audit committee comprises of three external members. This committee reviews the control mechanisms, audit plans and audit reports for Waterways Ireland. The chair of the Audit Committee provided an annual report to the Accounting Officer. The internal auditor provided the following assurance that "there was an overall adequate system of internal control in the areas reviewed".
 - Some unavoidable delays were experienced in the Internal Audit Plan for 2014. It is expected that any delayed audits will be completed by mid-2015.
 - Property registrations and review of legacy leases continue.
 - An external review of the process used to value the operational heritage assets of the Body was completed in April 2012. The review found that the Body is compliant with FRS 15 and made a number of recommendations to improve asset information and valuations. By 2014 a number of structures including weirs, bridges, aqueducts, culverts, lock gates and chambers depots and lockhouses have been revalued based on surveys and the useful lives of these assets have been reassessed and adjusted accordingly. Some of the land values recognised in the accounts are based on estimated rather than precise boundaries. The Body continues to collate the actual property registration layers and then register the deeds. This exercise is currently on-going along the Royal and Grand canals. Any resultant increase in land values is expected to be modest given that any additional small parcels of land are largely at agricultural values. As resources permit Waterways Ireland will continue to progress the remaining recommendations which include further surveys of structures such as canals, moorings and harbours to reflect exact dimensions and the condition of these assets along with a review of the heritage class of assets.
- Establishment of key performance and risk indicators.
 - Quarterly assurance statements are provided to Sponsor Departments as required under the Service Level Agreement.
 - A top level risk register was prepared and submitted to Sponsor Departments bi monthly.
 - Given the reducing budget (as outlined in principal risks and uncertainties) Waterways Ireland continues to look for ways to achieve efficiency savings.
 - Late payment interest and penalties are closely reviewed by Senior management to significantly reduce payments in the future.



Dawn Livingstone
Chief Executive
6th October 2015

The Certificate of the Comptrollers and Auditors General to the Northern Ireland Assembly and the Houses of the Oireachtas

We have audited the accounts of Waterways Ireland (the Body) for the year ended 31 December 2014 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes and appendix. These accounts have been prepared under the accounting policies set out within them.

Respective responsibilities of the Body, the Chief Executive and the Auditors

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. The Chief Executive, as Accountable Officer, is responsible for ensuring propriety and regularity in relation to the use of public funds.

Our responsibility is to audit and certify the accounts in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require us and our staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Body; and the overall presentation of the accounts. In addition we read all the financial and non-financial information in the Annual Report and the Foreword to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our certificate.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the accounts have been applied for the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and that the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In our opinion, in all material respects the expenditure and income have been applied for the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and the financial transactions conform to the authorities which govern them.

Opinion on the accounts

In our opinion:

- The accounts give a true and fair view of the state of the Body's affairs as at 31 December 2014 and of its surplus, total recognised gains and losses and cash flows for the year then ended.
- The accounts have been properly prepared in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and directions issued thereunder.

Opinion on other matters

In our opinion, the information in the Foreword for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we report by exception

We report by exception if:

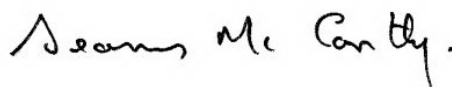
- adequate accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all of the information and explanations we require for our audit; or
- the information given in the Annual Report is not consistent with the related accounts; or
- the Statement on Internal Control does not reflect compliance with applicable guidance on corporate governance.

We have nothing to report in respect of those matters upon which reporting is by exception.



Kieran Donnelly
Comptroller and Auditor General for Northern Ireland
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

8 October 2015



Seamus McCarthy
Irish Comptroller and Auditor General
Dublin Castle
Dublin 2
Ireland

15 October 2015

Income and Expenditure Account

for the year ended 31st December 2014

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
INCOME					
Revenue Funding from Departments	2	26,429	21,293	27,600	23,437
Release from Capital Grant/Donation/Grant Reserves	16,17,18	9,353	7,536	9,081	7,711
Other Operating Income	3	6,168	4,970	7,155	6,076
TOTAL INCOME		41,950	33,799	43,836	37,224
EXPENDITURE					
Staff Costs	4	21,825	17,585	23,263	19,755
Programme Costs	5	4,927	3,969	6,470	5,495
Other Operating Costs	6	5,029	4,052	5,188	4,405
Currency (gains)/losses and interest payable		42	34	43	37
Depreciation	7.1,7.2	8,970	7,227	9,075	7,706
TOTAL EXPENDITURE		40,793	32,867	44,039	37,398
Operating Surplus/(Deficit) for the Year		1,157	932	(203)	(174)
Profit/(Loss) on Disposal of Fixed Assets		(4)	(3)	24	20
Surplus/(Deficit) for the Year	15	1,153	929	(179)	(154)

The net cost of operations arises wholly from continuing operations.

The notes on pages 39 to 59 form part of these accounts.

Statement of Total Recognised Gains and Losses

for the year ended 31st December 2014

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Surplus/(Deficit) for the financial year		1,153	929	(179)	(154)
Actuarial (loss)/gain on pension liabilities	21.2	(15,874)	(12,362)	21,026	17,516
Net transfer (in)/out of the scheme		-	-	57	48
Adjustment to Deferred pension funding		15,874	12,362	(21,083)	(17,564)
Unrealised surplus/(deficit) on revaluation of Assets	7.1,7.2	15,724	12,245	(157,323)	(131,059)
		<u>16,877</u>	<u>13,174</u>	<u>(157,502)</u>	<u>(131,213)</u>

Balance Sheet

as at 31st December 2014

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Fixed Assets					
Tangible Assets	7.1	32,807	25,549	34,189	28,481
Operational Heritage Assets and Work in Progress	7.2	672,573	523,770	662,769	552,123
Current Assets					
Short Term Investment	8	1,007	784	-	-
Cash at bank and in hand	9	2,215	1,725	2,605	2,170
Stocks	10	497	387	625	521
Debtors/Prepayments - amounts due within one year	11	615	479	503	419
		4,334	3,375	3,733	3,110
Current Liabilities					
Creditors - amounts due within one year	12	(1,457)	(1,135)	(2,056)	(1,713)
Net Current Assets/(Current Liabilities)					
Debtors/Prepayments - amounts due after one year	11	29	23	5	4
Creditors - amounts due after one year	12	(115)	(90)	(119)	(99)
Deferred Pension Funding	21.4	107,623	83,812	86,124	71,746
Pension Liability	21.5	(107,623)	(83,812)	(86,124)	(71,746)
Provisions	14	(1,181)	(919)	(626)	(521)
Total Assets Less Liabilities		706,990	550,573	697,895	581,385
Financed by:					
Capital and Reserves					
Revenue Reserve	15	1,610	1,254	937	781
Capital Grant Reserve	16	693,107	539,761	684,395	570,139
Donation Reserve	17	10,879	8,472	11,142	9,282
Grant Reserve	18	1,394	1,086	1,421	1,183
		706,990	550,573	697,895	581,385



Chief Executive

Dawn Livingstone
Date: 6th October 2015

The notes on pages 39 to 59 form part of these accounts.

Cash Flow Statement

for the year ended 31st December 2014

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Net Cash in/(out)flow from operating activities	19.1	718	579	1,126	956
Capital expenditure and financial investment					
Short term fixed deposit	8	(1,007)	(784)	-	-
Receipt from sale - plant, land, computers and furniture		552	445	136	115
Payment for employee contributions arrears		-	-	2	2
Payments to acquire tangible fixed assets	7.1,7.2	(2,224)	(1,792)	(2,274)	(1,931)
Net Cash outflow before financing		(1,961)	(1,552)	(1,010)	(858)
Financing					
Capital funding received	16	1,515	1,221	1,895	1,609
Grant received	18	56	45	140	119
Difference on currency translation		-	(159)	-	12
Increase/(Decrease) in Cash	19.2	(390)	(445)	1,025	882

The notes on pages 39 to 59 form part of these accounts.

Notes to the Accounts

for the year ended 31st December 2014

1. Accounting Policies

1.1 Accounting Convention

The accounts have been prepared in accordance with the historical cost convention modified to account for the revaluation of fixed assets.

The accounts have been prepared in accordance with the historical cost convention. Financial Reporting Standards recommended by the recognised accounting bodies have been adopted as they become applicable. The accounts comply with the accounting and disclosure requirements issued by the Department of Finance and Personnel and by the Department of Public Expenditure and Reform.

1.2 Income

Income includes those grants receivable from the Department of Arts, Heritage and the Gaeltacht and the Department of Culture, Arts and Leisure which funded activities in the current period.

Operating Income comprises mainly licences, property related income, and income from the navigation such as permits, lock tolls and smart cards.

1.3 Expenditure

Expenditure relates to the operational activities of Waterways Ireland and is accounted for on an accruals basis.

1.4 Debtors

Debtors are stated after providing for bad and doubtful debts.

1.5 Deferred Income

Deferred Income relates to an agreement with Waterways Ireland receiving €135,000 for exclusive access to a duct part of which is on Waterways Ireland land. The length of this duct on Waterways Ireland property is 25,600 metres. The duct is solely used to hold telecommunications cable and no other cables from any other parties can use this duct. The lease is for two terms of 35 years with no break clause. The €135,000 is being released to the Income and Expenditure account over 35 years commencing in 2011. There remains 31 years with €3,857 released in 2014 to income.

In 2013, Kildare County Council contributed €228,000 toward the cost of repairs on the Barrow Navigation. At 31st December 2014 these monies are in deferred income and work is in progress on this project.

In 2014, Department of the Environment, Community and Local Government contributed €340,000 toward the development of recreational projects such as cycle paths. At 31st December these monies are in deferred income, the project is in the planning stage and work will commence as soon as possible.

1.6 Fixed Assets Valuation

Asset Category	Sub Category	Valuation Basis
Surplus Assets		Surplus assets represent those assets that the Body deem are not strategic and are available for sale. Valuations of surplus assets are based on Recoverable Market Value from Internal and External valuations reports.
	Plot 8	Plot 8 valued at €7,000,000 (2013: €7,000,000); this was valued in September 2013 by GVA Donal O’Buachella.
	Percy Place	Percy Place was valued at €800,000 (2013: €800,000) by Felicity Fox FRICS FSCSI Auctioneers Valuers & Estate Agent in December 2013.
	Hatch Bar	The Hatch Bar valued at €45,000 (2013: €45,000) by Richard Fawcett BSc (Hons) Valuation & Estate Management Valuer, Waterways Ireland in 2012.
	Barges	The remaining Barge was valued at €7,000 (2013: €51,000) based on bids received in 2013. Barges with a value of €45,000 were sold in 2014.
Buildings		Cost incurred (Depreciated historical cost).
Plant, Vehicles and Machinery		Cost incurred (Depreciated historical cost).
Computer, Furniture and Fittings		Cost incurred (Depreciated historical cost).
Work in Progress		Cost incurred (Depreciated historical cost).
Operational Heritage Assets Valuation performed in house by Chartered Engineers	Canal Structure Harbours Jetties Quays Dry Docks Floating Jetties Trackline	<p>Desk top valuation for 2003 accounts based on estimate replacement costs. This was updated in 2008, 2012 and 2014 accounts in line with construction inflation. Standard costs include integral elements of structures, fencing, bollards, sluices etc. With the exception of floating jetties, 25 years, life is estimated at 500 years based on regular repairs and maintenance and taking into consideration their existing age.</p> <p>Assets established since 2003 are measured at costs incurred by the body including staff costs where applicable.</p> <p>Towpaths, car parks, lighting, paved areas and small structures are capitalised in the accounts where they represent an improvement on assets included in the canal valuation. They are included in the gross project costs and depreciated over the project life. Further reviews will be carried out on a rolling basis with any amendments reflected in the Asset Register.</p> <p>Structures on non operational navigations are deemed to have no value since there is no economic benefit, only land footprint is valued.</p> <p>As new information from surveys of structures such as canals, moorings and harbours becomes available, including exact dimensions, valuations will be revised.</p>
	Lock Chambers and Lock Gates	Locks were revalued in 2013 with replacement valuations applied. Lock gates assets were updated separately from lock chambers reflecting an expected life of up to 60 years (previously included in overall lock valuation). Lock chambers life is revised to 120 years expected life (previously 500 years). Three locks remain to be revalued in 2015.
	Weirs	<p>A number of Weirs were surveyed in 2012 and asset valuations were revised in the 2012 accounts in line with replacement valuations applied. The remaining 17 weirs are to be revalued in 2015 – 2016 on verification of dimension information.</p> <p>Standard replacement costs for weir dimension were established from previous completed projects which allowed a revised valuation for each structure based on size and condition. Re-valued weirs life is revised to 120 years (previously 500 years) in line with replacement valuations applied.</p>

	Bridges Aqueducts Major Culverts	With availability of surveys and technical data asset valuations were revised for 2010 accounts. Standard replacement costs per area of deck specific to construction types were established from previous completed projects. This allowed a revised valuation for each structure based on size and construction type. Life was revised to 120 years (previously 500 years) in line with replacement valuations applied. For the 2013 accounts condition data was available and the remaining average useful life was revised from 117 years and aligned to confirmed condition surveys decreasing average remaining life by 75 years to 42 years.
	Land	Land area is estimated on average length by width of canal, with the exception of waterways where area is known. It is valued using: Urban - brownfield amenity land value, non urban – agricultural land value. Values were revised in 2012 accounts. Agricultural land values were revised in the 2014 accounts
	Depots and Lockhouses	Valued at Higher of Existing Use or Recoverable Market Value in 2011 accounts as replacement costs were not available. Valuations in 2011 were completed by Sarah Carney BSc (Hons) Member of Royal Institute of Chartered Surveyors and Carey Palmer BLE (Hons) Member of the Royal Institute of Chartered Surveyors, Waterways Ireland. A number of assets were valued for 2014 internally by Carey Palmer BLE (Hons) Member of the Royal Institute of Chartered Surveyors. A sample of asset valuations were reviewed externally in 2012 by Darac O'Neill BSc (Hons) MRICS MSCSI of O'Neill & Company Chartered Surveyors and Auctioneers Ltd.
	Service Blocks	Valued at replacement costs in 2011 accounts.

Assets established from joint works with third parties on Waterways Irelands land are capitalised in the accounts on the completion of works at the project costs incurred by third parties and Waterways Ireland. These assets are reflected in the donation reserve and grant reserve.

Waterways Ireland capitalise items with a useful economic life of over one year and with a value in excess of €1,000. Expenditure on IT and furniture and fittings are treated as a grouped asset and capitalised.

Where projects not yet completed will create new assets or a revaluation of an existing operational heritage asset, the related project costs have been included in work in progress in the 2014 accounts.

An impairment procedure is in place.

2014 Revaluations

	Cost	Depreciation
	€'000	€'000
Operational Heritage Assets		
CPI increase 1.82%	9,175	3,932
Land Values	10,057	-
Stores	244	-
Fixed asset Review	26	(11)
Movement per Note 7.2	<u>19,502</u>	<u>3,921</u>

Assets established from the desk top valuation in 2003, are revalued in line with the CPI index in 2008, 2012 and 2014 accounts. Land values are revised in 2014 based on published land values. Stores were valued in year.

Depreciation

Depreciation is charged in full on assets in year of acquisition and no depreciation is charged in year of disposal.

Depreciation rates:

Asset Category	% of Cost
Tangible Fixed Assets	
Surplus Assets	0%
Buildings	2%
Plant, Vehicles and Machinery	
Boats	2.5% - 10%
Excavators	5% - 10%
Grasscare	10%
General Plant	5% - 16.7%
Vehicles	6.7% - 16.7%
Computers, Furniture and Fittings	
Furniture	10%
IT Equipment	20%
Operational Heritage Assets and Work in Progress	
Land	0%
Operational Heritage Assets	
Canal Structures, Locks, Fixed Mooring	0.2% - 1.67%
Lock houses	2%
Depots, Service Blocks	2%
Floating Moorings	4%
Bridges, Aqueducts, Culverts, Weirs	0.2 % - 0.8%

1.7 Deferred Pension Funding

In accordance with accounting practice for non-commercial State bodies in the Republic of Ireland, Waterways Ireland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, Waterways Ireland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. This treatment is inconsistent with accounting practice for UK Non-Departmental Bodies, where, due to the absence of a formal guarantee, a funding liability is not recognised until the commitment falls due.

1.8 Pension Costs

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29th April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Arts, Heritage and the Gaeltacht. The Northern Ireland share of the benefits paid during the year is provided by the Department of Culture, Arts and Leisure.

Pension costs reflect pension benefits earned by employees during the period. An amount corresponding to the pension charge is recognised as income to the extent, that in the future either by way of grant income or other funding to the administrator, it is recoverable, and offset by pension payments made in the year. Actuarial gains and losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the UK and Irish Exchequers.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents a corresponding asset being resources to be made available in future periods from the UK and Irish Exchequers, in the manner described above.

The Balance Sheet recognises the cumulative liability for pensions earned by employees as at 31st December 2014 together with a corresponding asset.

1.9 Leased Assets

Operating lease rentals are charged to the Income and Expenditure Account on a straight line basis over the lease term.

1.10 Value Added Tax

VAT is included as expenditure or, where appropriate, capitalised in the value of fixed assets. Returns to Revenue Commissioners in Ireland are in respect of certain goods and services from abroad and intra-community acquisitions. Revenue authorities in Northern Ireland have determined that there is no business activity in Northern Ireland and there is no liability to VAT.

1.11 Stock

Stock figures in the accounts are valued at the lower of cost and net realisable value.

1.12 Provisions and Contingent Liability

A provision is made in the accounts which represent a reliable estimate of probable settlements for legal cases against the Body and repairs to assets.

A contingent liability arises for claims where there is a possible but not probable obligation to settle or a reliable monetary estimate of the obligation cannot be made. Based on past experience the contingent liability is currently set at 60% of the reserve set for each case. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.13 Currency Translation

The Body's transactions are effected in both Euro and Sterling. The working currency of the Body is Euro and transactions are initially recorded in that currency. Transactions in other currencies are translated to Euro at an average of the previous month exchange rate (this is used as an approximation). Monetary assets and liabilities denominated in other currencies are translated to Euro at the rates of exchange prevailing at the balance sheet date (closing rate). Realised gains and losses are taken to the Income and Expenditure Account.

At year end the financial statements are translated into sterling. The Income and Expenditure Account is translated using the average exchange rate for the year while the Balance Sheet is translated using the closing exchange rate. Currency adjustments arising from this translation of the financial statements are reflected in Fixed Assets (Note 7.1, 7.2), Revenue Reserve (Note 15), Capital Grant Reserve (Note 16), Donation Reserve (Note 17), Grant Reserve (Note 18), Net Cash Flow from Operating Activities (Note 19.1), Analysis of Movement in Pension Liability (Note 21.2) and the Deferred Pension Funding (Note 21.4). The Bank of England rates are used.

1.14 Capital Grant Reserve

The Capital Grant Reserve represents the value of grants from sponsor departments used to purchase fixed assets and the value of infrastructure assets transferred to Waterways Ireland including any revaluations carried out. The Capital Grant Reserve is amortised in line with depreciation with the Income and Expenditure account credited to offset the impact of the amortisation.

1.15 Donation Reserve/Grant Reserve

The Donation Reserve and Grant Reserves arise from contributions of funding or assets to Waterways Ireland from third party bodies. Valuations, for non cash donated assets, reflects confirmed project costs incurred by the third party to establish Waterways Ireland assets. The Donation Reserve and Grant Reserve is amortised in line with depreciation with the Income and Expenditure account credited to offset the impact of the amortisation.

2. Funding From Departments

2.1 Financial Year 1st January 2014 - 31st December 2014

	Note	DAHG €'000	DAHG STG£'000	DCAL €'000	DCAL STG£'000	TOTAL €'000	TOTAL STG£'000
Funding taken to Income		22,869	18,426	3,560	2,867	26,429	21,293
Funding Capitalised	16	1,340	1,080	175	141	1,515	1,221
		24,209	19,506	3,735	3,008	27,944	22,514

2.2 Financial Year 1st January 2013 - 31st December 2013

	Note	DAHG €'000	DAHG STG£'000	DCAL €'000	DCAL STG£'000	TOTAL €'000	TOTAL STG£'000
Funding taken to Income		23,959	20,346	3,641	3,091	27,600	23,437
Funding Capitalised	16	1,523	1,293	372	316	1,895	1,609
		25,482	21,639	4,013	3,407	29,495	25,046

This table indicates how the funds have been applied in the accounts. This is based on generally accepted accounting principles. The Body was paid grants from money voted by the Northern Ireland Assembly and Dáil Éireann. NSMC, with the approval of the Finance Ministers, recommended that the grants should be split on an 85:15 basis for current work - DAHG (85) and DCAL (15). Capital works are 100% funded in the jurisdiction in which they take place. The funding definition of current and capital differs from generally accepted accounting principles.

3. Other Operating Income

	Note	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
Licences		95	77	79	67
Property Related Income		209	168	173	147
Operating Income		142	114	212	180
Interest Receivable		33	27	8	7
Net deferred funding for pensions	21.3	5,625	4,532	6,637	5,635
Other Income		64	52	46	40
Total		6,168	4,970	7,155	6,076

4. Staff Costs

		2014	2013
4.1 The average weekly number of employees (full time equivalent) was as follows:		310	323
Category of Employment:	Administration	114	119
	Operations	196	204

In addition 12 temporary, 9 agency staff and one student were engaged to cover maternity leave and other staff absence.

4.2 The costs incurred in respect of these employees were:

	Note	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
Staff costs		13,313	10,727	13,842	11,754
Agency costs		404	325	359	305
Employers NIC/PRSI		1,138	917	1,182	1004
Other pension costs:					
Current Service and Interest costs	21.3	7,154	5,764	8,047	6,833
		22,009	17,733	23,430	19,896
Less Staff and Agency Costs Capitalised		(184)	(148)	(167)	(141)
Total		21,825	17,585	23,263	19,755

4.3 Details of emoluments and pension entitlements of the Chief Executive and Senior Managers

Name	Age at December 2014	Emoluments within band: €'000	Real increase/ (decrease) in pension earned in Year in band: €'000	Value of Accrued Pension at the end of year in band: €'000	Benefit in Kind: €'000
Dawn Livingstone	54	€60 to €65	€5 to €7.5	€35 to €40	€0
Ray Dunne	61	€95 to €100	€2.5 to €5	€45 to €50	€0
John McKeown	55	€95 to €100	€0 to €2.5	€35 to €40	€0
Joseph Gillespie	56	€95 to €100	€0 to €2.5	€35 to €40	€0

Nigel Russell and Colin Brownsmith withheld consent to disclose the information above.
Ray Dunne retired on 12th September 2014.

5. Programme Costs

	Note	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Contracted in Services		1,279	1,031	2,233	1,897
Civil Construction /Supply contract costs		1,916	1,544	2,117	1,798
Vehicle Fuel		590	475	730	620
Plant Hire		70	56	176	149
Mechanical Spares and Equipment		425	342	647	549
Fuel and Light		72	58	79	67
Travel		212	171	213	181
Compensation/ Provisions	14	179	144	12	10
Miscellaneous		184	148	263	224
Total		4,927	3,969	6,470	5,495

Analysis of Programme Costs by Waterway

Shannon Navigation	783	631	1,060	900
Royal Canal	1,471	1,185	1,591	1,351
Grand Canal	1,557	1,255	2,148	1,825
Barrow Navigation	346	279	650	552
Erne System and Lower Bann	416	335	363	308
Shannon-Erne Waterway	354	284	658	559
Total	4,927	3,969	6,470	5,495

Miscellaneous Expenditure under Analysis of Programme Costs by Waterway has been split evenly over the Royal Canal, Grand Canal and Barrow Navigation.

6. Other Operating Costs

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Travel		431	347	542	460
Recruitment Costs		22	18	46	39
Training and Conferences		152	122	147	125
Contracted in Services		373	301	486	413
Compensation/Provisions	14	731	589	260	220
Premises Running Costs including Utilities		624	503	850	722
Health and Safety		23	19	34	29
Communications		188	151	225	191
Other Operating Lease Rental		17	14	15	13
Printing and Stationery		90	73	126	107
Computer Running Costs		1,022	823	1,018	865
Rent		349	281	357	303
Audit Fee		46	37	39	33
Marketing and Promotions		518	417	482	409
Insurance and Legal Fees		294	237	359	305
Pension Administrator Costs		100	81	105	89
General Expenditure		49	39	97	82
Total		5,029	4,052	5,188	4,405

7.1 Fixed Assets - Tangible Assets

	Surplus Assets	Buildings	Plant, Vehicles and Machinery	Computers, Furniture and Fittings	Total
Cost or Valuation	€'000	€'000	€'000	€'000	€'000
At 1st January 2014	8,166	18,443	22,983	6,969	56,561
Additions	-	-	704	255	959
Revaluation/Reconciliation Adjustment	220	3	(97)	47	173
Disposals	(535)	-	(194)	-	(729)
At 31st December 2014	7,851	18,446	23,396	7,271	56,964
Depreciation					
At 1st January 2014	-	2,343	14,204	5,825	22,372
Provision for year	-	369	1,039	541	1,949
Revaluation/Reconciliation Adjustment	-	-	(12)	42	30
Disposals	-	-	(194)	-	(194)
At 31st December 2014	-	2,712	15,037	6,408	24,157
Net Book Value €'000					
At 31st December 2014	7,851	15,734	8,359	863	32,807
At 31st December 2013	8,166	16,100	8,779	1,144	34,189
Net Book Value STG£'000					
At 31st December 2014	6,114	12,253	6,510	672	25,549
Currency Translation Adjustment	429	864	467	54	1,815
At 31st December 2013	6,803	13,412	7,313	953	28,481

Note: Plant includes donated assets of net book value €118,000. These are reflected in Note 17.

Lands not previously recognised in Waterways Irelands' books were identified with a value of €220,000; all were subsequently sold in year. Further a net cumulative downwards revaluation adjustment has been made to Buildings, Plant and Machinery and Computers, Furniture and Fittings of €77,000. These movements are reflected in the Statement of Total Recognised Gains and Losses of €143,000.

Computers, Furniture and Fittings include intangible assets relating to software of net book value €285,000. This is considered to be immaterial and not requiring separate note disclosure.

Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

7.2 Fixed Assets - Operational Heritage Assets and Work in Progress

	Work In Progress	Operational Heritage Assets	Total
Cost or Valuation	€'000	€'000	€'000
At 1st January 2014	1,387	1,151,638	1,153,025
Additions	393	876	1,269
Capitalised from Work in Progress	(304)	304	-
Disposal	-	(245)	(245)
Expensed to Income and Expenditure	(4)	-	(4)
Revaluation	-	19,502	19,502
At 31st December 2014	<u>1,472</u>	<u>1,172,075</u>	<u>1,173,547</u>
Depreciation			
At 1st January 2014	-	490,256	490,256
Revaluation	-	3,921	3,921
Disposal	-	(224)	(224)
Provision for year	-	7,021	7,021
At 31st December 2014	<u>-</u>	<u>500,974</u>	<u>500,974</u>
Net Book Value €'000			
At 31st December 2014	<u>1,472</u>	<u>671,101</u>	<u>672,573</u>
At 31st December 2013	<u>1,387</u>	<u>661,382</u>	<u>662,769</u>
Net Book Value STG£'000			
At 31st December 2014	<u>1,146</u>	<u>522,624</u>	<u>523,770</u>
Currency Translation Adjustment	86	35,745	35,831
At 31st December 2013	<u>1,155</u>	<u>550,968</u>	<u>552,123</u>

Note: Operational Heritage assets includes inherited assets, newly constructed assets and some office buildings. Also included are assets of net book value €16,687,000 for which a part donation/grant from third parties has been received.

A number of operational assets were valued in year - see accounting policy 1.6. The net impact of these movements on the Statement of Total Recognised Gains and Losses is an increase in Net Book Value of €15,581,000.

Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

8. Short Term Investment

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Euro Fixed Term Deposit	1,007	784	-	-
Total	<u>1,007</u>	<u>784</u>	<u>-</u>	<u>-</u>

9. Cash at Bank and in Hand

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Sterling Bank Account	303	236	9	7
Euro Bank Account	1	1	5	4
Euro Bank Reserve Account	1,908	1,486	1,287	1,072
Euro Money Desk	-	-	1,301	1,084
Petty Cash	3	2	3	3
Total	2,215	1,725	2,605	2,170

10. Stocks

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Hardware	159	124	185	154
Timber	117	91	146	122
Fuel and Lubricants	20	16	18	15
Protective Clothing	85	66	110	92
Spare Parts and Filters	37	29	48	40
Smart Cards	7	5	13	11
Publications	39	30	64	53
Miscellaneous	33	26	41	34
Total	497	387	625	521

11. Debtors and Prepayments

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Amounts falling due within one year:				
Trade Debtors	154	120	286	238
Less: Provision for bad debt	(75)	(58)	(220)	(183)
Other Debtors	86	67	34	28
Prepayments	450	350	403	336
Total	615	479	503	419
Amounts falling due after one year:				
Prepayments	29	23	5	4
Total	644	502	508	423

12. Creditors and Accruals

	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
Amounts falling due within one year:				
Trade Creditors	15	12	19	16
Other Creditors	409	319	127	106
VAT	4	3	23	19
Accruals and Deferred Income	1,029	801	1,887	1,572
Total	1,457	1,135	2,056	1,713
Amounts falling due after one year:				
Deferred Income	115	90	119	99
Total	1,572	1,225	2,175	1,812

13. Other Operating Leases

	€'000 2014	€'000 2014	€'000 2013	€'000 2013
At 31st December 2014 annual commitments for payments during the next year:				
Leases which expire:	Land and Buildings	Other	Land and Buildings	Other
Within one year	30	2	131	-
Between two and five years	58	13	58	14
More than five years	234	-	172	-
	322	15	361	14
	STG£'000 2014	STG£'000 2014	STG£'000 2013	STG£'000 2013
Leases which expire:	Land and Buildings	Other	Land and Buildings	Other
Within one year	24	2	109	-
Between two and five years	46	10	48	12
More than five years	182	-	143	-
	252	12	300	12

14. Total Provision

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
At 31st December Total Provision	1,181	919	626	521

14.1 Provision for Claims Settlement

	Notes	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
At 1st January		342	285	317	259
Provision utilised in year		(355)	(286)	(248)	(211)
Provision in year	5, 6	844	680	273	232
Difference on currency translation		-	(32)	-	5
At 31st December		831	647	342	285

Note: This provision represents a reliable estimate of probable settlements for legal cases against the Body.

14.2 Provision for Repairs to Assets

	Notes	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
At 1st January		284	236	284	232
Provision in year	5,6	66	53	-	-
Difference on currency translation		-	(17)	-	4
At 31st December		350	272	284	236

Note: This provision represents a reliable estimate of probable settlements for repairs to Carnroe Weir.

15. Revenue Reserve

	Notes	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
At 1st January		937	781	1,247	1,017
Surplus/(Deficit) in the year		1,153	929	(179)	(154)
Plus: Transfer from Capital Grant Reserve	16	220	177	105	87
Less: Transfer to Capital Grant Reserve	16	(700)	(564)	(280)	(238)
Plus: Employee Pension Contributions Arrears		-	-	2	2
Plus: Transfer from Grant Reserve	18	-	-	42	36
Difference on currency translation		-	(69)	-	31
At 31st December		1,610	1,254	937	781

Note: Transfer from Capital Grant Reserve incorporates disposal of property €220,000. The Revenue Reserve includes Southern asset sale surpluses of €1,516,000, which are earmarked for future Southern Capital works. As per Note 2.2 certain revenue program costs are deemed capital in nature for funding purposes.

16. Capital Grant Reserve

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
At 1st January		684,395	570,139	848,383	691,822
Capital Grants Received	2	1,515	1,221	1,895	1,609
Revaluation	7.1, 7.2	15,724	12,245	(157,323)	(131,059)
Less: Transfer to Revenue Reserve	15	(220)	(177)	(105)	(89)
Plus: Transfer from Revenue Reserve	15	700	564	280	238
Less: Amortisation of Capital Grants		(9,007)	(7,257)	(8,735)	(7,418)
Difference on currency translation	7.1, 7.2	-	(36,974)	-	15,036
At 31st December		<u>693,107</u>	<u>539,761</u>	<u>684,395</u>	<u>570,139</u>

Note: Transfer to Revenue Reserve incorporates proceeds from the sale of land €220,000.

17. Donation Reserve

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
At 1st January		11,142	9,282	11,405	9,300
Less: Amortisation of Donations		(263)	(212)	(263)	(223)
Difference on currency translation	7.1, 7.2	-	(598)	-	205
At 31st December		<u>10,879</u>	<u>8,472</u>	<u>11,142</u>	<u>9,282</u>

Note: Donations from third parties of Assets and funding to complete works on the Waterways.

18. Grant Reserve

	Notes	€'000 2014	STG£'000 2014	€'000 2013	STG£'000 2013
At 1st January		1,421	1,183	1,406	1,147
Grants Received		56	43	140	119
Less: Amortisation of Donations		(83)	(67)	(83)	(70)
Less: Amortisation to Revenue Reserve	15	-	-	(42)	(36)
Difference on currency translation	7.1, 7.2	-	(73)	-	23
At 31st December		<u>1,394</u>	<u>1,086</u>	<u>1,421</u>	<u>1,183</u>

Note: Grants from third parties of funding to complete works on the Waterways.

19. Notes to Cash Flow Statement

19.1 Reconciliation of result for the year to net cash in/(out)flow from operating activities:

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Result for the year	1,153	929	(179)	(154)
Adjustment for non-cash transactions:				
Depreciation	8,970	7,227	9,075	7,706
Amortisation of Capital Grants	(9,353)	(7,536)	(9,081)	(7,711)
Adjustment for non-operating transactions:				
(Profit)/Loss on disposal of fixed assets	4	3	(24)	(20)
Adjustment for movements in working capital:				
Decrease/(Increase) in stock	128	100	25	21
Decrease/(Increase) in debtors	(136)	(106)	944	786
(Decrease)/Increase in creditors	(603)	(470)	341	284
Use of Provisions:				
Provisions	555	447	25	21
Difference on currency translation	-	(15)	-	23
Net cash in flow from operating activities	718	579	1,126	956

Note: Currency translation adjustment reflects the amount of the movement in the value of current assets and liabilities which is attributable to the change in exchange rates over the year.

19.2 Reconciliation of net cash in/(out)flow to movement in net debt:

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Cash in bank at 1st January	2,605	2,170	1,580	1,288
Net cash (outflow)/inflow	(390)	(445)	1,025	882
Cash in bank at 31st December	2,215	1,725	2,605	2,170

20. Capital Commitments

Capital commitments at 31st December 2014 for which no provision has been made:

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Contracted	1,405	1,094	1,511	1,259
Authorised but not contracted	3,471	2,703	-	-

Note: Formal approval on 2015 capital programme has been received on 18th December 2014.

21. Pensions

21.1 Accounting Treatment

FRS 17 requires financial statements to reflect, at fair value, the assets and liabilities arising from an employer's obligations and any related funding and to recognise the cost of providing superannuation benefits in the accounting period in which they are earned by employees.

The effect of FRS 17 is to recognise as expenditure in the year the cost of pensions earned rather than the payments made to pensioners, and a corresponding funding amount. In addition the Balance Sheet recognises the cumulative liability for pensions earned by employees as at 31st December 2014 together with a corresponding asset.

The valuation used for FRS17 (Revised) disclosures at 31st December 2014 has been carried out by a qualified independent actuary (Xafinity Consulting). The results this year are based on the results of a full valuation on 31st December 2012. These results have been adjusted to reflect actuarial assumptions at 31st December 2014, actual benefit payments and contribution received, salary and pension increase experience during the year and transfer into and out of the Scheme.

The principal actuarial assumptions used to calculate scheme liabilities under FRS 17 are:

At 31st December	2014	2013	2012	2011	2010
Discount rate Northern Ireland	3.60%	4.50%	4.10%	4.70%	5.40%
Discount rate Republic of Ireland	2.10%	3.50%	2.70%	4.60%	4.70%
Rate of increase in Consumer Price Index Northern Ireland	2.00%	2.50%	1.80%	-	-
Rate of increase in Retail Price Index Northern Ireland	-	-	-	2.60%	3.40%
Rate of increase in Consumer Price Index Republic of Ireland	2.00%	2.00%	2.50%	2.50%	2.50%
Rate of increase in salaries	3.00%	4.00%	4.00%	4.00%	4.00%
Average rate of increase for pensions Northern Ireland in line with CPI	2.00%	2.50%	1.80%	-	-
Average rate of increase for pensions Northern Ireland in line with RPI	-	-	-	2.60%	3.40%
Average rate of increase for pensions Republic of Ireland					
in line with salary increases	3.00%	4.00%	4.00%	4.00%	4.00%
in line with CPI	2.00%	2.00%	2.50%	2.50%	2.50%
Average expected future life at age 65 for					
Male currently aged 65	22.1	21.6	21.5	21.4	21.3
Female currently aged 65	24.3	24.2	24.1	24.0	23.9
Male currently aged 45	23.5	23.5	23.4	23.3	23.2
Female currently aged 45	25.8	26	25.9	25.9	25.8

21.2 Movement in Net Pension Liability during the financial year:

	€'000	STG£'000	€'000	STG£'000
	2014	2014	2013	2013
Deficit in the plan at the beginning of the year	(86,124)	(71,746)	(100,570)	(82,011)
Benefits paid during the year	1,529	1,232	1,410	1,197
Net transfer (in)/out of the scheme	-	-	57	48
Current service cost	(3,953)	(3,185)	(5,084)	(4,317)
Other finance income/(charge)	(3,201)	(2,579)	(2,963)	(2,516)
Actuarial gain/(loss)	(15,874)	(12,362)	21,026	17,516
Difference on currency translation	-	4,828	-	(1,663)
Deficit in the plan at the end of the year	(107,623)	(83,812)	(86,124)	(71,746)

Analysis of the movement in (deficit) in the plan during the period is as follows:	Note	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
Experience gain	21.5	1,289	1,004	2,571	2,142
Gain/(loss) on change of financial assumptions		(17,163)	(13,366)	18,455	15,374
Actuarial gain/(loss)		(15,874)	(12,362)	21,026	17,516

The main elements of the actuarial loss of €15,874,000 are €17,163,000 of an assumptions loss. This is a result of a significant decrease in ROI and NI discount rates increasing the value placed on liabilities by €27,100,000. However, a lower NI inflation assumption and lower salary increases offset the increase in liabilities by around €10,000,000. An experience gain of €1,289,000 is a result of lower than expected salary increases and inflation during the year. In 2014 employee contributions were received of €250,000 (2013 €236,000) which were remitted to DAHG and DCAL on an 85:15 basis.

21.3 Income and Expenditure Account analysis for the financial year:

	Notes	€'000	STG£'000	€'000	STG£'000
		2014	2014	2013	2013
Current service cost		3,953	3,185	5,084	4,317
Other finance income/(charge)		3,201	2,579	2,963	2,516
Benefits paid during the year		(1,529)	(1,232)	(1,410)	(1,197)
Net deferred funding for pensions	3	5,625	4,532	6,637	5,636
Current service cost		3,953	3,185	5,084	4,317
Other finance income/(charge)		3,201	2,579	2,963	2,516
Current pension service costs	4	7,154	5,764	8,047	6,833

21.4 Deferred Pension Funding

	€'000	STG€'000	€'000	STG€'000
	2014	2014	2013	2013
At 1st January	86,124	71,746	100,570	82,011
Increase/(Decrease) in Deferred Funding of Pension Asset	21,499	12,066	(14,446)	(10,265)
Difference on currency translation	-	-	-	-
At 31st December	107,623	83,812	86,124	71,746

Waterways Ireland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, Waterways Ireland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. The deferred funding asset for pensions as at 31st December 2014 amounted to €107.6m (2013 €86.1m).

21.5 History of Defined Benefit Liabilities

	Notes	€'000	€'000	€'000	€'000	€'000
		2014	2013	2012	2011	2010
Surplus/(Deficit) at 31st December		(107,623)	(86,124)	(100,570)	(66,432)	(61,768)
Experience gain	21.2	1,289	2,571	173	2,211	5,660
Percentage of Scheme Liabilities		1.2%	2.9%	0.2%	3.3%	9.2%
	Notes	STG€'000	STG€'000	STG€'000	STG€'000	STG€'000
		2014	2013	2012	2011	2010
Surplus/(Deficit) at 31st December		(83,812)	(71,746)	(82,011)	(55,592)	(52,929)
Experience gain	21.2	1,004	2,142	141	1,850	4,852
Percentage of Scheme Liabilities		1.2%	2.9%	0.2%	3.3%	9.2%

21.6 Employees Joining

In the event of staff joining Waterways Ireland with prior service in the Northern Ireland public sector, with funded/unfunded schemes a transfer value will be calculated by the Pension Administrator for Waterways Ireland and forwarded to the Department of Culture, Arts and Leisure. In relation to staff from Southern Ireland with prior public sector service and a funded scheme, the transfer value will be calculated by the Pension Administrator for Waterways Ireland and forwarded to the Department of Arts, Heritage and the Gaeltacht. In the case of Irish unfunded public service pension scheme, the liability for the prior Irish public service remains with the Irish exchequer until it is discharged.

Transfer values for non-public service funded schemes will be split and apportioned by the Pension Administrator and the transfer value will be past via the Body to both Departments.

During the year transfer values for one employee totalling €427 was received and passed to the Department of Culture, Arts and Leisure and the Department of Arts, Heritage and the Gaeltacht.

21.7 Employees leaving

In the event of staff leaving Waterways Ireland the service in Waterways Ireland, is funded by the Department of Culture, Arts and Leisure at 15% and the Department of Arts, Heritage and the Gaeltacht at 85% of the amount to be transferred. If there is prior public sector service as outlined above the transfer value will be funded by the relevant jurisdiction in its entirety (other than Irish unfunded public service pension scheme). There were no transfers out in the year.

21.8 Changes to Pension Scheme

The pension liabilities disclosed at 31st December 2014 are based on the current benefit structure of the North/South Pension Scheme Core Section and Reserved Rights Sections. The Core Section of the Scheme is being reformed from 1st April 2015 in line with changes that are being implemented in Northern Ireland across all Public Service pension schemes.

The main changes include:

- Future benefit accrual on a Career Average Revalued Earnings basis.
- Normal Retirement Age in line with a members own State Pension Age.
- Increased member contributions.

All Northern Core employees will automatically change to the reformed benefit structure from 1st April 2015, while all Southern Core members have been given an option to become a member of the Non Contributory Pension Scheme for non established state employees or the Superannuation Scheme for Established Civil Servants, the Reserved Rights Schemes that employees who designated and transferred to Waterways Ireland were members of at the point of transfer. The options exercise was completed on 31st March 2015.

Southern members who opt to become Reserved Rights Scheme members will have the Reserved Rights Scheme benefit structure applied to all their past service. The Reserved Rights Scheme benefits for most members is less valuable than the current Core benefit this will impact the accrued liabilities of the Scheme. The changes to the Core Section from 1st April 2015 and the potential impact of Southern Core members opting to become Reserved Rights Scheme members has not been allowed for in the liabilities at 31st December 2014 but will have an impact on the liabilities disclosed at 31st December 2015.

22. Contingent Liabilities

The contingent liability of Waterways Ireland at 31st December 2014 is based on past experience and calculated at 60% of best estimate placed on cases of €280,000, (2013 €316,000).

23. Performance Against Key Financial Targets

Annual action plans are presented to North South Ministerial Council and approved. The financial targets set for Waterways Ireland by the Sponsor Departments and the Department of Public Expenditure and Reform and the Department of Finance and Personnel is that spend is to be maintained within budget limits. This was achieved. Non financial targets were also set and are reported in Part 1 of the Annual Report.

24. Related Party Transactions

Waterways Ireland is a cross border implementation Body sponsored by the Department of Arts, Heritage and the Gaeltacht and the Department of Culture, Arts and Leisure. These departments are regarded as related parties and during the year, Waterways Ireland was principally funded by these departments and had various transactions with them. Waterways Ireland has procedures in place to manage conflicts of interest and these were complied with in the period under review.

None of the members of the key management staff of Waterways Ireland or their related parties has undertaken any material transactions with Waterways Ireland during the financial year 1st January 2014 – 31st December 2014.

25. Losses Register

A Losses Register is maintained by Waterways Ireland. Losses recorded during the year amounted to €430,000 (2013 €432,000) and have been incorporated within these accounts where the cost relates to this financial year. Public liability claims are €68,000 (2013 €112,000), employee related claims are €44,000 (2013 €184,000) and other claims are €318,000 (2013 €136,000).

26. Financial Instruments, Liquidity, Interest Rate and Foreign Currency Risk

26.1 Financial Instruments

Due to the non-trading nature of its activities and the way the Body is financed, the Body is not exposed to the degree of financial risk faced by business entities. The Financial Memorandum permits the Body to borrow subject to the prior approval of the Sponsor Departments and the Finance Departments,

which the Body has not sought. The financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities. The Body's financial instruments mainly consist of cash, trade debtors and trade creditors.

26.2 Liquidity, Interest Rate and Foreign Currency Risk

The Body's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly and Dáil Éireann, as is its capital expenditure. It is not therefore exposed to significant liquidity risks.

The Body does not access funds from commercial sources and so is not exposed to significant interest rate risk.

The Body's transactions are effected in the currencies of each part of Ireland, with recorded gains and losses being taken to the Income and Expenditure Account. The Body's exposure to foreign currency risk is of significance as it requests funding in Euro which the Department of Culture, Arts and Leisure convert and pay in Sterling at the spot rate on the date of request. Department of Arts, Heritage and the Gaeltacht funding is received in Euro. The spot rate is different to the exchange rate agreed in the Business plan and so affects the funding available to the Body in Sterling. Transactions are conducted in sterling and converted at average monthly exchange rate to euro which in 2014 resulted in sterling expenditure of €300,000 more than expected. The Body is therefore exposed to foreign currency risk.

27. Post Balance Sheet Events

Other than pension changes post year end (see Note 21.7) there have been no significant events outside of the year end, which affect these accounts.

The Annual Report and Accounts for the year ended 31st December 2014 were authorised to be issued on 6th October 2015 by the Accounting Officer.

Appendix 1

Accounts Direction

Waterways Ireland

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT OF CULTURE, ARTS AND LEISURE, THE IRISH DEPARTMENT OF ARTS, HERITAGE, GAELTACHT AND THE ISLANDS WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH-IRISH AGREEMENT ACT 1999.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement, the body shall prepare accounts for the financial period 2nd December 1999 to 31st December 2000 and subsequent financial years in accordance with:


- a. The North/South Implementation Bodies Annual Reports and Accounts Guidance;
- b. Other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. Any other specific disclosures required by Sponsoring Departments;

except where agreed otherwise with Finance Departments, in which case the exception shall be described in the notes to the accounts.

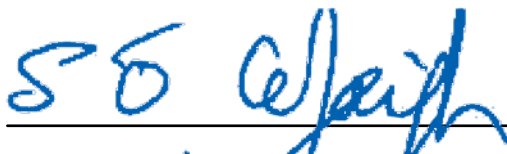
Signed by authority of the

Department of Culture, Arts
and Leisure

Department of Arts, Heritage,
Gaeltacht and the Islands



6/3/02



1/3/2002