

Annual Report and Accounts


Waterways Ireland
Uiscebhealaí Éireann Waterways Airlann

2016



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Foreword

2016 was another busy year for Waterways Ireland.

The winter flooding left a legacy of repairs and work to reopen facilities, thanks to additional support provided in year by both our Sponsor Departments the Body was able to expand the work programme to fix critical condition infrastructure.

Thanks to our many partners development work also was able to continue particularly in developing the canal towpath along the Royal Canal.

The award of €4.9 million from INTERREG VA to Waterways Ireland in partnership with Monaghan County Council, Armagh City, Banbridge and Craigavon Borough Council and East Border Region Ltd will enable development of 22km of towpath along the route of the Ulster Canal, and it is planned that works to complete the extension of navigation from Lough Erne to Castlesaunderson, Co. Cavan will commence in early 2017.

Waterways Ireland is indebted to the volunteers in communities along the waterways who contribute to their upkeep, and we were delighted with the success of the first Heritage Community Grant Scheme, with over 3,000 people taking part in the 19 supported projects.

An ambition of Waterways Ireland is to develop and animate Grand Canal Dock and Spencer Dock, as a focal point to begin exploration of the canal networks and as a destination in Dublin's Water Quarter. We were delighted to be able to appoint a Dublin Docklands Development Manager, Terre Duffy, and Dublin Docklands Programme Manager, Benny Cullen, both of whom bring a wealth of experience to this important work.

Managing invasive species and in particular aquatic weed, continues to provide challenges to keeping the navigations open. As resources have diminished weed cutting is now prioritised to keep water moving and prevent flooding.

Difficult choices will be required as we move forward within the existing funding envelope, which inhibits our ability to deliver adequate planned preventative maintenance works such as periodic dredging to ensure navigation depth is provided.

As always, Waterways Ireland staff are the key to its success and once again they have not only responded to emergencies but been at the forefront of continuing developments through partnerships with other organisations while attending to the needs of our very wide ranging customer base.

In closing I would once again like to thank both our Sponsor Departments and their staff who support Waterways Ireland, and Ministers Heather Humphreys and Chris Hazzard for their assistance and support throughout the year.

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 Value of the Inland Waterways**

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 2016 there were 284 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. The NSMC at its June 2015 meeting welcomed the Irish Government's approval in February 2015, to progress the first phase of the Ulster Canal restoration programme from Upper Lough Erne to the International Scouts Centre at Castlesaunderson, near Belturbet in Co. Cavan. The NSMC also agreed at the June 2015 meeting that Waterways Ireland would lead on progressing development of a Greenway along the corridor of the Ulster Canal in association with relevant councils and stakeholders.

At an operational level, we have responsibility for navigation channels, embankments, towpaths, adjoining lands, harbours, jetties, fishing stands, bridges, locks, weirs, sluices, lock houses, along with buildings and archives. Our work programmes are critical to providing a safe and high quality recreational environment for our customers, whilst also preserving the industrial and environmental heritage of the waterways for future generations. These challenges must be balanced with our objective of increasing recreational activity across all our waterways.

How we operate

As a cross-border Body, we operate under the policy direction of the NSMC and the two Governments, and are accountable to the Northern Ireland Assembly and the Houses of the Oireachtas. At an administrative level, we report to our Sponsor Departments, the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs (DAHRRGA) in Ireland and in Northern Ireland our Sponsor Department was the Department of Culture, Arts and Leisure until June when this role changed to the Department for Infrastructure.

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.

In 2016, the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs (DAHRRGA) provided additional current funding and the split of resources made available was DAHRRGA 87% and DfI 13%.

Our operational performance targets are agreed with both Sponsoring Departments, and we report against these targets on a bi-monthly basis. Waterways Ireland's Accounts are audited externally by the Comptrollers

and Auditors General 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 2016.

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 2016.

Our Key Performance Indicators

The performance indicators report detailed below demonstrates our key delivery outputs in 2016.

Action Reference	2016 Business Plan Key Performance Indicators	Key Outputs
Strategic Business Objective 1		
Manage and maintain the 1,000km of navigation in our care to provide safe, open and accessible public recreational space.		
1.1	<ul style="list-style-type: none"> • Keep 90% of our navigation, open from April to September. 	<ul style="list-style-type: none"> • Over 90% of navigations were open from April to October. Waterways Ireland staff responded to and repaired 4 major infrastructure failures in year.
1.2.2	<ul style="list-style-type: none"> • Implement revised Canal Bye-Laws on enactment. 	<ul style="list-style-type: none"> • This action will progress on enactment of the Heritage Bill.
Strategic Business Objective 2		
Inspire more people to discover and enjoy recreational opportunities on the inland waterways, and to explore these rich environmental and heritage attractions.		
2.1.2	<ul style="list-style-type: none"> • Support 50 events along the waterways through sponsorship or practical and technical assistance. 	<ul style="list-style-type: none"> • 121 events were offered sponsorship support in 2016 with a significant number of other events receiving practical and technical assistance from WI staff. • 118 events took place. • Examples included the European and Africa Wake Boarding Championships on the Lower Bann to the Dromineer Literary Festival Blueway Blow Out.
2.2.2	<ul style="list-style-type: none"> • Delivery of the Education & Archive Programmes to an additional 25 schools. 	<ul style="list-style-type: none"> • Delivery of the Education & Archive programmes continued – 8 additional schools took part in the programme.

2.6	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Blueway Autumn Adventures Campaign, focussed on the market segment, connected family and rural energisers and promoted private sector activity packages. • Delivery of the Lakelands marketing and promotion campaign in partnership with Fáilte Ireland continued. • Three OSI Adventure Maps covering the Shannon Navigation completed. • REDZ programme delivered: Shannon-Erne Blueway; Local Authority Workshop attended by over 30 Local Authorities to promote opportunities to develop joint collaboration projects utilising the inland waterways.
<p>Strategic Business Objective 3</p> <p>Focus future development on unlocking opportunities to achieve recreational growth, and economic and social development.</p>		
3.3.1	<ul style="list-style-type: none"> • Complete Year 1 of the Action Plan for Grand Canal Dock and Spencer Dock. 	<ul style="list-style-type: none"> • Appointment of two Dublin Docklands Action Plan staff has been completed (one in July and the other in October) and work to progress animation of Grand Canal Dock and Spencer Dock has commenced.
3.4.1	<ul style="list-style-type: none"> • Support the development of two new businesses along the waterways. 	<ul style="list-style-type: none"> • Nine operating licenses were issued for new businesses on the waterways: <ul style="list-style-type: none"> » Athlone Kayaks, Shannon Navigation » Athy Boat Tours, Grand Canal Barrow Line » Dublin Barge Hire, Grand Canal Dock » Lakeside Activities, Ballinamore, Co Leitrim » Lovely Leitrim, Hotel Barge, Keshcarrigan » Massage Beauty, Grand Canal Dock » Fitz Watersports Canoe Hire, Dromineer, Shannon » Erne Boat Hire, Enniskillen » Erne Water Taxi, Enniskillen
3.5.1	<ul style="list-style-type: none"> • Develop partnerships with stakeholders to promote the refurbishment and reuse of two navigation properties. 	<ul style="list-style-type: none"> • Waterways Ireland continues to pursue refurbishment and reuse of a number of properties, including 6th Lockhouse, Royal Canal; 27th Lockhouse, Athy; 27th Lockhouse, Tullamore; Toome Lockhouse and Lough Owel Sluice House. A number of other properties have been identified for feasibility studies to determine future use. Discussions are also continuing re potential use of Waterways Ireland property at Abbeyshrule as a clubhouse for Abbeyshrule Canoe Club.

Strategic Business Objective 4		
Re-organise and optimise the use of our resources to deliver a high quality public service, and achieve budget efficiencies.		
4.1.1	<ul style="list-style-type: none"> Continue to review operating costs and implement programme to achieve a 4% reduction, excluding fixed costs, pensions and payroll. 	<ul style="list-style-type: none"> Waterways Ireland continues to manage within the resources available, in year additional financial support from both Sponsor Departments was used to enable critical condition infrastructure repairs which were prioritised; <ul style="list-style-type: none"> » immediate flood damage winter 2015/2016; to reopen key facilities and locations and » places at highest risk of personal or property safety and flooding.
4.1.2	<ul style="list-style-type: none"> Continue to review Fleet and Plant requirements and implement programme to achieve an overhead reduction of 4%. 	<ul style="list-style-type: none"> Waterways Ireland operated within the resources available. IR liaison continued throughout 2016 on aligning mechanical fitters currently in Operations to the Mechanical & Electrical Section to strengthen delivery in 2017.
Strategic Business Objective 5		
Explore and develop opportunities to earn income to fund future investment in the inland waterways.		
5.1.1	<ul style="list-style-type: none"> Implement the 2016 Energy Management Plan. 	<ul style="list-style-type: none"> Ongoing.
Strategic Business Objective 6		
Continue to develop Waterways Ireland as the respected and valued custodian of the inland waterways.		
6.2.1	<ul style="list-style-type: none"> Develop 2016 Business Plan by July 2016 	<ul style="list-style-type: none"> Draft Corporate Plan 2017-2019 submitted for Sponsor Departments' consideration on 11th July 2016.
6.2.2	<ul style="list-style-type: none"> Develop 2017 Business Plan by July 2016, subject to receipt of guidance by June 2016 	<ul style="list-style-type: none"> 2017 Business Plan submitted for Sponsor Department consideration on 2nd December 2016.
6.11	<ul style="list-style-type: none"> Produce bi-monthly reports on risk management and submit quarterly reports to Sponsor Departments on audit report recommendations and financial performance. 	<ul style="list-style-type: none"> Waterways Ireland delivered bi-monthly reports on risk and quarterly reports to Sponsor Departments on audit recommendations and financial performance.

The Value of the Inland Waterways

In 2016 Waterways Ireland undertook research to look at the value the inland waterways provided each year.

The table below sets out the results of this work.

Category	Benefit	Value
Recreation	<ul style="list-style-type: none"> • Private Boating • Access to recreation opportunities at lakes and rivers 	<ul style="list-style-type: none"> • €88m • €53.5m - €62.5m
Tourism	<ul style="list-style-type: none"> • Cruiser Hire • Angling 	<ul style="list-style-type: none"> • €50m • €142m
Health	<ul style="list-style-type: none"> • Increase in activity due to proximity of walks/cycle routes to local populations 	<ul style="list-style-type: none"> • €32m - €38.5m
Community Regeneration	<ul style="list-style-type: none"> • Events 	<ul style="list-style-type: none"> • €8m
Water Quality	<ul style="list-style-type: none"> • “Good Status” water quality 	<ul style="list-style-type: none"> • €16m
TOTAL		<ul style="list-style-type: none"> • €389.5m - €405m

The full report titled “Valuing Ireland’s Rural and Urban Inland Waterways” is available on our website at <http://www.waterwaysireland.org>

Part 2

Our Strategic Performance

- **Caring for our Inland Waterways**
- **Safeguarding our Environment and Heritage**
- **Increasing Public Participation**
- **Volunteering**
- **Education and Legacy**
- **Unlocking Opportunities**
- **Growing our Income**
- **Corporate Governance**

Caring for our Inland Waterways

Waterways Ireland manages and maintains 1,000km of inland navigable waterways across seven navigations in both Northern Ireland and Ireland.

Our work includes maintenance and restoration of the infrastructure, protecting the natural and built heritage of the waterway corridors and safeguarding the ownership of what is the largest public outdoor recreational amenity on the island.

As resources have declined we face difficult decisions, on how we use limited resources to look after the hundreds of amenity sites, heritage structures, bridges, culverts, back drains, sluices and lockgates, with over a billion Euro worth of assets in the organisation's ownership.

The extreme winter flooding of 2015/2016 caused extensive damage, and Waterways Ireland's operational staff worked tirelessly throughout the winter flood to minimise damage and on the canal network to manage the uncontrollable flood waters entering the network.

Repairs to sites were completed as resources permitted concentrating on those of greatest use and thanks to additional funding of €3 million from the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs it was possible to reopen navigation to Limerick in August and undertake essential repairs across the waterways.

Planned maintenance works were once again replaced by responding to critical infrastructure failures. The value of the expertise and knowledge of our engineers and operational workforce in managing failures such as the culvert collapse on the Barrow Navigation was evidenced in the immediate response we were able to make in these situations, to stop further damage and then commence repairs without delay.

Managing invasive aquatic weeds on the navigations particularly on the canal network is an increasing challenge to resource the plant and manpower required to keep the navigation operational.

The organisation continues to support a PhD research project facilitated through Queens University into the dominant Aquatic Alien Invasive Species (AAIS) in an effort to understand how these aquatic plants spread and their life cycle in the hope of finding better ways to control this threat to navigation.

Conditions on the Erne meant the problem was not as compounded as in previous years but on the canals resources were focused on ensuring weed cutting facilitated water movement as a first priority.

Waterways Ireland contributes to the Water Framework Directive, with monitoring and assessment on the Royal and Grand Canals and the Shannon-erne Waterway to ensure compliance and maintain the high status water quality of the canals.

The Body also continued dialogue with Irish Water and Dublin City Council to seek removal of the combined storm water outfall from Grand Canal Dock, which at times of high rainfall can compromise water quality in the Dock.

On the Shannon, Waterways Ireland manages water levels on the instruction of ESB at Athlone, Jamestown, Roosky, Tarmonbarry and Meelick. Waterways Ireland is a member of the Shannon Flood Risk State Agency Co-Ordination Work Group. The Body is participating in pilot schemes to reduce winter water levels on Lough Allen and Lough Ree. €100,000 was spent on embankment repairs at Clonlara which was complemented by the Office of Public Works (OPW) funding to the Local Authorities to continue this work on to Mount Catherine.

Waterways Ireland continues to work in partnership with ESB and OPW regarding the Catchment Flood Risk Assessment and Management (CFRAM) for the Shannon and Barrow navigations to reflect the recreational interest.

To establish an ongoing programme of in-house lock gate manufacture on the canals, two carpenters were recruited on fixed term contracts, based in Tullamore. On the Lower Bann Navigation, the lock gates at Toome were replaced – the last set having been installed some 60 years earlier in 1957.

In Northern Ireland, the Department for Infrastructure provided an additional £1.04 million of capital funding to enhance the budget of £35,000 for capital works, this enabled replacement of end-of-life jetties on the Erne System. The new floating moorings significantly enhance these amenities, replacing fixed jetties which were often under water and inaccessible.

Boat numbers continued to grow with 544 new registered boats in 2016. Waterways Ireland Inspectorate staff continued to manage use of the navigations and seek compliance with the Bye-Laws throughout the waterways.

Waterways Ireland will commence the process to make new canal Bye-Laws on the enactment of the Heritage Bill 2016.

Safeguarding our Environment and Heritage

2016 saw the first year of delivery of the organisation's Heritage Plan which we officially launched in July, supported by the Heritage Boat Association as part of its event "Walk Along the Blueway with the Big Boats".

Over 3,000 people took part in projects supported by the first Heritage in the Community Grant scheme with financial support of €20,000 spread over 19 projects. This culminated with an open day in the Visitor Centre, Grand Canal Dock, showcasing the wide variety of work undertaken by community groups and individuals throughout the waterways. Projects were as diverse as waterway inspired art to community hedge laying and guided tours.

The first ever Traditional Boat Survey of the Royal, Grand and Barrow Line Canals and the Barrow Navigation was undertaken and won the "Guardian Award" at the 2016 World Canals Conference which celebrated outstanding work to safeguard the heritage of the world's waterways.

A key role for Waterways Ireland's Environment and Heritage team is to ensure that in working on the navigations to maintain or repair infrastructure we safeguard the natural and built heritage and ensure all our work is delivered in accordance with the designated status of each waterway.

In 2016 we undertook work to develop best practice guidelines for repairs and maintenance to heritage structures and provided Built Heritage Lime Mortar training to operational staff throughout the waterways.

Waterways Ireland also continued as a partner of the All-Ireland Pollinator Plan.

Increasing Public Participation

A key goal for Waterways Ireland is to increase use of the inland waterways.

The inland waterways are an invaluable public outdoor recreational resource capable with very modest investment of delivering new recreational opportunities for local people and attracting visitors to rural Ireland to walk, cycle, paddle, row, swim, fish or just enjoy being outdoors. They have their own heritage as well as providing a link to a wide range of other attractions, villages, towns and Dublin City.

While boat numbers continue to increase on the waterways, Waterways Ireland's aim is to increase the overall numbers using the waterways through encouraging and supporting a much broader range of use of these natural resources.

We continue to provide support to the charter boat sector which has enjoyed a second year of record growth, with a new hire fleet based in Portumna. This industry provides over €50 million annually to the economy.

Social media now plays a central role in how we market and communicate the opportunities of the inland waterways, alongside support for television programmes which feature the waterways, such as 'Along Home Shores', an eight part series with a dedicated section in each programme on a different part of the navigations.

In 2016 Waterways Ireland worked with Fáilte Ireland to begin the development of a strategic partnership identifying key projects which can contribute to Fáilte Ireland's key tourism initiatives 'Ireland's Ancient East' and 'Dublin; A Breath of Fresh Air' and we look forward to developing this activity in 2017.

Waterways Ireland continued work to support delivery of the Lakelands and Inland Waterways programme. A number of promotional trips for European tour operators were organised on the Shannon with increased product offerings from those involved in 2017.

In September the World Pairs Angling Championships took place with over 120 international world class anglers fishing in counties Fermanagh, Leitrim and Cavan in this unique five day cross-border event, and generating worldwide coverage for fishing in this area. Two further shoulder season fishing events have now established creating three weeks of business with over 100 anglers per week and bringing over €500,000 to these rural economies.

Marketing and promotion of the waterways like all of Waterways Ireland's work is a partnership and included work with the Lough Derg Marketing Group, Destination Athlone, Leitrim Tourism and Fermanagh Lakeland Tourism.

Development of Blueways on the navigations and their promotion continued. Key to developing a Blueway is not only the provision of the physical infrastructure, but engagement and development alongside local accommodation and activity providers to offer the customer an easily accessible activity tourism product.

The potential of the Blueways proposition was demonstrated through consumer research carried out in key European markets in conjunction with Fáilte Ireland during early 2016. It indicated significant market potential for activity tourism from the German, French and GB markets.

Minister Heather Humphreys TD, in conjunction with broadcaster and fitness expert Karl Henry officially opened the Shannon-Erne Blueway in Ballyconnell, Co. Cavan in May 2016. The Blueway is being delivered by Waterways Ireland in partnership with Cavan County Council, 'This is Cavan', Canoeing Ireland, Leitrim County Council, Leitrim Tourism and Fáilte Ireland.

Development of the Shannon Blueway continued with facilities for paddlers being developed along a 50km stretch from Carrick-on-Shannon to Lanesborough, and a 20km from Carrick-on-Shannon to Boyle. With further plans to create a 30km looped trail around Lough Allen, the extent of the paddling trail network developed in the North Shannon area, across counties Leitrim, Longford, Roscommon and Cavan, will ultimately total 200km.

Waterways Ireland teamed up with Canoeing Ireland and Canoe Association NI (CANI) to deliver a 12 week Blueway 10k Challenge. The programme which was partly funded by the Coca Cola Communities Fund saw 627 participants taking part in canoeing training sessions over a 12 week period culminating in a 10k event

in seven locations on the inland waterways. The programme was a major success with 54% of all participants being introduced to the sport for the first time.

On the Erne, a number of public consultation meetings took place to engage with the local communities and key stakeholders about developing a Blueway to identify the best prospects for development and seek funding to realise infrastructure and marketing proposals.

€200,000 of funding was secured to take forward capacity building and marketing of a Lough Derg Blueway under Rural Economic Development Zone (REDZ) funding.

Waterways Ireland led on a product development study identifying the recreational, tourism and commercial potential of the Lower Bann corridor in partnership with the local authorities. Through community engagement and partnership working, a plan has been developed which will coordinate the delivery of a series of strategic management, infrastructure, and marketing actions.

Waterways Ireland also seeks to increase use of the waterways through its Sponsorship Programme with 118 events taking place attracting over 153,000 visitors.

One of the highlights in 2016 was the International Waterski and Wakeboard Federation (IWWF) 2016 European and Africa Wakeboard Championships which attracted over 250 international visitors to the Lower Bann at Coleraine for a week long competition.

Events supported were as diverse as the Lucan Fishing Festival which attracted 150 people with special needs, to the Dublin Dragon Boat Regatta with over 1,000 people involved.

Aside from events which were supported with sponsorship, Waterways Ireland staff on every navigation assisted hundreds of other events on the waterways from rowing regattas to village festivals and boat rallies.

Volunteering

Waterways Ireland is supported by volunteers from local communities throughout the navigations and this support is very much appreciated. The inland waterways corridors are loved, cared for and appreciated by local communities and their sense of pride is apparent through the many volunteer projects throughout the navigations. Volunteers help in emergency situations such as flooding and as part of local projects aimed at cleaning up areas of the waterways. They regularly carry out grass cutting, land based weed control, general litter control and in some areas even planting and hedging.

In Tullamore, the Tullamore Tidy Towns group have assisted with grass cutting, litter removal and painting the carpentry workshop external wall alongside other improvements.

The Royal Canal Amenity Group (RCAG)

The RCAG is a voluntary organisation formed in 1974, and incorporated in 1979 as a Company limited by guarantee with the aim of saving and restoring the then closed Royal Canal waterway and to highlight its potential as a public amenity. The RCAG has supported Waterways Ireland, from the Body took over management and restoration of the Royal Canal in 2000. The hard working and dedicated members of the RCAG have helped to enhance the amenity value of the Royal Canal. In 2016 local RCAGs including Enfield RCAG and Tidy Villages, Dominic Street Traders Association (in association with Westmeath County Council Gateway Project), Coolnahay RCAG (sub branch of Ballynacarrigy RCAG), Ballynacarrigy RCAG and Tidy Villages, Abbeyshrule RCAG and Tidy Village Association and Ballymahon RCAG and Tidy Villages all carried out valued work such as grass cutting, weeding and litter control along stretches of the Royal Canal.

Education and Legacy

As part of their work Waterways Ireland Marketing and Communications' team facilitate access to the educational aspects of the inland waterways corridors. We have educational resources for primary schools to learn about engineering through understanding how the navigations were built.

Activities in 2016 included Engineers Week in early March with a series of site visits and workshops for primary school students in Enniskillen and at Monasterevin Lock and Lifting Bridge in Co. Kildare.

As part of Seachtain na Gaeilge 2016 Waterways Ireland offered free school tours ás Gaeilge from our Visitor Centre in March. Fifty seven children from St Matthew's NS in Sandymount and Scoil Chaoimhín in Marlborough Street were enthralled by Gaeilgeoir Cormac MacCashin's tours around Grand Canal Quay.

In partnership with Row the Erne, Erne Paddlers, Inland Fisheries, Fermanagh Castle Museum, Royal Society for the Protection of Birds (RSPB) and the Ulster Wildlife Trust, Waterways Ireland piloted an innovative and successful two week "Water Project" for post primary schools at the start of October. Over 120 students with 16 teachers from four second level schools in Co. Fermanagh engaged in water based learning activity on Lough Erne. The programme included biodiversity workshops about Lough Erne, rowing a Curach, learning the techniques of angling, and students participated in kayaking and a heritage workshop in Fermanagh Castle Museum.

The organisation also took part in The Midlands Science Festival 2016 in October, which was about taking science out of the lab, giving people a variety of fun ways to explore the world around them. As part of the festival, Waterways Ireland hosted a series of Biodiversity workshops focusing on the Grand Canal. Students got to explore the history of building the canal, the uses of the Grand Canal past and present, and discovered the wonderful wildlife that calls the canal "home".

Waterways Ireland's Pilot Oral History Programme which commenced in late 2015 to collect and preserve the many stories and memories associated with the waterways was successfully completed in 2016. A baseline archive of 21 interviews was conducted across the seven waterways. The final phase of the programme was a training element which was delivered through two Oral History Workshops, in Enniskillen and Portumna. These public workshops were to encourage volunteers to become actively involved in preserving the oral histories of the waterways. Fifty nine people from a variety of community and heritage groups attended the workshops receiving essential interview skills training required for conducting oral history interviews.

Waterways Ireland participated in this year's European Heritage Open Day by opening its archives and its collections to the public over the two days of the event. Visitors to the Headquarters in Enniskillen were given guided tours of the archive and the building and were introduced to archive drawings of Lough Erne and the Shannon-Erne Waterway.

An exhibition showcasing the Ruth Delany Photographic Collection was held in the Waterways Ireland Visitor Centre in August as part of Heritage Week, with 183 people visiting the exhibition over the three day event.

The organisation was delighted to accept a donation to its archive from Kieran Keenaghan and James Scully of two lithographs of Banagher Bridge, which they came across at the Institute of Engineers in London during research on the bridge. Dating to 1843 the lithographs were commissioned by the contractor to show the 'construction' of the bridge at Banagher as well as the Opening Ceremony after its completion.

Waterways Ireland continued in 2016 to find ways to breathe new life into disused heritage buildings. Tullamore Canoe Club was granted a licence for the Lockhouse at the 27th Lock in Tullamore, Co. Offaly to use as their clubhouse.

"Tullamore Canoe Club has now operated from Lock House 27 with great success and a huge degree of comfort and convenience. Our activities included regular social events, training courses, committee meetings, a summer BBQ and long-term member training programs. The site provides a perfect location for members meeting, comprehensive storage capacity for our boats and equipment, and the house provides lecture rooms and a kitchen. It is fundamental to our ongoing success and survival of the club, and we look forward to developing the site to fulfil our future requirements."

Van Gillessen, Chairperson of Tullamore Canoe Club

Unlocking Opportunities

Capital money made available by Waterways Ireland's Sponsor Departments was used to repair waterway infrastructure in critical condition. Additional capital funding of €3m from the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs in the South and £1.04m from the Department for Infrastructure in the North was also made available in year.

However thanks to partnerships and support from a wide range of other organisations development work continued on the navigation to create new recreational facilities.

Investing in the towpaths and trails along the inland waterways corridors enables access to a whole new and improved world and lifestyle for those who live, work or visit the waterways. These make ideal places for walking, cycling or paddling for commuting or recreation, whether in tranquil rural, or bustling urban areas, opening up links with towns and villages and improving the health and quality of life for those who live, work or visit the waterway corridors. Waterways Ireland has worked in partnership by sharing resources with other stakeholders with similar goals of delivering economic, social, health and wellbeing benefits.

Works are at an advanced stage to extend the cycling and walking infrastructure at the Blueway Trail Head at Acres Lake which will connect Leitrim Village to Drumshanbo, funded by an award of €500,000 from Minister Ring from the Rural Recreation Scheme.

Support was received from the Minister for Transport, Tourism and Sport, Mr Shane Ross, in funding towpath development along the Royal Canal from Maynooth to the Westmeath county boundary and Abbeyshrule to Longford Bridge, Ballymahon. Our goal is to have 80% of the 140km of the Royal Canal towpath upgraded by the end of 2017, with the Dublin to Galway National Cycle Network route running along the Royal Canal from Dublin to Mullingar.

In October, the official opening of the 14.4km Royal Canal Greenway from Coolnahay, Co. Westmeath to the Longford county boundary took place at Coolnahay Harbour. The Greenway was delivered in partnership with Westmeath County Council and Longford County Council. The opening was performed by Minister of State Patrick O'Donovan and Councillor Frank McDermott, Cathaoirleach of Westmeath County Council. The project was funded by Westmeath County Council through grant funding of €790,000 from Department of Transport, Tourism and Sport and Waterways Ireland staff undertook the work on the enhanced sections of the canal which also afforded an opportunity to improve the structural integrity of these sections. The entire section of Royal Canal Greenway in Westmeath has been upgraded and is already extensively used by pedestrians and cyclists.

On the Maynooth to Westmeath section, cycle path upgrades were undertaken at Kilcock, Co. Kildare over a 2.7km stretch of the canal, by Kildare County Council with €600,000 funding from the Department of Transport, Tourism and Sport. Works continue on the 12.4km section from Westmeath county boundary to Moyvalley including bank strengthening and widening and installation of ducts. This work is being undertaken directly by Waterways Ireland workforce.

In Co. Longford canal towpath from Abbeyshrule to Longford Bridge, Ballymahon was upgraded with funding from Longford County Council of €100,000 and €525,000 from the Department of Transport, Tourism and Sport.

Creating public access to the disused Ulster Canal corridor gathered momentum in 2016 with an INTERREG VA €4.95 million award of funding to Waterways Ireland in partnership with Monaghan County Council, Armagh City, Banbridge and Craigavon Borough Council and East Border Region Ltd to develop a 22km greenway between Smithborough, Co. Monaghan and Middletown, Co. Armagh. The Greenway will contribute to a sustainable transport for cross-border commuters in recognition that Co. Monaghan has the second highest level of cross-border commuting to Northern Ireland and is the third largest destination for commuters from Northern Ireland. The project is scheduled for completion by 2020.

On the Grand Canal a review of land ownership along the disused Kilbeggan Branch of the Grand Canal continued in anticipation of Westmeath/Offaly County Councils submitting Part VIII planning for a walking/cycling route.

On the Barrow Navigation Waterways Ireland negotiated a licence agreement to Carlow County Council to facilitate access along the Barrow trackway from Clashganny Lock to Ballykeen Lock as part of a 4km walking route. The route leaves the trackway and takes walkers up to a viewing point and back to the Lock along Coillte owned paths.

Waterways Ireland's technical staff continued the detailed work to submit a planning application to develop the Barrow towpath.

Other projects included works to enhance Lanesborough Quay, Co. Roscommon adjacent to the River Shannon through REDZ funding were 90% completed in 2016. The quay wall was upgraded and the adjacent amenity area was developed with decorative landscaping and parking, along with the provision of a decorative railing to the Harbour. The project was carried out in partnership with Roscommon County Council and local communities.

At Castle Harbour in Portumna, extensive works were carried out as the old Harbour was upgraded. The development provides 18 touring motor home serviced locations which were warmly welcomed by the Association of Motor Home Owners (representing 12,000 Irish motor home owners) and will be managed by the local authority. This project is expected to open by Easter 2017 and was made possible thanks to funding by Fáilte Ireland, Galway County Council, the OPW and Waterways Ireland.

Grand Canal & Spencer Docks, Dublin

An ambition of Waterways Ireland is to develop and animate Grand Canal Dock and Spencer Dock as a focal point to begin an exploration of the canal networks and as a destination in Dublin's Water Quarter. During 2016, we were delighted to be able to appoint a Dublin Docklands Development Manager and Dublin Docklands Programme Manager, both of whom bring a wealth of experience to this work.

Preliminary discussions are underway in relation to Charlotte Quay Development, reimagining of the Visitor Centre in Grand Canal Dock, master planning of the Grand Canal Dock Marina and the 12th Lock to the 12th Lock city cycle loop which if achieved will see the upgrading of the cycle infrastructure along both canals with a new major investment into a connection route through Lucan Village.

In order to achieve its goals, the Dublin Docklands Development Team has begun building strategic partnerships with key stakeholders along both canals including local authorities, NGO's, community groups and corporate interests. In 2017 a new city canals animation strategy will begin to revive the docks and the Dublin city canals by coordinating a vibrant programme of festivals, events, and activity over the next three years under three key pillars of Participation through Festivals Strategy, Participation through Events and the Docks and Canals Ambassador Program.

Ulster Canal

The geo technical study is complete and the next phase of the project is currently out to tender. The date for tender submissions was extended as there were a large number of technical queries but it is expected subject to valid submissions, to assess and award the tender in early 2017 with a view to on site works commencing as soon as water levels permit in Spring 2017.

Growing Our Income

Waterways Ireland's vast and varied property portfolio is managed by the Property and Legal Section and local Operational staff. First registration is ongoing to provide modern title to navigation land and property and protect our assets.

Four properties were identified as surplus assets and disposed of in 2016, with Waterways Ireland retaining the funding for investment in the waterways capital programme. The Body continued to consolidate its costs for rented property reducing rental costs in 2016 by €20,000 per annum.

Waterways Ireland continues to support new businesses on the waterways and issues new and renewals of operating licences to activity providers. Nine new businesses set up on waterways licensed by Waterways Ireland in 2016. These included paddling activity providers, barge and small boat hire and a water taxi service.

Waterways Ireland's most valuable asset is City Block 19, a triangular property in Grand Canal Dock, bounded on one side by the Dock and the other by the River Dodder. The National Asset Management Agency (NAMA) own a leasehold interest in the site and discussions took place between the two bodies on the site's potential development. Waterways Ireland's goal in taking this site forward for development is to restore the lock gates into Grand Canal Dock and create an ongoing source of income to help operate the canal network on an annual basis.

Corporate Governance

In all of its work Waterways Ireland is committed to achieving high standards of corporate governance in all its activities.

Audit Committee

The Chair of Waterways Ireland's Audit Committee, Fergus McArdle retired in December and we are indebted to him for his excellent support and direction of the Audit Committee's work.

The Audit Committee met four times to review and agree the work of internal audit, with a total of 17 audit reports completed. The Committee also considered the Body's Annual Accounts which were audited by the Comptroller and Auditor General for Northern Ireland and the Irish Comptroller and Auditor General.

Managing and Developing our Resources

The Business Plan exchange rate of £0.70 for 2016, considered with a further 4% of efficiency saving reduction in budget alongside increased pension costs created further pressures on the current funding left for operation of the waterways.

Waterways Ireland continued to use seasonal staff where appropriate, and a small number of fixed term appointments were made to support activities such as lock gate manufacture where the Body has insufficient funding to be able to make a permanent appointment to a critical post.

Efforts to reduce overheads included retendering for pension administration services for the six North/South Implementation Bodies which achieved savings for Waterways Ireland of €35,000, and a reduction in rental property costs yielding a saving of €20,000 per annum.

The IT Section continued to bring support IT packages in-house to reduce overheads. The Body set up three Efficiency and Effectiveness Groups at the end of 2016 to engage staff from across the organisation in continuing to seek ways to save money and achieve more with less resources.

The organisation continues to seek ways to use the resources provided effectively and closed amenities over the winter months to reduce costs and we continue to examine service levels in areas such as Sarsfield Lock in Limerick which has a low level of boat passages on the canal network.

Risk Management

Waterways Ireland's risk management framework was reviewed in year and the Senior Management Team took part in a workshop with Department for Infrastructure (DfI) staff to understand DfI's approach to risk management.

Obtaining sufficient levels of funding to manage the 1,000km of navigable waterways in our care and maintenance is an ongoing challenge and Waterways Ireland continues to work with Sponsor Departments to ensure that critical infrastructure requirements are addressed.

Part 3

Appendix 1

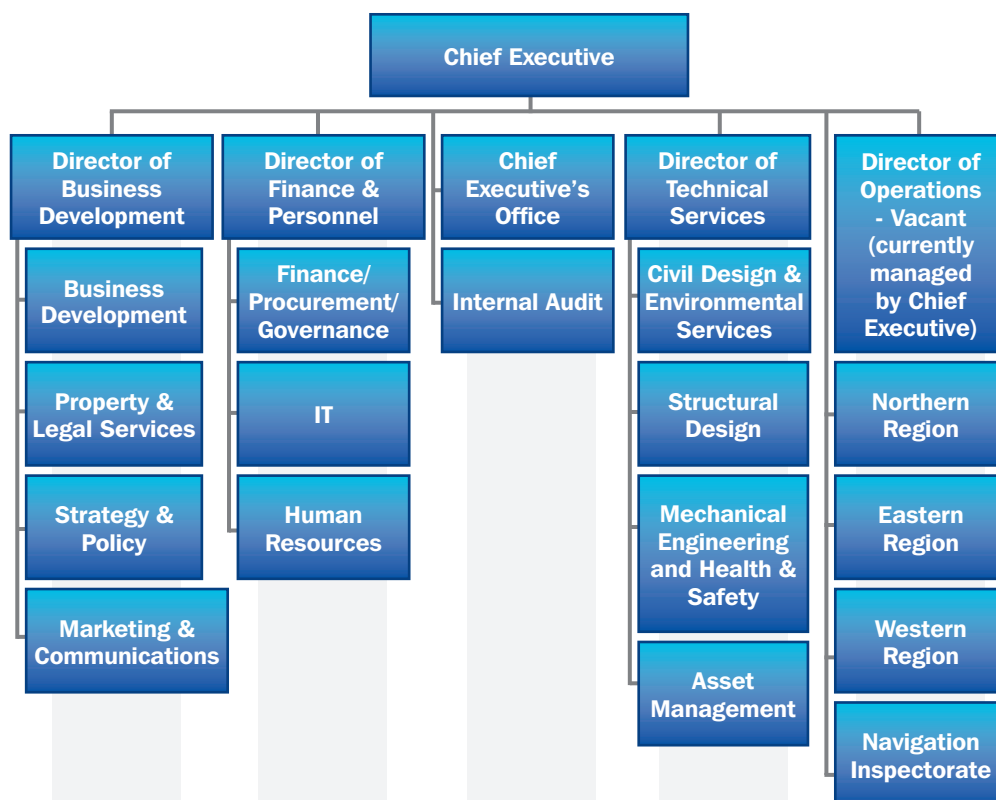
Waterways Ireland Organisational Structure

Appendix 2

Our People and Contact Details

Appendix 1

Waterways Ireland Organisational Structure



Staff Numbers						Total
Professional, Technical and Administration	32	25	5	25	32	119
Operational	-	-	-	-	199	199
Total	32	25	5	25	231	318

Appendix 2

Our People and Contact Details

Dawn Livingstone is the Chief Executive.

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

Director of Technical Services Simon Acheson

Eastern Regional Manager John McKeown

Northern Regional Manager Joe Gillespie

Western Regional Manager Éanna Rowe

Waterways Ireland

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Visitor Centre

Waterways Ireland
Grand Canal Quay
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Northern Region

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Ballyconnell

Waterways Ireland
Derryginney
Ballyconnell
Co. Cavan
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Eastern Region

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Tullamore	Waterways Ireland Harbour Street Tullamore Co. Offaly R35 FK18 Tel: +353 (0)57 935 2300
Thomastown	Waterways Ireland 18th Lock Thomastown Killucan Co. Westmeath N91 DX06 Tel: +353 (0)44 937 4940

Western Region

Regional Office	Waterways Ireland Scarriff Harbour Dock Road Drewsborough Scarriff Co. Clare V94 H7N1 Tel: +353 (0)61 922 033
Portumna	Waterways Ireland Connaught Harbour Bridge Road Portumna Co. Galway H53 NN82 Tel: +353 (0)90 974 1165
Athlone	Waterways Ireland The Docks Athlone Co. Westmeath N37 RW26 Tel: +353 (0)90 649 3516
Carrick-on-Shannon	Waterways Ireland Somerview House Old Dublin Road Carrick-on-Shannon Co. Leitrim N41 K5X7 Tel: +353 (0)71 965 0898

Inspectorate

Inspector of Navigation	Waterways Ireland The Docks Athlone Co. Westmeath N37 RW26 Tel: +353 (0)90 6494 232
Assistant Inspector of Navigation	Waterways Ireland Harbour Street Tullamore Co. Offaly R35 FK18 Tel: +353 (0)57 935 2300
Lough Erne Warden	Waterways Ireland 2 Sligo Road Enniskillen Co. Fermanagh BT74 7JY Tel: +44 (0)28 6632 3004

Part 4

Accounts for the year ended 31st December 2016

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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 2016.

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, Regional, Rural and Gaeltacht Affairs, (DAHRRGA) formerly Department of Arts, Heritage, and the Gaeltacht, (DAHG) and the Department for Infrastructure (DfI), formerly 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 (DoF) formerly 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 €990,000 (STG£808,000). The deficit for 2015 was €267,000 (STG£194,000).

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 €1.2233 (2015 €1.3782) 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 €1.1651 (2015 €1.3605) 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 DAHRRGA 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 increase in year in Operational Assets of €1,863,000 and a net valuation increase in Tangible Assets of €175,000 are detailed in Notes 1.6, 7.1 and 7.2.

Research and Development

Research on the valuation of the inland waterways was completed in 2016. The report analysed the diverse benefits and services which the inland waterways added to society and their crucial role in regional development. Economic benefits from employment, tourism and recreational activity were identified in addition to health, social, environmental and community cohesion benefits. Included in the economic benefits was Angling, worth approximately €142m per year to the economy, private boating worth approximately €88m, recreational activities worth approximately €60m and cruise hire worth approximately €50m. The valuations provide an excellent baseline for Waterways Ireland to measure the success of investment in maintenance, repair and development moving into the future.

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.

During 2016 Waterways Ireland worked with other public land owners in Ireland to develop an Outdoor Recreation Plan (ORP) which identified the level of investment required to maximise the potential of state owned lands and waters. Waterways Ireland, along with Coillte, Bord na Móna, National Parks and Wildlife Service and Inland Fisheries Ireland estimated that a total investment of €165m over the 5 years is needed in order to manage, maintain, upgrade and expand the recreation assets on public lands and waters. The investment proposed under the ORP would increase the economic contribution of the outdoor recreation by at least €142m per year – an economic pay-back period of just over one year. This does not take account of the valuation of health benefits or social well-being. Indeed, there is prospect of further growth as more Irish users and international visitors become aware of the quality recreational product available in Ireland. The report provides an interesting insight into the potential of investing in public infrastructure and will be the subject of discussion in the months ahead.

Future Developments

Capital development largely continues to concentrate on the refurbishment of critical infrastructural assets in order to ensure that our navigations remain open to be enjoyed by all users. A detailed capital programme for 2017 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 2017 new Blueway development will take place on the Erne Navigation and the Royal Canal and recreational activity hubs will be developed at various locations along our navigations.

Waterways Ireland has been successful in an application for funding from the Interreg IV Sustainable Transport Measure to develop a Greenway from Smithborough, Co. Monaghan to Middletown, Co. Armagh along the route of the Ulster Canal. The project, worth €4.95m has been developed in partnership with Monaghan County Council, Armagh Banbridge & Craigavon Borough Council and East Border Region Ltd. Construction of the Greenway is due to commence in 2018 and be completed by 2020 and will provide a long distance recreational and sustainable transport path along this historic 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 2016. Seventy kilometres of Blueway along the Shannon-Erne Waterway was formally launched in May 2016 and further enhancement works completed on the North Shannon Blueway. In October 2016 Minister Michael Ring launched the provision of €500,000 for a Shannon Blueway trail from Acres Lake to Drumshanbo, which will partly involve the construction of a boardwalk on Acres Lake. Local Councils, in association with Waterways Ireland, were also successful in applying for REDZ funding: €200k was obtained for scoping, developing, marketing and promoting the Lough Derg Blueway, and €96k was obtained for the extension of a blueway path to Lough Owel Sluice House.

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, communities and funders 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 2016, 99% (2015, 99%) of invoices were paid within 30 days and interest charges of €24 (2015 €135) and late penalty charges of €1,529 (2015, €1,875) 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 then promulgated with an ongoing annual review. The Waterways Ireland Health and Safety committee is in place and the Health and Safety Working Group and each Regional Safety Group and Head Office Safety Group meets on a quarterly basis each year to review Health and Safety issues in each area and overall across Waterways Ireland. To assure Waterways Ireland's Health and Safety that its 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 €40,000 (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 reflected 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 2016 the business plan exchange rate was £0.70 to €1, however, the prevailing exchange rate over the year was an average of £0.82 to €1. DfI funded the Body at the business plan rate which due to the exchange rate bought less euro than anticipated requiring the activities of the body to be curtailed to save €700,000.

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 2016. By 2017, it is estimated that there will be 134 pensioners who are retired or eligible to retire against a permanent workforce complement in 2016 of 283 staff.

Brexit

As a cross border body the main impact of Brexit may be the loss of access to European funding for Northern Irish projects which is a significant source of development funding.

Pensions

In 2016 the decrease in the discount rate of AA rated UK corporate bonds and Eurozone corporate bonds at 31st December 2016 along with the net change in inflation rates and lower salary increase assumptions have resulted in an actuarial loss on

the scheme and an increase in scheme liabilities in the year of €21,000,000.

Employee contributions of €586,000 (2015: €550,000) were received and remitted to DAHRRGA and DfI on an 85:15 basis.

Business Plan 2016 and Corporate Plan 2014 - 2016

Waterways Ireland Business Plan 2016 was approved at a North South Ministerial Council meeting on 11th December 2015.

Following additional bids from Waterways Ireland DAHRRGA provided €3,768,000 toward capital and current projects. DfI provided €1,098,793 toward capital projects.

Approval of 2017 Business Plan

At the date of approval of these accounts, Waterways Ireland's 2017 Business Plan had not been formally approved by the Sponsor Departments, Finance Departments or the North South Ministerial Council (NSMC). Approval is unlikely to be received until the 2017/18 Budget for the Northern Ireland Executive

has been agreed. The DAHRRGA has continued to fund the Body's activities in the absence of an approved Business Plan.

DfI has implemented contingency arrangements, to enable the payment of funding to the Body. These involve the approval of a Business Planning document which sets out the Body's short-term proposed activities, together with the related benefits and costs. As a result, all 2017 funding requested to date has been paid by both Sponsor Departments.

In the absence of an approved Business Plan for 2017 or Corporate Plan for period 2017 to 2019 Waterways Ireland activities are in accordance with the draft Corporate 2017-2019 and 2017 Business Plan which have been considered by the Sponsor Departments.

Post Balance Sheet Events

None to report.

Statement of Responsibilities

Waterways Ireland Responsibilities

The Sponsor Departments 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 Sponsor Departments, 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 2016 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.
- The work of the Finance Sub-Committee was assigned back to the Monitoring Committee during the year.
- A Monitoring Committee met six times during the year where the organisation reports progress on business plan and addresses any other issues (this Committee comprises senior members of Waterways Ireland and representatives of the Sponsor Departments).
- Regular reports by internal audit, which include the Internal Auditor's independent opinion on the adequacy and effectiveness of Waterways Ireland's system of internal control together with recommendations for improvement. Implementation of a robust audit prioritisation methodology based on risk ranking.
- The Audit Committee met four times in 2016. 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". The Chair's term of appointment has ended and a replacement took up post in January 2017.
- 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 2016 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 the 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
29th June 2017

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

We certify that we have audited the accounts of Waterways Ireland (the Body) for the year ended 31 December 2016 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; and
- the accounts give a true and fair view, in accordance with those directions, of the state of the Body's affairs as at 31 December 2016 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:

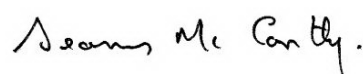
- adequate accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all of the information and explanations we require for our audit; or
- the information given in the Annual Review of Activities is not consistent with the related account; 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
Northern Ireland
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Date: 29 June 2017



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

Date: 30 June 2017

Income and Expenditure Account

for the year ended 31st December 2016

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
INCOME					
Revenue Funding from Departments	2	25,044	20,473	25,988	18,857
Release from Capital Grant/Donation/Grant Reserves	16, 17,18	8,979	7,340	8,929	6,479
Other Operating Income	3	5,658	4,625	3,474	2,521
TOTAL INCOME		39,681	32,438	38,391	27,857
EXPENDITURE					
Staff Costs	4	21,717	17,753	20,177	14,641
Programme Costs	5	5,181	4,236	4,902	3,557
Other Operating Costs	6	4,801	3,924	4,619	3,352
Currency (gains)/losses and interest payable		(2)	(2)	43	31
Depreciation	7.1,7.2	8,916	7,288	8,916	6,469
TOTAL EXPENDITURE		40,613	33,199	38,657	28,050
Operating Surplus/(Deficit) for the Year		(932)	(761)	(266)	(193)
Profit/(Loss) on Disposal of Fixed Assets		(58)	(47)	(1)	(1)
Surplus/(Deficit) for the Year	15	(990)	(808)	(267)	(194)

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 2016

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Surplus/(Deficit) for the financial year		(990)	(808)	(267)	(194)
Actuarial (loss)/gain on pension liabilities	21.2	(15,761)	(13,528)	14,313	10,520
Net transfer (in)/out of the scheme	21.2	197	161	(6)	(4)
Adjustment to Deferred pension funding		15,564	13,367	(14,307)	(10,516)
Unrealised surplus/(deficit) on revaluation of Land and Buildings	7.1, 7.2	2,038	1,749	16,196	11,904
		<u>1,048</u>	<u>941</u>	<u>15,929</u>	<u>11,710</u>

Balance Sheet

as at 31st December 2016

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Fixed Assets					
Tangible Assets	7.1	55,911	47,988	58,601	43,073
Operational Assets and Work in Progress	7.2	655,997	563,039	656,803	482,766
Current Assets					
Short Term Investment	8	3,697	3,173	1,700	1,250
Cash at bank and in hand	9	3,563	3,058	1,868	1,372
Stocks	10	893	766	585	430
Debtors/Prepayments - amounts due within one year	11	1,947	1,671	1,619	1,190
		10,100	8,668	5,772	4,242
Current Liabilities					
Creditors - amounts due within one year	12	(3,440)	(2,952)	(2,418)	(1,778)
Net Current Assets/(Current Liabilities)					
		6,660	5,716	3,354	2,464
Debtors/Prepayments - amounts due after one year	11	74	64	20	15
Creditors - amounts due after one year	12	(108)	(93)	(116)	(85)
Deferred Pension Funding	21.4	117,043	100,457	96,180	70,695
Pension Liability	21.5	(117,043)	(100,457)	(96,180)	(70,695)
Provisions	14	(2,146)	(1,842)	(1,449)	(1,065)
Total Assets Less Liabilities					
		716,388	614,872	717,213	527,168
Financed by:					
Capital and Reserves					
Revenue Reserve	15	600	515	(419)	(308)
Capital Grant Reserve	16	701,546	602,133	705,238	518,366
Donation Reserve	17	10,432	8,954	10,655	7,832
Grant Reserve	18	3,810	3,270	1,739	1,278
		716,388	614,872	717,213	527,168



Chief Executive

Dawn Livingstone
Date: 29th June 2017

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

Cash Flow Statement

for the year ended 31st December 2016

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Net Cash in/(out)flow from operating activities	19.1	26	20	(132)	(96)
Capital expenditure and financial investment					
Short term fixed deposit	8	(1,997)	(1,923)	(693)	(466)
Receipt from sale - plant, land, property rights		2,014	1,646	51	37
Payments to acquire tangible fixed assets	7.1,7.2	(5,454)	(4,458)	(2,796)	(2,029)
Net Cash outflow before financing		<u>(5,411)</u>	<u>(4,715)</u>	<u>(3,570)</u>	<u>(2,554)</u>
Financing					
Capital funding received	16	4,950	4,047	2,796	2,028
Grant received	18	2,156	1,762	427	310
Difference on currency translation		-	592	-	(137)
Increase/(Decrease) in Cash	19.2	<u>1,695</u>	<u>1,686</u>	<u>(347)</u>	<u>(353)</u>

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

Notes to the Accounts

for the year ended 31st December 2016

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 DoF and DPER.

1.2 Income

Income includes cash grants received from the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs and the Department for Infrastructure which funded activities in the current period.

Operating Income is recognised on a receipts basis and includes licence income, property related income, and income from navigation usage 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 29 years with €3,857 released in 2016 to income.

In 2013, Kildare County Council contributed €228,000 toward the cost of repairs on the Barrow Navigation. At 31st December 2016 €65,000 of these monies is in deferred income and will be spent in 2017.

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 2016 a deficit on revaluation of €262,000 was recognised on these assets.</p> <p>The main components were as follows:</p> <ul style="list-style-type: none"> • Cityblock 19, €31,904,000; 2015: €32,500,000. This was valued in April 2016 by CBRE Dublin. • Hatch Bar €45,000; 2015: €45,000 valued by Richard Fawcett Bsc (Hons) Valuation & Estate Management Valuer, Waterways Ireland in 2012. • Sea Lock House €250,000; 2015: €0, valued in house by Carey Robinson BLE (Hons) Member of the Royal Institute of Chartered Surveyors in 2011. • Barge €7,000; 2015: €7,000, based on bids received in 2013.
Buildings		Buildings are valued based on depreciated replacement cost. This involves estimating the value of land in its existing use and estimating the replacement cost of the building with appropriate deductions to reflect the current age and condition of the building. The current valuations reflect site existing use value carried out by A. Mearns MRICS in 2016 and Building Reinstatement value carried out by G. Wallace MRICS in 2015. The result is an increase on revaluation of €437,000.
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 €1,863,000.</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 2016, the Construction Price Inflation index applied was 1.088% resulting in a net surplus on revaluation of €3,863,000.</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	Lock Chambers and gates were valued in 2015 on the 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.
	Weirs	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 5 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).

	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 2016, this resulted in a decrease in land values from €60,000,000 to €58,000,000 - a reduction of €2,000,000.
	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. The Sea Lock House €250,000 was transferred to Surplus Assets in 2016.
	Service Blocks	Valued at replacement costs in 2011 accounts.

2016 Revaluations

	Net Book Value at 01.01.2016	Revaluation	Additions Disposals Other Movements 2016	Net Book Value at 31.12.2016
	€'000	€'000	€'000	€'000
Surplus Assets	34,227	(262)	(1759)	32,206
Buildings	15,888	437	(376)	15,949
Operational Assets	654,641	1,863	(6,460)	650,044
	704,756	2,038	(8,595)	698,199

Assets established from joint works with third parties on Waterways Ireland's 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 2016 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:

Asset Category	% of Cost
Tangible Fixed Assets	
Surplus Assets	0%
Buildings	2%
Plant, Vehicles and Machinery	
Boats	2.5% - 10%
Excavators	5% - 10%
Grasscare	10%
General Plant	5% - 16.7%
Vehicles	6.7% - 16.7%
Computers, Furniture and Fittings	
Furniture	10%
IT Equipment	20%
Operational Assets and Work in Progress	
Land	0%
Operational Assets	
Canal Structures, Locks, Fixed Mooring	0.2% - 1.67%
Lockhouses	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 for Arts, Heritage, Regional, Rural and Gaeltacht Affairs. The Northern Ireland share of the benefits paid during the year is provided by the Department for Infrastructure.

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 2016 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 the best estimate 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 2016 - 31st December 2016

	Note	DAHRRGA €'000	DAHRRGA STG£'000	Dfi €'000	Dfi STG£'000	TOTAL €'000	TOTAL STG£'000
Funding taken to Income		21,963	17,954	3,081	2,519	25,044	20,473
Funding Capitalised	16	4,077	3,333	873	714	4,950	4,047
		<u>26,040</u>	<u>21,287</u>	<u>3,954</u>	<u>3,233</u>	<u>29,994</u>	<u>24,520</u>

2.2 Financial Year 1st January 2015 - 31st December 2015

	Note	DAHRRGA €'000	DAHRRGA STG£'000	Dfi €'000	Dfi 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
		<u>24,314</u>	<u>17,642</u>	<u>4,470</u>	<u>3,243</u>	<u>28,874</u>	<u>20,885</u>

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 - DAHRRGA (85) and Dfi (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 2016	STG€'000 2016	€'000 2015	STG€'000 2015
Licences		105	86	99	72
Property Related Income		195	159	248	181
Operating Income		177	145	168	122
Interest Receivable		5	4	16	12
Net deferred funding for pensions	21.3	5,102	4,170	2,864	2,077
Other Income		74	61	79	57
Total		5,658	4,625	3,474	2,521

4. Staff Costs

		2016	2015
4.1 The average weekly number of permanent employees (full time equivalent) was as follows:		283	295
Category of Employment:	Administration	105	108
	Operations	178	187

In addition there were 30 temporary staff supporting works on the navigations, 1 agency staff and 4 student placement engaged to cover maternity leave and other staff absence.

4.2 The costs incurred in respect of these employees were:

	Note	€'000 2016	STG€'000 2016	€'000 2015	STG€'000 2015
Staff costs		13,687	11,189	14,060	10,202
Agency costs		100	82	163	118
Employers NIC/PRSI		1,260	1,031	1,209	877
Other pension costs:					
Current Service and Interest costs	21.3	7,313	5,977	5,027	3,649
		22,360	18,279	20,459	14,846
Less Staff and Agency Costs Capitalised		(643)	(526)	(282)	(205)
Total		21,717	17,753	20,177	14,641

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

Name	Age at December 2016	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	56	€95 to €100	€0 to €2.5	€40 to €45	€0
John McKeown	57	€90 to €95	€0 to €2.5	€40 to €45	€0
Joseph Gillespie	58	€90 to €95	€0 to €2.5	€40 to €45	€0
Éanna Rowe	46	€75 to €80	€0 to €2.5	€20 to €25	€0
John Boyle	47	€65 to €70	€0 to €2.5	€0 to €5	€0
Stephen Forrest	50	€50 to €55	€0 to €2.5	€15 to €20	€0

Colin Brownsmith withheld consent to disclose the information above.

Stephen Forrest resigned on 7th October 2016.

5. Programme Costs

	Note	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Contracted in Services including construction costs		3,518	2,876	3,102	2,251
Vehicle Fuel		405	331	459	333
Plant Hire		112	92	69	50
Mechanical Spares and Equipment		713	583	650	472
Fuel and Light		77	63	81	59
Travel		175	143	197	143
Compensation/Provisions	14	-	-	190	138
Miscellaneous		181	148	154	111
Total		5,181	4,236	4,902	3,557

Analysis of Programme Costs by Waterway

Shannon Navigation	921	754	827	601
Royal Canal	1,246	1,019	1,050	762
Grand Canal	1,568	1,280	1,245	902
Barrow Navigation	540	442	657	477
Erne System and Lower Bann	456	373	570	414
Shannon-Erne Waterway	450	368	553	401
Total	5,181	4,236	4,902	3,557

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 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Travel		451	369	444	322
Recruitment Costs		29	24	41	30
Training and Conferences		103	84	104	75
Contracted in Services		501	410	531	385
Compensation/Provisions	14	830	678	326	237
Premises Running Costs including Utilities		684	559	766	556
Health and Safety		18	15	20	15
Communications		135	110	136	99
Other Operating Lease Rental		14	11	19	14
Printing and Stationery		78	64	92	67
Computer Running Costs		977	799	907	658
Rent		279	228	297	215
Audit Fee		34	28	50	36
Marketing and Promotions		454	371	514	373
Insurance and Legal Fees		69	56	129	94
Pension Administrator Costs		109	89	144	104
General Expenditure		36	29	99	72
Total		4,801	3,924	4,619	3,352

Note: Annual audit fee is €40,000 (£34,000). Exchange rate fluctuations of payments and accruals in year of €6,000 reduce the charge to €34,000, and when converted at average exchange rate is £28,000 sterling.

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 2016	34,227	18,987	23,610	7,620	84,444
Additions	-	23	419	249	691
Reclass	250	-	-	-	250
Revaluation	(262)	437	-	-	175
Disposals	(2,009)	(23)	(246)	(350)	(2,628)
At 31st December 2016	32,206	19,424	23,783	7,519	82,932

Depreciation

At 1st January 2016	-	3,099	15,945	6,799	25,843
Provision for year	-	380	1,043	355	1,778
Disposals	-	(4)	(246)	(350)	(600)
At 31st December 2016	-	3,475	16,742	6,804	27,021

Net Book Value €'000

At 31st December 2015	32,206	15,949	7,041	715	55,911
At 31st December 2014	34,227	15,888	7,665	821	58,601

Net Book Value STG£'000

At 31st December 2016	27,642	13,689	6,043	614	47,988
Currency Translation Adjustment	(4,137)	(1,943)	(919)	(98)	(7,097)
At 31st December 2015	25,158	11,678	5,634	603	43,073

Note: Plant include donated assets of net book value €63,000. 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 €175,000.

Computers, Furniture and Fittings include intangible assets such as software of €80,000. 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
Cost or Valuation	€'000	€'000	€'000
At 1st January 2016	2,162	1,164,438	1,166,600
Additions	4,266	497	4,763
Reclass	-	(250)	(250)
Capitalised from Work in Progress	(475)	475	-
Disposal	-	(206)	(206)
Revaluation	-	4,352	4,352
At 31st December 2016	<u>5,953</u>	<u>1,169,306</u>	<u>1,175,259</u>
Depreciation			
At 1st January 2016	-	509,797	509,797
Revaluation	-	2,489	2,489
Disposal	-	(162)	(162)
Provision for year	-	7,138	7,138
At 31st December 2016	<u>-</u>	<u>519,262</u>	<u>519,262</u>
Net Book Value €'000			
At 31st December 2016	<u>5,953</u>	<u>650,044</u>	<u>655,997</u>
At 31st December 2015	<u>2,162</u>	<u>654,641</u>	<u>656,803</u>
Net Book Value STG£'000			
At 31st December 2016	<u>5,109</u>	<u>557,930</u>	<u>563,039</u>
Currency Translation Adjustment	(440)	(80,427)	(80,867)
At 31st December 2015	<u>1,589</u>	<u>481,177</u>	<u>482,766</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 €15,949,000 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 an increase in net book value of €1,863,000.

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
	2016	2016	2015	2015
Euro Fixed Term Deposit	3,697	3,173	1,700	1,250
Total	<u>3,697</u>	<u>3,173</u>	<u>1,700</u>	<u>1,250</u>

9. Cash at Bank and in Hand

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
Sterling Bank Account	5	3	16	12
Euro Bank Account	1,156	992	88	65
Euro Bank Reserve Account	2,400	2,061	1,761	1,293
Petty Cash	2	2	3	2
Total	3,563	3,058	1,868	1,372

10. Stocks

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
Hardware	242	208	202	148
Timber	439	377	124	91
Fuel and Lubricants	25	21	26	19
Protective Clothing	71	61	111	82
Spare Parts and Filters	44	38	39	29
Smart Cards	11	9	16	12
Publications	28	24	30	22
Miscellaneous	33	28	37	27
Total	893	766	585	430

11. Debtors and Prepayments

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
Amounts falling due within one year:				
Trade Debtors	168	144	174	128
Less: Provision for bad debt	(62)	(53)	(73)	(54)
Other Debtors	636	546	791	582
Prepayments	1,205	1,034	727	534
Total	1,947	1,671	1,619	1,190
Amounts falling due after one year:				
Prepayments	74	64	20	15
Total	2,021	1,735	1,639	1,205

12. Creditors and Accruals

	€'000 2016	STG€'000 2016	€'000 2015	STG€'000 2015
Amounts falling due within one year:				
Trade Creditors	4	3	48	35
Other Creditors	1,284	1,102	265	195
VAT	15	13	17	13
Accruals and Deferred Income	2,137	1,834	2,088	1,535
Total	3,440	2,952	2,418	1,778

Amounts falling due after one year:

Deferred Income	108	93	116	85
Total	3,548	3,045	2,534	1,863

13. Other Operating Leases

	€'000 2016	€'000 2016	€'000 2015	€'000 2015
At 31st December 2016 annual commitments for payments during the next year:				
Leases which expire:				
	Land and Buildings	Other	Land and Buildings	Other
Within one year	23	-	50	2
Between two and five years	83	14	83	15
More than five years	174	-	171	-
	280	14	304	17
Leases which expire:				
	STG€'000 2016	STG€'000 2016	STG€'000 2015	STG€'000 2015
	Land and Buildings	Other	Land and Buildings	Other
Within one year	19	-	37	1
Between two and five years	68	11	61	11
More than five years	142	-	126	-
	229	11	224	12

14. Total Provision

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
At 31st December Total Provision	2,146	1,842	1,449	1,065

14.1 Provision for Claims Settlement

	Notes	€'000	STG£'000	€'000	STG£'000
		2016	2016	2015	2015
At 1st January		974	716	831	647
Provision utilised in year		(133)	(109)	(248)	(180)
Provision in year	5, 6	830	678	391	284
Difference on currency translation		-	149	-	(35)
At 31st December		1,671	1,434	974	716

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

14.2 Provision for Carnroe Weir

	Notes	€'000	STG£'000	€'000	STG£'000
		2016	2016	2015	2015
At 1st January		475	349	350	272
Provision in year	5, 6	-	-	125	91
Difference on currency translation		-	59	-	(14)
At 31st December		475	408	475	349

Note: The accounts include a provision of €475,000 charged to the Income and Expenditure Account in prior years for the repair of the weir. Waterways Ireland received a consultants report in August 2016 which found that the condition of the weir had deteriorated since the previous inspection in 2013. The report recommended that remedial works be carried out. Waterways Ireland estimate that the total costs of repairing the weir are €2 million and is in discussion with the Sponsoring Departments regarding funding of these works.

15. Revenue Reserve

	Notes	€'000	STG£'000	€'000	STG£'000
		2016	2016	2015	2015
At 1st January		(419)	(308)	1,610	1,254
Surplus/(Deficit) in the year		(990)	(808)	(267)	(194)
Plus: Transfer from Capital Grant Reserve	16	2,009	1,642	39	28
Less: Transfer to Capital Grant Reserve	16	-	-	(1,801)	(1,307)
Difference on currency translation		-	(11)	-	(89)
At 31st December		600	515	(419)	(308)

Note: Transfer to Revenue Reserve relates to disposal of land/property rights €2,009,000. In 2015 the transfer from Revenue 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 2016	STG£'000 2016	€'000 2015	STG£'000 2015
At 1st January		705,238	518,366	693,107	539,761
Capital Grants Received	2	4,950	4,047	2,796	2,028
Revaluation	7.1, 7.2	2,038	1,749	16,196	11,904
Less: Transfer to Revenue Reserve	15	(2,009)	(1,642)	(39)	(28)
Plus: Transfer from Revenue Reserve	15	-	-	1,801	1,307
Less: Amortisation of Capital Grants		(8,671)	(7,089)	(8,623)	(6,257)
Difference on currency translation	7.1, 7.2	-	86,702	-	(30,349)
At 31st December		<u>701,546</u>	<u>602,133</u>	<u>705,238</u>	<u>518,366</u>

Note: Transfer to Revenue Reserve relates to disposal of land/property rights €2,009,000. In 2015 the transfer from Revenue Reserve includes third party funding received to fund future Southern Capital works.

17. Donation Reserve

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
At 1st January		10,655	7,832	10,879	8,472
Less: Amortisation of Donations		(223)	(182)	(224)	(163)
Difference on currency translation	7.1, 7.2	-	1,304	-	(477)
At 31st December		<u>10,432</u>	<u>8,954</u>	<u>10,655</u>	<u>7,832</u>

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

18. Grant Reserve

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
At 1st January		1,739	1,278	1,394	1,086
Grants Received		2,156	1,762	427	310
Less: Amortisation of Grants		(85)	(69)	(82)	(59)
Difference on currency translation	7.1, 7.2	-	(111)	-	(79)
Difference on currency translation		-	410	-	20
At 31st December		<u>3,810</u>	<u>3,270</u>	<u>1,739</u>	<u>1,278</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
	2016	2016	2015	2015
Result for the year	(990)	(808)	(267)	(194)
Adjustment for non-cash transactions:				
Depreciation	8,916	7,288	8,916	6,469
Amortisation of Capital Grants	(8,979)	(7,340)	(8,929)	(6,479)
Adjustment for non-operating transactions:				
(Profit)/Loss on disposal of fixed assets	58	47	1	1
Adjustment for movements in working capital:				
Decrease/(Increase) in stock	(308)	(264)	(88)	(65)
Decrease/(Increase) in debtors	(382)	(328)	(995)	(731)
(Decrease)/Increase in creditors	1,014	870	962	707
Use of Provisions:				
Provisions	697	570	268	194
Difference on currency translation	-	(15)	-	2
Net cash in/(out)flow from operating activities	26	20	(132)	(96)

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
	2016	2016	2015	2015
Cash in bank at 1st January	1,868	1,372	2,215	1,725
Net cash inflow/(outflow)	1,695	1,686	(347)	(353)
Cash in bank at 31st December	3,563	3,058	1,868	1,372

20. Capital Commitments

Capital commitments at 31st December 2016 for which no provision has been made:

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
Contracted	1,621	1,391	1,434	1,054
Authorised but not contracted	3,959	3,398	4,423	3,251

Note: Formal approval on 2016 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 2016 together with a corresponding asset.

The valuation used for FRS 17 disclosures at 31st December 2016 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Limited). 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 2016.

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

At 31st December	2016	2015	2014	2013	2012
Discount rate Northern Ireland	2.70%	3.70%	3.60%	4.50%	4.10%
Discount rate Republic of Ireland	1.90%	2.65%	2.10%	3.50%	2.70%
Rate of increase in Consumer Price Index Northern Ireland	2.30%	1.90%	2.00%	2.50%	1.80%
Rate of increase in Consumer Price Index Republic of Ireland	1.50%	2.00%	2.00%	2.00%	2.50%
Rate of increase in salaries	2.30%	2.90%	3.00%	4.00%	4.00%
Average rate of increase for pensions Northern Ireland in line with CPI	2.30%	1.90%	2.00%	2.50%	1.80%
Average rate of increase for pensions Republic of Ireland					
in line with salary increases	3.00%	2.90%	3.00%	4.00%	4.00%
in line with CPI	1.50%	2.00%	2.00%	2.00%	2.50%
Average expected future life at age 65 for					
Male currently aged 65	22.2	21.9	22.1	21.6	21.5
Female currently aged 65	24.2	23.8	24.3	24.2	24.1
Male currently aged 45	23.9	23.1	23.5	23.5	23.4
Female currently aged 45	26.1	25.3	25.8	26.0	25.9

21.2 Movement in Net Pension Liability during the financial year:

	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
(Deficit) in the plan at the beginning of the year	(96,180)	(70,695)	(107,623)	(83,812)
Benefits paid during the year	2,014	1,646	2,163	1,569
Net transfer (in)/out of the scheme	197	161	(6)	(4)
Current service cost	(4,650)	(3,801)	(4,541)	(3,295)
Past Service Credit	-	-	2,107	1,529
Other finance income/(charge)	(2,663)	(2,177)	(2,593)	(1,881)
Actuarial gain/(loss)	(15,761)	(13,528)	14,313	10,520
Difference on currency translation	-	(12,063)	-	4,679
(Deficit) in the plan at the end of the year	(117,043)	(100,457)	(96,180)	(70,695)

Analysis of the movement in (deficit) in the plan during the period is as follows:	Note	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Experience gain/(loss)	21.5	(7,648)	(6,252)	(481)	(354)
Gain/(loss) due to currency movements		4,061	-	-	-
Gain/(loss) on change of financial assumptions		(12,174)	(10,449)	14,794	10,874
Actuarial gain/(loss)		(15,761)	(16,701)	14,313	10,520

The main element of the actuarial loss of €15,761,000 relates to changes in the actuarial assumptions increasing the value placed on liabilities. As a result of a decrease in ROI and NI discount rates increase the value placed on liabilities by €18,405,000. The impact of changes in inflation assumption decreases the liabilities by around €8,247,000. The change in mortality assumptions increases the value placed on liabilities of around €2,016,000. A gain of €4,061,000 was due to currency movements. An experience loss of €7,648,000 reflects the fact that approximate roll-forward calculations were used in previous years. During the year employee contributions were received of €586,000 (2015: €550,000) which were remitted to DAHRRGA and Dfl on an 85:15 basis.

21.3 Income and Expenditure Account analysis for the financial year:

	Notes	€'000 2016	STG£'000 2016	€'000 2015	STG£'000 2015
Current service cost		4,650	3,800	4,541	3,294
Past Service Credit		-	-	(2,107)	(1,529)
Other finance income/(charge)		2,663	2,177	2,593	1,881
Benefits paid during the year		(2,014)	(1,646)	(2,163)	(1,569)
Net transfers (out of)/in to the scheme		(197)	(161)	-	-
Net deferred funding for pensions	3	5,102	4,170	2,864	2,077

Note: Net transfer out of the Scheme relates to a retirement.

Current service cost		4,650	3,800	4,541	3,294
Past Service Credit		-	-	(2,107)	(1,529)
Other finance income/(charge)		2,663	2,177	2,593	1,881
Current pension service costs	4	7,313	5,977	5,027	3,646

21.4 Deferred Pension Funding

	€'000	STG£'000	€'000	STG£'000
	2016	2016	2015	2015
At 1st January	96,180	70,695	107,623	83,812
(Decrease)/Increase in Deferred Funding of Pension Asset	20,863	17,055	(11,443)	12,066
Difference on currency translation	-	12,707	-	(25,183)
At 31st December	117,043	100,457	96,180	70,695

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 2016 amounted to €117m (2015 €96.2m).

21.5 History of Defined Benefit Liabilities

	Notes	€'000	€'000	€'000	€'000	€'000
		2016	2015	2014	2013	2012
Surplus/(Deficit) at 31st December		(117,043)	(96,180)	(107,623)	(86,124)	(100,570)
Experience gain/(loss)	21.2	(7,648)	(481)	1,289	2,571	173
Percentage of Scheme Liabilities		-6.5%	-0.5%	1.2%	2.9%	0.2%
	Notes	STG£'000	STG£'000	STG£'000	STG£'000	STG£'000
		2016	2015	2014	2013	2012
Surplus/(Deficit) at 31st December		(100,457)	(70,695)	(83,812)	(71,746)	(82,011)
Experience gain/(loss)	21.2	(6,252)	(354)	1,004	2,142	141
Percentage of Scheme Liabilities		-6.2%	-0.5%	1.2%	2.9%	0.2%

21.6 Employees Joining

In the event of staff joining Waterways Ireland with prior service in the Northern Ireland public sector, with funded/unfunded schemes a transfer value will be calculated by the Pension Administrator for Waterways Ireland and forwarded to the Department for Infrastructure. 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, Regional, Rural and Gaeltacht Affairs. 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 passed via the body to both Departments. There was no transfer in to the scheme in the year.

21.7 Employees leaving

In the event of staff leaving Waterways Ireland the service in Waterways Ireland, is funded by Dfl at 15% and DAHRRGA at 85% of the amount to be transferred. If there is prior public sector service as outlined above the transfer value will be funded by the relevant jurisdiction in its entirety (other than Irish unfunded public service pension scheme). There was one transfer out from the scheme in the year of €197,000.

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/decreased 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 2016 is based on past experience and calculated at best estimate set for each case of €210,000, (2015 €246,000).

23. Performance Against Key Financial Targets

Annual action plans are presented to North South Ministerial Council and approved. The financial targets set for Waterways Ireland by the Sponsor Departments and DPER and DoF 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 DAHRRGA and Dfl. 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 within 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 2016 – 31st December 2016.

25. Losses Register

A Losses Register is maintained by Waterways Ireland. Losses recorded during the year amounted to €380,000 (2015 €370,000) and have been incorporated within these accounts where the cost relates to this financial year. Public liability claims are €53,000 (2015 €62,000), employee related claims are €47,000 (2015 €230,000) and other claims are €280,000 (2015 €78,000).

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

26.1 Financial Instruments

Due to the non-trading nature of its activities and the way the Body is financed, the Body is not exposed to the degree of financial risk faced by business entities. The Financial Memorandum permits the Body to borrow subject to the prior approval of the Sponsor Departments and the Finance Departments, which the Body has not sought. The financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Body in undertaking its activities. The Body's financial instruments mainly consist of cash, trade debtors and trade creditors.

26.2 Liquidity, Interest Rate and Foreign Currency Risk

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

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

The Body's transactions are effected in the currencies of each part of Ireland, with recorded gains and losses being taken to the Income and Expenditure Account. The Body faces significant exchange rate pressure. In 2016 the business plan exchange rate was £0.70 to €1, however, the prevailing exchange rate over the year was an average of £0.82 to €1. Dfl funded the Body at the business plan rate which due to the exchange rate bought less euro than anticipated requiring the activities of the body to be curtailed to save €700,000.

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 2016 were authorised to be issued on 29th June 2017 by the Accounting Officer.

Appendix 1

Accounts Direction

Waterways Ireland

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

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


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

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


Signed by authority of the

**Department of Culture, Arts
and Leisure**

**Department of Arts, Heritage,
Gaeltacht and the Islands**



6/3/02



1/3/2002
