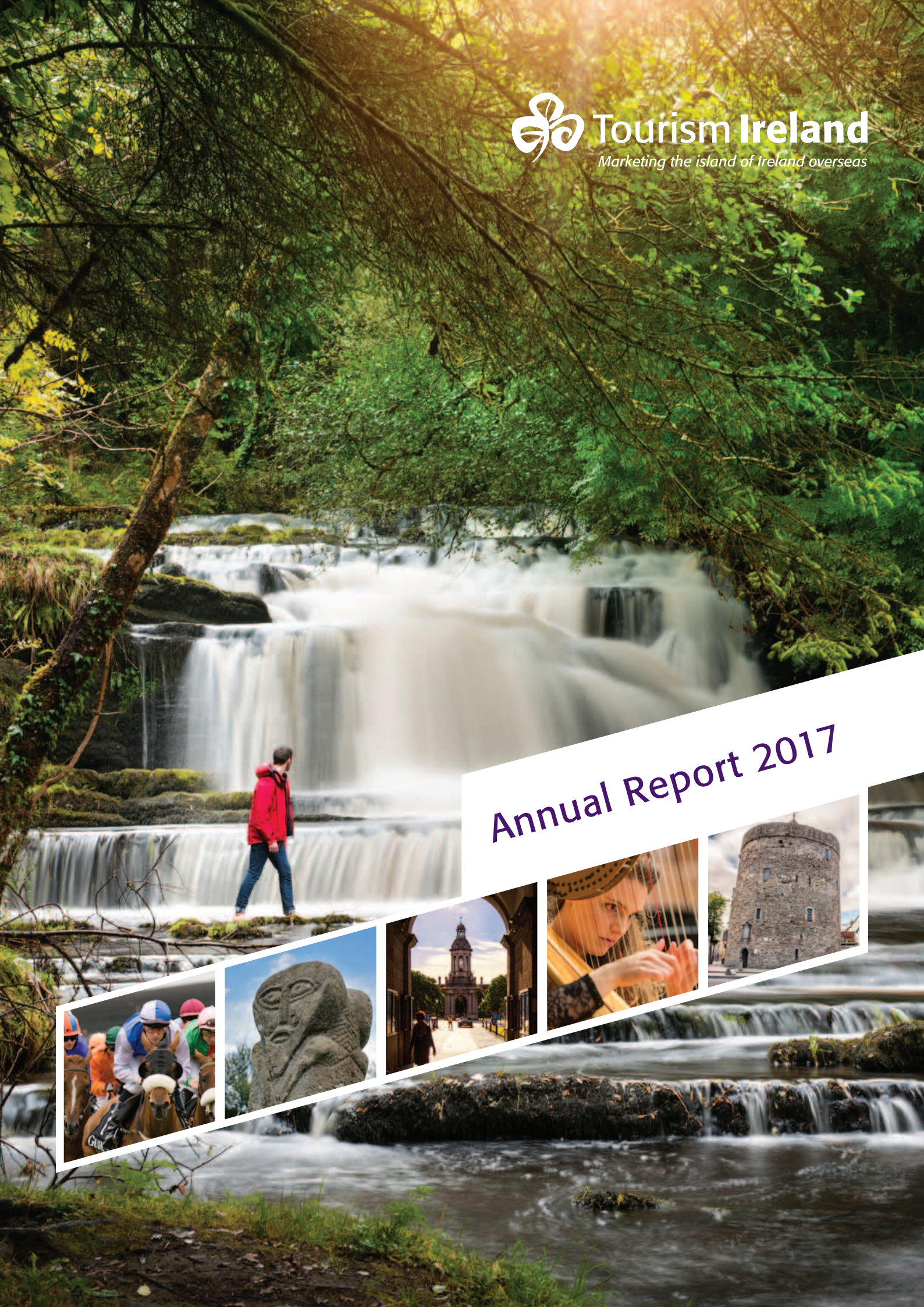




**Tourism Ireland**

*Marketing the island of Ireland overseas*

# Annual Report 2017







*Tramore Strand (Keel), Achill Island, Co Mayo*





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## BRIEF HISTORY AND STATUTORY BACKGROUND OF THE COMPANY

Tourism Ireland CLG (Company Limited by Guarantee), formerly Tourism Ireland Limited, was formed by the Government of Ireland and the Northern Ireland Executive, under the auspices of the North South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland and was incorporated on 11 December 2000 as a Company Limited by Guarantee not having a Share Capital. On 30 November 2016, Companies Limited by Guarantee not having a share capital were automatically converted to CLGs. The CLG is the new updated version of the Guarantee Company format and is governed by Part 18 of the Companies Act 2014. The company takes policy direction from the NSMC and maintains a close working relationship with its founders and current members, Fáilte Ireland (FI) and Tourism Northern Ireland (TNI). The principal objectives of the company are to increase tourism to the island of Ireland and to support Northern Ireland in achieving its tourism potential. It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year corporate and one-year operating plans to guide its activities. The company receives grants of money from both jurisdictions and these grants are disbursed through FI and TNI. A board of directors is appointed by the NSMC, usually for a period of four years. The current term of the appointees from the southern jurisdiction expires in December 2019 and the term of the appointees from the northern jurisdiction expires in December 2021.





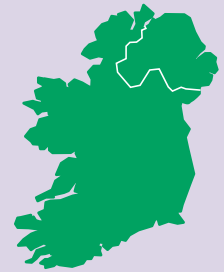






## 2017 HIGHLIGHTS

Overseas visitors to the island of Ireland **10.6m**



Increase in overseas visitors over **2016**



**+3%**

Holiday visitors to the island of Ireland

**5.1m**



Spend by overseas visitors **€5.6bn/£4.9bn**



Increase in spend over **2016**



**+6%**

Tourism Ireland markets overseas



### TOP FOUR

Markets for inbound tourism

Great Britain



United States



Germany



France



Overseas publicity worth **€330m/£287m** eav

Unique visitors to Ireland.com **19.2m** in 2017

Ranking of Tourism Ireland's social presence  
against other National Tourism Boards

 Facebook No. **4**

 Twitter No. **3**

 YouTube No. **3**

Ireland No. **3** for tourism marketing and branding  
(World Economic Forum)



Belfast and the Causeway Coast – No. **1** Region of  
Lonely Planet's 'Best in Travel 2018'



(All euro amounts have been converted to sterling at the NSM rate of €1.00 = £0.87)



The Mall, Armagh



# CHAIRMAN AND CEO STATEMENT



Joan O'Shaughnessy  
Chairman



Niall Gibbons  
Chief Executive

2017 was another record-breaking year for overseas tourism to the island of Ireland, when we welcomed 10.6 million visitors, +3% growth over 2016. And, more importantly, revenue generated by overseas visitors for the economies north and south was €5.6bn/£4.9bn, +6% on 2016 – helping sustain some 286,000 valuable jobs across the island. Growth was recorded from all of our main markets around the world, with the exception of Great Britain – with record numbers arriving here from North America, Mainland Europe, Australia and developing markets. Holiday visitors from overseas grew by +7% during the year, an extra 346,000 holidaymakers.

This was the seventh consecutive year of growth in overseas tourism to the island of Ireland and we in Tourism Ireland are determined to continue to build on that success.

## Strategic Priorities

In planning for 2017, Tourism Ireland set out a number of strategic priorities to maximise our promotional impact, to build on recent successes and to sustain growth into the future. We continued to implement our market diversification strategy, maximising holiday revenue through investment in Mainland Europe and North America. We targeted our 'best prospect' visitors more closely with distinctive holiday experiences, events and special offers, tailored to their interests and designed to trigger their 'go now' impulses. We undertook an extensive programme of promotions in Australia and in high potential, emerging markets – particularly China and India, where we highlighted the British-Irish Visa Scheme.

We continued to focus on our key 'culturally curious' audience (an older audience, wishing to explore new places), who have the strongest propensity to visit the island of Ireland. We also targeted 'social energisers' (a younger, fun-loving audience looking for an exciting time in a vibrant destination) and 'great escapers' (an audience interested in rural holidays, wishing to take time out) in markets where significant potential exists. Niche segments were also targeted – including golfers, business and incentive visitors, as well as the diaspora in Britain, North America and Australia.

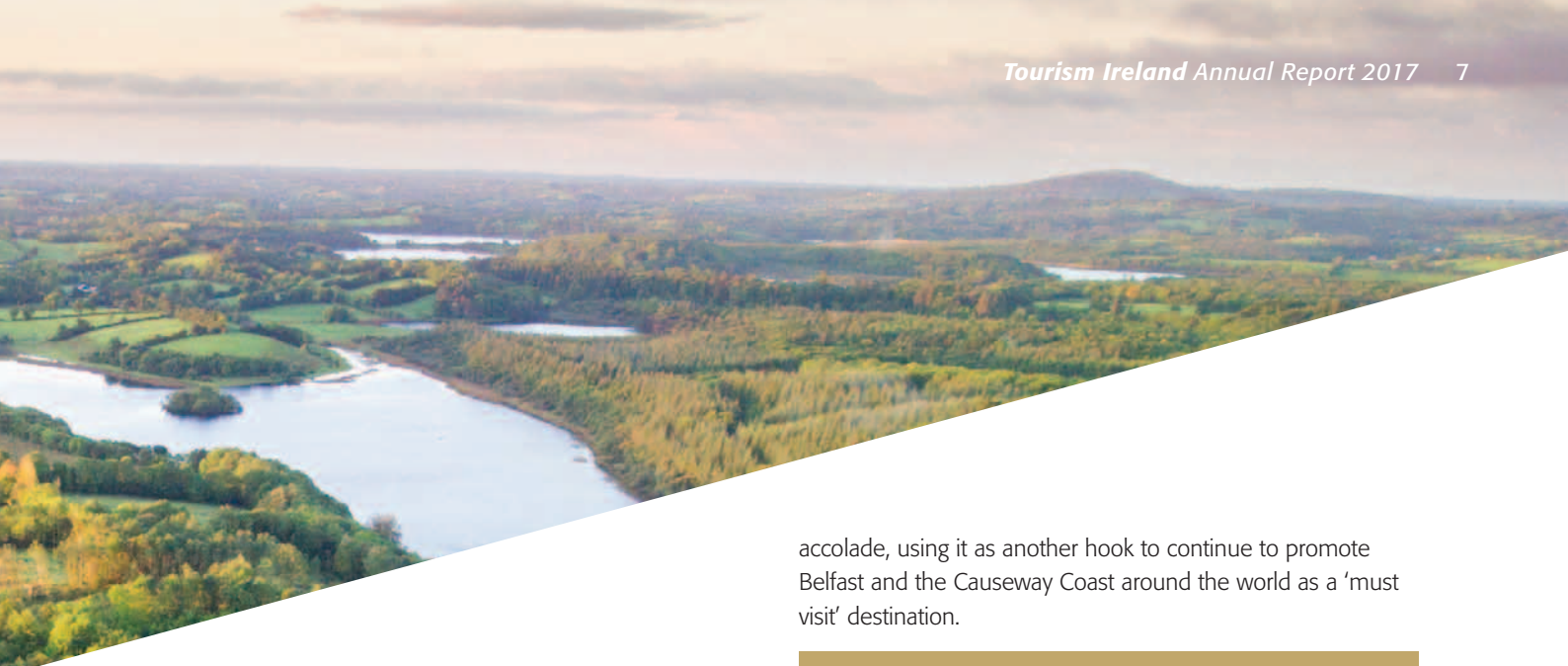
In Britain, value for money was a key message, to help mitigate the impact of Brexit; we also placed a greater emphasis on our 'culturally curious' audience, who are less affected by currency fluctuations.

Digital and social media were especially important in further developing new ways of reaching, and connecting more frequently, with our target audiences.

## The Island of Ireland Tourism Brand

The island of Ireland tourism brand was brought to life through the promotion of Ireland's Ancient East, the Causeway Coastal Route, the Wild Atlantic Way, Dublin and Belfast throughout 2017. Millions of potential visitors were exposed to these experiences across a range of platforms including TV, print and online advertising; on Ireland.com and through our social media channels; at major international consumer and trade fairs such as ITB in Berlin and World Travel Market in London; through familiarisation visits for influential travel agents and





tour operators, as well as travel and lifestyle journalists and bloggers from around the world; and through Tourism Ireland's promotional material.

### Overseas Publicity

Working with overseas travel, lifestyle and special interest media is an important element of our overseas promotional programme. In 2017, thousands of opportunities were created for potential visitors around the world to read, hear or watch positive messages about the island of Ireland. Tourism Ireland estimates that this exposure was worth an estimated €330m/£287m, in equivalent advertising value.

### St Patrick's Day Global Greening

2017 was the eighth year of Tourism Ireland's annual Global Greening initiative for St Patrick's Day and it was bigger and better than ever before – with some 299 landmark buildings and iconic sites in 45 countries around the world taking part, generating significant positive publicity, worth more than €10m/£8.7m, for the island of Ireland. In 2017, One World Trade Center (the main building of the re-built World Trade Center complex in New York and the tallest building in the Western Hemisphere), the Petit Palais on the Champs-Élysées in Paris and the Magic Fountain of Montjuïc in Barcelona joined our Global Greening for the first time. Other first time 'greenings' included four of Australia's famous 'Big Things' – The Big Banana, The Big Kangaroo, The Big Merino and The Big Tasmanian Devil.

### Belfast and the Causeway Coast named the Top Region in the World to Visit in 2018 by Lonely Planet

Belfast and the Causeway Coast were named the Number One Region in the world to visit in 2018 by *Lonely Planet* – coming in ahead of places like Alaska, the Languedoc-Roussillon region in France and the Aeolian islands in Italy. The leading travel media company unveiled the accolade in the prestigious *Lonely Planet's Best in Travel 2018* – its collection of the world's hottest trends, destinations and experiences for the coming year. Tourism Ireland has been taking – and will continue to take – every opportunity to maximise this

accolade, using it as another hook to continue to promote Belfast and the Causeway Coast around the world as a 'must visit' destination.

### Leveraging Screen Tourism

In the summer, all eyes were on Northern Ireland when Tourism Ireland joined forces once again with HBO to leverage the incredible success of the hit TV series *Game of Thrones* and to promote Northern Ireland around the world. Timed to coincide with the return of the seventh season of the series, our 2017 campaign was bigger than ever before – featuring an 80-metre long, Bayeux-style tapestry which told the story so far from season 1 to season 6, giving fans a chance to re-visit all the key events which led to the season 7 premiere. As season 7 unfolded, new sections of the tapestry were revealed each week, in the build-up to the next episode, capturing key events from the previous week. Tourism Ireland shared these new sections via social media – using a mix of cinemagraphs ("living" photographs), time-lapse videos of the weaving process, carousels and Instagram Stories – to bring the creation of the tapestry to life.

This campaign, and our 2016 *Doors of Thrones* campaign did not go unnoticed by the marketing and advertising industry, racking up numerous awards during 2017 – most notably three awards (a gold, a silver and a bronze) at the prestigious Cannes Lions International Festival of Creativity, in June.

At the end of 2017, Tourism Ireland launched a new campaign to coincide with the release of *Star Wars: The Last Jedi*, targeting fans of the science fiction franchise around the world. Tourism Ireland launched the campaign with a publicity stunt – the first ever tourism campaign in space! Perched above the earth in space, a billboard ad highlighted "Earth's Wild Atlantic Way" with an image of Skellig Michael, otherwise known as Luke Skywalker's hide-out in *Star Wars: The Last Jedi*. Phase two of the campaign was a fun, irreverent promotional film about holidays along the Wild Atlantic Way, featuring Mark Hamill – aka Luke Skywalker; and phase three was a specially-commissioned 'behind-the-scenes' film, created during filming here of *The Last Jedi* in 2015 and 2016. The campaign was rolled out in 15 markets – Great Britain, the United States, Canada, Germany, France, Spain, Italy, the Netherlands, Belgium, the Nordic region, Australia, New Zealand, Japan, India and the GCC.





## Access

Access is a critical factor, not just for delivering visitor numbers and tourism revenue, but also for the continued development of overseas tourism to the regions and to Northern Ireland. 2017 was another significant year in terms of access; notable positive developments included a new Qatar Airways service between Doha and Dublin; and a new Aer Lingus flight to Dublin from Miami, as well as expanded services on Aer Lingus flights from Los Angeles, Chicago and Orlando. More than 550,000 direct, one-way airline seats to the island of Ireland were available each week during summer 2017; this was a record and a +4% increase in capacity over summer 2016. The two largest airlines operating to the island of Ireland – Ryanair and Aer Lingus – account for approximately two-thirds of all one-way airline seats to the island of Ireland. Tourism Ireland's programme of co-operative marketing with air and sea carriers and travel industry partners invested over €11.6m/£10.1m in joint marketing campaigns in 2017, leveraging significant commitment from the commercial sector.

Announcements of new services for 2018 augur well for the continued success of overseas tourism. These include a new Cathay Pacific flight from Hong Kong to Dublin and a new Hainan Airlines service from Beijing to Dublin, Ireland's first ever direct flights from the Asia-Pacific region; new Aer Lingus flights from Seattle and Philadelphia; Air Canada services between Toronto and Shannon and between Montreal and Dublin; a new daily Air France flight from Paris to Cork; as well as increased Ryanair services from Germany. Irish Ferries will introduce its new ferry, the WB Yeats, in the second half of 2018.

## Digital Marketing and Social Media

Tourism Ireland continued to grow its online presence, reaching around 4.1 million fans on Facebook by year end. At the time of writing, the organisation is the fourth most popular tourism board in the world on Facebook, number three on Twitter and number three on YouTube. Our website, Ireland.com, attracted 19.2 million unique visitors in 2017.

## Regional and Seasonal Spread

Tourism Ireland worked with tour operators, air and sea carriers, and air and sea ports, to foster the greater dispersal of visitors around the regions of Ireland and right throughout the year, highlighting the island of Ireland for shoulder and off-peaks breaks. Our year-round programme of festivals and events, car touring holidays, short holidays and city breaks was also promoted.

## Other Highlights

Other highlights during 2017 included successful sales missions to China, the UAE and India; as well as sales blitzes across the United States – in Washington DC, Atlanta, Boca Raton, Austin, Chicago, Boston, Dallas, San Diego and San Francisco. In January, Tourism Ireland launched its first national TV campaign in the United States in over seven years. The month-long campaign reached an estimated 255 million potential American holidaymakers, on TV channels which resonate with our important 'culturally curious' audience, including the History channel, Food Network, Discovery Channel, National Geographic and BBC America. In July, Tourism Ireland rolled out a special promotional campaign to leverage the tourism benefits of the Women's Rugby World Cup. Activity included a new video, highlighting the welcoming nature of the island of Ireland and its people; a specially created page on Ireland.com; as well as extensive social media activity and a major PR and publicity push to Tourism Ireland's 20,000 international media contacts. In Britain, we worked with Kodaline and with singer-songwriter dodie – creating two new videos in conjunction with Vevo (a popular music video and entertainment platform), to showcase Dublin and Belfast to 'social energisers' during the autumn months.

## Governance

The Board met eight times in 2017 and the meetings, which took place at various locations around the island, including Dublin, Belfast, Bushmills, Ardmore, Killarney and Donegal, offered the opportunity for Board members to engage with local industry representatives and experience the tourism offering, including the Seamus Heaney HomePlace in Bellaghy and the Waterford Greenway.

Matters considered by the Board during the year included the relocation of the Dublin office; approval of the draft statutory accounts for 2016; as well as the approval of the Business Plan 2018. Reviews of business performance were



ongoing, including an analysis of the return on Tourism Ireland's marketing investment. Presentations were made on marketing activity in Great Britain and Mainland Europe, as well as progress updates on the reviews of the German and US markets. Throughout 2017, reports were received from the Audit and Risk Assurance and Remuneration Committees on various matters including a review of senior management performance and satisfactory results arising from the internal audit programme.

## Acknowledgements

We are very grateful for the continuing support which Tourism Ireland has received from the administrations in both jurisdictions on the island and from our ministers, Simon Hamilton, Minister for the Economy, in Northern Ireland (until January 2017); from Shane Ross TD, Minister for Transport, Tourism and Sport, and Brendan Griffin TD, Minister of State for Tourism and Sport. Ministers were generous with their time in participating in various events, including a number of productive visits to markets overseas for key promotions during the year. We are grateful, too, to the officials of both departments, as well as to those of the North South Ministerial Council, whose ongoing support and counsel we appreciate.

We would also like to thank our partners in the tourism industry across the island, who have worked with us to bring the island of Ireland holiday experience to life for potential holidaymakers at promotions around the world. We pay tribute, too, to the members of the Central Marketing Partnership Group and to the members of the overseas Marketing Partnership Groups, as well as the members of the steering groups for the US and German reviews, who have given so freely of their time in working with us throughout 2017.

The co-operation of our colleagues in Fáilte Ireland and Tourism NI continues to be an invaluable support in all aspects of our work, as does the co-operation of the Irish Tourism Industry Confederation. The staff of Tourism Ireland have worked tirelessly, both at home and overseas, to project a positive image of the island of Ireland. We remain very proud of their loyalty, commitment, energy and innovation in working on behalf of our industry.

## Looking Forward

Building on the success of 2017 and sustaining growth into the future is at the heart of Tourism Ireland's strategy for 2018. Following seven consecutive years of growth in overseas tourism, our aim is to build on the record performance of 2017, to grow visitor numbers to 10.8 million (+2%); and to grow overseas tourism revenue by +5% in 2018, for the economies north and south. Our aim is to position the island of Ireland as a year-round, 'must visit' destination and to ensure that the contribution of overseas tourism to the economy continues to expand.

In 2018, we will continue to create 'stand out' for the island of Ireland, highlighting iconic experiences like the Wild Atlantic Way, the Causeway Coastal Route, Ireland's Ancient East and Titanic Belfast to consumers around the world. We will also showcase Belfast and Dublin, in particular for shoulder and off-peak travel. We will continue to take every opportunity to capitalise on the global popularity of *Star Wars* and *Game of Thrones* and their connections with Ireland and Northern Ireland. The release of *Star Wars: Episode VIII* in late 2017 – which features various locations along the western seaboard – presents Tourism Ireland with a truly unique opportunity to highlight the Wild Atlantic Way and Ireland in 2018.

Tourism Ireland will focus its investment on the basis of market potential and will continue to implement its market diversification strategy. We will continue to maximise holiday revenue through investment in Mainland Europe and North America. We will optimise investment in Australia and emerging markets of high potential, including China and India.

We will develop a new global advertising campaign, to continue to invigorate the presentation of the island of Ireland overseas, for roll-out in 2019 and beyond.

2018 presents a number of challenges – not least Brexit, which is likely to continue to impact consumer confidence and, in turn, on outbound travel from Great Britain to all destinations, including the island of Ireland. The recent decline in visitor numbers from Britain, coupled with other geopolitical challenges, means that, now more than ever, it is essential to invest in year-round marketing programmes, as well as in research, to understand consumers' travel intentions. The depreciation of sterling against the euro means that value for money will continue to be a key message for us in Britain. As our nearest neighbour and one of our top four markets for overseas tourism, Great Britain will remain a priority for us. Tourism Ireland will continue to work with its industry partners to highlight the ease of getting to the island of Ireland, as well as all the great things to see and do here.

Important factors working in our favour for 2018 include further new access developments; strong economies in key source markets like the United States and Mainland Europe; and the continuing strength of the Ireland 'brand' (or image) abroad. Other positives include Tourism Ireland's strength in digital and social media. Continued product investment enhances our offering overseas – particularly investment in experiences like the Wild Atlantic Way, Ireland's Ancient East and Titanic Belfast. Everyone at Tourism Ireland looks forward to working with our industry partners, at home and overseas, to build on the many opportunities that this exciting year has in store.

**Joan O'Shaughnessy**  
Chairman

**Niall Gibbons**  
Chief Executive



## TOURISM IRELAND BOARD



*Chairman*  
Joan O'Shaughnessy is the Special Advisor to Aramark and to its CEO. Joan has been a leader and

representative in the service industry for the past 38 years. She is a member of the American Chamber of Commerce, the Institute of Directors and Skål Ireland. Joan is also a Non-Executive Director of Bewley's Tea & Coffee Ltd. Until her retirement in June 2011, Joan was CEO of Aramark Ireland, a position she held for over 12 years. As CEO, Joan strengthened the organisation to become one of Ireland's largest American multi-national companies, employing more than 4,000 staff across 400 locations nationwide.



*Vice-Chairman*  
Christopher Brooke has been involved in the security industry for many years, ten of which were as a security advisor with the

Royal Office in Muscat, Sultanate of Oman. In 1990, he returned to Northern Ireland to develop Galgorm Castle Estate, which has been home to the Northern Ireland Open golf tournament since 2012. The estate currently attracts 230,000 visitors a year and also incorporates a garden centre, business parks and a conference and events facility. Christopher's other interests include the development of tourist accommodation and associated facilities on the Ashbrooke and Colebrooke estates. He is a Director of Saladin-Somalia Ltd (a company providing security in the Federal Republic of Somalia), a Deputy Lieutenant for County Antrim and a member of the RNLI Council for Ireland.



Trevor Clarke is a hospitality management graduate from the University of Ulster. He has worked in the hospitality industry for 25

years, 20 of which have been spent in a number of roles at the Magherabuoy Hotel in Portrush, most recently as a partner-operator. Trevor was a member of the Portrush Regeneration Group from 2010 until 2014, when he was elected to the Causeway Coast and Glens Borough Council. He takes a keen interest in the council's role in tourism development on the Causeway Coast and the industry's potential to drive regeneration, economic growth and prosperity. Trevor is a member of Coleraine's Harbour Commission and is a representative on The Honourable The Irish Society's local advisory committee.







Harry Connolly is the Executive Director of Fáilte Feirste Thiar, a local tourism development agency tasked with developing West

Belfast's tourism offering and building sustainable tourism infrastructure. Before working in tourism development, Harry worked for a number of years in youth, sport and community development across the greater Belfast area. He is the former Vice Chairperson of the West Belfast District Policing & Community Safety Partnership (DPCSP). Harry is currently a Director of Visit Belfast, the public/private body tasked with marketing Belfast as a tourism destination. Harry has been a board member of Féile an Phobail, Ireland's largest community arts festival, for a number of years and is currently its Treasurer. Under Harry's leadership, West Belfast tourism has become known as a model of effective practice, in terms of developing tourism models which encourage job creation and sustainability at a local level, ensuring local citizens benefit from an increase in tourism footfall.



Graham Keddie is the Managing Director of Belfast International Airport. He has been in the aviation industry for almost 30 years, in airline, airport

and ground handler roles. Graham has worked in 11 different countries in Asia, Africa, Europe and the Middle East. Prior to joining the aviation industry, Graham was a solicitor, admitted in Scotland. He is also a director of the Airport Operators Association.



John McGrillen is the Chief Executive of Tourism NI, Northern Ireland's tourism development authority. He was

appointed to the post in July 2015, following a lengthy career in economic development and local government. Prior to his appointment to Tourism NI, he was Director of Development at Belfast City Council, where he was responsible for economic development, regeneration and tourism within the city. From 1999 to 2010, he was Chief Executive at Down District Council. He began his career as an aerospace engineer before heading up IDB Northern Ireland's operations in Düsseldorf, Germany, and subsequently taking over as Chief Executive at NI-CO, an international development consultancy business based in Belfast.





## TOURISM IRELAND BOARD (continued)



David O'Brien was appointed Chief Commercial Officer of Ryanair in January 2014, having previously served as Director of Flight and

Ground Operations from December 2002. A graduate of the Irish Military College, David followed a military career with positions in the airport sector and agribusiness in the Middle East, Russia and Asia.



Michael O'Sullivan is a Chartered Environmentalist (CEnv) and a full member of the Institute of Environmental Management

Assessment (MIEMA). He holds qualifications in science, engineering and law and has worked as project director on major multidisciplinary conservation and infrastructural environmental management projects throughout Ireland over the past 30 years. Michael has provided environmental and planning advice for industry and government alike. He edited the first Environmental Impact Assessment handbook in Ireland in 1990.



Kathryn Thomson has been Chief Executive of National Museums NI since March 2016. Immediately prior to that, Kathryn spent 11

years as the Chief Operating Officer at Tourism NI. Kathryn holds a B.Com. (Hons) degree in Business Studies from the University of Edinburgh, completed her accountancy training at PwC and has a professional qualification as a chartered accountant with the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition, Kathryn holds a public appointment as a Director of the Strategic Investment Board and is a Non Executive Director for Visit Belfast. She is also a director and trustee on the board of two charities – the Simon Community (since October 2010) and Open House Festival (since December 2014).







Trevor White is the Director of the Little Museum of Dublin and City of a Thousand Welcomes. Born in 1972, he founded *The*

*Dubliner* magazine and edited Ireland's bestselling restaurant guide, *The Dubliner 100 Best Restaurants*, for many years.



Poulnadrone Dolmen, The Burren, Co Clare









# TOURISM IRELAND CLG REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2017

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## COMPANY INFORMATION

### Directors

Joan O'Shaughnessy (*Vice-Chairperson*)

Christopher Brooke (*Vice-Chairperson*)

Trevor Clarke

Harry Connolly

Graham Keddie

John McGrillen

David O'Brien

Michael O'Sullivan

Shaun Quinn  
(*resigned 31st March 2017*)

Kathryn Thomson

Trevor White

### Chief Executive

Niall Gibbons

### Secretary

Shane Clarke

### Registered Office

5th Floor  
Bishop's Square  
Redmond's Hill  
Dublin 2

### Business Addresses

5th Floor  
Bishop's Square  
Redmond's Hill  
Dublin 2  
  
Beresford House  
2 Beresford Road  
Coleraine  
BT52 1GE

### Auditors

Comptroller and Auditor General  
(Republic of Ireland)  
3A Mayor Street  
Dublin 1

### Principal Bankers

Allied Irish Banks plc  
37/38 Upper O'Connell Street  
Dublin 1

### Solicitors

Byrne Wallace  
88 Harcourt Street  
Dublin 2  
  
Tughans  
Marlborough House  
30 Victoria Street  
Belfast  
BT1 3GS



# REPORT OF THE DIRECTORS

for the year ended 31 December 2017

## Brief History and Statutory Background of the Company

Tourism Ireland CLG was formed by the Government of Ireland and the Northern Ireland Executive, under the auspices of the North/South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland and was incorporated on 11 December 2000 as a Company Limited by Guarantee not having a share capital. The company takes policy direction from the NSMC and maintains a close working relationship with its founder and current members, Fáilte Ireland (FI) and Tourism Northern Ireland (TNI). The principal objectives of the Company are to increase tourism to the island of Ireland and to support Northern Ireland in achieving its tourism potential. It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year Corporate and one year Operating Plans to guide its activities. The Company receives grants of money from both jurisdictions and these grants are disbursed through FI and TNI. A Board of Directors is appointed by the NSMC for a period of usually four years.

## Format of Financial Statements

The accounts have been prepared in a format determined by the Companies Act 2014 (Republic of Ireland). The base currency of the financial statements is Euro (€). The Euro results have been translated into Sterling (STG£) at the closing rate of STG£1 equals €1.12714 (2016: STG£1 equals €1.17055) for the Statement of Financial Position and at the yearly average rate of €1.14090 (2016: STG£1 equals €1.21920) for the Statement of Income and Expenditure.

## Books of Account

To ensure that proper books and accounting records are kept in accordance with Section 281 and 282 of the Companies Act 2014, the Directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the Company's office at Bishop's Square, Dublin.

## Principal Activities

The Company's principal activities are the design and implementation of marketing programmes in its key overseas markets for the purpose of promoting the tourism industry of the island of Ireland, in line with its objectives set out above.

## External Auditors

The financial statements are audited by the Comptroller and Auditor General in the Republic of Ireland. The Comptroller and Auditor General for Northern Ireland has full access to the working papers of the Comptroller and Auditor General in the Republic of Ireland, based on which a report may be laid before the Northern Ireland Assembly.

## Results

The surplus of income over expenditure for the year was €973,506 (STG £853,279).

## Corporate Governance

The Company is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC. It has a non-executive Board of Directors appointed by the NSMC and includes representatives of the Northern Ireland tourism industry, the tourism industry in the South, Tourism Northern Ireland and Fáilte Ireland. Directors are usually appointed for a four-year term. The current term of the appointees from the Southern jurisdiction expires in December 2019 and the current term of the appointees from the Northern jurisdiction expires in December 2021.

The Board agrees a schedule of meetings to be held in each calendar year. The Board Members receive full Board papers a week before each meeting; these papers include a finance report and reports from the Chief Executive and each of the Company's Divisional Directors. The Board members can, in furtherance of their duties, take independent professional advice as required, at the expense of the Company. All Board members have access to the advice and services of the Company Secretary.



## REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2017

There were 8 Board meetings during 2017 and the following table sets out the attendance:

	Number of meetings potentially able to attend	Number of meetings actually attended
Joan O'Shaughnessy (Chairperson)	8	8
Christopher Brooke (Vice-Chairperson)	8	7
Trevor Clarke	8	7
Harry Connolly	8	7
Graham Keddie	8	7
John McGrillen	8	8
David O'Brien	8	7
Michael O'Sullivan	8	6
Shaun Quinn	2	1
Kathryn Thomson	8	8
Trevor White	8	7

The Board also operates through a number of sub-committees as follows:

### Audit and Risk Assurance Committee

This sub-committee is comprised of 4 Directors who meet on a quarterly basis to review and discuss risk management and the internal control environment of the Company. They are informed by the Company's Risk Register which is used to set out a programme of work for the Internal Audit function, reporting directly to this committee. The internal and external auditors have full and unrestricted access to the committee.

The following table sets out the composition and attendance at the Audit and Risk Assurance Committee meetings during 2017:

	Number of meetings potentially able to attend	Number of meetings actually attended
David O'Brien (Chairperson)	4	4
Kathryn Thomson (Vice-Chairperson)	4	4
Harry Connolly	4	3
Michael O'Sullivan	4	2

### Remuneration Committee

This sub-committee consists of 4 Directors and meets to review the appropriateness of the Company's remuneration levels and other terms and conditions of employment of key executives.

The following table sets out the composition and attendance at Remuneration Committee meetings during 2017:

	Number of meetings potentially able to attend	Number of meetings actually attended
Christopher Brooke (Chairperson)	1	1
Joan O'Shaughnessy (Vice-Chairperson)	1	1
Graham Keddie	1	1
Trevor White	1	1

The Board accepts its responsibility for the Company's internal control and sets out its position in more detail in the Statement of Directors' Responsibilities and the Statement of Internal Financial Control.

### Post Statement of Financial Position Events

There have been no events subsequent to 31 December 2017 which necessitated amendment of the financial statements or separate disclosure therein.

### Research and Development

The Company did not engage in research and development activities during the period.

### Future Developments

The Directors expect that the development of the Company's activities will continue in accordance with plans.

### Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are the continued funding of its activities by the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland. While there is a reasonable expectation that the respective Governments will continue to fund the activities of the Company, the level of this funding is under constant review. There are no formal long-term funding agreements in place.

The consequences of BREXIT have the potential to substantially alter travel to both jurisdictions on the island of Ireland and travel within the island itself. Tourism Ireland is closely monitoring the situation, to both mitigate any adverse effects and to make best use of any opportunities arising.

## REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2017

Due to its widespread operations, the level of economic activity in the Company's key markets of Great Britain, the USA, France, Germany and the rest of the world generally, affects the propensity to travel. Any growth or contraction in these markets affects the whole tourism and travel industry and specifically, on the Company's ability to deliver the growth, both in tourist numbers and tourist spend, which the Company has been targeted to deliver to the island of Ireland. An event such as a major terrorist attack or outbreak of disease, which reduces international travel, would affect the Company's ability to deliver on its targets. In addition, any loss or disruption of air or sea access and unfavourable foreign exchange movements will have an impact on travel to the island of Ireland. The Board regularly monitors the above risks and appropriate actions are taken to mitigate those risks or address their potential adverse consequences to the extent reasonably practicable.

### Equality Legislation

The Board's policy is to comply fully with Equality Legislation in both jurisdictions. Recruitment is based on the ability of a candidate to perform the job. Full and fair consideration is given to applications for employment from all minority groups, including the disabled, where they have the appropriate skills and abilities to perform the job.

If disablement occurs during employment, the Board's policy is to make every effort to ensure the availability of adequate retraining, or if applicable, to help source alternative employment.

### Safety, Health and Welfare at Work

The policy of the Board is to ensure the continued safety, health and welfare of the employees at work by maintaining a safe and healthy work environment based on the provisions of Safety, Health and Welfare at Work Legislation in the jurisdictions in which it operates.

### Charitable Donations

Tourism Ireland CLG made no charitable donations during the period.

### Payment of Suppliers

Tourism Ireland CLG's policy is to pay all suppliers as promptly as is practicable and not to take any extra time in paying suppliers, other than that required to properly check and process the invoice. In 2017, the average time from receipt of a supplier invoice to payment was 19 days. During the year Tourism Ireland CLG did not pay any interest in respect of late payments. Further information on Tourism Ireland's payments to suppliers is available on Tourism Ireland's corporate website, [www.tourismireland.com](http://www.tourismireland.com).

### Employee Involvement

Tourism Ireland CLG implements its business strategy through its staff. In achieving business objectives, the involvement of staff in the planning and decision making process is key. Staff involvement is maximised through the combined use of appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

### Freedom of Information

The British-Irish Agreement Act 1999 provides that a Code of Practice on Freedom of Information be drawn up by the Irish and Northern Ireland Ministers with responsibility for freedom of information for the North/South Bodies and the approval by the NSMC. The Code, which was approved on 1 January 2006, is non-statutory and was drafted with regard to the Freedom of Information Acts, 1997 and 2003 in Ireland and the Freedom of Information Act, 2000 in the United Kingdom.

The Code facilitates public access to information held by the six North/South Implementation Bodies and Tourism Ireland CLG in a number of ways. It provides that each body should publish certain types of information relating to its functions, structures, organisation and services, together with a general description of the type of information held by that body. It sets out the process under which a member of the public can request information held by a body, the steps that a body must take in handling such a request and the time period within which a body should normally respond to a request. The Code also contains the facility for members of the public to obtain a statement of the reasons for an act of a body affecting the person.

The Annex to the Code sets out the categories of exempt information. If the information requested falls into a category listed in Part 1 of the Annex, the body is not obliged to release the information. If the information requested falls into a category listed in Part 2, the body must carry out a public interest test in deciding whether or not to release the information. The Code provides for an internal review mechanism of decisions taken by the body under the Code.

### Whistleblowing Policy and Procedures

Tourism Ireland CLG has a whistleblowing policy in place for several years with procedures published and shared with all employees. During 2017, no disclosures were received by Tourism Ireland.



## REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2017

### Corporate Social Responsibility

Leading companies are those that not only deliver superior performance and excellent customer service, but also consider ethical, social and environmental issues for all stakeholders. Tourism Ireland CLG recognises its wider obligations to its employees, society and the community it serves and believes there is a strong link between Corporate Social Responsibility and long-term success. Tourism Ireland CLG aspires to a set of values which recognises the interests of all stakeholders and the contributions they make. To this end, we adopt very high standards of integrity, corporate governance and environmental awareness. We recognise that being a good corporate citizen not only involves achieving our business aims but embraces a wider contribution to the interests of all our stakeholders.

Our stakeholders, both in the tourist industry and tourists themselves, are fundamental to the growth of the tourist business on the island of Ireland. International tourism is an intensely competitive market and if we do not offer the most attractive propositions, tourists will take their business elsewhere.

Tourism Ireland CLG does not adopt a 'one size fits all' approach to the service we provide, but aims to provide a comprehensive and flexible suite of marketing options to the tourist industry.

At a corporate level, we adopt the highest standards of compliance with regulatory requirements operating within the letter and the spirit of the regulations of both jurisdictions.

We aim to treat our suppliers with the same courtesy with which we treat our stakeholders.

Without talented, dedicated and motivated staff, Tourism Ireland CLG cannot aspire to provide the excellent level of service our stakeholders deserve. For this reason, staff recruitment, training and development are given the highest priority. Our people and agents, based in 22 locations in 18 countries, are the key to Tourism Ireland's success over the past 17 years.

Tourism Ireland CLG is fully committed to equal opportunities recruitment and employment. Our strategy is to recruit the best and provide them with comprehensive training and support to allow them to maximise their long-term potential.

### Directors' Register of Interests

The Directors' Register of Interests is maintained at the registered office of the Company. It is available to the public and may be accessed by contacting the Company Secretary.

On behalf of the Board



Joan O'Shaughnessy  
*Chairperson*

Trevor White  
*Director*

Date: 6 July 2018

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2017

Company law requires the Board of Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the surplus or deficit of the Company for that financial period. In preparing those financial statements, the Board of Directors is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 2014, as applicable to companies limited by guarantee and not having a share capital. It is responsible for ensuring that the business of the entity is conducted in a proper and regular manner and for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Trevor White  
Director

Date: 6 July 2018



# REMUNERATION REPORT

for the year ended 31 December 2017

The North/South Implementation Bodies Annual Reports and Accounts Guidance, issued jointly by the Department of Finance (DoF) in the North and the Department of Public Expenditure & Reform (DPER) in the South, requires the disclosure of the remuneration and pension entitlements of certain senior staff members. Based on legal advice that making these disclosures would be a breach of data protection legislation, Tourism Ireland has not made these disclosures.

Tourism Ireland is required to disclose the median remuneration of its staff. This is based on annualised, full time, equivalent remuneration of all staff as at 31st December 2017. It is also required to disclose the range of staff remuneration and the ratio between the median staff remuneration and the mid-point of the banded remuneration of the highest paid director.

The remuneration of the highest paid director in 2017 was €11,970 (£10,492) (2016: €9,830, £8,063). This was 0.22 times the median salary of the workforce which in 2017 was €53,326 (£46,740), (2016: €47,687, £39,113).

Total remuneration includes salary. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Key Management Team Remuneration

The Key Management Team consists of the Chief Executive Officer, the Director of Corporate Services/Company Secretary, the Director of Markets and the Director of Central Marketing. The total remuneration paid to the Key Management Team in 2017 amounted to €627,325 (£549,850).

## Remuneration Policy

Tourism Ireland's remuneration policy is to follow/closely align to Public Sector salaries/terms and conditions for staff based on the island of Ireland and to follow market conditions for staff based in overseas jurisdictions.

## Service Contracts

Senior management appointments are made in accordance with Tourism Ireland's recruitment and selection policy, which requires the appointment to be on the basis of suitability and competence. All staff will receive a contract of employment on appointment, which details their terms and conditions. Termination payments are in accordance with these terms and conditions. During 2017 there were no termination, compensation or severance payments made.

Pay Multiples	2017 €	2016 € €	2017 STG £	2016 STG £
Midpoint of band of the highest paid Director	11,970	9,830	10,492	8,063
Median remuneration of staff	53,326	47,687	46,740	39,113
Ratio	0.22	0.21	0.22	0.21
Range of staff remuneration	€16,482 to €170,940	€19,818 to €181,818	£14,447 to £149,829	£16,255 to £149,129

## STATEMENT ON INTERNAL CONTROL / GOVERNANCE STATEMENT for the year ended 31 December 2017

The Board acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Company.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Clearly defined rules to ensure that public procurement procedures have been followed;
- As appropriate, formal project management disciplines.

The above framework incorporates the terms of the Financial Memorandum by which Tourism Ireland is governed to ensure compliance therewith.

Tourism Ireland CLG has an internal audit function in place, whose programme of work is influenced by analysis of the risk to which the Company is exposed. An internal audit plan has been prepared based on this analysis. This analysis of risk is reviewed during the year and is endorsed by the Company's Audit and Risk Assurance Committee. The internal audit programme of works includes performance of detailed audit work, provision of a report on the internal audit activity in the Company on a regular basis to the Audit and Risk Assurance Committee and an independent opinion on the adequacy and effectiveness of the Company's system of internal financial control. Areas covered by internal audit in their 2017 work programme included reviews of the New York Market Office, Payroll and Pension Processes, Internal Financial Controls; Ordering, Procurement and Payables and IT Security and Change Management Review.

The effectiveness of the system of internal financial control is assessed by the Board on the basis of work carried out by the executive managers within the Company who have responsibility for the development and maintenance of the financial control framework. In conducting their review, the Board takes account of the management letter and other reports of the external auditor.

In February 2018, the effectiveness of the system of internal financial controls was reviewed by the Board and the Board concluded that these controls were operating effectively and satisfactorily.

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Niall Gibbons  
CEO

Date: 6 July 2018



# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Report for presentation to the Houses of the Oireachtas  
for the year ended 31 December 2017

## Tourism Ireland

### Opinion on financial statements

I have audited the financial statements of Tourism Ireland for the year ended 31 December 2017 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Tourism Ireland at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 – *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

### Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors, and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

### Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

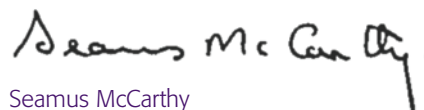
In my opinion, the accounting records of Tourism Ireland were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

### Report on information other than the financial statements, and on other matters

The directors have presented certain other information with the financial statements. This comprises the annual report including the report of the directors, the remuneration report and the statement on the system of internal control/governance statement. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Seamus McCarthy  
Comptroller and Auditor General

Date: 13 July 2018

# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

## APPENDIX TO THE REPORT

### Responsibilities of the Directors

The governance statement and directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of Tourism Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

- I identify and assess the risks of material misstatement of the financial statements 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 my 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.
- I 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.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I 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 Tourism Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.



## STATEMENT OF INCOME AND EXPENDITURE

for the year ended 31 December 2017

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
Total Income	2	64,720	65,532	56,727	53,750
Less Expenditure	3	(63,270)	(64,826)	(55,456)	(53,171)
Transfer from Government Grant Reserve		(476)	102	(418)	84
<b>Surplus of income over expenditure</b>		<b>974</b>	<b>808</b>	<b>853</b>	<b>663</b>

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
Surplus of income over expenditure		974	808	853	663
Actuarial (loss)/gain on pension liabilities	14d	7,411	(9,077)	6,575	(7,754)
Adjustment to deferred pension funding		(7,411)	9,077	(6,575)	7,754
<b>Total recognised gain/(loss) for the year</b>		<b>974</b>	<b>808</b>	<b>853</b>	<b>663</b>

All income and expenditure for the year relates to continuing activities at the balance sheet date.

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Trevor White  
Director

Date: 6 July 2018

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
<b>Fixed Assets</b>					
Intangible	7	-	122	-	104
Property, plant and equipment	8	730	132	648	113
		730	254	648	217
<b>Current Assets</b>					
Receivables	9	4,664	3,128	4,138	2,672
Cash and cash equivalents		7,960	5,750	7,062	4,912
		12,624	8,878	11,200	7,584
<b>Current Liabilities (Amounts falling due within one year)</b>					
Payables	10	(10,442)	(7,670)	(9,264)	(6,552)
<b>Net Current Assets</b>		<b>2,182</b>	<b>1,208</b>	<b>1,936</b>	<b>1,032</b>
<b>Retirement Benefits</b>					
Deferred pension funding	14f	60,619	64,899	53,781	55,443
Pension Liabilities	14c	(60,619)	(64,899)	(53,781)	(55,443)
		-	-	-	-
<b>Total Net Assets</b>		<b>2,912</b>	<b>1,462</b>	<b>2,584</b>	<b>1,249</b>
<b>Represented by</b>					
Income and Expenditure Account		2,182	1,208	1,936	1,032
Government Grant Reserve		730	254	648	217
		2,912	1,462	2,584	1,249

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Trevor White  
Director

Date: 6 July 2018



## STATEMENT OF CHANGES IN EQUITY

as at 31 December 2017

### Income and Expenditure Account Reserve

	2017	2016	2017	2016
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
<b>Balance at 1 January</b>	1,208	400	1,032	295
Surplus/(Deficit) for year	974	808	853	663
Actuarial (Loss)/Gain	7,411	(9,077)	6,575	(7,754)
Deferred Pension Funding	(7,411)	9,077	(6,575)	7,754
Exchange Gain/(Loss)	-	-	51	74
<b>Balance at 31 December</b>	<b>2,182</b>	<b>1,208</b>	<b>1,936</b>	<b>1,032</b>

### Government Grant Reserve

	2017	2016	2017	2016
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
<b>Balance at 1 January</b>	254	356	217	263
Grants used to purchase property, plant and equipment	687	90	602	74
Amortisation in line with asset depreciation	(209)	(192)	(183)	(158)
Amount released on disposal of property, plant and equipment	(2)	-	(1)	-
Exchange Gain/(Loss)	-	-	13	38
<b>Balance at 31 December</b>	<b>730</b>	<b>254</b>	<b>648</b>	<b>217</b>
<b>Total Equity at Year End</b>	<b>2,912</b>	<b>1,462</b>	<b>2,584</b>	<b>1,249</b>

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Trevor White  
Director

Date: 6 July 2018

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
Net cash generated from operating activities	12	2,897	968	2,752	1,393
<b>Cash flows from investing activities:</b>					
Payments to acquire property, plant and equipment		(687)	(90)	(602)	(74)
Net increase/(decrease) in cash and cash equivalents	13	2,210	878	2,150	1,319
Cash and cash equivalents at the beginning of the year		5,750	4,872	4,912	3,593
Cash and cash equivalents at the end of the year		7,960	5,750	7,062	4,912

On behalf of the Board



Joan O'Shaughnessy  
Chairperson

Trevor White  
Director

Date: 6 July 2018



# STATEMENT OF ACCOUNTING POLICIES

as at 31 December 2017

The significant accounting policies adopted by the Company are as follows:

## Accounting Policies

The basis of preparation and significant accounting policies adopted by Tourism Ireland CLG are set out below. They have been applied consistently throughout the year and for the preceding year.

## Statement of Compliance

The financial statements of Tourism Ireland CLG for the year ended 31 December 2017 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland and, except where indicated, are in compliance with the requirements of the North/South Implementation Bodies Annual Reports and Accounts Guidance issued by the Department of Finance and the Department of Public Expenditure and Reform.

## Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The following accounting policies have been applied consistently in dealing with items considered material in relation to Tourism Ireland CLG financial statements.

## Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

### *a) Depreciation and Residual Values*

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

### *b) Retirement Benefit Obligation*

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high quality corporate bonds
- (ii) future compensation levels, future labour market conditions

## Income

Income is accounted for on a receivable basis. All grant income is credited to the Statement of Income and Expenditure in the accounting period in which it is claimed from the funding bodies.

## Expenditure

VAT and local sales taxes are absorbed by the Company with a limited recovery system agreed with the Revenue Authorities. All advertising and promotional expenditure, including costs incurred on the production of publications items for which no revenue is obtained, is charged to the Statement of Income and Expenditure in the financial period in which it is incurred.

## Receivables

Trade Debtors are stated after providing for specific bad and doubtful debts.

## Intangible Fixed Assets

Finite life intangible assets are amortised over the period of their expected useful lives by charging equal annual instalments to the Statement of Income and Expenditure. The useful life used to amortise finite intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which the economic benefit will be derived from the asset.

## Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, on the straight line basis. Computer software that is either purchased or developed in-house is normally written off in the year of purchase unless it can be proven to have a re-sale value.

# STATEMENT OF ACCOUNTING POLICIES (continued)

as at 31 December 2017

## Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at standard rates fixed for the year for each currency with gains and losses realised at the time of payment. Realised gains and losses are taken to the Statement of Income and Expenditure.

Translated amounts have been disclosed in the Statement of Income and Expenditure, Statement of Cash Flows, Statement of Financial Position and related notes in Euro (€) with summary amounts given in Sterling (STG£).

## Retirement Benefits

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland CLG with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis. The scheme is administered by an external administrator. Funding from the Irish Government is provided by the Department of Transport, Tourism and Sport and funding from the Northern Ireland Executive is provided by the Department for the Economy (formerly the Department of Enterprise, Trade and Investment) to Tourism Ireland, which then funds the administrator.

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 or losses arising from changes to actuarial assumptions and from experience surpluses and deficits are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Northern Ireland Executive and the Irish Government.

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 Northern Ireland Executive and the Irish Government, in the manner described above.

The Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at the year end, together with a corresponding asset.

In accordance with accounting practice for non-commercial State bodies in the Republic of Ireland, Tourism 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, Tourism Ireland has no evidence that this funding policy will not continue in the future.

Contributions are made to a number of personal pension schemes operated by staff who are not members of a defined benefit scheme. Payments made under each scheme are included in the Statement of Income and Expenditure in the year to which they relate.

## Leased Assets

Assets acquired under finance leases are capitalised as fixed assets and depreciated in accordance with normal Company policy. The corresponding liability is recorded as a payable and the interest element of the finance lease payment is charged to the Statement of Income and on an annuity basis. Operating lease rentals are charged to the Statement of Income and Expenditure on a straight-line basis over the lease term.

## Government Grant Reserve

The Government Grant Reserve represents the unamortised value of grant income used for capital purposes.



## NOTES TO THE FINANCIAL STATEMENTS

for year ended 31 December 2017

### 1. Format of Financial Statements

Euro results have been translated into Sterling at the year-end closing rate of €1.12714 (2016: €1.17055) for the Statement of Financial Position and the average yearly rate of €1.14090 (2016: €1.21920) for the Statement of Income and Expenditure.

### 2. Total Income

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
Fáilte Ireland		45,183	43,899	39,603	36,006
Tourism Northern Ireland		13,891	17,311	12,175	14,199
Trade Income		2,359	1,288	2,068	1,056
Sundry Income		156	151	137	124
Net deferred funding for pensions	14e	3,131	2,883	2,744	2,365
		<b>64,720</b>	<b>65,532</b>	<b>56,727</b>	<b>53,750</b>

Income is receivable from Fáilte Ireland and Tourism Northern Ireland in accordance with funding provisions set out in the Financial Memorandum. The amount actually received in Sterling from Tourism Northern Ireland was £12.085m (2016: £12.118m).

Income from Fáilte Ireland includes €4.326m: £3.792m (2016: €4.363m: £3.578m) for Product Marketing, Dublin Campaigns (global campaign to promote Dublin off season) and Regional Access (to promote access to regions outside of Dublin and Northern Ireland).

### 3. Expenditure

	Notes	2017 € (000's)	2016 € (000's)	2017 STG £ (000's)	2016 STG £ (000's)
Marketing Programmes		38,381	39,137	33,641	32,101
Overseas General Sales Agents		590	652	517	534
Employees and Remuneration	5	15,954	16,138	13,984	13,237
Office and Administration costs		6,646	7,209	5,825	5,913
Travel and Subsistence		1,230	1,191	1,078	976
Legal and professional		392	407	344	334
Directors' remuneration	6	76	91	66	75
Bad Debts		1	1	1	1
		<b>63,270</b>	<b>64,826</b>	<b>55,456</b>	<b>53,171</b>

Marketing programmes include €4.330m: £3.796m (2016: €4.363m: £3.578m) spent on Product Marketing, Dublin Campaigns (global campaign to promote Dublin off season) and Regional Access (to promote access to regions outside of Dublin and Northern Ireland).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 2017 Geographic Analysis of Expenditure

		Central	Great Britain	Europe	Rest of the World	North America	Total
	Notes	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Marketing Programmes		5,365	7,090	11,767	1,961	12,198	38,381
Overseas General Sales Agents		-	-	108	482	-	590
Employees and Remuneration	5	8,341	1,120	3,422	567	2,504	15,954
Office and Admin costs		3,729	680	839	326	1,072	6,646
Travel and Subsistence		336	136	264	185	309	1,230
Legal and professional		205	-	59	26	102	392
Directors' remuneration	6	76	-	-	-	-	76
Bad Debts		1	-	-	-	-	1
		<b>18,053</b>	<b>9,026</b>	<b>16,459</b>	<b>3,547</b>	<b>16,185</b>	<b>63,270</b>

		Central	Great Britain	Europe	Rest of the World	North America	Total
	Notes	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)
Marketing Programmes		4,702	6,214	10,314	1,719	10,692	33,641
Overseas General Sales Agents		-	-	95	422	-	517
Employees and Remuneration	5	7,311	982	2,999	497	2,195	13,984
Office and Admin costs		3,268	596	735	286	940	5,825
Travel and Subsistence		295	119	232	162	270	1,078
Legal and professional		180	-	52	23	89	344
Directors' remuneration	6	66	-	-	-	-	66
Bad Debts		1	-	-	-	-	1
		<b>15,823</b>	<b>7,911</b>	<b>14,427</b>	<b>3,109</b>	<b>14,186</b>	<b>55,456</b>

Central Marketing programmes comprise of Tourism Ireland's customer contact centre, e-marketing unit, advertising production and the costs of the production and distribution of sundry marketing materials.

### 4. Surplus/(Deficit) of Income over Expenditure

This is stated after charging:		2017	2016	2017	2016
	Notes	€ (000's)	€ (000's)	STG £ (000's)	STG £ (000's)
Amortisation of intangible assets	7	122	121	107	100
Depreciation of property, plant and equipment	8	87	71	76	58
Hospitality		39	33	34	26
Auditors' remuneration		16	24	14	20
Directors' remuneration	6	76	91	66	75
Operating lease rentals – Land & Buildings		2,249	2,237	1,971	1,835
Operating lease rentals – Other		8	12	7	10



## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 5. Employees and Remuneration

		2017	2016	2017	2016
	Notes	€ (000's)	€ (000's)	STG £ (000's)	STG £ (000's)
Wages and salaries		9,553	9,865	8,373	8,091
Social welfare costs		1,251	1,234	1,097	1,012
Student placement programmes		680	725	596	595
Company contribution to private pensions	14h	49	39	43	32
Current pension service costs	14e	4,105	3,997	3,598	3,278
Other payroll costs		316	278	277	229
		<b>15,954</b>	<b>16,138</b>	<b>13,984</b>	<b>13,237</b>

The average number of people employed during the year was 148 (2016: 147).

During the year, €161,288 (£144,369) of pension related deductions, under the Financial Emergency Measures in the Public Interest Act, 2009, as amended, were deducted and paid over to the Department of Transport, Tourism and Sport.

The current Chief Executive was re-appointed by the North South Ministerial Council on 10 June 2014 and his contract is for a period of 5 years. His salary in 2017 was €154,611 (£135,517) (2016 €151,819 (£124,523)), he is a member of the Company's pension scheme, no bonus is payable and his salary has been amended in accordance with the Financial Emergency Measures in the Public Interest Act 2009. The salary is also subject to a Public Service Pension Levy of 9.0% and a new Core Scheme pension contribution of 7.35%.

#### Employee benefits breakdown\*

	Number of employees 2017	Number of employees 2016
€60,001- €70,000	15	17
€70,001- €80,000	13	13
€80,001- €90,000	12	12
€90,001- €100,000	6	7
€100,001- €110,000	4	4
€110,001- €120,000	3	2
€120,001- €130,000	2	1
€130,001- €140,000	1	1
€140,001- €150,000	1	2
€150,001- €160,000	2	2
€160,001- €170,000	0	2
€170,001- €180,000	1	0
€180,001- €190,000	0	1

\* A breakdown of total employee remuneration (including salaries and other benefits) over €60,000, in increments of €10,000, is required under DPER circular 13/2014.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 6. Directors' Remuneration and Expenses

Emoluments:	2017	2016	2017	2016
	€	€	STG £	STG £
Ms Joan O'Shaughnessy (Chairperson)	11,970	9,830	10,492	8,063
Mr Chris Brooke (Vice – Chairperson)	9,830	-	8,616	-
Mr Brian Ambrose	-	11,970	-	9,818
Ms Ciara Burke	-	7,695	-	6,312
Mr Trevor Clarke	7,695	-	6,745	-
Mr Harry Connolly	7,695	-	6,745	-
Mr Howard Hastings	-	7,695	-	6,312
Mr Stephen Kavanagh	-	7,695	-	6,312
Mr Graham Keddie	7,695	-	6,745	-
Mr David Lyle	-	7,695	-	6,312
Mr David O'Brien	7,695	7,695	6,745	6,312
Mr Michael O'Sullivan	7,695	7,695	6,745	6,312
Mr Derek Reaney	-	7,695	-	6,312
Mr David Rodway	-	7,695	-	6,312
Ms Kathryn Thomson	7,695	-	6,745	-
Mr Trevor White	7,695	7,695	6,745	6,312
<b>For services as Directors</b>	<b>75,665</b>	<b>91,055</b>	<b>66,323</b>	<b>74,689</b>

Four of the Directors, Mr David O'Brien, Mr Stephen Kavanagh, Mr Graham Keddie and Ms Kathryn Thomson, have instructed Tourism Ireland CLG to pay their remuneration to charities, Festina Lente Enterprises, Charity No. CHY16821, Childvision, Charity No. CHY817, Goliath Trust Limited (Pending charitable status) and The National Museum of Northern Ireland Charity No. NIC103729 respectively. Accordingly, whilst Mr O'Brien's, Mr Kavanagh's, Mr Keddie's and Ms Thomson's remuneration is included in the above table, none of the remuneration was actually received by them.

No other Director received any remuneration and the Directors are not entitled to any other emolument, benefit or pension and are not entitled to compensation upon loss of office. None of the Directors received an incentive to take up office.

Board Members expenses are broken down as follows:

	2017	2016	2017	2016
	€	€	STG £	STG £
Mileage	3,044	4,498	2,497	3,689
Accommodation and Subsistence	1,426	2,491	1,170	2,044
Other Travel expenses	2,519	4,468	2,066	3,664
<b>Total</b>	<b>6,989</b>	<b>11,457</b>	<b>5,733</b>	<b>9,397</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 7. Intangible Fixed Asset

This asset relates to the purchase of the domain name "Ireland.com" from The Irish Times in late 2012.

	Domain Name € (000's)
<b>Cost</b>	
At 1 January 2017	609
Additions	-
Disposals	-
At 31 December 2017	<b>609</b>
<b>Amortisation</b>	
At 1 January 2017	487
Charge for Year	122
Disposals	-
At 31 December 2017	<b>609</b>
	€ (000's)
<b>Net Book Value</b>	
At 31 December 2017	-
At 31 December 2016	<b>122</b>

	Domain Name STG £ (000's)
<b>Cost</b>	
At 1 January 2017	520
Exchange Adjustment	20
Additions	-
Disposals	-
At 31 December 2017	<b>540</b>
<b>Amortisation</b>	
At 1 January 2017	416
Exchange Adjustment	17
Charge for Year	107
Disposals	-
At 31 December 2017	<b>540</b>
	STG £ (000's)
<b>Net Book Value</b>	
At 31 December 2017	-
At 31 December 2016	<b>104</b>

The estimated useful life of intangible fixed assets, by reference to which amortisation is calculated, is as follows:

Domain Names    5 years

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 8. Property, Plant and Equipment

	Computer Equipment	Fixtures & Fittings	Leasehold Property	Assets under Construction	Total
	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
<b>Cost</b>					
At 1 January 2017	1,334	920	2,381	-	4,635
Additions	419	28	-	240	687
Disposals	(75)	(36)	-	-	(111)
<b>At 31 December 2017</b>	<b>1,678</b>	<b>912</b>	<b>2,381</b>	<b>240</b>	<b>5,211</b>
<b>Depreciation</b>					
At 1 January 2017	1,229	893	2,381	-	4,503
Charge for Year	76	11	-	-	87
Disposals	(75)	(34)	-	-	(109)
<b>At 31 December 2017</b>	<b>1,230</b>	<b>870</b>	<b>2,381</b>	<b>-</b>	<b>4,481</b>
<b>Net Book Value</b>	<b>€ (000's)</b>	<b>€ (000's)</b>	<b>€ (000's)</b>	<b>€ (000's)</b>	<b>€ (000's)</b>
<b>At 31 December 2017</b>	<b>448</b>	<b>42</b>	<b>-</b>	<b>240</b>	<b>730</b>
<b>At 31 December 2016</b>	<b>105</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>132</b>

	Computer Equipment	Fixtures & Fittings	Leasehold Property	Assets under Construction	Total
	STG € (000's)	STG € (000's)	STG € (000's)	STG € (000's)	STG € (000's)
<b>Cost</b>					
At 1 January 2017	1,138	787	2,035	-	3,960
Exchange Adjustment	49	31	79	3	162
Additions	367	25	-	210	602
Disposals	(66)	(32)	-	-	(98)
<b>At 31 December 2017</b>	<b>1,488</b>	<b>811</b>	<b>2,114</b>	<b>213</b>	<b>4,626</b>
<b>Depreciation</b>					
At 1 January 2017	1,049	763	2,035	-	3,847
Exchange Adjustment	42	30	79	-	151
Charge for Year	67	9	-	-	76
Disposals	(66)	(30)	-	-	(96)
<b>At 31 December 2017</b>	<b>1,092</b>	<b>772</b>	<b>2,114</b>	<b>-</b>	<b>3,978</b>
<b>Net Book Value</b>	<b>STG € (000's)</b>	<b>STG € (000's)</b>	<b>STG € (000's)</b>	<b>STG € (000's)</b>	<b>STG € (000's)</b>
<b>At 31 December 2017</b>	<b>396</b>	<b>39</b>	<b>-</b>	<b>213</b>	<b>648</b>
<b>At 31 December 2016</b>	<b>89</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>113</b>

The estimated useful lives of property, plant and equipment by reference to which depreciation is calculated, are as follows:

Computer Equipment	3 years	Fixtures & Fittings	8 years
Leasehold Property	8 years	Assets under Construction	No Depreciation

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 9. Receivables

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Trade debtors	278	101	247	87
Fáilte Ireland	3,317	1,772	2,943	1,514
Tourism Northern Ireland	20	2	17	1
Sundry debtors and prepayments	1,049	1,253	931	1,070
	<b>4,664</b>	<b>3,128</b>	<b>4,138</b>	<b>2,672</b>

### 10. Payables

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
<b>Amounts falling due within one year</b>				
Trade and sundry creditors	8,600	6,462	7,630	5,520
Trade income received in advance	17	23	15	20
Pay related tax costs and deductions	325	209	289	178
Pension costs	12	10	10	9
VAT	152	115	135	98
Accruals	1,336	851	1,185	727
	<b>10,442</b>	<b>7,670</b>	<b>9,264</b>	<b>6,552</b>

### 11. Operating Leases

At 31 December 2017 the Company had commitments under operating leases as follows:

	Premises	Other Operating Leases	Total	Premises	Other Operating Leases	Total
	€	€	€	STG €	STG €	STG €
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Within 1 year	2,117	2	2,119	1,878	2	1,880
Between 2 and 5 years	4,693	-	4,693	4,164	-	4,164
More than 5 years	8,594	-	8,594	7,625	-	7,625
	<b>15,404</b>	<b>2</b>	<b>15,406</b>	<b>13,667</b>	<b>2</b>	<b>13,669</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 11. Operating Leases (continued)

The rent payable in respect of leased premises is broken down as follows:

Location	Expiry Date	Break Clause	2017 Rent Payable € (000's)	2016 Rent Payable € (000's)	2017 Rent Payable STG £ (000's)	2016 Rent Payable STG £ (000's)
<b>Head offices</b>						
Dublin (1)	2037		609	609	534	500
Coleraine	2023	-	44	50	39	41
<b>Overseas offices</b>						
Amsterdam	2021	-	66	66	58	54
Brussels	2018	-	36	33	32	27
Copenhagen	2020	-	54	53	47	44
Dubai	2018	-	94	81	82	66
Frankfurt	2022	-	70	70	61	57
Glasgow (2)	Rolling	-	18	23	16	19
London (4)	2025	2020	259	304	227	249
Madrid (1) (2)	Rolling	-	44	44	39	36
Milan (2)	Rolling	-	45	46	39	38
New York (1)	2019	-	623	595	546	488
Paris	2018	-	143	143	125	117
Shanghai (3)	2018	-	26	16	23	13
Sydney	2022	-	65	53	57	44
Toronto	2023	-	53	51	46	42
<b>Total cost for year</b>			<b>2,249</b>	<b>2,237</b>	<b>1,971</b>	<b>1,835</b>

Notes:

(1) Shared accommodation with another state agency or Government body.

(2) Premises currently occupied on a rolling basis with no fixed term.

(3) In accordance with FRS102, lease incentives are spread over the remaining lease period.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 12. Reconciliation of the Surplus/(Deficit) of income over expenditure to net cash generated from operating activities

	2017	2016	2017	2016
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
<b>(Deficit)/Surplus for the Year</b>	<b>974</b>	<b>808</b>	<b>853</b>	<b>663</b>
Amortisation of intangible fixed assets	122	121	107	100
Depreciation of property, plant and equipment	87	71	76	58
Transfer (to)/from Government Grant Reserve	476	(102)	418	(84)
Loss on disposal of property, plant and equipment	2	-	1	-
(Increase)/Decrease in receivables	(1,536)	(907)	(1,466)	(1,034)
Increase/(Decrease) in payables	2,772	977	2,712	1,616
Revaluation of opening balance	-	-	40	47
Revaluation to closing balance	-	-	11	27
<b>Net cash generated from operating activities</b>	<b>2,897</b>	<b>968</b>	<b>2,752</b>	<b>1,393</b>

### 13. Reconciliation of net cash inflow/(outflow) to movement in cash and cash equivalents

	2017	2016	2017	2016
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Cash and cash equivalents at 1 January	5,750	4,872	4,912	3,593
Net Cash inflow/(outflow)	2,210	878	2,150	1,319
<b>Cash and cash equivalents at 31 December</b>	<b>7,960</b>	<b>5,750</b>	<b>7,062</b>	<b>4,912</b>
Net cash inflow/(outflow) from operating activities	2,897	968	2,752	1,393
Net cash (outflow) from non-operating activities	(687)	(90)	(602)	(74)
<b>Net cash inflow/(outflow)</b>	<b>2,210</b>	<b>878</b>	<b>2,150</b>	<b>1,319</b>

### 14. Pensions

#### a) Background

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland CLG with effect from 29 April 2005.

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

Reserved Rights sections – these are a number of sections of the scheme that are modelled on the Irish public service pension schemes that employees of the North/South Bodies were members of at the point they were designated and transferred at the formation of the Bodies. These schemes are final salary pension arrangements with benefits the same as the relevant Irish public sector scheme e.g. Superannuation Scheme for Established Civil Servants. These schemes provide a pension (for non-integrated members eightieths per year of service but for integrated members two-hundredths per year of service on salary up to 3.333 times the Old Age Contributory State Pension and eightieths per year of service on salary above 3.333 times the Old Age Contributory State Pension), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday (or 65th in the Non-Contributory Pension Scheme for Non-Established State Employees). Pensions in payment (and deferment) generally increase in line with general public sector salary inflation. The applicable Reserved Rights Scheme for Tourism Ireland CLG is the Bord Fáilte Eireann Superannuation Scheme.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the Core alpha section.

In addition Tourism Ireland makes contributions to a number of personal schemes operated by its employees.

### *b) Accounting Treatment*

FRS102 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 costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

The effect of FRS102 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 Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at 31 December 2017 together with a corresponding asset.

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

The principal actuarial assumptions used to calculate scheme liabilities under FRS102 are:

	2017	2016
Discount rate (South)	2.10%	1.90%
Discount rate (North)	2.50%	2.70%
Inflation rate (South)	1.65%	1.50%
Inflation rate (North)	2.10%	2.30%
Rate of increase in salaries (South)	3.00%	3.00%
Rate of increase in salaries (North)	2.10%	2.30%
Rate of increase for pensions (South)	1.65 or 3.00%	1.50 or 3.00%
Rate of increase for pensions (North)	2.10%	2.30%
Average expected future life at age 65 for		
Male currently aged 65	22.1	22.2
Female currently aged 65	23.9	24.2
Male currently aged 45	23.5	23.9
Female currently aged 45	25.4	26.1



## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 14. Pensions (continued)

#### c) Movement in Net Pension Liability during the financial year

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Retirement Benefit Obligation at the beginning of the year	(64,899)	(52,937)	(55,443)	(39,041)
Exchange differences	-	-	(2,169)	(6,282)
Benefits paid during the year	974	1,114	854	914
Current service cost	(2,764)	(2,351)	(2,423)	(1,928)
Net Transfers (in)/out of the scheme	-	(2)	-	(2)
Other finance income/(charge)	(1,341)	(1,646)	(1,175)	(1,350)
Actuarial (loss)/gain	7,411	(9,077)	6,575	(7,754)
Retirement Benefit Obligation at the end of the year	(60,619)	(64,899)	(53,781)	(55,443)

#### d) Analysis of the Actuarial gain/(loss) in the Plan during the period is as follows:

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Experience (loss)/gain	2,938	(4,700)	2,607	(4,015)
Gain/(loss) on currency movements	1,150	4,256	1,020	3,636
(Loss)gain on change of financial assumptions	3,323	(8,633)	2,948	(7,375)
Actuarial (loss)/gain	7,411	(9,077)	6,575	(7,754)

#### e) Statement of Income and Expenditure analysis for the financial year

Analysis of the net deferred funding for pensions is as follows:

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Current service cost	2,764	2,351	2,423	1,928
Other finance cost	1,341	1,646	1,175	1,350
Benefits paid during the year	(974)	(1,114)	(854)	(914)
	3,131	2,883	2,744	2,364

Analysis of the current pension service costs is as follows:

	2017	2016	2017	2016
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Current service cost	2,764	2,351	2,423	1,928
Other finance cost	1,341	1,646	1,175	1,350
	4,105	3,997	3,598	3,278

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2017

### 14. Pensions (continued)

#### f) Deferred Funding Asset for Pensions

	2017	2016	2017	2016
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Opening Balance at 1 January	64,899	52,937	55,443	39,041
Increased/(Decrease) in Deferred Funding of Pension Asset	(4,280)	11,962	(1,662)	16,402
<b>Closing Balance at 31 December</b>	<b>60,619</b>	<b>64,899</b>	<b>53,781</b>	<b>55,443</b>

#### g) History of Defined Benefit Liabilities

	2017	2016	2015	2014	2013
	€	€	€	€	€
	(000's)	(000's)	(000's)	(000's)	(000's)
(Deficit) as at 31 December	(60,619)	(64,899)	(52,937)	(58,100)	(47,746)
Experience (loss)/gain	2,938	(4,700)	(608)	372	3,119
Percentage of Scheme Liabilities	4.8%	(7.2%)	(1.2%)	0.6%	6.5%

	2017	2016	2015	2014	2013
	STG £	STG £	STG £	STG £	STG £
	(000's)	(000's)	(000's)	(000's)	(000's)
(Deficit) as at 31 December	(53,781)	(55,443)	(39,041)	(45,115)	(39,691)
Experience (loss)/gain	2,607	(4,015)	(457)	289	2,593
Percentage of Scheme Liabilities	4.8%	(7.2%)	(1.2%)	0.6%	6.5%

#### h) Private Pension Schemes

In circumstances where staff are unable to avail of the scheme, they may set up a personal defined contribution scheme, to which the Company will make a contribution. There are 49 staff members in such schemes.

### 15. Capital Commitments

The company had committed expenditure of €0.8m (£0.7m) at 31 December 2017 (2016- Nil) in respect of the fit out costs of its new Head Office premises.

### 16. Other Commitments

The Company had committed to marketing expenditure of €7.3m (£6.2m) at 31 December 2017 (2016 - €5.9m: £5.1m).

### 17. Grant Payment Commitments

There were no grant payment commitments at 31 December 2017 (2016 - Nil).

### 18. Contingent Liabilities

Tourism Ireland is involved in a small number of legal cases, the outcomes of which are difficult to estimate. No provision has been made in respect of these cases. (2016 - Nil).

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

for year ended 31 December 2017

### **19. Related Party Transactions**

Tourism Ireland CLG is a Company limited by guarantee with two members Fáilte Ireland and Tourism Northern Ireland, and sponsored by two government departments, the Department of Transport, Tourism and Sport in Ireland and the Department for the Economy (formerly the Department of Enterprise, Trade and Investment) in Northern Ireland. These agencies and departments are regarded as related parties and during the year Tourism Ireland CLG was principally funded and had various transactions with them. These transactions are disclosed in notes 2 and 10.

In common with many other entities, Tourism Ireland CLG deals in the normal course of business with other bodies which are wholly or partially owned or controlled by either the Government of Ireland or the Government of the United Kingdom of Great Britain and Northern Ireland.

### **20. Board Members – Disclosure of Transactions**

In the normal course of business, Tourism Ireland CLG may enter into contractual arrangements with undertakings in which Board Members are employed or otherwise interested. Tourism Ireland CLG has adopted procedures in accordance with the guidelines issued in relation to the disclosure of interests by Board Members and these procedures have been adhered to during the year.

The Board members concerned did not receive any documentation from Tourism Ireland CLG on the transactions nor did the member participate in any decision relating to the transactions.

Tourism Ireland CLG engages in joint overseas marketing programmes (which are actively and widely promoted and open to any suitable applicant), with a large range of air and sea carriers, tour operators and enterprises at home and abroad as part of its operating plan.

During the year, Tourism Ireland CLG paid €14k (€12k) to Galgorm Castle Estate, of which Christopher Brooke is a director, predominately in respect of hotel accommodation and facilities.

### **21. Approval of Financial Statements**

The financial statements were approved by the Board of Directors on 14 June 2018.





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