

# Annual Report and Accounts



2015





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## Foreword

2015 continued to be a period of change for Waterways Ireland as the organisation progressed the journey of seeking to develop the potential of the 1,000km of inland waterways in its care, whilst like all public bodies, it sought to deliver more with less people and resources.

Our goal is to build on the use of the country's largest outdoor recreational public space, to contribute to local recreational amenities, to attract visitors, create jobs and sustain and develop businesses and enhance the well being of both users and the communities through which the waterways pass.

Towpath enhancement remains the focus for much of our development work as we unlock the potential of particularly the canals as recreational corridors, reaching from the centre of Dublin to the Shannon Navigation and along the Barrow Navigation down the east coast. At the heart of every development project was a partnership and we are indebted to the communities, local authorities and statutory bodies who worked alongside us.

The success of the Shannon Blueway has demonstrated the potential of the Blueway concept to create off road trails on or beside our waterways. It is based on an integrated approach to development that creates physical infrastructure and engages communities, businesses and local authorities to develop, package and sell Blueway activity products, with over 100,000 visitors attracted to the Shannon Blueway area in 2015.

We made important progress in the development of our Heritage Plan, setting out the road map of how we will protect, enhance, celebrate and create access to the built and natural heritage of the waterways. I look forward to working with communities across the waterways in seeing this Plan delivered over the coming years.

In June the North South Ministerial Council agreed that Waterways Ireland work in partnership with the local authorities along the route of the Ulster Canal to explore how we could protect the route and create a Greenway along its length. We also commenced work on reopening a small section of the Ulster Canal with the creation of navigation from the Upper Erne along the River Finn to Castle Saunderson.

Any success depends on people, and Waterways Ireland's staff worked tirelessly throughout the end of year flooding to keep property and the waterway amenities safe. The same dedication was applied throughout the year in managing the navigations, with difficult choices daily about where to use precious resources in order to maximise benefit for the largest possible numbers of users.

The organisation continues to evolve its operating model, with seasonal staff now forming an integral part of our workforce.

Work has commenced on developing an asset management framework to assist in managing the waterway estate, consisting of operational assets with a cost value of €1,164 million.

In closing, I should like to thank Minister Heather Humphreys and Minister Carál Ní Chuilín and the organisation's Sponsor Departments, the Department of Arts, Heritage and the Gaeltacht and the Department of Culture, Arts and Leisure for their encouragement and support throughout 2015.

A handwritten signature in black ink, appearing to read 'Dawn Livingstone'. The signature is stylized with a large initial 'D' and a long horizontal stroke.

**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.

At the end of 2015 there were 295 full time equivalent staff employed by Waterways Ireland, 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, lockhouses, 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.

## **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 2014-2016 Corporate Plan had a greater emphasis on identifying the users and potential users of the waterways environment and refocused the work of Waterways Ireland in providing increased and diverse recreational opportunities both on and along the waterway corridors. The Corporate Plan provided for sustainable access and appreciation of the rich natural, built and cultural heritage associated with the inland waterways. This renewed understanding of our product, our existing and potential customer base and their needs continued to be the focus of all work undertaken during 2015.

### **Our Mission is.....**

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



### Our Strategic Business Objectives are to....

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.

This Annual Report sets out Waterways Ireland's progress in achieving these Strategic Business Objectives in 2015.

### Our Key Performance Indicators

The performance indicators report detailed below demonstrates our key delivery outputs in 2015.

Action Reference	2015 Business Plan Key Performance Indicators	Key Outputs
<b>Strategic Business Objective 1</b>		
<b>Manage and maintain the 1,000km of navigation in our care to provide safe, open and accessible public recreational space.</b>		
1.1	<ul style="list-style-type: none"> <li>• Keep 95% of the navigable waterways available for navigation from April to October.</li> </ul>	<ul style="list-style-type: none"> <li>• Over 95% of the navigable waterways were available for navigation from April to October.</li> </ul>
1.2.3	<ul style="list-style-type: none"> <li>• Complete review and implementation of the Lough Erne bye-law proposals.</li> </ul>	<ul style="list-style-type: none"> <li>• The Lough Erne bye-law proposals were submitted to the CAL Committee within the Department of Culture, Arts &amp; Leisure in June and are being progressed by the Department for enactment in 2016.</li> </ul>
<b>Strategic Business Objective 2</b>		
<b>Inspire more people to discover and enjoy recreational opportunities on the inland waterways, and to explore their rich environmental heritage.</b>		
2.1.2	<ul style="list-style-type: none"> <li>• Support 100 events along the waterways through sponsorship and practical and technical assistance.</li> </ul>	<ul style="list-style-type: none"> <li>• 112 events were offered support, 36 in Northern Ireland and 76 in Ireland.</li> <li>• 97 sponsored events took place attracting over 197,000 people and generating an estimated €7.9 million for the local economy.</li> </ul>

2.2.2	<ul style="list-style-type: none"> <li>Expand delivery of the Schools Education Programme to an additional 50 schools.</li> </ul>	<ul style="list-style-type: none"> <li>74 schools, comprising 95 groups and 2,682 students participated in our Education Programme.</li> <li>23 school groups with over 670 students participated in Engineers Week in March.</li> <li>The Schools Programme celebrating City Canals continued, along with a programme of visits to Locks.</li> </ul>
2.2.3	<ul style="list-style-type: none"> <li>Deliver an archive educational programme to over 30 schools and complete a canal oral heritage programme.</li> </ul>	<ul style="list-style-type: none"> <li>The Archive Action Plan continued to be delivered focussing on generating awareness of and increasing access to archives held by Waterways Ireland.</li> <li>The Archive collection was further enhanced by a donation of a unique photographic collection from the inland waterways historian Ruth Delany.</li> <li>The Oral History Project produced an additional 18 digital recordings relating to the heritage and culture of the waterways.</li> </ul>
2.6	<ul style="list-style-type: none"> <li>Work in collaboration with the Lakeland and Inland Waterways Partnership to deliver a programme which includes industry workshops, provision of marketing collateral and further development of Lakeland Treasures Heritage App.</li> </ul>	<ul style="list-style-type: none"> <li>The co-operative marketing campaign for 2015 was delivered in accordance with the Lakeland and Inland Waterways Strategic Plan.</li> <li>Waterways Ireland worked with the Lakeland and Inland Waterways Partnership to deliver infrastructural enhancements and collaborative development opportunities along the inland waterways.</li> <li>An App for the Upper Lakelands Group was completed and work initiated to extend the App to include Lough Derg Heritage.</li> </ul>
<p><b>Strategic Business Objective 3</b></p> <p><b>Focus future development on unlocking opportunities to achieve recreational growth, and economic and social development.</b></p>		
3.3.1	<ul style="list-style-type: none"> <li>Complete Year 1 of the Action Plan for Grand Canal Dock and Spencer Dock.</li> </ul>	<ul style="list-style-type: none"> <li>The Action Plan was approved by NSMC on 10th June.</li> <li>Approval to employ 2 temporary staff to take forward the Action Plan was received from Sponsor Departments. These staff will be employed in early 2016.</li> </ul>
3.4.1	<ul style="list-style-type: none"> <li>Support the development of 2 new businesses along the waterways.</li> </ul>	<ul style="list-style-type: none"> <li>6 new commercial operations were licensed to operate on the inland navigations; three outdoor activity providers; a passenger vessel; a barge hire operation; and an IT workspace barge offering desk and meeting room rental.</li> </ul>

3.5.1	<ul style="list-style-type: none"> <li>• Develop partnerships with stakeholders to promote the refurbishment and reuse of 2 navigation properties.</li> </ul>	<ul style="list-style-type: none"> <li>• 6th Lockhouse, Royal Canal – site cleared by Cabra for Youth.</li> <li>• 27th Lockhouse, Grand Canal – Tullamore Canoe Club granted an indemnity to use the property for club activities until a license is in place.</li> <li>• Collaborative work is ongoing with communities along each of the seven waterways to create development opportunities. This included meetings with Lough Neagh Partnership and TIDAL (Toome Industrial Development &amp; Amenities Ltd) regarding redevelopment of Toome Lockhouse for community use.</li> </ul>
<p><b>Strategic Business Objective 4</b>  <b>Re-organise and optimise the use of our resources to deliver a high quality public service, and achieve budget efficiencies.</b></p>		
4.1.1	<ul style="list-style-type: none"> <li>• Review operating costs and implement programme to achieve a 4% reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Organisational wide control of operating costs achieved the required cost savings and met efficiency savings, exchange rate costs and increased pension costs.</li> <li>• In-house fabrication of lock gates on the Lower Bann achieved cost savings of €60,000.</li> </ul>
4.1.2	<ul style="list-style-type: none"> <li>• Review Fleet and Plant requirements and implement programme to achieve an overhead reduction of 4%.</li> </ul>	<ul style="list-style-type: none"> <li>• Fleet and Plant requirements were reviewed and the overhead reductions achieved.</li> </ul>
<p><b>Strategic Business Objective 5</b>  <b>Explore and develop opportunities to earn income to fund future investment in the inland waterways.</b></p>		
5.1.1	<ul style="list-style-type: none"> <li>• Implement the 2015 Energy Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing monitoring of energy consumption and associated costs resulted in a 4.69% reduction in consumption, saving €186,806.</li> <li>• Energy efficiency controls were incorporated into maintenance and inspection audits.</li> </ul>
5.1.2	<ul style="list-style-type: none"> <li>• Complete Environmental Study and submit Planning Application for Hydro-electric generation at Carnroe on the Lower Bann Navigation.</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental report was completed and work continues on the completion of the business case for Hydro-electric generation.</li> </ul>

Strategic Business Objective 6		
Continue to develop Waterways Ireland as the respected and valued custodian of the inland waterways.		
6.0	<ul style="list-style-type: none"> <li>Continue to implement good governance in all Waterways Ireland corporate processes, procedures and programmes.</li> </ul>	<ul style="list-style-type: none"> <li>The Audit Committee met three times in 2015.</li> <li>The Annual Accounts 2014 were agreed and signed off by the Comptrollers &amp; Auditors General on 17th December 2015.</li> <li>Updated the following policies and associated plans: Gifts &amp; Hospitality Policy; Conflicts of Interest Policy; Retention &amp; Disposal Policy and Schedule; Business Continuity Policy and Plan.</li> </ul>
6.2.1	<ul style="list-style-type: none"> <li>Develop 2016 Business Plan by July 2015</li> </ul>	<ul style="list-style-type: none"> <li>The Draft 2016 Business Plan was developed by July 2015 and approved by the NSMC on 11th December 2015.</li> </ul>
6.11	<ul style="list-style-type: none"> <li>Produce bi-monthly reports on risk management and submit quarterly reports to Sponsor Departments on audit report recommendations and financial performance.</li> </ul>	<ul style="list-style-type: none"> <li>Reports on audit report recommendations were submitted to Sponsor Departments.</li> <li>Internal Audit Programme for 2015 was implemented.</li> <li>Risk Register was regularly updated and reported to Sponsor Departments on a bi-monthly basis.</li> </ul>

# Part 2

## Our Strategic Performance

**Objective 1**      **Caring for our Inland Waterways**  
Infrastructural Upgrades  
Safeguarding our Environment and Heritage

**Objective 2**      **Increasing Public Participation**  
Public Engagement  
Building and Growing Partnerships  
Blueway - Do it your way!  
Sponsorship  
Volunteering  
Education and Legacy  
Facilitating Multi-functional use of the Waterways

**Objective 3**      **Capital Investment Programme**  
Major Infrastructural Development  
Growing our Income

**Objective 4**      **Corporate Governance**  
Audit Committee  
Managing and Developing our Resources  
Risk Management

# Caring for our Inland Waterways

Waterways Ireland cares for an extraordinary network of inland waterways, 1,000km spread across seven navigations located in both Northern Ireland and Ireland. They represent the largest outdoor public recreational space in the island of Ireland with significant heritage assets including 160 locks, 360 bridges, 13,900m of moorings and over 1,200 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. Today the inland waterways are used by an increasingly diverse number of users on a daily basis - walkers, cyclists, canoeists and boaters, many of whom travel from throughout Europe.

The scale of our remit brings into focus the importance of managing and maintaining these public assets to ensure that an accessible, safe and high quality recreational environment is provided to all users on and along the inland waterways. Amidst continuing budget constraints of 4% in 2015 (a cumulative 8% since 2014), €38.7 million was spent on managing and maintaining the waterways during the year. Resources were focussed on addressing critical infrastructure repairs, including responding to, managing and limiting the damage caused by extreme flood conditions from November 2015. Extensive additional resources were expended as a direct result of these flood conditions, including a breach at Lough Allen on the Shannon Navigation affecting 75m of canal bank and costing an estimated €105,000. Maintenance staff across the navigations worked tirelessly throughout the floods to inspect shore side water facilities, secure jetties, ramps and electrical provision, and also worked with local authorities to help protect areas such as Athlone.

## Infrastructural upgrades

Our infrastructural upgrade programme is undertaken following detailed condition surveys of navigational infrastructure, with condition ratings determining the need for required remedial works or further investigations. Asset Management Policy and Procedures were developed and implemented in order to formalise the inspection regime, condition rating and prioritise investment. Listed below are just some of the investments made in 2015 to ensure infrastructure above, below and along the waterways was operational, safe and can sustain increasing recreational and commercial use.

- Emergency repairs to the control building and gate in Spencer Dock, Co. Dublin.
- Lock gates on the Shannon Navigation at Victoria Lock, Co. Galway and Rooskey Lock, Co. Leitrim were repaired.
- Lock gates at Tarmonbarry, Co. Longford were replaced.
- Building stabilisation took place at Shannon Harbour.
- Repairs to the heating and ventilation system at Waterways Ireland's Visitor Centre in Dublin were completed.
- At Bagenalstown Lock on the Barrow Navigation in Co. Carlow, repairs were completed to the lock wall and the lock was reopened to the navigation.
- Landing jetties were replaced at Galloon and Knockninny on Upper Lough Erne, and at Erneside in Enniskillen creating an additional 72m of mooring and direct access to the shopping centre.
- New lock gates were fabricated in-house at Portna depot and installed at Toome Lock on the Lower Bann.
- 200m of embankment strengthening and relining was completed at Balroe - west of the 34th lock on the Royal Canal. Structural repairs were carried out to the Camac Aqueduct near Vicarstown, Co. Laois on the Grand Canal Barrow line.
- The upgrade of onshore facilities at Connaught Harbour amenity area in Portumna, Co. Galway under the Lough Derg Stimulus Fund demonstrates how collaborative investments can enable larger scale infrastructural projects to happen. This work included an upgrade of the harbour walls, development of car parking facilities and installation of a new service area for recreational vehicles to use the site for overnight stays.

- With support from the Rural Economic Development Zones (REDZ) funding scheme, Lanesborough Quay enhancement works continued, this including the completion of 6km of towpath upgrade with additional cycling and walking infrastructure.
- The automation of Poolboy Lock on the Shannon Navigation at Ballinasloe Co. Galway enabled boaters to self regulate their vessel in the Lock chamber.
- On the Grand Canal, working in collaboration with Kildare County Council, Waterways Ireland staff undertook the development of 3km of towpath and canal bank enhancement.

### **Safeguarding our Environment and Heritage**

Balancing the need to safeguard the island's most precious environment and heritage and yet deliver required capital and maintenance programmes is an ever continuing yet privileged challenge throughout the year. Environmental regulations determine what work we can do, when we can do it and often how we do it. We embrace this challenge with the assistance of a highly skilled environmental team who continually ensure that we manage and develop our waterways as resources of environment and heritage significance. Here are just some examples of the work we delivered during 2015, in addition to the completion of environmental appraisals for development projects throughout the waterways.

We ensured the maintenance plan for all waterways was delivered in accordance with designated status requirements (e.g. Special Areas of Conservation, Special Protection Areas and proposed Natural Heritage Areas). This included towpath maintenance and dredging, in addition to several pilot management regimes focussing on enhancing biodiversity along the waterways. A key aspect of this was our support of the 'All Ireland Pollinator Plan' which aims to improve the natural environment for species like bees and butterflies. Our towpaths and trackways offer ideal environments for these species. Tailored maintenance practices can not only enhance these areas for pollinators but also result in reduced maintenance costs.

Detailed ecological surveys were completed for 172km of waterways including the Grand Canal Main Line, the Naas Corbally Branch, the Milltown Feeder and sections of the Shannon-Erne Waterway. The imperative knowledge of this ecological resource will be used to ensure ongoing maintenance and capital projects are undertaken in a sustainable manner. In addition, species specific surveys continued as part of post dredging ecological monitoring, an assessment of aquatic species and habitats along the Barrow Navigation was undertaken, as well as targeted invasive species monitoring. The integrity of the canals aquatic environment was once again closely monitored and they met the target of Good Ecological Potential, as set down by the EU Water Framework Directive. The impacts of invasive species continued to not only pose a significant threat to the ecological integrity of the waterways, but also to future maintenance programmes. To support our work, we have partnered with Queens University Belfast to research the impact of invasive species in Upper Lough Erne, and are collaborating with a number of national agencies and groups to achieve effective management of invasive species.

We also commissioned a Cumulative Impact Assessment of proposed Blueways along the Grand Canal to ensure they are developed in a sustainable manner. As a designated site, we must be cognisant of its natural heritage value but also how various projects, in combination, can impact this area. The results of this assessment have shown that the development of Blueways along the canals will not have adverse impacts on their ecological integrity.

Waterways Ireland's first Heritage Plan was developed in 2015 following a comprehensive public engagement and consultation process. The Plan will guide the organisation's management, promotion and protection of heritage assets throughout all seven waterways, from 2016 to 2020. Additionally, a report was commissioned to provide conservation best practice guidelines for repairs and maintenance of heritage structures on the waterways, and an assessment of the opportunities for up-skilling staff to complete heritage conservation repairs in order to address existing skill shortages.

# Increasing Public Participation

The inland waterways are now breathing new life where often they were forgotten or perceived to be the privilege of solely the boater. Today we have a much more diverse use of the waterways and they are embraced with a sense of pride and place among the communities who use them on a daily basis. Inspiring increased recreational and commercial activity along the waterways in order to sustain their future continued to be our focus in 2015. We delivered both product and customer led marketing programmes to engage closer with customers, explore product development opportunities with them, understand their needs, and to stimulate increased and diverse demand for the waterways.

## Public Engagement

In February hundreds of people attended our Public Information Event in Athy to learn about plans to develop a Barrow Blueway in partnership with local authorities. Feedback received has since been incorporated into proposed plans and work to develop the detailed plans for a planning application is ongoing.

The use of social media platforms has been central to growing public engagement, with graduates recruited under the Irish Business and Employers Confederation (IBEC) programme to engage with the public through digital channels such as Facebook, Twitter, Instagram and YouTube. These communication platforms attracted thousands of followers in 2015 and have been hugely effective in enabling Waterways Ireland gain access to a geographically dispersed customer base on a continuing basis.

For people who have not previously visited the waterways, nor engaged in community development initiatives or interface with social media, the role of television continues to be most valuable in capturing the wider public's appreciation of the uniqueness and accessibility of the waterways. In 2015 we collaborated with Channel 4 to feature both the Shannon-Erne Waterway and the Erne System on Channel 4's 'Canal Journeys' programme and in doing so these waterways captured significant public interest and acclaim.

## Building and Growing Partnerships

Partnership working underpins our focus on building links with boaters, local communities, businesses and other agencies, and in doing so has enabled us realise shared aspirations and deliver so much more than we can do alone.

Initiatives delivered in 2015 included the continued implementation of the Lakelands and Inland Waterways programme (L&IW) in collaboration with Fáilte Ireland, Tourism Ireland, Fermanagh Lakeland Tourism and the various local authorities along the Shannon Navigation, Shannon-Erne Waterway and Erne System. Over €400,000 was invested in collaborative marketing and product development within the Lakelands region. Among the many delivery outputs was a review of the Fáilte Ireland and Tourism Ireland 'Discover Ireland' websites, production of an Activity Map for Lough Ree, Lough Allen & Lough Derg, Spring and Autumn Promotional Campaigns, event development such as the World Pairs Angling Championship and Business Development Supports. Additionally, an App was completed for the Upper Lakelands Group and work was initiated to extend the App to include Lough Derg Heritage.

Waterways Ireland has also partnered with The Scouting Association, Scottish Canals and the Canal & River Trust to encourage use of the waterways to improve the lives of local communities through 'A Million Hands' project.



## Blueway – Do it Your Way!

A major initiative of Waterways Ireland to increase recreational use has been the development of ‘Blueways’, launched in October 2014. The Blueways are a network of paddling, cycling and walking trails on and alongside the waterways, connecting villages and communities in predominantly rural settings. The success of the Shannon Blueway demonstrates the capacity of the waterways to achieve multi-functional use of Ireland’s largest outdoor recreational space and provide a catalyst for economic and social entrepreneurship. Over 100,000 visitors were recorded on the navigations in the Shannon Blueway area during the April to October 2015 period, with many recreational businesses established to service the demand from Blueway visitors. The Shannon Blueway won the Lakelands & Inland Waterways ‘Sport Tourism Innovation Award’ at the Local Authority Members Association awards, and was nominated for ‘Best Outdoor Escape’ by Outsider magazine.

## Sponsorship

The sponsorship programme received 120 applications with financial and marketing support offered to 112 events, 36 of which were in Northern Ireland and 76 in Ireland. Ninety seven of the sponsored events took place attracting attendance by over 197,000 people and generating approximately €7.9 million for the local economy. Table 1 below profiles some of the events we sponsored and their capacity to draw visitors to the waterways:-

**Table 1. A profile of Sponsored Events and Attendances**

Navigation	Event	Location	Estimated No. of people who attended
Barrow Navigation	Waterways Ireland Stone Mad Ultra	Mount Leinster	500
Erne System	Festival Lough Erne	Enniskillen	6,000
Lower Bann Navigation	Waterways Ireland Riverfest/Euro Wakeboard	Coleraine	8,000
Grand Canal	Dublin Docklands Summer Festival	Grand Canal Dock, Plaza & Hanover Quay	80,000
Royal Canal	Clondra Heritage Festival	Richmond Harbour	2,000
Shannon Navigation	Triathlon	Lanesborough Harbour	1,200
Shannon-Erne Waterway	Ballinamore Easter Festival	Ballinamore	2,150

In addition to sponsored events, we also facilitated hundreds of community events throughout the navigational network. This included “Walking in the Footsteps of the Missing 1,490”, a 155km Famine Walk from Strokestown to Dublin. Five Strokestown natives, along with many other people took part in this dramatic re-enactment of one of the most brutal and poignant chapters of the Irish Famine. Once the walkers reached Dublin they embarked on the “Jeanie Johnston” boat as their final destination. The walk highlighted the significance of the rivers and canal networks in past times as a means of transport and their importance as a route linking rural Ireland and major hubs.

### Volunteering

Volunteers fulfil a much valued and essential role in assisting us develop and care for the waterways and in encouraging communities to get involved. They also demonstrate the shared responsibility we each have in promoting responsible use of our unique waterways environment. The work of the Tidy Town Committees throughout the country, Volunteers Ireland, staff from Marks & Spencer as part of their 'Spark Something Good - Dublin campaign' and the Gateway Staff who carried out towpath enhancement work in the Mullingar area in partnership with Westmeath County Council, transformed not only our waterways environment but also the lives of local communities. Clean and enhanced environmental spaces become places of choice to live, work and participate in recreational activities.

Throughout the year there have been monthly volunteer cleanups on both the Royal and Grand Canals at various locations. Taking inspiration from the hugely successful An Taisce 'Dodder Action Day', Dublin City Canals Group hosted a Dublin Canals Action Day in April and brought eight volunteer groups on both canals together in a bid to spring clean the canals as they run through Dublin City. Dublin City Canals Group is supported by Dublin City Volunteers, Inland Waterways Association of Ireland, Dublin City Council, Waterways Ireland and An Taisce.

The level of commitment demonstrated by our volunteers reflects the diversity of good will and enthusiasm for our waterways. We recognise the potential of volunteers and are committed to developing opportunities that will engage, support and value how volunteering can contribute to the enjoyment and use made of the navigations.

### Education and Legacy

Our youth programmes are central to enabling us share the legacy of the waterways, in connecting with potential waterway customers and in promoting our opportunities for future skill development. In 2015, 2,682 students from 74 schools participated in our education programmes.

In March, we worked with Engineers Ireland to host Engineers Week at four locations, with 670 students from 24 schools visiting the waterways and engaging in learning opportunities. Throughout the year, we also provided 10 work placements for students at secondary school level to learn about our work and acquire new skills. As part of the Schools' Education Programme, we distributed 215 copies of the 'All about the Waterways' teacher resource packs to schools.

The Waterways Ireland Visitor Centre in Grand Canal Dock, Dublin hosted a number of education events throughout the year - Seachtain na Gaeilge an international festival to promote the Irish language in March, the Dublin UNESCO City of Literature Citywide Read for Children in February and the 'Casting Territory' exhibition from a collaborative art project around the skill of fly tying. Additionally, as part of National Heritage Week in August, walking tours took place along Grand Canal Dock, workshops were held in our Visitor Centre and renowned Dublin storyteller, Brendan Nolan entertained groups with folklore and stories of the Royal and Grand Canals.

A digital recording programme was initiated by Waterways Ireland to capture local people's recollections of how the waterways have changed over the decades, thus ensuring that important history is not lost in time. 18 oral history recordings were made relating to people who have had a long history and affinity with the inland waterways. These recordings will be made available to the public through Waterways Ireland's website. Our Archive resource in Enniskillen also benefited from the kind donation of a unique collection of photographs from the inland waterways historian Ruth Delaney.

### Facilitating Multi-functional use of the Waterways

At a customer level recreational activity throughout the waterways continued to grow in 2015, with 168 events held and often diverse activities taking place on the same stretch of waterways simultaneously.

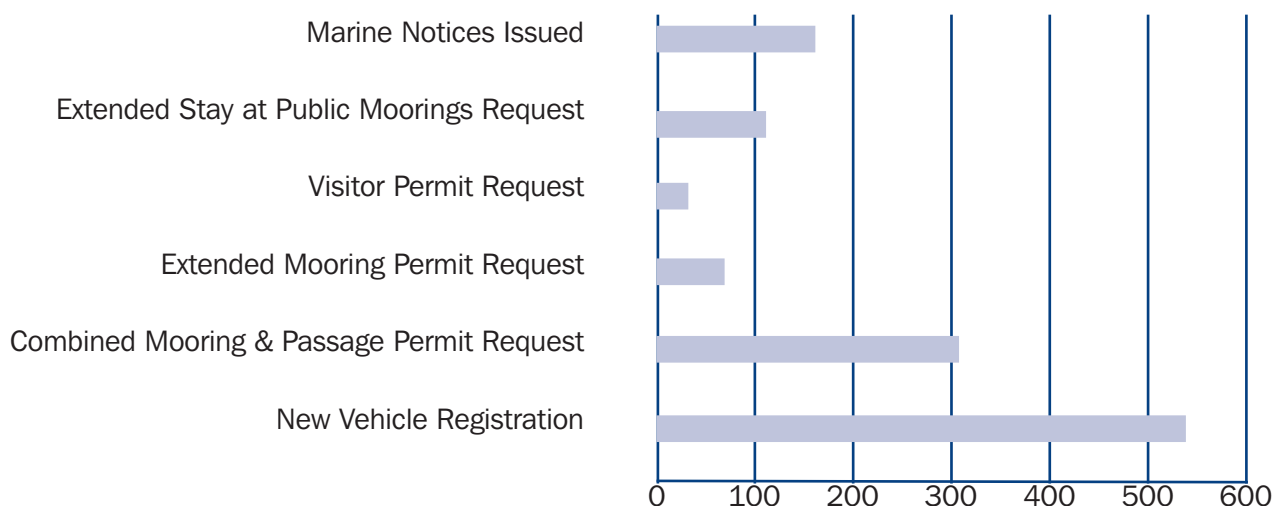
A team of Lock Keepers and Waterway Patrollers worked diligently to assist boats safely through locks and provided important navigation and visitor information. A total of 74,922 lock passages were facilitated with the busiest locks being Albert Lock on the Shannon Navigation; The Cutts on the Lower Bann, the 35th Lock at Shannon Harbour, Grand Canal; and Lock 1 on the Shannon-Erne Waterway.

Further visitor information was obtained through automatic monitoring devices located in 27 different sites along the Barrow and Shannon Navigations. To support future Blueway Development, 22 were positioned on the Barrow Navigation and 5 on the Shannon Navigation.

Managing shared public spaces for an increasingly diverse number of recreational users and commercial operators is carried out by our Inspectorate. They engaged widely with users throughout all seven navigations to promote the safe multi-functional use of the waterways and also assisted communities in organising water based events.

The table below profiles the scope of just some of the many services the Inspectorate provides.

**Table 2. Inspectorate Vessel Management**



Throughout the year, the Inspectorate continued to manage the waterways within the framework of existing bye-laws with revised bye-laws for the Erne System currently under consideration by the Department of Culture, Arts & Leisure following public consultation in early 2015.

# Capital Investment Programme

Over €2.797 million was spent on direct Capital investments in 2015, with partnership funding further increasing the overall scale of infrastructure developed. At a project level, the focus continued to be on unlocking the potential of the linear land corridors of the canals for walking and cycling and in the development of long distance Blueway routes along our waterways. Work was undertaken on over 90 separate capital projects at various stages of development from concept, feasibility, design, tendering, and contract management through to commissioning. A number of investments were made in developing existing facilities at key locations to provide increased and enhanced recreational opportunities.

## Major Infrastructural Developments

Among the highlights of the year was the development of 70km of Blueway along the Shannon-Erne Waterway, 10km of Blueway along the Camlin River on the Shannon Navigation, and over 21km of new recreational trails along the Grand and Royal Canals. The Canal trails included the substantial completion of 4km along the Grand Canal from Hazelhatch to Henry Bridge, Ardclough (Arthurs Way) with funding provided by Kildare County Council. A further 14km of trail was substantially completed along the Royal Canal from Coolnahay 26th Lock to the Westmeath/Longford county boundary, in collaboration with Westmeath County Council who used their own labour, and the Department of Transport who provided part funding. These projects are each being supported by marketing campaigns to engage both customers and visitor service providers in cross-selling with the objective of attracting more customers to the waterways and stimulating economic activity for local business and communities.

In our drive to develop additional Blueways and trails throughout the island of Ireland in the next three years, we are actively engaging with local authorities and communities to create a shared vision of how these will be developed. This includes our role as lead partner of 10 organisations and local authorities along the Barrow Navigation to develop a 112km off road walking and cycling Blueway from Lowtown, Co Kildare to St Mullin's, Co Carlow. Following extensive public consultation and engagement with communities, the project will be submitted to relevant planning authorities in May 2016.

Other flagship projects included the commencement of canal restoration works on the Ulster Canal from Upper Lough Erne to Castle Saunderson, close to the Castle Saunderson International Scout Centre. Site investigations and dredging of the Finn River commenced and work will continue in 2016 on creating this 2.5km stretch of navigation.

## Growing Our Income

Waterways Ireland is committed to maximising the income and benefits that its extensive property portfolio can generate through increased users and partnerships. Our 2015 income generation programme included the modernisation of 40 property rental agreements and the disposal of 7 surplus assets. To support this work, first registration of unregistered title with the Property Registration Authority in Ireland continued and is essential to securing state guaranteed title of all our properties. When in place this greatly facilitates the process of identifying property for lease/licence/disposal.

For some of our properties the generation of increased incomes is less important to us than creating a community legacy that will sustain the future of a property. This continues to be our position in relation to 30 disused lockhouses throughout the waterways which we wish to see restored and purposefully used. During 2015, we progressed negotiations in relation to the future use of three lockhouses; the 6th Lockhouse in Cabra along the Royal Canal with Cabra for Youth, 27th Lockhouse in Tullamore, Co. Offaly with Tullamore Canoe Club, and Toome Lockhouse on the Lower Bann with Toome Industrial Development & Amenities Ltd.

Throughout 2015, we continued to proactively identify and examine opportunities to secure third party funding including Non-Competitive European programmes such as Interreg VA and Peace VA and Competitive European programmes such as LIFE and the Atlantic Area Partnership. An application to the LIFE fund was prepared but regrettably not submitted due to being unable to secure the €1.0 million match funding required. Negotiations are continuing with government agencies to seek and secure the necessary match funding and thus enable submission of a grant application in 2016. If successful, a €2.5 million project will be delivered along the Erne System, the Shannon-Erne Waterway and parts of the Shannon Navigation to manage the growth of invasive species that cause significant biodiversity loss and seriously degrade the waterways environment.

In June we commenced leading a group of four local authorities and other stakeholders to examine how a greenway could be developed along the disused Ulster Canal from Castle Saunderson, Co. Cavan to Charlemont, Co. Armagh. In a preliminary phase, we additionally worked as Lead Partner to submit a €6 million bid under the Interreg VA Sustainable Transport Measure to develop a 22km greenway route between Smithborough, Co. Monaghan and Middletown, Co. Armagh. This collaborative project involving Monaghan County Council, Armagh Banbridge & Craigavon Borough Council and East Border Region Ltd was progressed by the year end for submission in January 2016.

Other collaborative investment projects included the Lough Erne Landscape Project which was successful in a Heritage Lottery Fund Phase 1 application to enable communities experience the natural, built and cultural heritage along the Erne System. The development phase is due to commence in 2016 and a Phase 2 application valued at €2.7 million is due to be submitted by 2017 in association with the Royal Society of the Protection of Birds (RSPB) as lead partner, and a number of local authority and community partners.

# Corporate Governance

Waterways Ireland is committed to achieving the highest standards of Corporate Governance in all its activities and processes.

## Audit Committee

Waterways Ireland has an Audit Committee which is comprised of three external members and is led by a Chairperson with extensive experience in both the public and private sectors. The Audit Committee has unrestricted access to the internal and external auditors. They assess the work of Internal Audit and receive reports on various aspects of internal control. During 2015, the Audit Committee met three times to review and agree Internal Audit reports, the Internal Audit Plan and to ensure that appropriate action is being taken by management to implement agreed Internal Audit recommendations. A total of 13 audits were completed and reviewed by the Audit Committee in 2015.

## Managing and Developing our Resources

Throughout the year we adopted a rigorous approach to spending across all work areas and implemented opportunities to achieve continuous improvement and best value in our processes, performance and delivery outputs. Every manager was tasked with proactively monitoring and controlling operational costs to manage budget reductions.

Among the many cost reductions undertaken was the renegotiation of an existing lease agreement saving over €50,000 per year and the introduction of Voice over Internet Protocol (VoIP) across the organisation saving an estimated €200,000 per annum on land based telephony. A review of Fleet and Plant requirements was completed and the implementation of a new system provision for road vehicles will take place in 2016.

We also delivered an increased work programme with less people - from the top of the organisational structure right down to our operational staff. Our Senior Management Team has been reduced from five to three Directors and seasonal staff now form an integral part of the organisation's operational delivery. Negotiations are nearing completion with Canal Lockkeepers to best utilise this valuable resource and reduce costs for provision to reflect optimum times and levels of use.

In order to manage within the resources available, Waterways Ireland has had to close some utility provisions in the winter seasons, such as electricity and water at public moorings. This has reduced service costs at these locations when use is traditionally very low.

The commitment demonstrated by our staff to deliver high quality service has been outstanding - they embraced challenge and change with optimism in appreciation of the increasing difficult financial and resource pressures the organisation has faced since 2010.

## Risk Management

Obtaining sufficient levels of funding to deliver a maintenance and capital programme capable of sustaining the future of the inland waterways remains an ongoing challenge and Waterways Ireland continues to work with Sponsor Departments to ensure that critical infrastructure requirements are addressed.

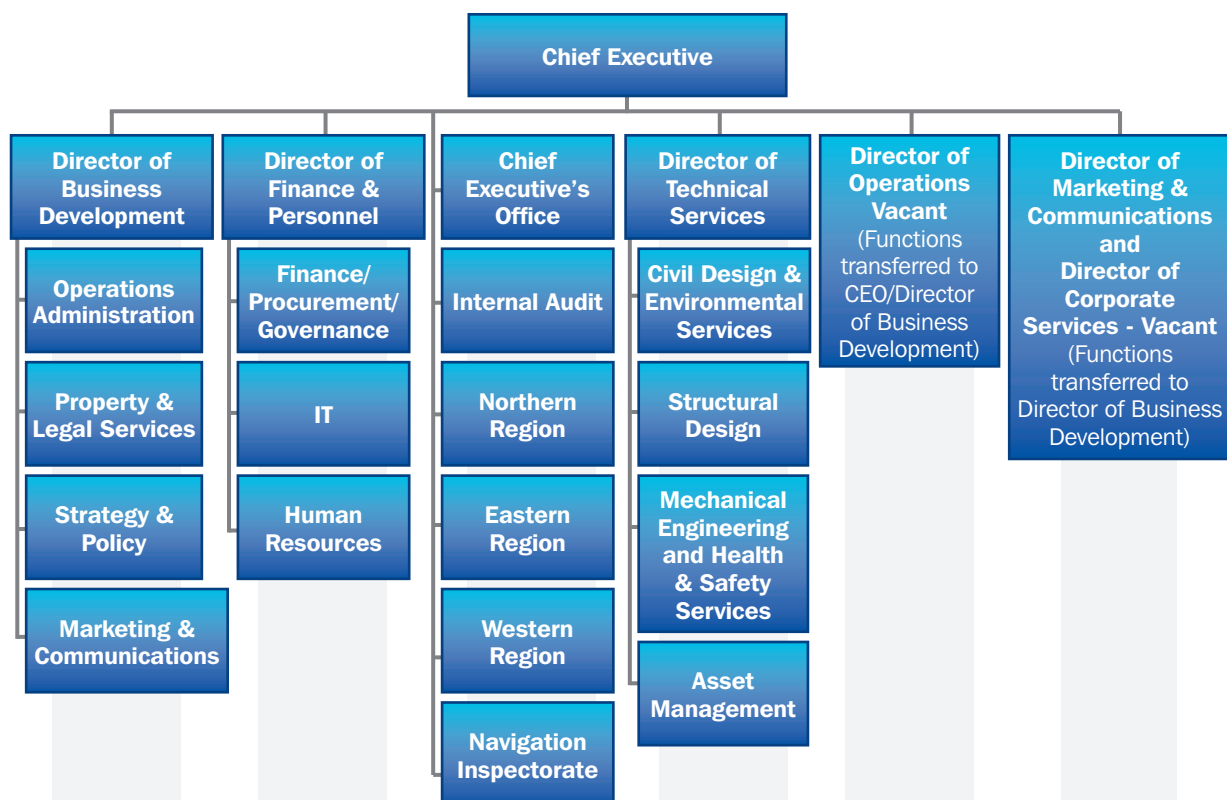
# Part 3

**Appendix 1**      **Waterways Ireland Organisational Structure**

**Appendix 2**      **Our People and Contact Details**

# Appendix 1

## Waterways Ireland Organisational Structure



Staff Numbers								Total
Professional, Technical and Administration	22	22	39	25	-	-	-	108
Operational	0	0	186	1	-	-	-	187
Total	22	22	225	26	-	-	-	295



# 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 three Directors, three Regional Managers and professional, technical, operational and administration staff located throughout the navigational network.

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

Director of Business Development ..... John Boyle

Acting Director of Technical Services .... Stephen Forrest

Eastern Regional Manager ..... John McKeown

Northern Regional Manager ..... Joe Gillespie

Western Regional Manager ..... Eanna Rowe

### Waterways Ireland

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#### Northern Region

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 Co. Offaly  
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**Thomastown** Waterways Ireland  
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 Thomastown  
 Killucan  
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**Assistant Inspector of Navigation** Waterways Ireland  
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 Portumna  
 Co. Galway  
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# Part 4

## Accounts for the year ended 31st December 2015

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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 2015.

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 34. The deficit for the period was €267,000 (STG£194,000). The surplus for 2014 was €1,153,000 (STG£929,000).

## 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 €1.3782 (2014 €1.2411) 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 €1.3605 (2014 €1.2841) 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 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 net valuation decrease in year in Operational Assets of €8,857,000 and a net valuation increase in Tangible Assets of €25,053,000 are detailed in Notes 1.6, 7.1 and 7.2.

### Research and Development

During 2015, research commenced on the value of the investment in the inland waterways to the economy, and to society, in terms of health benefits, social benefits, enjoyment benefits, and community cohesion benefits. The initial findings of the research will be produced in the first quarter of 2016 but it is understood that this area of research will further develop and refine with time.

Waterways Ireland continues to take a lead role in the research to investigate the eradication, control and mitigation of invasive species in our inland waterways. This is an important issue for Waterways Ireland as invasive species have the potential to change the ecological systems within the waterways, thus impinging on navigation and recreational activity. In partnering with Queens University, Belfast, McGill University, Montreal and University of Windsor, Ontario, Waterways Ireland is to the fore of international research on the issue.

### Future Developments

Capital development largely continues to concentrate on the refurbishment of infrastructural assets in order to ensure that our navigations remain open to be enjoyed by all users. A detailed capital programme for 2016 has been agreed, including the replacement of jetties and maintenance of weir structures and locks.

Waterways Ireland will continue to work in collaboration with local authorities, local communities and the business sector to increase the number of users on or along our waterways. We will pro-actively work with others to seek additional funding to develop the offering, and improve the economic development of local communities. During 2016 the Shannon Blueway will be extended west from Carrick-on-Shannon to Boyle and south to Lanesborough and will also be developed along the Shannon-erne from Leitrim village to Belturbet.

In order to once again open up the Ulster Canal route, Waterways Ireland has been working in partnership with Monaghan County Council, Armagh Banbridge & Craigavon Borough Council and East Border Region Ltd to develop a Greenway from Smithborough, Co. Monaghan to Middletown, Co. Armagh under the Interreg VA Sustainable Transport Measure. If successful, the route could provide the commencement of the opening up of the towpath along the Ulster Canal as a long distance recreational and sustainable transport route.

### Blueways

Waterways Ireland continued to unlock the potential of the linear land corridors of the inland waterways with the further development of Blueway routes in 2015.

Work commenced on the development of 70km of Blueway along the Shannon-erne Waterway and 10km of Blueway along the Camlin River on the Shannon Navigation. Waterways Ireland was a partner in Upper Shannon Erne Future Economy project which included Cavan, Leitrim, Longford and Roscommon Local Authorities with the support of Bord Na Mona and the ESB. The project received Rural Economic Development Zone (REDZ) funding to support the economic development of towns and villages along the North Shannon and the Shannon-erne waterway by enhancing the infrastructure, holding capacity building workshops, developing music, craft, food and heritage trails and raising awareness of the Blueways initiative for regional and national users.

It is Waterways Ireland's vision to develop additional Blueways and Trails throughout the island of Ireland in the coming years, and we will continue to actively engage with local authorities and communities to ensure that multi-leisure activities and associated marketing and collaboration will attract greater visitor numbers and positively impact on local economies.

### 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.

### Equality Policy

Waterways Ireland implements 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 Industrial Relations Forum meet quarterly with representatives of management and unions to discuss items of common interest.

### Charitable Donations

Waterways Ireland made no charitable donations during the period.

### 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 2015, 99% (2014, 88%) of invoices were paid within 30 days and interest charges of €135 (2014 €2,255) and late penalty charges of €1,875 (2014, €26,236) were incurred which are included in currency gains/losses and interest payable.

### Health and Safety

Waterways Ireland is committed to ensuring a safe working environment for its staff. The Health and Safety Statement was revised in 2015 and there is an ongoing annual review. The Health and Safety committee meets quarterly and Health and Safety workshops and Regional Meetings are held four 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 €46,000 (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 2015 the business plan exchange rate was £0.81 to €1, however, the prevailing exchange rate over the year was an average of £0.73 to €1. From April DCAL funded the Body at the business plan rate which alleviated the exchange rate cost of converting sterling to euro. The net result is sterling expenditure of €250,000 more than budgeted.

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 and were €2,200,000 in 2015. By 2016, it is estimated that there will be 117 pensioners who are retired or eligible to retire against a permanent workforce complement in 2015 of 295 staff.

### Pensions

In 2015 the increase in the discount rate of AA rated UK corporate bonds and Eurozone corporate bonds at 31 December 2015 along with the net change in inflation rates and lower salary increase assumptions have resulted in an actuarial gain on the scheme and a decrease in scheme liabilities in the year.

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

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

Following additional bids from Waterways Ireland DAHG provided €275,000 toward pension costs and €911,645 toward capital projects including the Ulster Canal. DCAL provided €23,600 toward pension costs.

### Post Balance Sheet Events

None to report.

# 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, in accordance with this direction, 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 Ireland's 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 2015 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 Irelands 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 2015. 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".
- Property registrations and review of legacy leases continue.
- An external review of the process used to value the operational 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 2015 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 continue to be closely reviewed by Senior management.



Dawn Livingstone  
Chief Executive  
22 June 2016

# 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 2015 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 on the basis set out in the accounts direction in the appendix to these accounts. 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 Review of Activities 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.

We are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the accounts have been applied to 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 Regularity

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

### Opinion on the accounts

In our opinion:

- 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.
- The accounts give a true and fair view, in accordance with those accounts directions, of the state of the Body's affairs as at 31 December 2015 and of its deficit, total recognised gains and losses and cash flows for the year then ended.

### 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

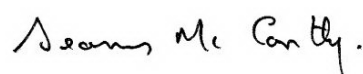
We report by exception if:

- 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 Review of Activities 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  
27 June 2016



Seamus McCarthy  
Irish Comptroller and Auditor General  
3A Mayor Street  
Dublin  
Ireland  
30 June 2016

# Income and Expenditure Account

for the year ended 31st December 2015

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
<b>INCOME</b>					
Revenue Funding from Departments	2	25,988	18,857	26,429	21,293
Release from Capital Grant/Donation/Grant Reserves	16,17,18	8,929	6,479	9,353	7,536
Other Operating Income	3	3,474	2,521	6,168	4,970
<b>TOTAL INCOME</b>		<b>38,391</b>	<b>27,857</b>	<b>41,950</b>	<b>33,799</b>
<b>EXPENDITURE</b>					
Staff Costs	4	20,177	14,641	21,825	17,585
Programme Costs	5	4,902	3,557	4,927	3,969
Other Operating Costs	6	4,619	3,352	5,029	4,052
Currency (gains)/losses and interest payable		43	31	42	34
Depreciation	7.1,7.2	8,916	6,469	8,970	7,227
<b>TOTAL EXPENDITURE</b>		<b>38,657</b>	<b>28,050</b>	<b>40,793</b>	<b>32,867</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>(266)</b>	<b>(193)</b>	<b>1,157</b>	<b>932</b>
Profit/(Loss) on Disposal of Fixed Assets		(1)	(1)	(4)	(3)
<b>Surplus/(Deficit) for the Year</b>	15	<b>(267)</b>	<b>(194)</b>	<b>1,153</b>	<b>929</b>

The net cost of operations arises wholly from continuing operations.

The notes on pages 38 to 59 form part of these accounts.

# Statement of Total Recognised Gains and Losses

for the year ended 31st December 2015

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
Surplus/(Deficit) for the financial year		(267)	(194)	1,153	929
Actuarial (loss)/gain on pension liabilities	21.2	14,313	10,520	(15,874)	(12,362)
Net transfer (in)/out of the scheme	21.2	(6)	(4)	-	-
Adjustment to Deferred pension funding		(14,307)	(10,516)	15,874	12,362
Unrealised surplus/(deficit) on revaluation of Land and Buildings	7.1,7.2	16,196	11,904	15,724	12,245
		<u>15,929</u>	<u>11,710</u>	<u>16,877</u>	<u>13,174</u>

# Balance Sheet

as at 31st December 2015

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
<b>Fixed Assets</b>					
Tangible Assets	7.1	58,601	43,073	32,807	25,549
Operational Assets and Work in Progress	7.2	656,803	482,766	672,573	523,770
<b>Current Assets</b>					
Short Term Investment	8	1,700	1,250	1,007	784
Cash at bank and in hand	9	1,868	1,372	2,215	1,725
Stocks	10	585	430	497	387
Debtors/Prepayments - amounts due within one year	11	1,619	1,190	615	479
		5,772	4,242	4,334	3,375
<b>Current Liabilities</b>					
Creditors - amounts due within one year	12	(2,418)	(1,778)	(1,457)	(1,135)
<b>Net Current Assets/(Current Liabilities)</b>					
		3,354	2,464	2,877	2,240
Debtors/Prepayments - amounts due after one year	11	20	15	29	23
Creditors - amounts due after one year	12	(116)	(85)	(115)	(90)
Deferred Pension Funding	21.4	96,180	70,695	107,623	83,812
Pension Liability	21.5	(96,180)	(70,695)	(107,623)	(83,812)
Provisions	14	(1,449)	(1,065)	(1,181)	(919)
<b>Total Assets Less Liabilities</b>					
		717,213	527,168	706,990	550,573
<b>Financed by:</b>					
<b>Capital and Reserves</b>					
Revenue Reserve	15	(419)	(308)	1,610	1,254
Capital Grant Reserve	16	705,238	518,366	693,107	539,761
Donation Reserve	17	10,655	7,832	10,879	8,472
Grant Reserve	18	1,739	1,278	1,394	1,086
		717,213	527,168	706,990	550,573



Chief Executive

Dawn Livingstone  
Date: 22 June 2016

The notes on pages 38 to 59 form part of these accounts.

# Cash Flow Statement

for the year ended 31st December 2015

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
Net Cash in/(out)flow from operating activities	19.1	(132)	(96)	718	579
<b>Capital expenditure and financial investment</b>					
Increase in short term fixed deposit	8	(693)	(466)	(1,007)	(784)
Receipt from sale - plant, land, property rights		51	37	552	445
Payments to acquire tangible fixed assets	7.1,7.2	(2,796)	(2,029)	(2,224)	(1,792)
Net Cash outflow before financing		<u>(3,570)</u>	<u>(2,554)</u>	<u>(1,961)</u>	<u>(1,552)</u>
<b>Financing</b>					
Capital funding received	16	2,796	2,028	1,515	1,221
Grant received	18	427	310	56	45
Difference on currency translation		-	(137)	-	(159)
Increase/(Decrease) in Cash	19.2	<u>(347)</u>	<u>(353)</u>	<u>(390)</u>	<u>(445)</u>

The notes on pages 38 to 59 form part of these accounts.

# Notes to the Accounts

for the year ended 31st December 2015

## 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 comply with the accounting and disclosure requirements issued by DFP and DPER.

### 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 receipts mainly from 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 30 years with €3,857 released in 2015 to income.

In 2013, Kildare County Council contributed €228,000 toward the cost of repairs on the Barrow Navigation. At 31st December 2015 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 has received planning permission and work will commence in 2016.

In 2015, Longford County Council contributed €50,000 toward the development of Abbeyshrule tow path. At 31st December these monies are in deferred income and work is in progress on this project.



## 1.6 Fixed Assets Valuation

Asset Category	Sub Category	Valuation Basis
Surplus Assets		<p>Surplus assets represent those assets that the Body deem are not strategic and are available for sale. Valuations are based on recoverable market value from internal and external market reports. In 2015 a surplus on revaluation of €26.4 million was recognised on these assets. The main components were as follows.</p> <p>Cityblock 19 €25.5m. At end 2015 this building is valued at €32.5 million (2014: €7m). This was valued in April 2016 by CBRE Dublin.</p> <p>Percy Place €0.873m. At end 2015 this is valued at €1.67m based on net sale proceeds receivable. A contract for sale was agreed on 21st December 2015 and sale proceeds are due in February 2016.</p>
Buildings		<p>Deficit on revaluation €1.662m. Buildings are valued at replacement value. A valuation conducted in 2015 resulted in a decrease in value from €20.6m to €19m.</p> <p>Building Reinstatement value carried out by Gavin Wallace MRICS from Lambert, Smith Hampton in 2015.</p>
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 Assets Valuation performed in house by Chartered Engineers	Canal Structure Harbours Jetties Quays Dry Docks Floating Jetties Trackline	<p>The overall effect of revaluation was a surplus of €4.379m.</p> <p>Assets acquired prior to 2003 were valued in 2003 using replacement cost. Assets acquired since 2003 are initially measured at the cost incurred by the Body in acquiring the asset.</p> <p>The value of all assets (irrespective of year of acquisition) is indexed in line with construction inflation each year. In 2015, the Construction Price Inflation index applied was 0.58%.</p> <p>The valuations are also updated to take account of new information from surveys including exact dimensions.</p> <p>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>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>
	Lock Chambers and Lock Gates	<p>The overall effect of the 2015 valuation was a deficit on revaluation of €4.2 m on a replacement valuations basis following the receipt of conditions scores data on three locks. Lock gates assets are updated separately from lock chambers reflecting an expected life of up to 60 years with lock chambers life span being 120 years.</p>
	Weirs	<p>The overall effect of the 2015 valuation was a deficit on revaluation of €3.9 million. Weirs are valued using replacement cost. The Body has established standard replacement costs for weir dimensions based on previously completed projects. A number of weirs were surveyed in 2012. A further five weirs were surveyed in 2015 and the remaining 12 weirs have not yet been surveyed. Where weirs have been revalued, the useful life is revised to 120 years (previously 500 years).</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.  In 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.  In 2015 accounts construction inflation was applied to these assets.
Land	Land is valued using agricultural land values. In 2015, this resulted in a decrease in land values from €65 m to €60 m - a reduction of €5.061 million.
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.

## 2015 Revaluations

	Net Book Value at 01.01.2015	Revaluation 2015	Additions Disposals Other Movements 2015	Net Book Value at 31.12.2015
	€'000	€'000	€'000	€'000
Surplus Assets	7,851	26,415	(39)	34,227
Buildings	15,734	(1,362)	1,516	15,888
Operational Assets	671,101	(8,857)	(7,603)	654,641
	694,686	16,196	(6,126)	704,756

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 asset, the related project costs have been included in work in progress in the 2015 accounts.

An impairment procedure is in place.

## Depreciation

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

Depreciation rates:

<b>Asset Category</b>	<b>% of Cost</b>
<b>Tangible Fixed Assets</b>	
Surplus Assets	0%
Buildings	2%
<b>Plant, Vehicles and Machinery</b>	
Boats	2.5% - 10%
Excavators	5% - 10%
Grasscare	10%
General Plant	5% - 16.7%
Vehicles	6.7% - 16.7%
<b>Computers, Furniture and Fittings</b>	
Furniture	10%
IT Equipment	20%
<b>Operational Assets and Work in Progress</b>	
Land	0%
<b>Operational Assets</b>	
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 with different benefit structures 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 2015 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 the 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 2015 - 31st December 2015

	Note	DAHG €'000	DAHG STG£'000	DCAL €'000	DCAL STG£'000	TOTAL €'000	TOTAL STG£'000
Funding taken to Income		21,932	15,914	4,056	2,943	25,988	18,857
Funding Capitalised	16	2,382	1,728	414	300	2,796	2,028
		<b>24,314</b>	<b>17,642</b>	<b>4,470</b>	<b>3,243</b>	<b>28,784</b>	<b>20,885</b>

### 2.2 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
		<b>24,209</b>	<b>19,506</b>	<b>3,735</b>	<b>3,008</b>	<b>27,944</b>	<b>22,514</b>

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 2015	STG€'000 2015	€'000 2014	STG€'000 2014
Licences		99	72	95	77
Property Related Income		248	181	209	168
Operating Income		168	122	142	114
Interest Receivable		16	12	33	27
Net deferred funding for pensions	21.3	2,864	2,077	5,625	4,532
Other Income		79	57	64	52
<b>Total</b>		<b>3,474</b>	<b>2,521</b>	<b>6,168</b>	<b>4,970</b>

**4. Staff Costs**

		2015	2014
<b>4.1 The average weekly number of permanent employees (full time equivalent) was as follows:</b>		295	310
Category of Employment:	Administration	108	114
	Operations	187	196

In addition there were 21 temporary staff, 5 agency staff and 3 student placement engaged to cover maternity leave and other staff absence.

**4.2 The costs incurred in respect of these employees were:**

	Note	€'000 2015	STG€'000 2015	€'000 2014	STG€'000 2014
Staff costs		14,060	10,202	13,313	10,727
Agency costs		163	118	404	325
Employers NIC/PRSI		1,209	877	1,138	917
Other pension costs:					
Current Service and Interest costs	21.3	5,027	3,649	7,154	5,764
		20,459	14,846	22,009	17,733
Less Staff and Agency Costs Capitalised		(282)	(205)	(184)	(148)
<b>Total</b>		<b>20,177</b>	<b>14,641</b>	<b>21,825</b>	<b>17,585</b>

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

Name	Age at December 2015	Emoluments within band: €'000	Real increase 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	55	€100 to €105	€5 to €7.5	€45 to €50	€0
John McKeown	56	€90 to €95	€0 to €2.5	€35 to €40	€0
Joseph Gillespie	57	€90 to €95	€0 to €2.5	€35 to €40	€0
Eanna Rowe	45	€70 to €75	€0 to €2.5	€20 to €25	€0
Stephen Forrest	49	€60 to €65	€0 to €2.5	€15 to €20	€0
John Boyle	46	€15 to €20	n/a	n/a	€0

Colin Brownsmith and Nigel Russell (retired on 3rd August 2015) withheld consent to disclose the information above. John Boyle joined on 28th September 2015. Stephen Forrest was promoted on 1st September 2015. Eanna Rowe was promoted on 4th June 2015.

### 5. Programme Costs

	Note	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
Contracted in Services including construction costs		3,102	2,251	3,195	2,575
Vehicle Fuel		459	333	590	475
Plant Hire		69	50	70	56
Mechanical Spares and Equipment		650	472	425	342
Fuel and Light		81	59	72	58
Travel		197	143	212	171
Compensation/Provisions	14	190	138	179	144
Miscellaneous		154	111	184	148
<b>Total</b>		<b>4,902</b>	<b>3,557</b>	<b>4,927</b>	<b>3,969</b>

#### Analysis of Programme Costs by Waterway

Shannon Navigation	827	601	783	631
Royal Canal	1,050	762	1,471	1,185
Grand Canal	1,245	902	1,557	1,255
Barrow Navigation	657	477	346	279
Erne System and Lower Bann	570	414	416	335
Shannon-Erne Waterway	553	401	354	284
<b>Total</b>	<b>4,902</b>	<b>3,557</b>	<b>4,927</b>	<b>3,969</b>

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	STG£'000	€'000	STG£'000
		2015	2015	2014	2014
Travel		444	322	431	347
Recruitment Costs		41	30	22	18
Training and Conferences		104	75	152	122
Contracted in Services		531	385	373	301
Compensation/Provisions	14	326	237	731	589
Premises Running Costs including Utilities		766	556	624	503
Health and Safety		20	15	23	19
Communications		136	99	188	151
Other Operating Lease Rental		19	14	17	14
Printing and Stationery		92	67	90	73
Computer Running Costs		907	658	1,022	823
Rent		297	215	349	281
Audit Fee		50	36	46	37
Marketing and Promotions		514	373	518	417
Insurance and Legal Fees		129	94	294	237
Pension Administrator Costs		144	104	100	81
General Expenditure		99	72	49	39
<b>Total</b>		<b>4,619</b>	<b>3,352</b>	<b>5,029</b>	<b>4,052</b>

**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 2015	7,851	18,446	23,396	7,271	56,964
Additions	-	-	350	349	699
Reclass	-	2,203	-	-	2,203
Revaluation	26,415	(1,662)	-	-	24,753
Disposals	(39)	-	(136)	-	(175)
At 31st December 2015	34,227	18,987	23,610	7,620	84,444

**Depreciation**

At 1st January 2015	-	2,712	15,037	6,408	24,157
Provision for year	-	414	1,044	391	1,849
Reclass	-	273	-	-	273
Revaluation	-	(300)	-	-	(300)
Disposals	-	-	(136)	-	(136)
At 31st December 2015	-	3,099	15,945	6,799	25,843

**Net Book Value €'000**

At 31st December 2015	34,227	15,888	7,665	821	58,601
At 31st December 2014	7,851	15,734	8,359	863	32,807

**Net Book Value STG£'000**

At 31st December 2015	25,158	11,678	5,634	603	43,073
Currency Translation Adjustment	343	692	372	39	1,446
At 31st December 2014	6,114	12,253	6,510	672	25,549

**Note:** Plant include donated assets of net book value €92,000. These are reflected in Note 17.

A number of assets were revalued in year - see accounting policy 1.6. The net movements are reflected in the Statement of Total Recognised Gains and Losses is an increase in net book value of €25,053,000.

Computers, Furniture and Fittings include intangible assets such as software of €187,000. This is considered to be immaterial and not requiring separate disclosure in the notes.

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 Assets and Work in Progress

	Work In Progress	Operational Assets	Total
<b>Cost or Valuation</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
At 1st January 2015	1,472	1,172,075	1,173,547
Additions	1,130	968	2,098
Reclass	-	(2,203)	(2,203)
Capitalised from Work in Progress	(439)	439	-
Disposal	-	(272)	(272)
Expensed from Work in Progress	(1)	-	(1)
Revaluation	-	(6,569)	(6,569)
At 31st December 2015	<u>2,162</u>	<u>1,164,438</u>	<u>1,166,600</u>
<b>Depreciation</b>			
At 1st January 2015	-	500,974	500,974
Reclass	-	(273)	(273)
Revaluation	-	2,288	2,288
Disposal	-	(259)	(259)
Provision for year	-	7,067	7,067
At 31st December 2015	<u>-</u>	<u>509,797</u>	<u>509,797</u>
<b>Net Book Value €'000</b>			
At 31st December 2015	<u>2,162</u>	<u>654,641</u>	<u>656,803</u>
At 31st December 2014	<u>1,472</u>	<u>671,101</u>	<u>672,573</u>
<b>Net Book Value STG£'000</b>			
At 31st December 2015	<u>1,589</u>	<u>481,177</u>	<u>482,766</u>
Currency Translation Adjustment	53	29,405	29,459
At 31st December 2014	<u>1,146</u>	<u>522,624</u>	<u>523,770</u>

**Note:** Operational assets includes inherited assets and newly constructed assets. Office buildings previously included are transferred to Buildings. Also included are assets of net book value €16,194,000 for which a part donation/grant from third parties has been received.

A number of Operational assets were revalued in year - see accounting policy 1.6. The net impact of these valuation movements on the Statement of Total Recognised Gains and Losses is a decrease in net book value of €8,857,000.

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
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Euro Fixed Term Deposit	1,700	1,250	1,007	784
<b>Total</b>	<u>1,700</u>	<u>1,250</u>	<u>1,007</u>	<u>784</u>

**9. Cash at Bank and in Hand**

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
Sterling Bank Account	16	12	303	236
Euro Bank Account	88	65	1	1
Euro Bank Reserve Account	1,761	1,293	1,908	1,486
Petty Cash	3	2	3	2
<b>Total</b>	<b>1,868</b>	<b>1,372</b>	<b>2,215</b>	<b>1,725</b>

**10. Stocks**

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
Hardware	202	148	159	124
Timber	124	91	117	91
Fuel and Lubricants	26	19	20	16
Protective Clothing	111	82	85	66
Spare Parts and Filters	39	29	37	29
Smart Cards	16	12	7	5
Publications	30	22	39	30
Miscellaneous	37	27	33	26
<b>Total</b>	<b>585</b>	<b>430</b>	<b>497</b>	<b>387</b>

**11. Debtors and Prepayments**

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
<b>Amounts falling due within one year:</b>				
Trade Debtors	174	128	154	120
Less: Provision for bad debt	(73)	(54)	(75)	(58)
Other Debtors	791	582	86	67
Prepayments	727	534	450	350
<b>Total</b>	<b>1,619</b>	<b>1,190</b>	<b>615</b>	<b>479</b>
<b>Amounts falling due after one year:</b>				
Prepayments	20	15	29	23
<b>Total</b>	<b>1,639</b>	<b>1,205</b>	<b>644</b>	<b>502</b>

**12. Creditors and Accruals**

	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
<b>Amounts falling due within one year:</b>				
Trade Creditors	48	35	15	12
Other Creditors	265	195	409	319
VAT	17	13	4	3
Accruals and Deferred Income	2,088	1,535	1,029	801
<b>Total</b>	<b>2,418</b>	<b>1,778</b>	<b>1,457</b>	<b>1,135</b>

**Amounts falling due after one year:**

Deferred Income	116	85	115	90
<b>Total</b>	<b>2,534</b>	<b>1,863</b>	<b>1,572</b>	<b>1,225</b>

**13. Other Operating Leases**

	€'000 2015	€'000 2015	€'000 2014	€'000 2014
At 31st December 2015 annual commitments for payments during the next year:				
Leases which expire:	<b>Land and Buildings</b>	<b>Other</b>	<b>Land and Buildings</b>	<b>Other</b>
Within one year	50	2	30	2
Between two and five years	83	15	58	13
More than five years	171	-	234	-
	<b>304</b>	<b>17</b>	<b>322</b>	<b>15</b>
	<b>STG£'000 2015</b>	<b>STG£'000 2015</b>	<b>STG£'000 2014</b>	<b>STG£'000 2014</b>
Leases which expire:	<b>Land and Buildings</b>	<b>Other</b>	<b>Land and Buildings</b>	<b>Other</b>
Within one year	37	1	24	2
Between two and five years	61	11	46	10
More than five years	126	-	182	-
	<b>224</b>	<b>12</b>	<b>252</b>	<b>12</b>

## 14. Total Provision

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
At 31st December Total Provision	1,449	1065	1181	919

### 14.1 Provision for Claims Settlement

	Notes	€'000	STG£'000	€'000	STG£'000
		2015	2015	2014	2014
At 1st January		831	647	342	285
Provision utilised in year		(248)	(180)	(355)	(286)
Provision in year	5, 6	391	284	844	680
Difference on currency translation		-	(35)	-	(32)
At 31st December		974	716	831	647

**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
		2015	2015	2014	2014
At 1st January		350	272	284	236
Provision in year	5,6	125	91	66	53
Difference on currency translation		-	(14)	-	(17)
At 31st December		475	349	350	272

**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
		2015	2015	2014	2014
At 1st January		1,610	1,254	937	781
Surplus/(Deficit) in the year		(267)	(194)	1,153	929
Plus: Transfer from Capital Grant Reserve	16	39	28	220	177
Less: Transfer to Capital Grant Reserve	16	(1,801)	(1,307)	(700)	(564)
Difference on currency translation		-	(89)	-	(69)
At 31st December		(419)	(308)	1,610	1,254

**Note:** Transfer from Capital Grant Reserve relates to disposal of land/property rights €39,000. The transfer to Capital Grant Reserve includes third party funding received to fund future Southern Capital works. As per Note 2.1 certain revenue program costs are deemed capital in nature for funding purposes.

**16. Capital Grant Reserve**

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
At 1st January		693,107	539,761	684,395	570,139
Capital Grants Received	2	2,796	2,028	1,515	1,221
Revaluation	7.1, 7.2	16,196	11,904	15,724	12,245
Less: Transfer to Revenue Reserve	15	(39)	(28)	(220)	(177)
Plus: Transfer from Revenue Reserve	15	1,801	1,307	700	564
Less: Amortisation of Capital Grants		(8,623)	(6,257)	(9,007)	(7,257)
Difference on currency translation	7.1, 7.2	-	(30,349)	-	(36,974)
At 31st December		<u>705,238</u>	<u>518,366</u>	<u>693,107</u>	<u>539,761</u>

**Note:** Transfer to Revenue Reserve relates to disposal of land/property rights €39,000. The transfer from Revenue Reserve includes third party funding received to fund future Southern Capital works.

**17. Donation Reserve**

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
At 1st January		10,879	8,472	11,142	9,282
Less: Amortisation of Donations		(224)	(163)	(263)	(212)
Difference on currency translation	7.1, 7.2	-	(477)	-	(598)
At 31st December		<u>10,655</u>	<u>7,832</u>	<u>10,879</u>	<u>8,472</u>

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

**18. Grant Reserve**

	Notes	€'000 2015	STG£'000 2015	€'000 2014	STG£'000 2014
At 1st January		1,394	1,086	1,421	1,183
Grants Received		427	310	56	43
Less: Amortisation of Grants		(82)	(59)	(83)	(67)
Difference on currency translation	7.1, 7.2	-	(79)	-	(73)
Difference on currency translation		-	20	-	-
At 31st December		<u>1,739</u>	<u>1,278</u>	<u>1,394</u>	<u>1,086</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
	2015	2015	2014	2014
Result for the year	(267)	(194)	1,153	929
<b>Adjustment for non-cash transactions:</b>				
Depreciation	8,916	6,469	8,970	7,227
Amortisation of Capital Grants	(8,929)	(6,479)	(9,353)	(7,536)
<b>Adjustment for non-operating transactions:</b>				
(Profit)/Loss on disposal of fixed assets	1	1	4	3
<b>Adjustment for movements in working capital:</b>				
Decrease/(Increase) in stock	(88)	(65)	128	100
Decrease/(Increase) in debtors	(995)	(731)	(136)	(106)
(Decrease)/Increase in creditors	962	707	(603)	(470)
<b>Use of Provisions:</b>				
Provisions	268	194	555	447
Difference on currency translation	-	2	-	(15)
<b>Net cash in/(out)flow from operating activities</b>	<b>(132)</b>	<b>(96)</b>	<b>718</b>	<b>579</b>

**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
	2015	2015	2014	2014
Cash in bank at 1st January	2,215	1,725	2,605	2,170
Net cash inflow/(outflow)	(347)	(353)	(390)	(445)
Cash in bank at 31st December	<b>1,868</b>	<b>1,372</b>	<b>2,215</b>	<b>1,725</b>

## 20. Capital Commitments

Capital commitments at 31st December 2015 for which no provision has been made:

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
Contracted	1,434	1,054	1,405	1,094
Authorised but not contracted	<b>4,423</b>	<b>3,251</b>	<b>3,471</b>	<b>2,703</b>

**Note:** Formal approval on 2015 capital programme has been received.



## 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 2015 together with a corresponding asset.

The valuation used for FRS17 disclosures at 31st December 2015 has been carried out by a qualified independent actuary (Xafinity Consulting). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31st December 2015.

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

<b>At 31st December</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Discount rate Northern Ireland	3.70%	3.60%	4.50%	4.10%	4.70%
Discount rate Republic of Ireland	2.65%	2.10%	3.50%	2.70%	4.60%
Rate of increase in Consumer Price Index Northern Ireland	1.90%	2.00%	2.50%	1.80%	-
Rate of increase in Retail Price Index Northern Ireland	-	-	-	-	2.60%
Rate of increase in Consumer Price Index Republic of Ireland	2.00%	2.00%	2.00%	2.50%	2.50%
Rate of increase in salaries	2.90%	3.00%	4.00%	4.00%	4.00%
Average rate of increase for pensions Northern Ireland in line with CPI	1.90%	2.00%	2.50%	1.80%	-
Average rate of increase for pensions Northern Ireland in line with RPI	-	-	-	-	2.60%
Average rate of increase for pensions Republic of Ireland					
in line with salary increases	2.90%	3.00%	4.00%	4.00%	4.00%
in line with CPI	2.00%	2.00%	2.00%	2.50%	2.50%
Average expected future life at age 65 for					
Male currently aged 65	21.9	22.1	21.6	21.5	21.4
Female currently aged 65	23.8	24.3	24.2	24.1	24.0
Male currently aged 45	23.1	23.5	23.5	23.4	23.3
Female currently aged 45	25.3	25.8	26.0	25.9	25.9

**21.2 Movement in Net Pension Liability during the financial year:**

		€'000	STG€'000	€'000	STG€'000
		2015	2015	2014	2014
<b>(Deficit) in the plan at the beginning of the year</b>		(107,623)	(83,812)	(86,124)	(71,746)
Benefits paid during the year		2,163	1,569	1,529	1,232
Net transfer (in)/out of the scheme		(6)	(4)	-	-
Current service cost		(4,541)	(3,295)	(3,953)	(3,185)
Past Service Credit		2,107	1,529	-	-
Other finance income/(charge)		(2,593)	(1,881)	(3,201)	(2,579)
Actuarial gain/(loss)		14,313	10,520	(15,874)	(12,362)
Difference on currency translation		-	4,679	-	4,828
<b>(Deficit) in the plan at the end of the year</b>		<b>(96,180)</b>	<b>(70,695)</b>	<b>(107,623)</b>	<b>(83,812)</b>
<b>Analysis of the movement in (deficit) in the plan during the period is as follows:</b>	<b>Note</b>	<b>€'000</b>	<b>STG€'000</b>	<b>€'000</b>	<b>STG€'000</b>
		<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Experience gain/(loss)	21.5	(481)	(354)	1,289	1,004
Gain/(loss) on change of financial assumptions		14,794	10,874	(17,163)	(13,366)
<b>Actuarial gain/(loss)</b>		<b>14,313</b>	<b>10,520</b>	<b>(15,874)</b>	<b>(12,362)</b>

The main element of the actuarial gain of €14,313,000 relates to changes in the actuarial assumptions reducing the value placed on liabilities. As a result of an increase in ROI and NI discount rates reduce the value placed on liabilities by €9,900,000. A lower inflation assumption decreases the liabilities by around €400,000. The assumption for mortality has produced lower life expectancies and this has decreased the value placed on liabilities of around €1,300,000. The age at which members are assumed to retire has increased for those members who are now part of the alpha pension. For the majority of alpha members, this is a change from assuming that they retire at age 63 to assuming they will retire at age 67 or 68. This has decreased the liability by €3,200,000. An experience loss of €481,000 reflects the fact that approximate roll-forward calculations were used in previous years. A number of members' pensions are now integrated with the Contributory State pension due to changes in the pension scheme applicable from 1st April 2015, as a result the value of benefits under the Body's pension scheme has reduced by €2,107,000. During the year employee contributions were received of €550,000 (2014: €250,000) 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
		2015	2015	2014	2014
Current service cost		4,541	3,294	3,953	3,185
Past Service Credit		(2,107)	(1,529)	-	-
Other finance income/(charge)		2,593	1,881	3,201	2,579
Benefits paid during the year		(2,163)	(1,569)	(1,529)	(1,232)
<b>Net deferred funding for pensions</b>	<b>3</b>	<b>2,864</b>	<b>2,077</b>	<b>5,625</b>	<b>4,532</b>
Current service cost		4,541	3,294	3,953	3,185
Past Service Credit		(2,107)	(1,529)	-	-
Other finance income/(charge)		2,593	1,881	3,201	2,579
<b>Current pension service costs</b>	<b>4</b>	<b>5,027</b>	<b>3,646</b>	<b>7,154</b>	<b>5,764</b>

**21.4 Deferred Pension Funding**

	€'000	STG£'000	€'000	STG£'000
	2015	2015	2014	2014
At 1st January	107,623	83,812	86,124	71,746
(Decrease)/Increase in Deferred Funding of Pension Asset	(11,443)	12,066	21,499	12,066
Difference on currency translation	-	(25,183)	-	-
At 31st December	96,180	70,695	107,623	83,812

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 2015 amounted to €96.2m (2014 €107.6m).

**21.5 History of Defined Benefit Liabilities**

	Notes	€'000	€'000	€'000	€'000	€'000
		2015	2014	2013	2012	2011
<b>Surplus/(Deficit) at 31st December</b>		(96,180)	(107,623)	(86,124)	(100,570)	(66,432)
Experience gain	21.2	( 481)	1,289	2,571	173	2,211
Percentage of Scheme Liabilities		-0.5%	1.2%	2.9%	0.2%	3.3%
	Notes	STG£'000	STG£'000	STG£'000	STG£'000	STG£'000
		2015	2014	2013	2012	2011
<b>Surplus/(Deficit) at 31st December</b>		(70,695)	(83,812)	(71,746)	(82,011)	(55,592)
Experience gain	21.2	(354)	1,004	2,142	141	1,850
Percentage of Scheme Liabilities		-0.5%	1.2%	2.9%	0.2%	3.3%

### 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 Arts, Culture 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. There was one transfer in to the scheme in the year of €6,270.

### 21.7 Employees leaving

In the event of staff leaving Waterways Ireland the service in Waterways Ireland, is funded by DCAL at 15% and DAHG 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).

### 21.8 Description of the Pension Scheme

The pension scheme consists of a number of sections with different benefit structures. The main sections are:

**The Core Final Salary Section** – this is a final salary pension arrangement with benefits modelled on the Classic section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday. Pensions in payment (and deferment) increase in line with general price inflation.

**The Core Alpha Section** – this is a career averaged revalued earnings pension arrangement or CARE scheme with benefits modelled on the alpha section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal Retirement Age is a member's State Pension Age in the relevant jurisdiction, which is currently 67, 68 or between 67 and 68 in the UK and 68 in Ireland. Pensions in payment (and deferment) increase in line with general price inflation.

**Reserved Rights Sections** – these are a number of sections of the scheme that are modelled on the Irish public service pension schemes that employees of the North/South Bodies were members of at the point they were designated and transferred at the formation of the Bodies. These schemes are final salary pension arrangements with benefits the same as the relevant Irish public sector scheme e.g. Superannuation Scheme for Established Civil Servants. These schemes provide a pension (for non-integrated members eightieths per year of service but for integrated members two-hundredths per year of service on salary up to 3.333 times the Old Age Contributory State Pension and eightieths per year of service on salary above 3.333 times the Old Age Contributory State Pension), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday (or 65th in the Non-Contributory Pension Scheme for Non-Established State Employees). Pensions in payment (and deferment) generally increase in line with general public sector salary inflation. The applicable Reserved Rights Scheme for Waterways Ireland in the South is both the, Non Contributory Pension Scheme for Non Established State Employees and the Superannuation Scheme for Established Civil Servants. In Northern Ireland the relevant scheme is the Principal Civil Service Pension Scheme NI. Most Core section members have benefits in both the Final Salary and Alpha sections and new entrants who join the Scheme after 1st April 2015 will, in most cases, become members of the Core Alpha section.

## 22. Contingent Liabilities

The contingent liability of Waterways Ireland at 31st December 2015 is based on past experience and calculated at 60% of the reserve set for each case of €246,000, (2014 €280,000). Waterways Ireland are currently in adjudication with a contractor. At present it is not possible to estimate reliably the costs involved.

## 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 DPER and DFP 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 DAHG and DCAL. 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 2015 – 31st December 2015.

## 25. Losses Register

A Losses Register is maintained by Waterways Ireland. Losses recorded during the year amounted to €370,000 (2014 €430,000) and have been incorporated within these accounts where the cost relates to this financial year. Public liability claims are €62,000 (2014 €68,000), employee related claims are €230,000 (2014 €44,000) and other claims are €78,000 (2014 €318,000).

## 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 other 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 DCAL convert and pay in Sterling. Up to March 2015 the spot rate was used on the date of request and from October the business plan rate was used. 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. DAHG funding is received in Euro. Transactions are conducted in sterling and converted at average monthly exchange rate to euro which in 2015 resulted in net sterling expenditure of €250,000 more than expected. The Body is therefore exposed to foreign currency risk.

## 27. Post Balance Sheet Events

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 2015 were authorised to be issued on 22nd June 2016 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**

  
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