

Annual Report and Accounts


Waterways Ireland
Uiscebhealaí Éireann Waterways Airlann

2017



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Chief Executive's Foreword

2017 was another both challenging and successful year for Waterways Ireland.

We renewed, clarified and set about delivering a step change in the use of the 1,000km of waterways we manage with three clear aims in our 2017-19 Corporate Plan and 2017 Business Plan;

- To sustain, enhance and protect the waterways in our care
- To increase use by local people for recreation, health and wellbeing
- To increase use by attracting new visitors to come and enjoy the waterways, creating jobs and prosperity.

We welcomed President Higgins to celebrate the 200th Anniversary of the Opening of the Royal Canal and made good progress in developing canal towpaths thanks to partnerships with the local authorities along the route.



President Higgins in attendance at the 200th anniversary of the Opening of the Royal Canal celebrations.

Low water levels in Lough Owel caused water supply problems for the navigation on the Royal Canal summit level despite extensive pumping supported by Irish Water and Westmeath County Council. Too much water over the winter again caused damage to navigation infrastructure, and we must adapt going forward to managing this emerging pattern of winter flooding and how we respond and manage through such periods.

The Department for Infrastructure provided an additional £1.575m of capital in the April 2017-March 2018 and we have been able to transform end of life amenities throughout the Erne System and sustain the programme of lock chamber repair and lock gate build and replacement on the Lower Bann. The attraction of Lough Erne and its canoe trail were recognised when it was listed in the Guardian's Great Canoe trips around the world alongside Venice and the Cát Bà karst archipelago in Vietnam.

The Department of Culture, Heritage and the Gaeltacht also continued to provide additional in year support with the provision of €2.766m additional capital funding to support critical infrastructure repairs. This allowed us to not only meet emergency repair costs due to a number of failures in structures, such as culverts and back slippages but also to place orders for new weed cutting plant which will be delivered in 2018.

Development work on the waterways continued with third party funding. Waterways Ireland received €1.7m in 2017 and a further €600k on projects which started in 2016 and completed in 2017. Projects were as diverse as the transformation of Castle Harbour, Portumna and the Lough Derg Blueway development supported by the Lough Derg Stimulus Fund administered by Fáilte Ireland. The Outdoor Recreation Infrastructure Scheme supported further Blueway connections between villages on the Shannon Blueway and on the Shannon-Erne Blueway to towpath upgrade investment on the Royal and Grand Canals which was also funded by the local authorities and the Department of Transport, Tourism and Sport.

As an organisation we continue to work to be ever more effective and efficient in how we deliver services and care for the waterways. Our workforce is central to providing value for money in looking after the navigations. It is our operational and technical expertise and their ability to mobilise quickly and work on water that enables us to manage these valuable national assets. We need to invest our limited resources in finding ways to sustain this central core of work and the staff teams who support them. We have continued to try and modernise how we deliver services to create efficiencies such as moving to online purchase for permits.

As we move forward protecting, enhancing and sustaining the beautiful natural environments, that are the inland waterways will be at the core of everything we do.



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 10 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 2017 there were 316 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, culverts, aqueducts, towpaths, adjoining lands, harbours, jetties, fishing stands, bridges, locks, weirs, sluices, lock houses, along with buildings and archives. Our work programmes are critical to providing a safe and high quality recreational environment for our customers, whilst also preserving the industrial and environmental heritage of the waterways for future generations. These challenges must be balanced with our objective of increasing recreational activity across all our waterways.

How we operate

As a cross-border Body, we operate under the policy direction of the NSMC and the two Governments, and are accountable to the Northern Ireland Assembly and the Houses of the Oireachtas. At an administrative level, we report to our Sponsor Departments, the Department of Culture, Heritage and the Gaeltacht (DCHG) in Ireland and in Northern Ireland our Sponsor Department is the Department for Infrastructure. In the absence of a Northern Ireland Assembly and therefore no NSMC Waterways Ireland has delivered the first year of the draft 2017-19 Corporate Plan as agreed with its Sponsor Departments.

Funding is provided by grants from money voted by the Northern Ireland Assembly and the Houses of the Oireachtas. 15% of current or operational funding is provided by the Assembly in Northern Ireland, and 85% by the Irish Government, 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 2017, the Department of Culture, Heritage and the Gaeltacht (DCHG) provided additional current funding in year of €180,000.

Our operational performance targets are agreed with both Sponsor Departments, and we report against these targets on a quarterly 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 2017-2019 Corporate Plan set out a road map to ensure the inland waterways are developed and managed to expand the recreational, social, health and economic benefits their use can provide.

The goal is to increase the use of these national treasures to provide high quality recreational amenities, well used by all the people who live near the waterways, while also attracting increasing numbers of visitors, bringing jobs, creating new businesses, sustaining existing businesses, and delivering prosperity.

At the core of the plan is delivery of maintenance and active management of the waterways. Many of the navigation features are now over 200 years old and are in need of significant investment, we will continue to focus on ensuring public safety, then water control, and investment in critical condition infrastructure in areas of greatest use.

Key programmes include the development of the canal network towpaths. Reimagining the waterside sites throughout the 1,000km of navigation for new activities such as motorhome amenities; to researching the potential of a pilgrim way exploring Christian heritage and facilitating a deeper understanding of the country's historic past.

We also want to celebrate and engage people in the waterway heritage and unique natural environments to ensure we treasure and sustainably manage the resources for future generations to enjoy.

Our Vision is.....

“Delivering vibrant and living waterways now and in the future”.

Our Strategic Business Objectives are to....

1. Increase use of the inland navigations by 4% per annum over each year of the Corporate Plan.
2. Deliver a prioritised management and maintenance programme for the waterways concentrating available resources on the areas of greatest need and benefit.
3. Deliver a prioritised programme of infrastructural repairs focused on structures in a critical condition in places of greatest use.
4. Continue to form partnerships and seek third party investment into development of the canal towpaths and key waterway locations to provide new recreational opportunities and uses for the inland waterways that support sustainable economic and social benefits.
5. Continue to develop partnerships on each of the waterways with local communities, waterway user groups and tourism and recreational bodies to support the operation, upkeep, increased use and promotion of the inland waterways.
6. Implement an ongoing efficiency and effectiveness programme to continue work to achieve new ways to do business with reduced resources.
7. Continue to develop opportunities to earn increased income from the inland waterway property to support operation of the inland waterways.
8. Sustain and enhance the natural and built heritage of the inland waterways to protect and enhance these key public assets for use now and by future generations.

Our Key Performance Indicators

The performance indicators report detailed below demonstrates our key delivery outputs in 2017.

Action Reference	2017 Business Plan Key Performance Indicators	Key Outputs
Strategic Business Objective 1		
Delivering World Class Waterway Corridors		
1	<ul style="list-style-type: none"> • Develop and implement a prioritised infrastructure and maintenance programme driven by a focus on areas of greatest use and benefit. 	<ul style="list-style-type: none"> • Infrastructure, replacement, maintenance and repair work continued across all navigations, with nine pairs of lock gates manufactured in Tullamore and also a manufacture and replacement programme on the Lower Bann. • Lock gate replacement on the Shannon, Roosky & Victoria. • The work programme was amended on an ongoing basis to response to infrastructure failures.
2	<ul style="list-style-type: none"> • Keep 90% of navigable waterways open to navigation from mid-March to October. 	<ul style="list-style-type: none"> • 90% of navigations were open from March to October.

3	<ul style="list-style-type: none"> Develop and implement agreements with two partner organisations to support the management and maintenance of new recreation trails. 	<ul style="list-style-type: none"> License Agreement and Service Level Agreement with Westmeath County Council for shared maintenance of the upgrade of towpath along the Royal Canal completed.
4	<ul style="list-style-type: none"> Provide one new ongoing volunteer team opportunity along each waterway. 	<ul style="list-style-type: none"> Ambassador and Warden training and guidance booklet completed. (Scheme delivery delayed on Canal network with the loss of staff in Dublin Office.) Grand Canal Dock Clean Up Group established, volunteers now meet monthly, supported by WI, IWAI & The Art of Coffee.
5	<ul style="list-style-type: none"> By end of 2017 have completed or secured the means to complete all of the Royal Canal towpath and have advanced proposals to enable completion of a further 30% of the Grand Canal. 	<ul style="list-style-type: none"> 67% of Royal Canal towpath complete, 14% under construction. 15% of Grand Canal towpath complete.
6	<ul style="list-style-type: none"> Ensure a sustainable water supply for the canals and good water quality along all navigable waterways. (Excluding Grand Canal Dock) 	<ul style="list-style-type: none"> Waterways Ireland worked with Irish Water and Westmeath County Council throughout 2017 to address a shortage of water from the Lough Owel feeder supply for the Royal Canal, pumping for an extended period to maintain water levels to protect the canal structure and its ecology. Navigation at summit level was severely hampered in the summer months. Final report on Water Framework Directive monitoring programme for 2017 – Good ecological potential on the Grand Canal, Barrow Line and Royal Canal achieved.
Strategic Business Objective 2		
Transform quality of life and Reinvigorate local Rural and Urban Economies		
7	<ul style="list-style-type: none"> Deliver two Blueway development programmes, both product and marketing. 	<ul style="list-style-type: none"> Lough Derg Blueway work complete, marketing development guides complete. Shannon Blueway extended to Drumshanbo including floating boardwalk. Life Aquatic on the Shannon-Erne Blueway marketing campaign. Social media promotion throughout year complete.
8	<ul style="list-style-type: none"> Deliver two recreational activity hub developments. 	<ul style="list-style-type: none"> Enniskillen and Carlow Blueway recreational hubs established. Pilot held in Mullingar with plans to expand in 2018.
9	<ul style="list-style-type: none"> Develop increased recreational use of the inland waterways and corridors by 4% over the April 2017 baseline. 	<ul style="list-style-type: none"> Baseline data capture ongoing – actual physical counts to validate accuracy of counter data – complete. See attached summary of users.

10	<ul style="list-style-type: none"> • Deliver the Grand Canal Dock and Spencer Dock Action Plan. 	<ul style="list-style-type: none"> • Action Plan delivery continues. Jetties in outer dock refurbished, secured and services provided. • Heads of Terms agreed with NAMA ref. City Block 19
11	<ul style="list-style-type: none"> • Deliver one major sporting event on the inland waterways at national/international level. 	<ul style="list-style-type: none"> • Lower Bann – European and African Wakeboard Championship Finals 2017. • International Dragon Boat racing Grand Canal Dock. • Three canal based National fishing competitions. • 108 events supported, 139,000 visitors.
12	<ul style="list-style-type: none"> • Deliver 2 programmes to increase recreational participation on the inland waterways – engaging >1,000 people in learning a new recreational activity or sport e.g. Blueway 10k 12 week programme. 	<ul style="list-style-type: none"> • Open water swimming pilot programme, Get Going Get Rowing, Paddles Up and Blueway 10k. Total participants 884.
13	<ul style="list-style-type: none"> • Develop two unused navigation properties to deliver new community, recreational or commercial enterprises. 	<ul style="list-style-type: none"> • Work on Lough Owel Sluice House, roof and window repairs partnership with Westmeath CC and funding secured to connect towpath from Mullingar to Lough Owel and the Sluice House. • Dry dock at Mullingar refurbished to return to working condition. • Storage facility at Clondra Harbour repurposed to provide base for new bike hire business at end of the Royal Canal and Shannon. • Lock 1 lock keepers cottage on the Royal Canal – leased to Community Adventure Project, volunteer led lock house refurbishment and outdoor programme with local children and young people established. • Toome Lock house on Lower Bann – partnership Community Group TIDAL, Heritage Lottery Fund and Waterway Ireland refurbished and developed into a Café and Waterways Heritage Centre.
14	<ul style="list-style-type: none"> • Participate in the Waterways College cross border initiative. 	<ul style="list-style-type: none"> • Waterways Ireland has decided not to participate in the Waterways College initiative – this was led by the Lagan Canal Trust.
15	<ul style="list-style-type: none"> • Progress the final phase of works to open navigation to Castlesaunders. 	<ul style="list-style-type: none"> • Works progressing, completion date delayed to July 2018 due to ongoing flood levels.
16	<ul style="list-style-type: none"> • Lead delivery of the in year work plan to deliver the Ulster Canal Greenway project from Smithborough, Co. Monaghan to Middletown in Co. Armagh 	<ul style="list-style-type: none"> • In year work plan completed.

Strategic Business Objective 3		
Bring to life Environmental and Heritage Value.		
17	<ul style="list-style-type: none"> • Deliver Year 2 of the Waterways Ireland Heritage Plan. 	<ul style="list-style-type: none"> • Year 2 of the WI Heritage Plan conclude with 2017 Heritage Open Day in WI HQ, over 7,000 people were directly engaged in the Heritage Plan delivery in year.
18	<ul style="list-style-type: none"> • Develop a Waterways Ireland Invasive Species Strategy and Biosecurity Framework in line with EU and national regulations. 	<ul style="list-style-type: none"> • Deferred to 2018 due to programme and capital works in 2017 and WI Environmental staff delivery of management and control of invasive species in year.
19	<ul style="list-style-type: none"> • Develop and progress proposals to enhance access to islands in public ownership to develop access to cultural and environmental destinations for visitors and progress delivery of new access to one of these. 	<ul style="list-style-type: none"> • Waterways Ireland participated in the Lough Ree and Mid Shannon Island strategy. • Pilgrim trail development working group 13 local authorities, Limerick to Donegal, Fáilte Ireland and Built Heritage formed to progress Leader Co-operation funding feasibility study.
20	<ul style="list-style-type: none"> • Increase the number of primary schools actively participating in the Education Programme by 25%. 	<ul style="list-style-type: none"> • A total of 68 school groups from 51 schools participated in events and activities under the WI Education Programme by year end 2017 introducing 2,046 students to the inland waterways as an educational resource.
21	<ul style="list-style-type: none"> • Deliver a post primary educational curriculum programme in partnership with schools. 	<ul style="list-style-type: none"> • Work completed on oral histories for development as primary and post-primary resources. 189 pieces of audio from the WI Archive edited and transcribed to a collection to form basis of the programme.
22	<ul style="list-style-type: none"> • Deliver a Young Explorers Programme. 	<ul style="list-style-type: none"> • River Explorers programme in partnership with Leave No Trace Ireland commenced with 17 one day workshops during October. 12 schools took part in the programme introducing over 400 school children to discover the biodiversity of the waterways.
23	<ul style="list-style-type: none"> • Deliver 2 exhibitions of inland waterways archive material. 	<ul style="list-style-type: none"> • Exhibition in Mullingar and Clondra for 200th Anniversary of Royal Canal celebrations. • Oral history collection content used on the WI website and social media.
Strategic Business Objective 4		
Let's Deliver		
24	<ul style="list-style-type: none"> • Continue the in house lock gate manufacturing programme and heritage skills transfer. 	<ul style="list-style-type: none"> • Ongoing programme Lower Bann and Tullamore in house lock gate manufacture and installation.

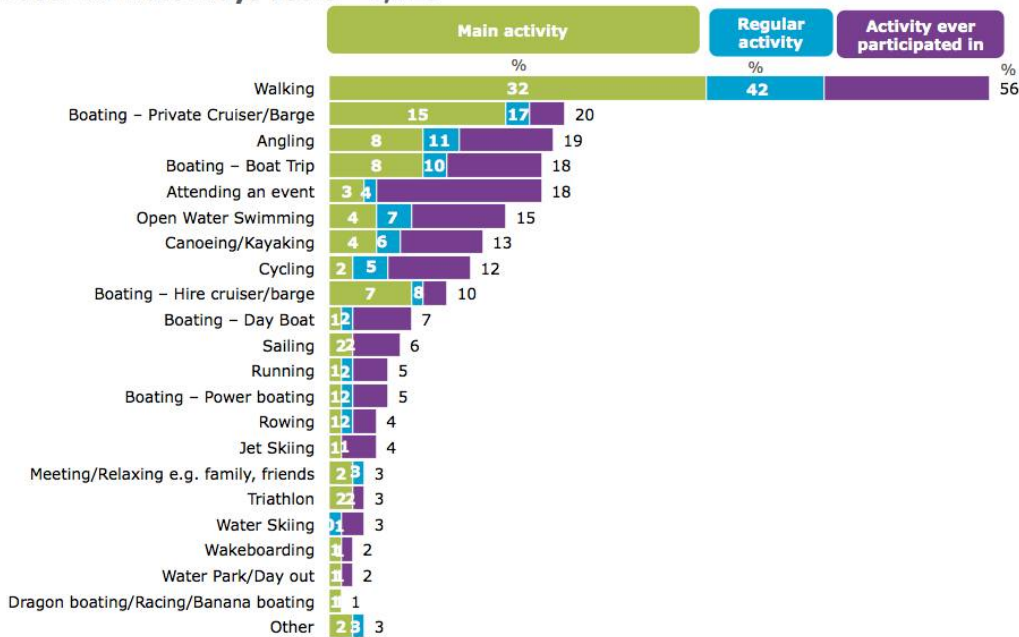
25	<ul style="list-style-type: none"> • Deliver 3 Efficiency & Effectiveness programmes and achieve service improvements in each area. 	<ul style="list-style-type: none"> • Staff review complete and key vacancies identified and being recruited. • Procurement proposals will be delivered via procurement plan in 2018. • Asset Management system installed and GIS asset location data completed.
26	<ul style="list-style-type: none"> • Deliver a Health & Safety and staff development programme to enable the organisation to meet its business objectives. 	<ul style="list-style-type: none"> • External Audit of WI H&S systems complete and work programme to complete recommendations agreed for delivery 2018. Safe Management System for work delivered. Staff development programmes ongoing.
27	<ul style="list-style-type: none"> • Implement FRS102 accounting standards in 2017. 	<ul style="list-style-type: none"> • Complete
28	<ul style="list-style-type: none"> • Complete the agreed annual Internal Audit programme and complete audit report recommendations in agreed timeframes. 	<ul style="list-style-type: none"> • Complete
29	<ul style="list-style-type: none"> • Provide Sponsor Departments with regular reports on Business Plan delivery and to NSMC as required. 	<ul style="list-style-type: none"> • Complete
30	<ul style="list-style-type: none"> • Waterways Ireland Audit Committee to meet 4 times. 	<ul style="list-style-type: none"> • The Audit Committee met 4 times in 2017.

The Value of the Inland Waterways

Waterways Ireland 2017 waterway users research provides evidence of the range and spread of people who use the inland waterways. The research evidenced main activities are undertaken and walking is the most popular.

Various activities are undertaken on the waterways, but walking is the most popular

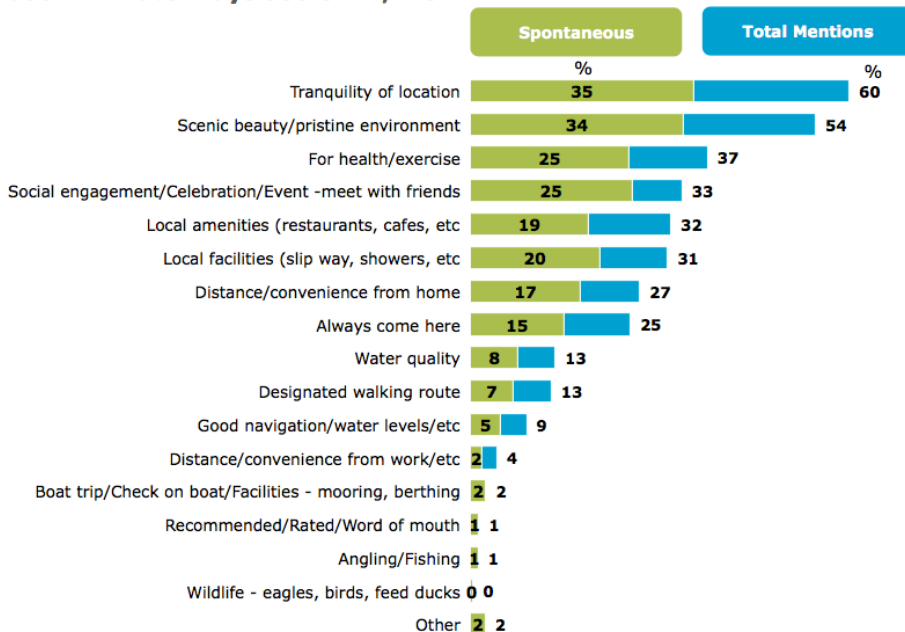
Base: All Waterways users – 1,725



The two key reasons for choosing a visit to a waterway are the tranquillity of locations and scenic beauty.

Tranquillity of location and scenic beauty are the top two most important factors in choosing a waterway

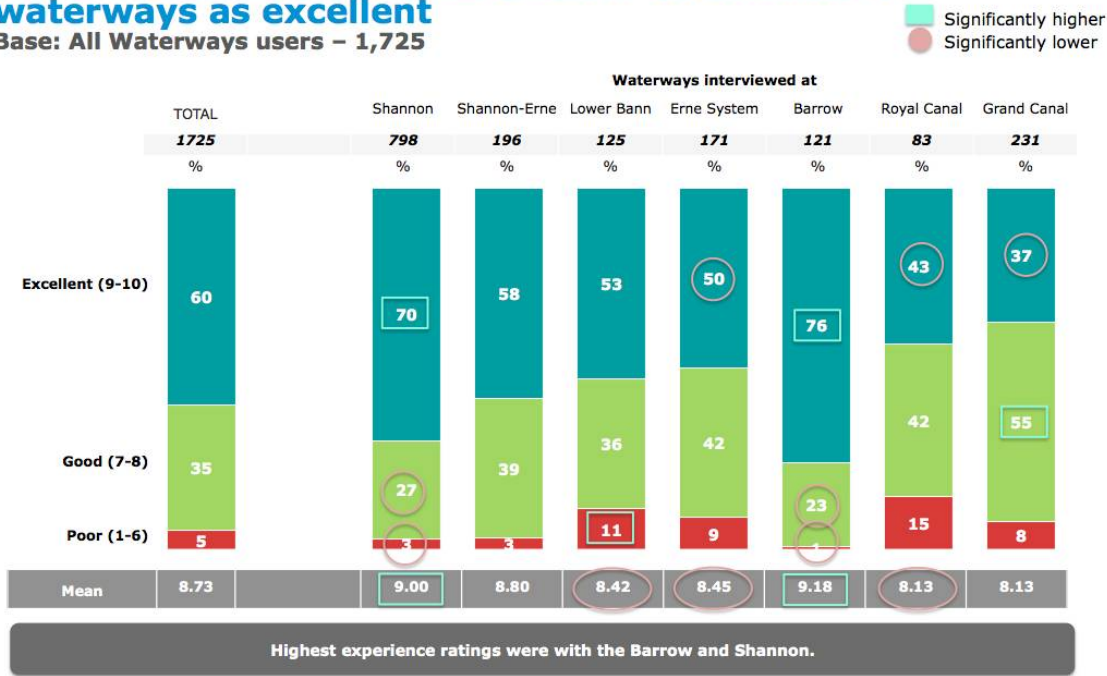
Base: All Waterways users – 1,725



3 out of 5 waterway users rated their experience as excellent.

3 in 5 waterways users rated their experience of waterways as excellent

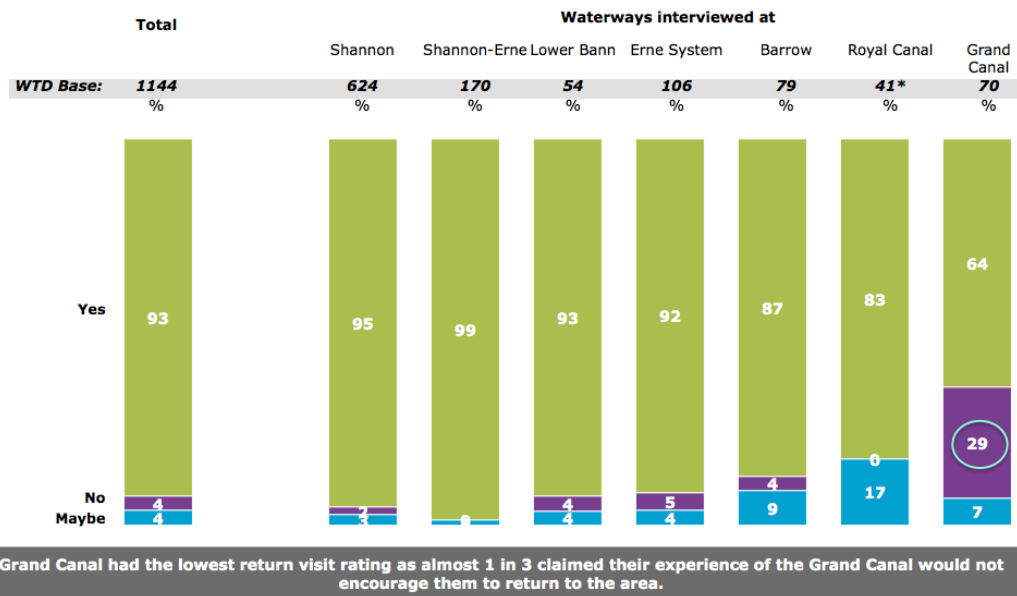
Base: All Waterways users – 1,725



9 out of 10 waterway users encouraged to return to the area because of their waterway experience.

9 in 10 waterway users are encouraged to return to the area because of their waterways experience

Base: All overseas and domestic waterways users 1144



Visitors to our waterways contribute significantly through their expenditure to the areas the waterways pass through.

Waterways user Expenditure*

Base: All waterways users 1,725

Significantly higher
Significantly lower

	Total	Locals	Domestic	Overseas
		581	840	304
Covered by expenditure				
<i>No. Adults</i>	2.13	1.70	2.31	2.46
<i>No. Children</i>	0.61	0.43	0.82	0.39
Expenditure				
	€	€	€	€
Tours	7.87	2.03	3.66	30.63
Boat hire	120.07	13.39	41.37	541.44
Hiring/Buying of equipment	33.75	23.21	17.83	97.89
Accommodation (bed and board) while using the waterways	57.71	1.41	39.81	214.77
Food and drink consumed outside of your accommodation while using the waterways	183.94	30.52	188.23	465.28
Entertainment and sightseeing while using the waterways	22.27	3.97	20.81	61.26
Local transport/Bus/Train/Fuel	38.75	5.40	44.70	86.05
Shopping (non food)	14.03	2.49	11.44	43.22
Other expenditure	11.90	4.62	11.08	28.10
Total average spend	494.40	87.00	381.30	1585.00
Average spend per person	183.30	49.30	137.80	576.30
The average amount by waterways users was €183.30 per person				

The full report titled “Waterway User Research Report 2017” is available on our website at <https://www.waterwaysireland.org/about-us/research>

Part 2

Our Strategic Performance

- **Maintaining World Class Waterway Corridors**
- **Safeguarding our Environment and Heritage**
- **Increasing Public Participation and Unlocking Opportunities**
- **Education and Legacy**
- **Growing our Income**
- **Corporate Governance**

Our Strategic Performance

Maintaining World Class Waterway Corridors

Waterways Ireland manages €1.2bn of navigation assets; hundreds of bridges, culverts, miles of back drains, aqueducts, embankments, car parks and amenity sites. The work of the Body throughout the 2000-2010 decade transformed the number and quality of harbours, slipways and moorings. Public moorings grew from 3,000m to over 13km.



Coming prepared. Ballyconnell, Co. Cavan

The success of this investment provided Ireland with world class amenities on its inland navigations for waterway users, and saw the number of registered boats grow from 3,000 to over 14,000. Over the same period the Body reopened 146km of the Royal Canal to navigation. Much of the infrastructure of the navigations such as its bridges, embankments, culverts, weirs and back drains was created in the 18th century and is now past its 200th birthday and like all important heritage assets requires constant care and skill to maintain it.

Once again in 2017 Waterways Ireland was supported in the challenging task of maintaining this large public asset portfolio with additional in year capital funding from both sponsor departments. The Department of Culture, Heritage and the Gaeltacht provided €2.766 million in year and the Department for Infrastructure provided £1.575 million in the April 2017- March 2018 year.

This enabled the continuation of the lock manufacture and installation programme throughout the navigations. On the canal network and the Lower Bann, lock gate manufacture was sustained by recruiting carpenters on fixed term contracts with nine pairs of gates manufactured and five pairs fitted.



New middle gates at Portna, Lower Bann.

2017 also saw the start of a jetty replacement programme on the canal network, estimated to cost in the region of €3m in total. The programme targeted critical condition moorings, some of which had been closed due to their poor condition. An internal team was recruited again through fixed term contracts and a programme of replacement was also undertaken by an external contractor to commence this work.

On the Shannon using the experience of the lock gate installation at Roosky, Waterways Ireland engineers and staff undertook the fitting and installation of new lock gates at Victoria Lock. The site at Victoria was a particularly challenging site accessible only by water. The skill and craftsmanship of the original builders was evident as these large locks were emptied for the work to reveal the quality of their stone masonry.



Victoria Lock dewatered

The Waterways Ireland operational and technical teams working across the system are proud to continue to sustain and care for these important heritage assets. In addition to planned works the Body continued to respond to emergency failures and the work programme was adjusted throughout the year to respond to a number of culvert failures, bridge strikes and infrastructure damage due to high water levels.

Waterways Ireland's ability to respond at short notice to infrastructure problems is entirely due to having the full range of engineering skills and experienced operational staff in house who can quickly design works and get on site.

To help the Body ensure we spend the resources available in the most effective way, Waterways Ireland commenced delivery of an asset management system. This will provide a central unified resource for the inspection of assets which alongside levels of use will in the future help determine the programme of works.

We continue as a Body to share skills and knowledge throughout the organisation. The Water-master from the North Shannon was brought to the Erne in September with training for the Erne operational staff who dredged the mouth of the Kesh river to ensure the village remains connected to navigation.

To assist in weed control on the canal network four new weed boats and one new weed harvesters have been ordered to begin the process of replacing the nineteen weed boats inherited in 2000. In time and subject to available resources we will renew this fleet to improve the Body's ability to control weed on the canal network.

Waterways Irelands Environment and Operations staff were active throughout the year taking measures to control invasive species. This involved the continued treatment of invasive species such as Japanese Knotweed encountered along the navigations and continual updating of staff on existing and new invasive species issues as they arose. In addition Waterways Ireland facilitated a first response biosecurity effort to help prevent the spread of Crayfish Plague on the Barrow Navigation in September. Members of the Heritage Boat Association (HBA), assisted by Waterways Ireland Operations staff, voluntarily dry docked and disinfected their barges in Athy, as they passed from Crayfish Plague infected waters on the Barrow up into the Grand Canal Barrow Line, en route to their Winter Mooring destination at Charlotte's Quay in the Grand Canal Dock.



Disinfesting barges in Athy

The management of water on navigations is another key element in their care and operation. Eastern region staff worked closely with Irish Water and Westmeath County Council throughout the year, as extended pumping was required to keep water in the Royal Canal due to very low water levels in the canals current water supply from Lough Owel. Most affected was the summit level of the Royal Canal in the summer months when the lack of water was compounded by high levels of weed growth. Waterways Ireland continues to work closely with Irish Water to seek a return of the canals primary water source from Lough Owel which is currently used for drinking water.

Seasonal staff played a key role alongside our full time staff in managing front line services from Easter to September. We continue to review levels of use and seek to invest the limited resources where they are most needed. This has led to pilot service changes to closely match levels of use, for example at Sarsfield Lock in Limerick which has a low number of boat passages, the service was rescheduled from a full time seven days a week service to a three day scheduled service matched to the tidal window for boat movements.

A new boat arrest system was completed in Limerick, however moorings at the Railway Bridge and Hunt Museum have sustained further damage in the high water levels of the 2017 winter.

The small team of navigation inspection staff patrolled the waterways throughout the year to ensure use of the public facilities provided by Waterways Ireland were in accordance with the Bye Laws for each waterway. In Grand Canal Dock Waterways Ireland began a programme requiring boats visiting and mooring there to demonstrate Bye Law compliance of having and using a holding tank. This programme will continue to be extended throughout the canal network.

Harbour hogging remained a problem at key locations in all navigations with private boat owners remaining moored on the public moorings beyond the maximum permitted stay, preventing touring boats having access to key locations in towns and villages.

Waterways Ireland continued to remove vessels continually in breach of the Bye Laws. Waterways Ireland also responded to enquiries about the changes proposed to the Canal Bye Laws in the Heritage Bill now at second stage. Work with the Department for Infrastructure continues to bring into legislation the Erne Bye Law changes proposed and consulted on in 2015.

Throughout the year Waterways Ireland contributed to the Shannon Flood Risk State Agency Co-ordination Working Group and has provided support to OPW in delivery of works in the Madden's Island area of the Shannon Navigation.

Safeguarding our Environment and Heritage

2017 was the second year of the Waterways Ireland Heritage Plan 2016-2020.

Over 21 projects were assisted through the Heritage Grant Scheme which has a fund of €20,000 to assist local community groups deliver sustainable heritage projects.

In excess of 7,000 people were directly engaged in these programmes which covered a diverse range of innovative and inspirational ideas, from a Biodiversity Train the Trainer initiative on the Royal Canal at Mullingar, to an outreach programme to raise awareness about ecological issues and reconnect communities with the waterways natural environment, to a sound walk along the Grand Canal.

2017 was the inaugural Waters and Community special award category delivered as part of the National Tidy Towns competitions. This award delivered in partnership with Inland Fisheries Ireland and Local Authority Waters and Community offices sought to recognise the significant volunteer contributions made looking after waterways in towns and villages.

Waterways Ireland continued to support the All Ireland Pollinator Plan 2015-2020 which included a Wilding The City pilot to manage canal land in the centre of Dublin.

Two traditional Heritage Boat assessments were completed on the Shannon and Shannon-erne navigations in year and Waterways Ireland supported the Banagher local community group in undertaking enhancement works to the iconic Fort Aliza Napoleonic Fortifications on the banks of the River Shannon.

The years Heritage Plan Open Day event was held in the Enniskillen headquarter offices and offered trips to Devenish Island and an opportunity to experience first-hand rowing a Menapil Currach.

A mentoring programme between students of James Madison University Virginia, USA and the local Tidy Towns group in Rathangan, Co. Kildare took place to raise awareness of the Grand Canal Barrow Line which the community live beside, to build a sense of place and shared heritage. This programme has led to a community led three year strategy for the town.

Waterways Ireland continues to make available Ecological datasets commissioned to facilitate work through partnership with the National Biodiversity Data Centre.

The Heritage Plan also launched in year a History of the Waterways in 100 Objects and welcomes suggestions for inclusion.

Increasing Public Participation and Unlocking Opportunities

By increasing use of the inland waterways throughout the country there is huge potential to create new business opportunities, jobs and sustain existing businesses.

Craft registration numbers continue to increase, rising by 417 in 2017 to 14,965. Our goal is to increase two kinds of use; programmes which grow participation by local people working in partnership with a wide range of agencies. We want to create a generational shift where ever greater numbers of people living close to the navigations regularly use them as part of their recreational activity, with all the associated health benefits of exercise and being in the outdoors.



A holiday afloat on the Shannon–Erne Waterway at Lock 7

Our programmes are moving away from Come and Try It sessions and sponsorship of one off events to supporting longer term initiatives such as Blueway 10k, Paddles Up and Get Going Get Rowing. All these programmes offer the opportunity to gain the skills and confidence to learn a new activity and be able to continue the activity on an ongoing basis after the programme ends

We want to see the inland waterways vibrant with thriving local clubs in every town and village using the inland waterways for the wide range of recreational use the waterways can support.

On the Erne we piloted a popular open water swimming programme with the Irish Open Water Swimming Association and are delighted that the group who participated are still regularly swimming together.

Waterways Ireland is also committed to increasing the numbers of visitors coming to use the waterways. The hire cruise sector remains vibrant with investment in new and ever larger hire boats, with over 85% of their customers coming from overseas.

Developing Blueways remain a key element in this programme presenting the waterways to new visitors for walking, cycling and canoeing.

We have continued to develop the first Blueway initiative on the Shannon with completion of towpath development to link the villages of Leitrim and Drumshambo.

The social media named “Snake on the Lake” floating board walk designed and constructed by our own workforce making the final connection to Drumshambo, was rated in the Irish Times as one of the top 10 walks for a weekend. Funded by the Rural Development Fund, Minister Ring officially opened the new facility on 5th September.



Official opening of the Boardwalk at Acres Lake Drumshanbo by Minister Ring

Progress also continued along the Royal Canal to upgrade the towpath with 67% complete by the end of 2017 of the 140km thanks to the excellent partnerships with the local authorities along the canal and the support of the Department of Transport, Tourism and Sport.

On the Lower Bann as part of our work to find new uses and sustain the waterways built heritage Toome lock house was refurbished and opened as a waterways heritage centre and café, operated by the TIDAL Community Association. Like all of our development work this was a successful partnership between TIDAL, the Lough Neagh Landscape Partnership funded by the Heritage Lottery Fund and Waterways Ireland. Work continues to secure the lock house as a destination on Game of Thrones Tours given the filming of part of the series on the canal, in this location.

The first Lock house on the Royal Canal is also being redeveloped as an outdoor activity hub by the Adventure Partnership reaching out and engaging with the local community volunteers are transforming this previously derelict and vandalised property into a community outdoor activity centre in the heart of the Dublin.

Reusing our heritage assets was also at the centre of the re-launch of the former navigation work boat 113B (known as the Fox Barge) which has been licensed to the Scout Association for use as a training vessel. Rebuilt by a small, dedicated and talented team of Scout leaders from 12th Roscommon and Ballyboro Scout troops. The vessel was proudly launched by the Chief Scout Christy McCann to begin another phase in the life of this historic vessel.



Launch of the 113B Fox Barge

Activity hubs were piloted in Carlow and Enniskillen to create access for visitors and local people to new opportunities to get out on the water. Carlow County Council, Carlow Local Sports Partnership, Carlow Tourism, Carlow Regional Youth Services, and Waterways Ireland developed a 'pop-up' activity hub in August 2017 in Carlow Town Park. Carlow County Council utilised their Christmas market stalls to provide accommodation for activity providers in the park. Activities included Kayaking, Stand Up Paddling, Raft Building, Fishing, Rowing and Dragon Boat Taster Sessions, Wildlife Treasure Hunt, Photo Orienteering and Fitness for Mums with Buggies. The project was successful in increasing physical activity opportunities and participation with both clubs and the commercial providers being actively involved in the pilot.



Dragon Boat Taster Session

In Enniskillen we were supported by the Enniskillen BID company to pilot an activity hub which we located in the grounds of the headquarters. Feedback confirmed this location was not ideal given its distance and lack of visibility from the main town centre. We will continue to work on development of this type of hub activity which provides visitors with options for half day or day long water sports such as guided canoe trips, paddle boarding or small boat hire.

The Lough Derg Blueway development continued with the physical works to deliver improved access and amenities completed, alongside the trails development guides for Festivals, Dining and Accommodation, Heritage and Culture, Arts, Crafts and Food and Outdoor Activities. As important as the physical works was the capacity building with local businesses and communities to build opportunities along this Blueway for the visitor and package these with accommodation and hospitality providers for sale. This programme was supported by Rural Economic Development Zones funding and the local authorities, Clare, Tipperary and Galway County Councils.

Waterways Ireland's technical teams continued work on a planning application to upgrade the Barrow towpath and develop a Blueway along the 114km of this navigation, linking the villages towns and key attractions along this great river valley. The team responded to very extensive requests for additional information from the three planning authorities along the route.

Already a national way marked way the proposals have generated a very wide range of interest and deep concern that the beauty of the existing pathway would be destroyed by the development.

Parts of the towpath need structural repair to keep them intact, the development plan would address this and also improve the surface in areas, which while in good weather are pleasant to use in wet weather are difficult for anyone with mobility issues or parents with young children. The work will also improve safety at road crossings. The overall development would create a long distance off road walking and cycling route from Dublin, potentially linking eventually to Waterford a product that would draw tourists from across Europe to the beauty of the Barrow valley and the historic towns and villages along its route.

Waterways Ireland commenced delivery of the Dublin Docklands Action Plan in the middle of 2015 and the work of this small team gathered pace in 2017. Our goal is to animate the waterways two greatest assets in the city. Grand Canal Dock at over 14 acres is a unique facility amongst European capitals and Spencer Dock is contributing to the creation of a new water quarter in Dublin alongside our partners in Dublin Dock, Fáilte Ireland and Dublin City Council.

The two docks are also the gateways for visitors to begin their journey west and east to explore the rest of the canals 420km network.

Key programmes in year included a new Dublin City Canals Events Programme centred around six iconic city canal festivals which delivered a programme of over 30 events along 30km of city canal network.



Docklands Summer Festival, WI's largest festival, hosted in GCD with extensive animation on and off the water.

A 12th to 12th Lock city cycle is being developed which in time could provide a 40km towpath centred off road route as a new tourist product in the city with a shorter inner loop.

Plans are also being explored to see how direct access from the Grand Canal Station into Grand Canal Dock could be achieved which would transform ease of access to this area of the new water quarter from the centre of the city.

In Spencer Dock community activity days took place to engage the local community with the amenity on their doorstep, and the dock was cleaned of debris to trial its use as a city open water swimming location.

Work continues with Dublin City Council and Irish Water to address the problems the surface water outfall presents for water quality in Grand Canal Dock with an intensive sampling programme and work ongoing to find a potential solution.

The sponsorship programme in 2017 supported 115 events attracting 139,825 visitors and contributing an estimated €5m to the local and national economies. In addition a very wide range of events on the waterways including the annual 10 day Shannon boat rally were supported by Waterways Ireland staff with help as diverse as making available extra moorings to providing booms for events such as the Erne Head of the River rowing race which celebrated its 60th anniversary and brought over 600 rowers from all over the island to Enniskillen for the weekend of competition.

Waterways Ireland worked in partnership with National Parks and Wildlife Service, Coillte, Bord na Móna and Inland Fisheries to develop the Outdoor Recreation Plan (ORP). This assessed how best to lever benefits from the large publicly owned land and water assets of the partners and deliver an opportunity for outdoor recreation. The report sets out a road map to maximise the value of recreation from the socio economic activity it generates in local and rural communities, to health and wellbeing of users.

Ulster Canal Greenway

Ulster Canal Greenway delivery from Smithborough, Co. Monaghan and Middletown, Co. Armagh commenced in 2017 funded through the Interreg VA - programme with the appointment of a programme manager based in Monaghan County Council. The partnership of Monaghan CC, Armagh City Banbridge and Craigavon Borough Council, East Border Region Ltd and Mid Ulster District Council took forward in year development consultation and environmental studies on an Ulster Canal Greenway development strategy exploring how the Ulster Canal greenway could form the spine of a network of off road greenways across this rural border region whilst also protecting the route of the Ulster Canal for development at some time in the future.



Minister Humphreys and Minister Ross officially launched the €4.95m Interreg VA funded greenway project in September. Waterways Ireland is the lead partner.

Ulster Canal Extension to Castlesaunderson

The final phase of work to reopen navigation from the Erne system to the International Scout Centre at Castlesaunderson is underway. Work to create a new bridge with navigation access and canal sections to provide navigation beyond the existing Derrykerrib Bridge which is too low to support navigation are ongoing and subject to weather and water levels, work is expected to conclude in Summer of 2018.

Education and Legacy

The Waterways Ireland Education Programme forms part of the Marketing and Communications' team role. The programme aims to enable school children and teachers to become aware of the waterways of Ireland, to comprehend the origin of our waterways and appreciate the historical significance, leisure potential and biodiversity value of our aquatic heritage. Various educational activities along with the Waterways Ireland Learning Zone website aid delivery of the Education programme.

Activities during 2017 included Northern Ireland Science Festival in February which focused on the wonders of science, technology, engineering and mathematics. Waterways Ireland hosted a series of hands on workshops looking at the biodiversity of Lough Erne. 108 primary and post primary school students took part.

Engineers Week took place in early March with a series of site visits and workshops delivered to over 330 primary and post primary school students. Led by Waterways Ireland Engineering teams, students got the opportunity to see a unique swing bridge in operation in Portumna and learn about the technical automated mechanisms which are required for its operation. Students also took part in engineering based workshops in Enniskillen and learned about a lifting bridge and lock operation in Monasterevin.

Seachtain na Geailge also took place in March. 56 students from Griffeen Valley ETNS Lucan toured Grand Canal Docks ás Geailge while 100 primary school students took part in Biodiversity Week, discovering the vast array of wildlife found along the Barrow Line of the Grand Canal in Monasterevin. A further 200 primary school students took part in Midlands Science Festival in November learning about the biodiversity associated with the Grand Canal.

Waterways Ireland in partnership with Leave No Trace Ireland launched their brand new 'River Explorers' programme in 2017. The focus of the programme was to introduce participants to the rich biodiversity associated with the inland waterways and how to be a responsible user of the waterways by engaging with the Leave No Trace principals. The programme consisted of a series of one day workshops along the Royal Canal at the 12th Lock Castleknock and Richmond Harbour, the Grand Canal at the 9th Lock Clondalkin and the Shannon-Erne Waterway in Ballyconnell. 408 primary school students from 12 schools took part in the programme and it is hoped that this will be extended in 2018.

The 'Paddles Up' Canoe programme was initiated by Waterways Ireland to provide the opportunity for young people in local secondary schools to gain an introduction into canoeing. The 6 week programme which culminated in a 'Canoe Fest' event for all students also allowed participants to gain an introductory level canoeing qualification. Led by experienced instructors, the programme provided access to the sport in, a fun environment, for 408 students. This programme will also be extended in 2018.

Waterways Ireland worked in partnership with Row The Erne on the Get Going Start Rowing programme which took place in April. 54 secondary school students were introduced to the techniques required to successfully row the 33 foot long Lough Erne Currach. The Island Explorers programme also utilised the services of Row The Erne in September. 112 primary school students were introduced to the rich biodiversity and heritage of Devenish island along with learning how to row the traditional Lough Erne Currach.

Work was completed on the final phase of the identification of relevant oral histories for development as primary and post-primary resources. 189 pieces of audio from the WI Archive have been edited and transcribed and as a collection will form the basis of the learning offering. The editing of the material has identified many themes which all tie in with the curricular objectives of schools, North and South, primary, post-primary and for transition year students. Lesson Plans centering around the oral history collections will be developed in 2018 to support the education programme, and on-line access to the resources made available.

The Waterways Ireland archive was open to the public on 9th and 10th September as part of European Heritage Open Day with free guided tours offered to the public. An exhibition of Lough Erne material was on display in the foyer which added to the experience.

The archive collection expanded with the donation of Royal Canal material. Donated by Dr. Ian Bath this unique material contains images, documents and articles collected over the past 40 years as well as an extensive collection of Inland Waterways News. Many of the newsletters contain articles on the Royal Canal written by Dr. Bath. The Royal Canal Amenity Group also donated their collection of Royal Canal Newsletters which are an important record of the work to restore the canal.

An exhibition of Royal Canal archives was held at Clondra as part of the Bicentennial celebrations in May. The exhibition was viewed by President Michael D. Higgins during the official event and remained on display for a two week period. A further exhibition of material from the Waterways Ireland archive was showcased in Mullingar Library from 27 November, continuing until 8 December. The theme of the exhibition was "Celebrating 200 Years of the Royal Canal" and featured a photographic display of images from the Ruth Delaney collection and from the recently donated Dr. Ian Bath collection. The Exhibition told the story of the Royal Canal from its beginning through its years of decline and finally to redevelopment. The Exhibition was promoted on social media and featured in the Westmeath Examiner and the Westmeath Heritage Ezine. It is planned to open up the archive collection to a greater number of people in 2018 with interactive local exhibitions.

Growing Our Income

Waterways Ireland continues to seek ways to grow a sustainable income from the use and development of its property assets to support operation of the inland waterways.

This property is located primarily along the canal network. In the past year Waterways Ireland has agreed disposal of air space for a building canter levering over Grand Canal Dock. Actively licensed use of property in the Dublin area for temporary use as part of sites being developed, to use licensing of the navigation property for the weekly food markets which attract large numbers of people to come and enjoy the waterway environment.

The organisation also licenses businesses to operate on its property from Viking Splash's use of Grand Canal Dock, to the use of its towpath network to carry telecommunication services.

The Body also manages the licensing and use of a large portfolio of rural property connected to the navigations which is required periodically for their maintenance, for example at times of flood or for placing dredging materials.

Waterways Ireland has also sublet part of the headquarter building in Enniskillen to create an income stream to help support the organisation deliver its work.

Plans to develop Waterways Ireland's largest land asset known as City Block 19, a 2.2 hectare site located between the Dodder River and Grand Canal Dock continues and will be in accordance with the North Lotts and Grand Canal Dock Strategic Development Zone plan for the area.

Corporate Governance

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

Audit Committee

Noel O'Connell became Chair of Waterways Ireland's Audit Committee in January 2017, bringing a wealth of experience and expertise having prior to retirement chaired the Audit Committee for Local Government in Ireland.

The Audit Committee met four times to review and agree the work of internal audit team. A total of 14 audit reports were considered by the Committee. The Committee also considered the Body's Annual Report and Accounts which are audited by the Comptroller and Auditor General for Northern Ireland and the Irish Comptroller and Auditor General.

Part 3

Appendix 1

Waterways Ireland Organisational Structure

Appendix 2

Our People and Contact Details

Appendix 1

Waterways Ireland Organisational Structure



*Currently vacant – managed by Chief Executive

N.B. Navigational Inspectorate staff have moved to be part of each navigation they work in with the Inspector of Navigation providing overall technical and programme support.

Staff Numbers	Finance & Personnel	Business Development	Technical Services	Operations	Chief Executive	Total
Professional, Technical and Administration	26	30	22	31	5	114
Operational	-	-	-	197	-	197
Total	26	30	22	228	5	311

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..... Diane Creevy

Director of Business Development John Boyle

Director of Technical Services Vacant

Eastern Regional Manager John McKeown

Northern Regional Manager Joe Gillespie

Western Regional Manager Éanna Rowe

Waterways Ireland

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Eastern Region

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Western Region

Regional Office

Waterways Ireland
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Part 4

Accounts for the year ended 31st December 2017

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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 2017.

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 Culture, Heritage and the Gaeltacht, (DCHG) and the Department for Infrastructure (DfI), 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) (2017).

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 47. The loss for the period was €444,000 (STG£389,000). The deficit for 2016 was €990,000 (STG£808,000).

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 €1.1413 (2016 €1.2233) to £1 for the Statement of Income while the Statement of Financial Position is translated at the Bank of England closing rate at year end of €1.127 (2016 €1.1651) 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 DCHG 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 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 €79,559,000 and a net valuation increase in Tangible Assets of €2,558,000 are detailed in Notes 1.7, 7.1 and 7.2.

Research and Development

Waterways Ireland commissioned a Users Study of the Inland Waterways in 2017. The study concluded that satisfaction with the waterways experience was very high with more than 9 in 10 waterways users rating their experience of the waterways as good or excellent. A similar number were also encouraged to return to the area because of their waterways experience. Walking was by far the most popular activity conducted on the waterways, with 42% of all users claiming to walk regularly along the waterway. Walking was followed by boating (private cruiser/barge and boat trip) and angling. Almost 1 in 5 waterways users were overseas visitors, half (49%) were domestic and 1 in 3 (34%) were local users. Overseas visitors spend the most time on the waterways per visit, spending an average of 4 days, out of an average 13 day visit to Ireland. Overseas visitors also have the highest expenditure when on the waterways, spending an average of €576 per person, versus an overall average of €183 per person across all waterways users. The research was undertaken by navigation and will inform future marketing, promotion and development strategies along individual waterways.

Waterways Ireland continues to partner with Queens University, Belfast, McGill University, Montreal and University of Windsor, Ontario in research to investigate the control, mitigation and eradication of invasive species in our inland waterways. The international nature of the research ensures that the best techniques are being investigated to control the spread of the wide range of invasive species which have the potential, if left unchecked, to close our waterways due to the changes in the ecological systems which they impact.

Future Developments

Capital development in 2018 will largely continue to concentrate on the refurbishment of critical infrastructural assets in order to ensure that the navigations can continue to remain open and enjoyed by the wide spectrum of users. A detailed capital programme for 2018 has been agreed including the replacement of weirs, jetties and locks.

Other capital developments are centred upon increasing the recreational use of the waterways as well as increasing tourism and maximising revenue potential. The waterways network presents unique opportunities for optimising asset utilisation, growing income sustainably and rejuvenating both urban and rural communities. The contribution made by blue and green spaces towards health and wellbeing is also widely acknowledged and provision of enhanced waterway corridor facilities for local communities is currently, and will continue to, improve their health and well-being. Waterways Ireland also acknowledges that few other organisations have a comparable wealth of history and culture, as well as built and natural heritage, as part of its asset holding. We are committed to making these assets available for as many people as possible to utilise.

Collaboration will be central in fulfilling the potential of the waterway corridors. Waterways Ireland will continue to work with public sector partners, the private sector and the community and voluntary sectors in order to increase the number of recreational users and tourists to the waterways.

Almost 2.5 million overseas tourists took part in walking and cycling activities in Ireland in 2016 with further growth of 4% per annum projected until 2028. This growth, coupled with the expansion of both activities among the resident population, has required an increase and improvement in infrastructure. In meeting that demand Waterways Ireland has been to the forefront in towpath development where walkers and cyclists can participate in activity in a safe off-road environment. It is expected that the towpath along the Royal Canal will be completely upgraded in the first quarter of 2019, providing 144km of high specification off-road trail between Dublin and Richmond Harbour in Co Longford. Waterways Ireland is working with local Councils along the Grand Canal to continue similar development in 2018 and 2019. Design of a 22km Greenway along part of the route of the Ulster Canal between Smithborough in Co. Monaghan and Middletown in Co. Armagh is being advanced. The project, costing €4.95m, is funded from the Interreg IV Sustainable Transport Measure and is being developed in partnership with Monaghan County Council, Armagh Banbridge and Craigavon Borough Council and East Border Region Ltd.

Waterways Ireland will continue to work in collaboration with funders to develop underutilised assets, and unlock their potential by development, refurbishment and reuse for recreational, commercial or community purposes. The development of such property assets such as City Block 19, Tullamore harbour and Mullingar harbour will be progressed in 2018 in order to bring these areas to life and improve the economic well-being of the local communities. Waterways Ireland has reviewed the use of all their non-operational lockhouses and a refurbishment plan will commence in 2018.

Waterways Ireland will also continue to work in partnership with stakeholders to increase the recreational use of the waterway corridors. A number of very successful initiatives, such as the Blueways 10k and the Paddles Up programme have taken place in the past years and these will continue to be supported to bring new users to the inland waterways. 2018 will also see a strengthening of the partnership between Waterways Ireland and Triathlon Ireland with plans in place to develop an Aquathlon in each province on the inland waterway. The economic impact of initiatives such as the Blueways will continue to be sustained through the encouragement of private enterprise to deliver tourism services including food, accommodation, activity provision, etc. Strategic alliances with tourism development authorities will put the inland waterways at the forefront of the tourism offering on the island of Ireland. In an urban context, particularly focusing on Dublin Docklands, a unique product offering will be developed in partnership with key stakeholders, to encompass a wide city area, offering unique experiences and stories.

Blueways

The development of Blueways on the inland navigable waterways has been an important addition in recreational and tourism provision since 2014. Blueways exist on the North Shannon navigation and on the Shannon Erne. In September 2017 the floating boardwalk on Acres Lake was officially opened by Minister Ring linking the lake to Drumshanbo. The boardwalk has already become an iconic attraction with over 11,000 visitors to the area in the first four months of operation. Plans are in place to open the Lough Derg Blueway in March 2018 and work is also underway to open the Enniskillen Blueway and the Mullingar Blueway later in the year. Waterways Ireland is working in cooperation with all local authorities to establish a Blueway along the Lower Bann navigation which it is hoped will come to fruition in 2019.

As part of the Blueway initiative Waterways Ireland has been working with local councils and recreational activity providers in establishing multi-activity Blueway hubs. Hubs were established in Enniskillen and Carlow in 2017 and it is hoped that these will operate again in 2018 and be expanded to include Mullingar harbour.

Waterways Ireland will continue to engage with local councils and all other stakeholders to provide a Blueway offering along the inland waterways which provides the tourist and recreational user with packages which provide lasting experiences, encourage further participation and ultimately 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. We proactively seek to engage with people with disabilities and representative groups, providing opportunities for work placements.

Employee Involvement

The Industrial Relations Forum meet quarterly with representatives of management and unions to discuss items of common interest. In addition management meet and work regularly with recognised Trade Unions in addressing employee issues.

Management engage with staff at briefing and information meetings throughout the year, in addition to the regular routine, Regional, Departmental and Team meetings driven by both management and employees.

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 2017, 99% (2016, 99%) of invoices were paid within 30 days and interest charges of €173 (2016 €24) and late penalty charges of €6,290 (2016, €1,529) 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 2017 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, 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 ensure Waterways Irelands Health and Safety systems are in use and compliant with legislation some 13 internal safety audits are undertaken each year. In 2017 an external Health and Safety report was commissioned and the recommendations are being implemented.

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 Statement of Income, is €42,000 (STG£37,000). 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 2017-2019 funding levels is based at the same level as 2016. In real terms there will be a continued decline as increased pensions and potential exchange rate costs impact directly on the money available to fund the navigations.

The Body faces significant exchange rate risk due to fluctuating exchange rates during the period of the Corporate Plan. In 2017 a €54,000 exchange loss was incurred mainly from conversion of sterling bank balances and better business plan rate.

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 are significant and were €2,200,000 in 2017 (€2,200,000 in 2016). By 2018, it is estimated that there will be 139 pensioners who are retired or eligible to retire against a permanent workforce complement in 2017 of 277 staff. Dfl fund all of the pension costs in addition to operating funding, whilst DCHG contribute up to the budget available with any additional requirement coming from operating funds.

Brexit

As a cross border body the impact of Brexit may include the loss of access to European funding for Northern Irish projects which is a significant source of development funding. Should Northern Ireland be outside the Single Market and Customs Union tariffs may apply in relation to the procurement of services and products, increasing the operating costs of Waterways Ireland. Diverging legislative provisions may impact on the business of the Body. The possibility of increased custom checks at the border would increase travel journey times, diminish productivity and may deter existing and future workers from joining Waterways Ireland.

Pensions

In 2017 the decrease in the discount rate of AA rated UK corporate bonds and increase in Eurozone corporate bonds at 31st December 2017 along with the net change in inflation rates, change in mortality assumptions and lower salary increase assumptions have resulted in an actuarial gain on the scheme and a reduction in scheme liabilities in the year of €5,000,000.

Employee contributions of €612,000 (2016: €586,000) were received and remitted to DCHG and Dfl on an 85:15 basis.

Approval of 2017 Business Plan and Corporate Plan 2017 - 2019

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 Northern Ireland Assembly is in session. DCHG and Dfl have continued to fund the Body's activities in the absence of an approved Business Plan with €30,489,000 of funds applied during 2017. Within this additional bids from Waterways Ireland has secured funding from DCHG of €2,946,000 toward capital and current projects and Dfl have provided €858,000 toward capital projects.

Dfl has implemented contingency arrangements, put in place by DoF to enable the payment of funding to the Body. These involve the approval of a draft Business Planning document which sets out the Body's short-term proposed activities, together with the related benefits and costs. As a result, all 2018 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 Plan 2017-2019 and 2017 Business Plan which have been considered by the Sponsor Departments.

Events after the end of the Reporting Period

Following a review with Revenue regarding the underpayment of payroll taxes, a provision has been made for an outstanding liability.

Statement of Waterways Ireland's and Accountable Person's Responsibilities

Waterways Ireland Responsibilities

The Finance Departments have directed Waterways Ireland to prepare a statement of accounts for each year ended 31 December in the form and on the basis set out in the accounts direction at the Appendix to these financial statements. The accounts are prepared on an accruals basis and must give a true and fair view, of the Body's state of affairs at the year end and of its income and expenditure, changes in equity, and cash flows for the calendar 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 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 financial statements;
- Prepare the financial statements 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, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum of the Body.

Statement on Internal Control/ Governance Statement

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

As Waterways Ireland's Chief Executive I am directly responsible to the respective Ministers North and South and their Departments, for the Body's performance and operations. The Ministers determine the policy framework under which Waterways Ireland operates and the scope of its activities. The Ministers also determine the resources to be made available to the Agency and approve the Corporate and Business Plans. Additional bids from Waterways Ireland in 2017 has secured funding from DCHG of €2,946,000 toward capital and current projects and DfI have provided €858,000 toward capital projects.

Through Monitoring meetings, (comprising senior members of Waterways Ireland and representatives of the Sponsor Departments) I consult with Departments on the handling of operational matters that could give rise to significant public or parliamentary concern, including the nature, scale and likelihood of risks. These meetings were held on four occasions during 2017.

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 2017 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. This is a continual process.

The Risk and Control Framework

I have ensured that procedures are in place for verifying the aspects of risk management and internal control are regularly reviewed and reported on. Risk management framework is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve the aims, objectives and policies; it can therefore only provide reasonable, not absolute, assurance of effectiveness.

The Corporate Risk Register identifies the key risks directly related to the achievement of Waterways Ireland's corporate objectives and is linked to the Annual Business Plan. The Senior Management Team, meet monthly to review and revise the Corporate Risk Register to ensure that it remains relevant. It considers new risks that have been identified through management channels and changes in the operating environment and the actions necessary to mitigate them as well as the success of actions taken to address existing risks. The Corporate Risk Register is reviewed at each Monitoring Meeting and at each Audit and Risk Committee meeting.

Major information systems

Waterways Ireland utilises Integra systems to produce financial accounting information and Core payroll systems to produce wages and salaries information. There are process and system controls in place within and around both of these systems to ensure the quality and integrity of management information provided to the Chief Executive and Senior Managers.

Material losses or frauds

During the year, Waterways Ireland suffered a material loss of €62,000/£55,000 due to a break-in at Tullamore and Lowtown depots. A security review has been completed and CCTV has been installed in three sites with a further four by year end to minimise the risk of future breaks-ins.

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 Senior Management Team 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Financial Management

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.
- Regular reports by internal audit, which include the Internal Auditor's independent opinion on the adequacy and effectiveness of Waterways Irelands system of internal control together with recommendations for improvement.
- The Audit and Risk Committee met four times in 2017. The Audit and Risk 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 and Risk Committee provided an annual report to the Accounting Officer. The internal auditor provided the following assurance that "there was an overall satisfactory system of control in place for the areas reviewed".
- Property registrations and review of legacy leases continue.
- An external review of the process used to value the operational assets of the Body was completed in December 2017. The review found that the Body is compliant with FRS 102 and made a number of recommendations to improve asset information and valuations. By 2017 a number of structures including weirs, bridges, aqueducts, culverts, lock gates and chambers, depots and lock houses 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 quarterly.
- 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
7th September 2018

Report on the Remuneration of Senior Management

The senior management of Waterways Ireland consist of the CEO, Directors and Regional Managers. The Chief Executive is the Accounting Officer as approved by NSMC and according to the financial memorandum is responsible for the efficient and effective administration of the body.

Policy on the Remuneration of Senior Managers

The pay scales of the Senior Management who are based in the NI jurisdiction mirror those of the NICS pay scales. The pay scales for each NICS grade contains a number of pay points from minima to maxima, allowing progression towards the maxima.

The pay scales of the Senior Management who are based in the ROI jurisdiction are legacy pay scales and are instructed by the Sponsor Department. Any Annual increments are issued to Waterways Ireland through the relevant Sponsoring Department in each jurisdiction.

Each year, senior managers are set objectives based on the 3 year Corporate and annual Business plans. Individual goals and objectives of the senior management team are reviewed and assessed by the CEO throughout the year using the Body's Performance Management structure. These performance assessments are documented and records maintained. The CEO is assessed through Monitoring Committee.

Service Contracts

Senior management appointments are made in accordance with the Waterways Ireland Recruitment and Selection Policy which requires appointment to be on merit on the basis of competence and suitability. Senior management will receive an employment contract on appointment which detailed all terms and conditions. Termination payments are in accordance with contractual terms. During the year 2017 there were no compensation or severance payments to senior management.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the senior management of the Body.

Remuneration (including salary) and pension entitlements of Senior Management Team

Name	2017					2016				
	Salary	Pension Benefits (1)	Benefit in Kind	Bonus Payment	Total	Salary	Pension Benefits (1)	Benefit in Kind	Bonus Payment	Total
Chief Executive	€97,957	€30,000	€0	€0	€127,957	€98,506	€16,950	€0	€0	€115,456
Regional Manager 1	€94,410	€25,580	€0	€0	€119,990	€92,231	€25,620	€0	€0	€117,851
Regional Manager 2	€94,410	€25,600	€0	€0	€120,010	€92,231	€25,620	€0	€0	€117,851
Regional Manager 3	€82,224	€59,770	€0	€0	€141,994	€77,385	€20,840	€0	€0	€98,225
Director 1	€65,309	€24,200	€0	€0	€89,509	€66,879	€23,080	€0	€0	€89,959
*Director 2	€20,865 €64,200 FTE	€8,560	€0	€0	€8,560	€0	€0	€0	€0	€0
**Acting Director	€0	€0	€0	€0	€0	€50,729	€13,320	€0	€0	€64,049
* Joined Scheme September 2017										
** Acting Director resigned on 7th October 2016										
Note: Director 3 retired on 31st May 2017. Director 4 died in service on 23 July 2017. Disclosure is withheld. Exchange rate fluctuations - Chief Executive, Director 1 and 2 are paid in sterling and euro pay fluctuates due to exchange rate movements at 2017 €1.1413 (2016 €1.2233) to £1.										

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights. The value of 2016 pension benefits are estimates only as information is not available due to change in pension Administrator.

Pay Multiples

The Body is required to disclose the relationship between remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

	2017	2017	2016	2016
	€	£	€	£
Midpoint of the band of the highest paid Director	97,500	85,428	97,500	79,700
Median remuneration of staff	40,643	35,611	40,734	33,300
Ratio	2.40		2.39	
Range of staff remuneration	€3,667 to €97,957	£3,213 to £85,828	€16,400 to €98,506	£13,406 to £80,525

The remuneration of the highest paid director in 2017 was €97,957 (2016: €98,506)(currency fluctuations affect conversion from sterling to euro). This was 2.4 times the median salary of the workforce which in 2017 was €40,643 (2016: €40,734). In 2016 and 2017 no employee received remuneration in excess of the highest paid director.

Total remuneration includes salary and non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Salary

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK/Irish taxation. There were no overtime, recruitment and retention allowances, private office allowances or ex gratia payments paid to any staff member in the year.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs/ Ireland's Department of Revenue as a taxable emolument. There were no benefits in kind provided to staff in the year.

Bonuses

It is not the policy of the Body to make any bonus payments to members of the senior management team or staff. No bonus payments have been made during the year.

Pension Benefits

Name	Accrued Pension at pension age at 31/12/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/12/17	CETV at 31/12/16	Real increase in CETV
Chief Executive	Pension: €45,000 Lump sum: €135,000	Pension: €1,600 Lump sum: €4,900	€984,000	€924,000	€60,000
Regional Manager 1	Pension: €42,000 Lump sum: €126,000	Pension: €1,200 Lump sum: €3,500	€948,000	€903,000	€45,000
Regional Manager 2	Pension: €42,000 Lump sum: €126,000	Pension: €1,200, Lump sum: €3,500	€970,000	€923,000	€47,000
Regional Manager 3	Pension: €28,000 Lump sum: €85,000	Pension: €2,600 Lump sum: €7,900	€513,000	€455,000	€58,000
Director 1	Pension: €3,000 Lump sum: €0	Pension: €1,400 Lump sum: €0	€35,000	€19,000	€16,000
*Director 2	Pension: €0 Lump sum: €0	Pension: €400 Lump sum: €0	€4,000	€0	€4,000
* Joined Scheme September 2017					
Note: Director 3 retired on 31st May 2017. Director 4 died in service on 23 July 2017. Disclosure is withheld.					

Pension Arrangements - General Description of the 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 NonEstablished 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..

The valuation used for FRS 102 disclosures at 31st December 2017 has been carried out by a qualified independent actuary (Deloitte). 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 2017.

Cash Equivalent Transfer Values (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Body's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

During the current and preceding financial year there were no compulsory or voluntary redundancies in the Body. Therefore no costs have been incurred by the Body and no compensation payments have been made.

Salary bands for all employees

Number of employees whose emoluments for the twelve months ending 31st December 2017 fell within the following bands:

Salary Bands €	2017 (no. of employees)	2016 (no. of employees)
Less than 40,000	209	201
40,000-49,999	89	92
50,000-59,999	39	44
60,000-69,999	22	26
70,000-79,999	4	3
80,000-89,999	1	1
90,000-99,999	3	3
100,000-109,999	0	0

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

Opinion on the Accounts

We certify that we have audited the accounts of Waterways Ireland (the Body) for the year ended 31st December 2017 as required 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 statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows and,
- the statement of changes in equity and the related notes. These accounts have been prepared under the accounting policies set out within them.

In our opinion, the accounts give a true and fair view of the state of the Body's affairs as at 31st December 2017 and of its income and expenditure for the year then ended and have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

Opinion on Regularity

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

Basis of opinion

We conducted our audit in accordance with International Standards on auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the accounts

The Body has presented certain other information together with the accounts. This comprises the annual report, the Foreword to the accounts, the Statement on Internal Control/Governance Statement and the Remuneration Report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We have nothing to report in respect of the following matters which we report if, in our opinion:

- we have not received all of the information and explanations we require for our audit; or
- the accounting records were not sufficient to permit the accounts to be readily and properly audited; or
- the accounts are not in agreement with the accounting records; or
- the Statement on Internal Control/Governance Statement does not reflect compliance with applicable guidance on corporate governance.

Responsibilities of the Body and the Accounting Officer for the accounts

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis of the accounts direction included in the appendix to the accounts and for being satisfied that they are a true and fair view. The Chief Executive, as Accounting Officer, is responsible for the propriety and regularity in relation to the use of public funds.

Responsibilities of the Auditors

Our responsibility is to audit 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 and to report thereon to the Northern Ireland Assembly and the Houses of the Oireachtas.

Our objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. In doing so:

- We identify and assess the risks of material misstatement of the accounts whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures.
- We conclude on the appropriateness of the use of the going concern basis of accounting and, based on

the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Body to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transaction and events in a manner that achieves fair presentation.

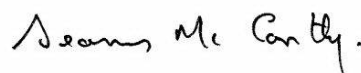
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



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

Date: 21 September 2018



Seamus McCarthy
Irish Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
Ireland
D01 PF72

Date: 28 September 2018

Income Statement

for the year ended 31st December 2017

	Notes	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
INCOME					
Revenue Funding from Departments	2	25,650	22,474	25,044	20,473
Release from Capital Grant/Donation/Grant Reserves		9,134	8,003	8,979	7,340
Other Operating Income	3	6,414	5,620	5,658	4,625
TOTAL INCOME		41,198	36,097	39,681	32,438
EXPENDITURE					
Staff Costs	4	21,434	18,780	21,717	17,753
Programme Costs	5	4,952	4,339	5,181	4,236
Other Operating Costs	6	6,190	5,424	4,801	3,924
Currency (gains)/losses and interest payable		54	47	(2)	(2)
Depreciation	7.1,7.2	9,016	7,900	8,916	7,288
TOTAL EXPENDITURE		41,646	36,490	40,613	33,199
Operating Surplus/(Deficit) for the Year		(448)	(393)	(932)	(761)
Profit/(Loss) on Disposal of Fixed Assets		4	4	(58)	(47)
Surplus/(Deficit) for the Year		(444)	(389)	(990)	(808)

Statement of Comprehensive Income

for the year ended 31st December 2017

	Notes	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Surplus/(Deficit) for the Year		(444)	(389)	(990)	(808)
Actuarial (loss)/gain on pension liabilities	17.2	10,985	9,747	(15,761)	(13,528)
Net transfer (in)/out of the scheme	17.2	(9)	(8)	197	161
Adjustment to Deferred pension funding		(10,976)	(9,739)	15,564	13,367
Unrealised surplus/(deficit) on revaluation of Land and Buildings	7.1, 7.2	82,117	72,863	2,038	1,749
Total recognised gain/(loss) for the Year		81,673	72,474	1,048	941



Chief Executive

Dawn Livingstone
Date: 7th September 2018

The notes on pages 52 to 71 form part of these accounts.

Statement of Financial Position

as at 31st December 2017

	Notes	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Fixed Assets					
Tangible Assets	7.1	57,932	51,404	55,911	47,988
Operational Assets and Work in Progress	7.2	734,130	651,402	655,997	563,039
Current Assets					
Short Term Investment	8	1,000	887	3,697	3,173
Cash at bank and in hand	9	5,907	5,241	3,563	3,058
Stocks	10	1,011	898	893	766
Debtors/Prepayments - amounts due within one year	11	1,377	1,222	1,947	1,671
		9,295	8,248	10,100	8,668
Current Liabilities					
Creditors - amounts due within one year	12	(2,547)	(2,260)	(3,440)	(2,952)
Net Current Assets/(Current Liabilities)		6,748	5,988	6,660	5,716
Debtors/Prepayments - amounts due after one year	11	73	65	74	64
Creditors - amounts due after one year	12	(104)	(92)	(108)	(93)
Deferred Pension Funding	17.4	111,703	99,115	117,043	100,457
Pension Liability	17.5	(111,703)	(99,115)	(117,043)	(100,457)
Provisions	14	(3,287)	(2,917)	(2,146)	(1,842)
Total Assets Less Liabilities		795,492	705,850	716,388	614,872
Financed by:					
Capital and Reserves					
Revenue Reserve		185	164	600	515
Capital Grant Reserve		779,766	691,896	701,546	602,133
Donation Reserve		10,209	9,059	10,432	8,954
Grant Reserve		5,332	4,731	3,810	3,270
		795,492	705,850	716,388	614,872



Chief Executive

Dawn Livingstone
Date: 7th September 2018

The notes on pages 52 to 71 form part of these accounts.

Cash Flow Statement

for the year ended 31st December 2017

	Notes	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Net Cash in/(out)flow from operating activities	15.1	131	114	26	20
Cashflows from investing activities					
Short term fixed deposit	8	2,697	2,286	(1,997)	(1,923)
Receipt from sale - plant, land, property rights		151	132	2,014	1,646
Payments to acquire tangible fixed assets	7.1,7.2	(7,200)	(6,309)	(5,454)	(4,458)
Net Cash outflow before financing		(4,221)	(3,777)	(5,411)	(4,715)
Cashflows from financing activities					
Capital funding received		4,839	4,240	4,950	4,047
Grant received		1,726	1,512	2,156	1,762
Difference on currency translation		-	208	-	592
Net Increase/(Decrease) in Cash and cash equivalents	15.2	2,344	2,183	1,695	1,686
Cash and cash equivalents at the start of the year		3,563	3,058	1,868	1,372
Cash and cash equivalents at the end of the year	15.2	5,907	5,241	3,563	3,058



Chief Executive Dawn Livingstone
Date: 7th September 2018

The notes on pages 52 to 71 form part of these accounts.

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

Statement of Changes in Equity

for the year ended 31st December 2017

Revenue Reserve	Notes	€'000	STG£'000	€'000	STG£'000
		2017	2017	2016	2016
At 1st January		600	515	(419)	(308)
Surplus/(Deficit) in the year		(444)	(389)	(990)	(808)
Plus: Transfer from Capital Grant Reserve		29	25	2,009	1,642
Difference on currency translation		-	13	-	(11)
At 31st December		185	164	600	515

Note: Transfer from Capital Grant Reserve relates to disposal of land/property rights €29,000. As per note 2.1 certain revenue program costs are deemed capital in nature for funding purposes. The currency translation adjustment reflects the amount of the movement in the value of the Revenue Reserve which is attributable to the change in the exchange rate over the year.

Capital Grant Reserve	Notes	€'000	STG£'000	€'000	STG£'000
		2017	2017	2016	2016
At 1st January		701,546	602,133	705,238	518,366
Capital Grants Received	2	4,839	4,240	4,950	4,047
Revaluation	7.1, 7.2	82,117	72,864	2,038	1,749
Less: Transfer to Revenue Reserve		(29)	(25)	(2,009)	(1,642)
Less: Amortisation of Capital Grants		(8,707)	(7,629)	(8,671)	(7,089)
Difference on currency translation	7.1, 7.2	-	20,313	-	86,702
At 31st December		779,766	691,896	701,546	602,133

Note: Transfer to Revenue Reserve relates to disposal of land/property rights €29,000. The currency translation adjustment reflects the amount of the movement in the value of the Capital Grant Reserve which is attributable to the change in the exchange rate over the year.

Donation Reserve	Notes	€'000	STG£'000	€'000	STG£'000
		2017	2017	2016	2016
At 1st January		10,432	8,954	10,655	7,832
Less: Amortisation of Donations		(223)	(195)	(223)	(182)
Difference on currency translation	7.1, 7.2	-	300	-	1,304
At 31st December		10,209	9,059	10,432	8,954

Note: Donations from third parties of Assets and funding to complete works on the Waterways. The currency translation adjustment reflects the amount of the movement in the value of the Donation Reserve which is attributable to the change in the exchange rate over the year.

Grant Reserve	Notes	€'000	STG£'000	€'000	STG£'000
		2017	2017	2016	2016
At 1st January		3,810	3,270	1,739	1,278
Grants Received		1,726	1,512	2,156	1,762
Less: Amortisation of Grants		(204)	(179)	(85)	(69)
Difference on currency translation	7.1, 7.2	-	23	-	(111)
Difference on currency translation		-	105	-	410
At 31st December		<u>5,332</u>	<u>4,731</u>	<u>3,810</u>	<u>3,270</u>

Note: Grants from third parties of funding to complete works on the Waterways. The currency translation adjustment reflects the amount of the movement in the value of the Grant Reserve which is attributable to the change in the exchange rate over the year.



Chief Executive

Dawn Livingstone
Date: 7th September 2018

Notes to the Accounts

for the year ended 31st December 2017

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 in 2017.

1.2 Statement of Compliance with FRS 102

The financial statements of Waterways Ireland for the year ended 31st December 2017 have been prepared in accordance with North/South Implementation Bodies Annual Reports and Accounts Guidance (July 2017), produced by Department of Finance (DoF) and the Department of Public Expenditure and Reform (DPER), in conjunction with the Northern Ireland Audit Office and the Office of the Comptroller and Auditor General in Ireland. The new Guidance updates the financial reporting requirements for North/South Bodies in line with FRS 102, which revised financial reporting standards in the United Kingdom and Ireland with effect from 2015. These are Waterways Ireland's first set of financial statements prepared in accordance with FRS 102. Transition to FRS 102 has not affected the financial position or financial performance of Waterways Ireland for the current or prior year.

1.3 Income

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

Other Operating Income is primarily on an accruals basis, however, operating income includes income from navigation usage such as permits, winter moorings, lock tolls and dry dock charges which are recognised on a receipts basis.

1.4 Expenditure

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

1.5 Debtors

Debtors are stated after providing for bad and doubtful debts.

1.6 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 Statement of Income over 35 years commencing in 2011. There remains 28 years with €3,857 released in 2017 to income.

1.7 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 2017 an increase on revaluation of €2,558,000 was recognised on these assets.</p> <p>The main components were as follows:</p> <ul style="list-style-type: none"> • Cityblock 19, €32,154,000; 2016: €31,904,000. This was valued in April 2016 by CBRE Dublin. • Hatch Bar €45,000; 2016: €45,000 valuation based on agreed sales proceeds. • Athy Lockhouse €100,000; 2016 €120,000 in operational assets valued by Carey Robinson BLE (Hons) Member of the Royal Institute of Chartered Surveyors in 2018. • Canal House Park Canal €20,000; 2016 €0, valued by Kieran Taggart Member of the Royal Institute of Chartered Surveyors in 2018. • Dwelling Monasterevin €70,000; 2016 €0 Valuation based on agreed sales proceeds. • Hamilton Lockhouse €60,000; 2016 €55,000 in operational assets, valuation based on agreed sales proceeds. • Sea Lock House €600,000; 2016: €250,000, valued Fiona Quinn BSC for the Commissioner of Valuations 2017. • Mill Cottage €110,000; 2016 €110,000 in operational assets, valued in house by Kieran Taggart Member of the Royal Institute of Chartered Surveyors in 2018. • 24th Lockhouse Monasterevin €74,000; 2016: €42,000 in operational assets, valuation based on agreed sales proceeds. • Barge €7,000; 2016: €7,000, based on bids received in 2013. • Revaluation of property disposals in progress €1,810,000. • Bogland Pullough €12,000, 2016: €0 based on agreed sales proceeds.
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
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 €79,559,000.</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 2017, the Construction Price Inflation index applied was 1.66% resulting in a net surplus on revaluation of €5,680,000.</p> <p>The valuations are also updated to take account of new information from surveys including exact dimensions, a dry dock was revalued during 2017 resulting in a net surplus on revaluation of €585,000.</p> <p>Standard costs include integral elements of structures, fencing, bollards, sluices etc. With the exception of floating jetties, 25 years, life is estimated at 500 years based on regular repairs and maintenance and taking into consideration their existing age.</p> <p>Towpaths, car parks, lighting, paved areas and small structures are capitalised in the accounts where they represent an improvement on assets included in the canal valuation. They are included in the gross project costs and depreciated over the project life. Further reviews will be carried out on a rolling basis with any amendments reflected in the Asset Register.</p> <p>Structures on non operational navigations are deemed to have no value since there is no economic benefit, only land footprint is valued.</p>
	Lock Chambers and Lock Gates	<p>Lock Chambers and gates were valued in 2017 by Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS, resulting in a net surplus on revaluation of €46,366,000. 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. Valuations are based on depreciated replacement costs, useful life is 120 years.</p>
	Weirs	<p>In 2017 all weirs are valued by Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS resulting in a net deficit on revaluation of €4,786,000 primarily arising from standard costed structures restated to correct life and dimension. Valuations are based on depreciated replacement costs, useful life is 120 years.</p>
	Bridges Aqueducts Major Culverts	<p>In 2017 Bridges Aqueducts and Major Culverts were valued by Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS resulting in a net surplus on revaluation of €27,882,000, valuations are based on depreciated replacement cost, useful life is 120 years.</p>
	Land	<p>Land is valued using agricultural land values. In 2017, this resulted in an increase in land values from €57,836,000 to €61,668,000 – an increase of €3,832,000.</p>
	Depots and Lockhouses	<p>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.</p>
	Service Blocks	<p>Valued at replacement costs in 2011 accounts.</p>

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%

1.8 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.

1.9 Pension Costs

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29th April 2005. It is a defined benefit pension scheme with different benefit structures which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Culture, Heritage and the Gaeltacht. 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 Comprehensive Income 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 Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at 31st December 2017 together with a corresponding asset.

1.10 Leased Assets

Operating lease rentals are charged to the Statement of Income on a straight line basis over the lease term.

1.11 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.

1.12 Stock

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

1.13 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 Statement of Financial Position but disclosed in a note to the accounts.

1.14 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 Statement of Financial Position date (closing rate). Realised gains and losses are taken to the Statement of Comprehensive Income.

At year end the financial statements are translated into sterling. The Statement of Income is translated using the average exchange rate for the year while the Statement of Financial Position 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), Statement of changes in Equity including the Revenue Reserve, Capital Grant Reserve, Donation Reserve, Grant Reserve, Net Cash Flow from Operating Activities (Note 15.1), Analysis of Movement in Pension Liability (Note 17.2) and the Deferred Pension Funding (Note 17.4). The Bank of England rates are used.

1.15 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 Statement of Income credited to offset the impact of the amortisation.

1.16 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 Statement of Income credited to offset the impact of the amortisation.

2. Funding From Departments

2.1 Financial Year 1st January 2017 - 31st December 2017

	DCHG	DCHG	Dfi	Dfi	TOTAL	TOTAL
	€'000	STG£'000	€'000	STG£'000	€'000	STG£'000
Funding taken to Income	22,287	19,528	3,363	2,946	25,650	22,474
Funding Capitalised	3,747	3,283	1,092	957	4,839	4,240
	<u>26,034</u>	<u>22,811</u>	<u>4,455</u>	<u>3,903</u>	<u>30,489</u>	<u>26,714</u>

2.2 Financial Year 1st January 2016 - 31st December 2016

	DCHG	DCHG	Dfi	Dfi	TOTAL	TOTAL
	€'000	STG£'000	€'000	STG£'000	€'000	STG£'000
Funding taken to Income	21,963	17,954	3,081	2,519	25,044	20,473
Funding Capitalised	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>

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 in 2016 and Dáil Éireann in 2017 as the Northern Ireland Assembly are not in session alternative arrangements were made. NSMC, with the approval of the Finance Ministers, recommended that the grants should be split on an 85:15 basis for current work - DCHG (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 guidance.

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 Northern Ireland Assembly is in session. Dfi has implemented contingency arrangements, put in place by DoF to enable the payment of funding to the Body. These involve the approval of a draft Business Planning document which sets out the Body's short-term proposed activities, together with the related benefits and costs.

3. Other Operating Income

	Note	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Licences		115	101	105	86
Property Related Income		308	270	195	159
Operating Income		181	159	177	145
Interest Receivable		14	12	5	4
Net deferred funding for pensions	17.3	5,645	4,946	5,102	4,170
Other Income		151	132	74	61
Total		6,414	5,620	5,658	4,625

4. Staff Costs

		2017	2016
4.1 The average weekly number of permanent employees (full time equivalent) was as follows:		277	283
Category of Employment:	Administration	101	105
	Operations	176	178

In addition there were 35 temporary staff supporting works on the navigations, 2 agency staff and 3 student placement engaged to cover maternity leave and other staff absence.

4.2 The costs incurred in respect of these employees were:

	Note	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Staff costs		12,874	11,280	13,687	11,189
Agency costs		208	182	100	82
Employers NIC/PRSI		1,199	1,050	1,260	1,031
Other pension costs:					
Current Service and Interest costs	17.3	7,853	6,881	7,313	5,977
		22,134	19,393	22,360	18,279
Less Staff and Agency Costs Capitalised		(700)	(613)	(643)	(526)
Total		21,434	18,780	21,717	17,753

Waterways Ireland disclose that no employer pension contributions were made in the financial year.

Remuneration and pension interests of Senior Management team along with the Salary bands for all employees earning in excess of €40,000 are disclosed in the Remuneration report in the Annual Report 2017.

5. Programme Costs

	Note	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Contracted in Services including construction costs		3,248	2,846	3,518	2,876
Vehicle Fuel		489	428	405	331
Plant Hire		211	185	112	92
Mechanical Spares and Equipment		1,003	879	713	583
Fuel and Light		83	73	77	63
Travel		194	170	175	143
Compensation/Provisions	14	(475)	(416)	-	-
Miscellaneous		199	174	181	148
Total		4,952	4,339	5,181	4,236

Analysis of Programme Costs by Waterway

Shannon Navigation		965	846	921	754
Royal Canal		1,249	1,094	1,246	1,019
Grand Canal		1,790	1,568	1,568	1,281
Barrow Navigation		483	423	540	441
Erne System and Lower Bann		418	366	456	373
Carnroe Weir provision release		(475)	(416)	-	-
Shannon-Erne Waterway		470	412	450	368
Ulster Canal		52	46	-	-
Total		4,952	4,339	5,181	4,236

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

	Note	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Travel - Ireland		475	416	451	369
Recruitment Costs		42	37	29	24
Training and Conferences		180	158	103	84
Contracted in Services		601	527	501	410
Compensation/Provisions	14	1,810	1,586	830	678
Premises Running Costs including Utilities		706	618	684	559
Health and Safety		28	25	18	15
Communications		135	118	135	110
Other Operating Lease Rental		13	11	14	11
Printing and Stationery		114	100	78	64
Computer Running Costs		856	750	977	799
Rent		271	237	279	228
Audit Fee - See Note		40	35	34	28
Marketing and Promotions		585	513	454	371
Insurance and Legal Fees		156	137	69	56
Pension Administrator Costs		79	69	109	89
General Expenditure		99	87	36	29
Total		6,190	5,424	4,801	3,924

Note: Annual audit fee is €42,000 (£37,000). Exchange rate fluctuations of payments and accruals in year of €2,000 reduce the charge to €40,000, and when converted at average exchange rate is £35,000 sterling.

Additional Disclosure:

Travel & Subsistence	€'000
- Within the Island of Ireland	462
- Outside the Island of Ireland	13
Hospitality and Staff Wellbeing	€'000
- Staff Wellbeing Costs	16
Consultancy Costs	€'000
- Internal Audit Consultancy	13
- Finance Consultancy	21
- H&S Consultancy	7
- HR Consultancy	8
- Marketing Consultancy	9
- Procurement Consultancy/Support	30
- Tax & Financial Advisory	23
- Environmental Consultancy	46
- Property Consultancy	182
Legal Costs	€'000
- Legal Fees - Property Transaction	75
- Legal Fees relating - Compensation cases	63
- Compensation payments	131

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 2017	32,206	19,424	23,783	7,519	82,932
Additions	-	-	592	356	948
Reclass	327	-	-	-	327
Revaluation	2,558	-	-	-	2,558
Disposals	(29)	-	(583)	-	(612)
At 31st December 2017	<u>35,062</u>	<u>19,424</u>	<u>23,792</u>	<u>7,875</u>	<u>86,153</u>
Depreciation					
At 1st January 2017	-	3,475	16,742	6,804	27,021
Provision for year	-	380	1,062	312	1,754
Disposals	-	-	(554)	-	(554)
At 31st December 2017	<u>-</u>	<u>3,855</u>	<u>17,250</u>	<u>7,116</u>	<u>28,221</u>
Net Book Value €'000					
At 31st December 2017	<u>35,062</u>	<u>15,569</u>	<u>6,542</u>	<u>759</u>	<u>57,932</u>
At 31st December 2016	<u>32,206</u>	<u>15,949</u>	<u>7,041</u>	<u>715</u>	<u>55,911</u>
Net Book Value STG£'000					
At 31st December 2017	<u>31,111</u>	<u>13,815</u>	<u>5,805</u>	<u>673</u>	<u>51,404</u>
Currency Translation Adjustment	(935)	(459)	(199)	(20)	(1,613)
At 31st December 2016	<u>27,642</u>	<u>13,689</u>	<u>6,043</u>	<u>614</u>	<u>47,988</u>

Note: Plant include donated assets of net book value €35,000. These are reflected in the Statement of Changes in Equity. A number of assets were revalued in year - see below. The net movements are reflected in the Statement of Changes in Equity is an increase in net book value of €2,558,000. Computers, Furniture and Fittings include intangible assets such as software of €234,000. 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 2017	5,953	1,169,306	1,175,259
Additions	4,228	2,024	6,252
Reclass	-	(327)	(327)
Capitalised from Work in Progress	(2,180)	2,180	-
Disposal	-	(994)	(994)
Revaluation	-	225,051	225,051
At 31st December 2017	<u>8,001</u>	<u>1,397,240</u>	<u>1,405,241</u>
Depreciation			
At 1st January 2017	-	519,262	519,262
Revaluation	-	145,492	145,492
Disposal	-	(905)	(905)
Provision for year	-	7,262	7,262
At 31st December 2017	<u>-</u>	<u>671,111</u>	<u>671,111</u>
Net Book Value €'000			
At 31st December 2017	<u>8,001</u>	<u>726,129</u>	<u>734,130</u>
At 31st December 2016	<u>5,953</u>	<u>650,044</u>	<u>655,997</u>
Net Book Value STG£'000			
At 31st December 2017	<u>7,099</u>	<u>644,303</u>	<u>651,402</u>
Currency Translation Adjustment	(220)	(18,804)	(19,023)
At 31st December 2016	<u>5,109</u>	<u>557,930</u>	<u>563,039</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 €17,500,000 for which a part donation/grant from third parties has been received. A number of Operational assets were revalued in year - see below. The net impact of these valuation movements on the Statement of Changes in Equity is an increase in net book value of €79,559,000. 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.

2017 Revaluations

	Net Book Value at 01.01.2017	Revaluation	Additions Disposals Other Movements 2017	Net Book Value at 31.12.2017
	€'000	€'000	€'000	€'000
Surplus Assets	32,206	2,558	298	35,062
Operational Assets	650,044	79,559	(3,474)	726,129
	<u>682,250</u>	<u>82,117</u>	<u>(3,176)</u>	<u>761,191</u>

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 2017 accounts.

An impairment procedure is in place and is reflected in revaluations in 2017.

8. Short Term Investment

	€'000	STG£'000	€'000	STG£'000
	2017	2017	2016	2016
Euro Fixed Term Deposit	1,000	887	3,697	3,173
Total	<u>1,000</u>	<u>887</u>	<u>3,697</u>	<u>3,173</u>

9. Cash at Bank and in Hand

	€'000	STG£'000	€'000	STG£'000
	2017	2017	2016	2016
Sterling Bank Account	3	2	5	3
Euro Bank Account	609	540	1,156	992
Euro Bank Reserve Account	5,293	4,697	2,400	2,061
Petty Cash	2	2	2	2
Total	<u>5,907</u>	<u>5,241</u>	<u>3,563</u>	<u>3,058</u>

10. Stocks

	€'000	STG£'000	€'000	STG£'000
	2017	2017	2016	2016
Hardware	238	211	242	208
Timber	575	511	439	377
Fuel and Lubricants	21	19	25	21
Protective Clothing	69	61	71	61
Spare Parts and Filters	35	31	44	38
Smart Cards	18	16	11	9
Publications	27	24	28	24
Miscellaneous	28	25	33	28
Total	<u>1,011</u>	<u>898</u>	<u>893</u>	<u>766</u>

11. Debtors and Prepayments

	€'000 2017	STG€'000 2017	€'000 2016	STG€'000 2016
Amounts falling due within one year:				
Trade Debtors	175	155	168	144
Less: Provision for bad debt	(36)	(32)	(62)	(53)
Other Debtors	50	44	636	546
Prepayments	1,188	1,055	1,205	1,034
Total	1,377	1,222	1,947	1,671
Amounts falling due after one year:				
Prepayments	73	65	74	64
Total	1,450	1,287	2,021	1,735

12. Creditors and Accruals

	€'000 2017	STG€'000 2017	€'000 2016	STG€'000 2016
Amounts falling due within one year:				
Trade Creditors	55	49	4	3
Other Creditors	911	808	1,284	1,102
VAT	8	7	15	13
Accruals and Deferred Income	1,573	1,396	2,137	1,834
Total	2,547	2,260	3,440	2,952
Amounts falling due after one year:				
Deferred Income	104	92	108	93
Total	2,651	2,352	3,548	3,045

13. Other Operating Leases

	€'000 2017	€'000 2017	€'000 2016	€'000 2016
At 31st December 2017 - future lease payments under non-cancellable operating leases for each of the following periods:				
Leases which expire:				
	Land and Buildings	Other	Land and Buildings	Other
Within one year	15	4	23	-
Between two and five years	83	8	83	14
More than five years	169	-	174	-
	267	12	280	14
	STG€'000	STG€'000	STG€'000	STG€'000
	2017	2017	2016	2016
Leases which expire:				
	Land and Buildings	Other	Land and Buildings	Other
Within one year	13	4	19	-
Between two and five years	73	7	68	11
More than five years	148	-	142	-
	234	11	229	11

14. Total Provision

	€'000 2017	STG€'000 2017	€'000 2016	STG€'000 2016
At 31st December Total Provision	3,287	2,917	2,146	1,842

14.1 Provision for Claims Settlement

	Notes	€'000 2017	STG€'000 2017	€'000 2016	STG€'000 2016
At 1st January		1,671	1,434	974	716
Provision utilised in year		(194)	(170)	(133)	(109)
Provision in year	6	1,810	1,586	830	678
Difference on currency translation		-	67	-	149
At 31st December		3,287	2,917	1,671	1,434

Note: This provision represents a reliable estimate of probable settlements for legal cases and Revenue payment of Tax, Interest and Penalties against the Body.

14.2 Provision for Carnroe Weir

	Notes	€'000 2017	STG€'000 2017	€'000 2016	STG€'000 2016
At 1st January		475	408	475	349
Provision in year	5	(475)	(416)	-	-
Difference on currency translation		-	8	-	59
At 31st December		-	-	475	408

Note: The accounts include a reversal of provision of €475,000 charged to the Statement of Income and Expenditure Account in prior years for the repair of the weir. Waterways Ireland impaired this asset in 2017 to €50,000.

The currency translation adjustment reflects the amount of the movement in the value of the provision for claims settlement which is attributable to the change in exchange rate over the year.

15. Notes to Cash Flow Statement

15.1 Reconciliation of result for the year to net cash generated from operating activities:

	€'000	STG€'000	€'000	STG€'000
	2017	2017	2016	2016
Result for the year	(444)	(389)	(990)	(808)
Depreciation	9,016	7,900	8,916	7,288
Amortisation of Capital Grants	(9,134)	(8,003)	(8,979)	(7,340)
(Profit)/Loss on disposal of fixed assets	(4)	(4)	58	47
Decrease/(Increase) in stock	(118)	(105)	(308)	(264)
Decrease/(Increase) in debtors	571	507	(382)	(328)
(Decrease)/Increase in creditors	(897)	(796)	1,014	870
Provisions	1,141	1,012	697	570
Difference on currency translation	-	(8)	-	(15)
Net cash generated from operating activities	131	114	26	20

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.

15.2 Reconciliation of net cash in/(out)flow to movement in cash and cash equivalents:

	€'000	STG€'000	€'000	STG€'000
	2017	2017	2016	2016
Cash and cash equivalents at 1st January	3,563	3,058	1,868	1,372
Net cash inflow/(outflow)	2,344	2,183	1,695	1,686
Cash and cash equivalents at 31st December	5,907	5,241	3,563	3,058
Net cash inflow/(outflow) from operating activities	131	114	26	20
Net cash inflow/(outflow) from non operating activities	2,213	2,069	1,669	1,666
Net cash (outflow)/inflow	2,344	2,183	1,695	1,686

16. Capital Commitments

Capital commitments at 31st December 2017 for which no provision has been made:

	€'000	STG€'000	€'000	STG€'000
	2017	2017	2016	2016
Contracted	1,941	1,722	1,621	1,391
Authorised but not contracted	8,181	7,259	3,959	3,398

Note: Formal approval on 2018 capital programme has not been received.

17. Pensions

17.1 Accounting Treatment

FRS 102 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 102 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 2017 together with a corresponding asset.

The valuation used for FRS102 disclosures at 31st December 2017 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 2017.

The principal actuarial assumptions used to calculate scheme liabilities under FRS 102 are:

At 31st December	2017	2016	2015	2014	2013
Discount rate Northern Ireland	2.50%	2.70%	3.70%	3.60%	4.50%
Discount rate Republic of Ireland	2.10%	1.90%	2.65%	2.10%	3.50%
Rate of increase in Consumer Price Index Northern Ireland	2.10%	2.30%	1.90%	2.00%	2.50%
Rate of increase in Consumer Price Index Republic of Ireland	1.65%	1.50%	2.00%	2.00%	2.00%
Rate of increase in salaries	2.10%	2.30%	2.90%	3.00%	4.00%
Average rate of increase for pensions Northern Ireland in line with CPI	2.10%	2.30%	1.90%	2.00%	2.50%
Average rate of increase for pensions Republic of Ireland					
in line with salary increases	3.00%	3.00%	2.90%	3.00%	4.00%
in line with CPI	1.65%	1.50%	2.00%	2.00%	2.00%
Average expected future life at age 65 for					
Male currently aged 65	22.1	22.2	21.9	22.1	21.6
Female currently aged 65	23.9	24.2	23.8	24.3	24.2
Male currently aged 45	23.5	23.9	23.1	23.5	23.5
Female currently aged 45	25.4	26.1	25.3	25.8	26.0

17.2 Movement in Net Pension Liability during the financial year:

	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
(Deficit) in the plan at the beginning of the year	(117,043)	(100,457)	(96,180)	(70,695)
Benefits paid during the year	2,217	1,943	2,014	1,646
Net transfer (in)/out of the scheme	(9)	(8)	197	161
Current service cost	(5,512)	(4,830)	(4,650)	(3,801)
Past Service Credit	-	-	-	-
Other finance income/(charge)	(2,341)	(2,051)	(2,663)	(2,177)
Actuarial gain/(loss)	10,985	9,747	(15,761)	(13,528)
Difference on currency translation	-	(3,459)	-	(12,063)
(Deficit) in the plan at the end of the year	(111,703)	(99,115)	(117,043)	(100,457)

	Note	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016	Restated
Experience gain/(loss)	17.5	8,108	7,194	(7,648)	(6,564)	
Gain/(loss) due to currency movements		(2,553)	(2,265)	4,061	3,486	
Gain/(loss) on change of financial assumptions		5,430	4,818	(12,174)	(10,449)	
Actuarial gain/(loss)		10,985	9,747	(15,761)	(13,528)	

The main element of the actuarial gain of €10,985,000 relates to an experience gain of €8,108,000 and reflects the fact that experience over the year was different from that assumed at the previous year end. A loss of €2,553,000 was due to currency movements. The changes in the actuarial assumptions have decreased the value placed on the liabilities. As a result of the change in ROI and NI discount rates and inflation rates result in an €3,217,000 decrease in the value of the liabilities. The change in mortality assumptions decreases the value placed on liabilities of around €2,213,000. During the year employee contributions were received of €612,000 (2016: €586,000) which were remitted to DCHG and Dfl on an 85:15 basis.

The currency translation adjustment reflects the amount of the movement in the value of the Net Pension Liability which is attributable to the change in exchange rate over the year.

17.3 Income and Expenditure Account analysis for the financial year:

	Notes	€'000 2017	STG£'000 2017	€'000 2016	STG£'000 2016
Current service cost		5,512	4,830	4,650	3,800
Other finance income/(charge)		2,341	2,051	2,663	2,177
Benefits paid during the year		(2,217)	(1,943)	(2,014)	(1,646)
Net transfers (out of)/in to the scheme		9	8	(197)	(161)
Net deferred funding for pensions	3	5,645	4,946	5,102	4,170

Note: Net transfer out of the Scheme in 2016 relates to a retirement.

Current service cost		5,512	4,830	4,650	3,800
Other finance income/(charge)		2,341	2,051	2,663	2,177
Current pension service costs	4	7,853	6,881	7,313	5,977

17.4 Deferred Pension Funding

	€'000	STG£'000	€'000	STG£'000
	2017	2017	2016	2016
At 1st January	117,043	100,457	96,180	70,695
(Decrease)/Increase in Deferred Funding of Pension Asset	(5,340)	(4,679)	20,863	17,055
Difference on currency translation	-	3,337	-	12,707
At 31st December	111,703	99,115	117,043	100,457

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 31 December 2017 amounted to €111m (2016 €117m).

The currency translation adjustment reflects the amount of the movement in the value of the Deferred Pension Funding which is attributable to the change in exchange rate over the year.

17.5 History of Defined Benefit Liabilities

	Notes	€'000	€'000	€'000	€'000	€'000
		2017	2016	2015	2014	2013
Surplus/(Deficit) at 31st December		(111,703)	(117,043)	(96,180)	(107,623)	(86,124)
Experience gain/(loss)	17.2	8,108	(7,648)	(481)	1,289	2,571
Percentage of Scheme Liabilities		7.30%	-6.5%	-0.5%	1.2%	2.9%
	Notes	STG£'000	STG£'000	STG£'000	STG£'000	STG£'000
		2017	2016	2015	2014	2013
Surplus/(Deficit) at 31st December		(99,115)	(100,457)	(70,695)	(83,812)	(71,746)
Experience gain/(loss)	17.2	7,194	(6,252)	(354)	1,004	2,142
Percentage of Scheme Liabilities		7.30%	-6.2%	-0.5%	1.2%	2.9%

17.6 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 Culture, Heritage and the Gaeltacht. In the case of Irish unfunded public service pension scheme, the liability for the prior Irish public service remains with the Irish exchequer until it is discharged.

Transfer values for non-public service funded schemes will be split and apportioned by the Pension Administrator and the transfer value will be passed via the body to both Departments. There was one transfer in to the scheme in the year of €9,000.

17.7 Employees leaving

In the event of staff leaving Waterways Ireland the service in Waterways Ireland, is funded by DfI at 15% and DCHG 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 no transfer out of the scheme in the year.

17.8 Pension Arrangements - General Description of the 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 NonEstablished 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.

The valuation used for FRS 102 disclosures at 31st December 2017 has been carried out by a qualified independent actuary (Deloitte). 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 2017.

18. Contingent Liabilities

The contingent liability of Waterways Ireland at 31st December 2017 is based on past experience and calculated at best estimate set for each case of €210,000, (2016 €210,000).

19. 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.

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 Northern Ireland Assembly is in session.

DfI has implemented contingency arrangements, put in place by DoF to enable the payment of funding to the Body.

20. Related Party Transactions

Waterways Ireland is a cross border implementation Body sponsored by DCHG and DfI. 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 2017 – 31st December 2017.

21. Losses Register

A Losses Register is maintained by Waterways Ireland. Losses recorded during the year amounted to €378,000 (2016 €380,000) and have been incorporated within these accounts where the cost relates to this financial year. Public liability claims are €140,000 (2016 €53,000), employee related claims are €100,000 (2016 €47,000), Late payment of commercial debt are €6,000 (2016 €2,000) and other claims are €132,000 (2016 €278,000).

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

22.1 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.

22.2 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 Statement of Comprehensive Income and Income Statement. The Body faces significant exchange rate uncertainty.

23. Post Statement of Financial Position Events

Following a review with Revenue regarding the underpayment of payroll taxes, a provision has been made for an outstanding liability.

The Annual Report and Accounts for the year ended 31st December 2017 were authorised to be issued on 7th September 2018 by the Accounting Officer.

Appendix 1

Accounts Direction

Waterways Ireland

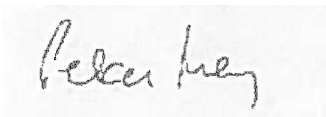
ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT FOR INFRASTRUCTURE, THE IRISH DEPARTMENT OF CULTURE, HERITAGE, AND THE GAELTACHT WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH-IRISH 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 31 December 2017 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.

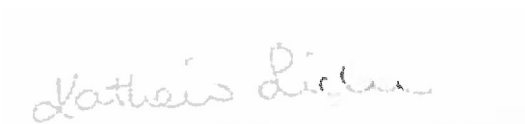
Signed by authority of the Department for Infrastructure



Name: Peter May

29 June 2018

Signed by authority of the Department of Culture, Heritage and the Gaeltacht



Name: Katherine Licken (Secretary General)

28 June 2018