

**Irish Water Safety**

**Financial Statements**

**For the year ended 31 December 2012**

# Irish Water Safety

## Contents

	<b>Page</b>
<b>Information</b>	<b>1</b>
<b>Statement of Responsibilities</b>	<b>2</b>
<b>Statement on Internal Financial Control</b>	<b>3 – 4</b>
<b>Statement of Accounting Policies</b>	<b>5</b>
<b>Income &amp; Expenditure Account</b>	<b>6</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 14</b>

# **Irish Water Safety**

## **Information**

### **Accountants**

Robert J. Kidney & Co.  
Chartered Certified Accountants  
11 Adelaide Road  
Dublin 2

### **Business Address**

The Long Walk  
Galway

### **Auditor**

The Comptroller and Auditor General

## Irish Water Safety

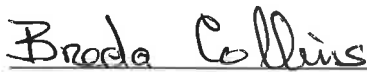
### Statement of Responsibilities of the Council of Irish Water Safety

Irish Water Safety was established on 24 July 2006 by the Minister for the Environment, Community and Local Government under the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006). The order re-established the former Irish Water Safety Association as a corporate body under its new title "Irish Water Safety" and expanded the services to be provided by the body.

Irish Water Safety is required to prepare financial statements, in the form approved by the Minister for the Environment, Community and Local Government, with the consent of the Minister for Finance, which give a true and fair view of its state of affairs and income and expenditure for the period. In preparing the financial statements, Irish Water Safety is required to:

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether any applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Irish Water Safety will continue in operation.

The Council is responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of Irish Water Safety and which enable it to ensure that the financial statements comply with the Irish Water Safety Establishment Order 2006. The Council is also responsible for safeguarding the assets of Irish Water Safety, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chairperson



Chief Executive

# **Irish Water Safety**

## **Statement on Internal Financial Control**

### **Responsibility for the system of Internal Financial Control**

On behalf of the Council of Irish Water Safety, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable but 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 in a timely period.

### **Key Control Procedures**

The Council has taken steps to ensure an appropriate control environment by;

- Clearly defining management responsibilities;
- Establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

The Council established a Finance Commission consisting of three non-executive and two executive members and that Commission reviews internal control matters and issues raised by the Comptroller and Auditor General. At present Irish Water Safety does not have an internal audit function.

The Council has a formal process to identify and evaluate business risk by;

- Identifying the nature, extent and financial implication of risks facing the body including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring;
- Assessing the body's ability to manage and mitigate the risks that do occur;
- Assessing the costs of operating particular controls relative to the benefit obtained.

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

- A budgeting system with an annual budget which is reviewed and agreed by the Council;
- Regular reviews by the Council of periodic and annual financial reports which indicate financial performance against forecast;
- Setting targets to measure financial and other performance.

The Council's monitoring and review of the effectiveness of the system of internal financial control is based on the work of the Financial Officer and CEO who have responsibility for the development and maintenance of an appropriate financial control framework. The Council also takes into account reports and comments made by the Finance Commission and the Comptroller and Auditor General in his management letter or other reports.

## Irish Water Safety

### Statement on Internal Financial Control (Continued)

#### Annual Review of Controls

The Council and Finance Commission headed by me as Chairman, with the full cooperation of the Chief Executive Officer and the Financial Officer, both of whom have been designated by the Council to ensure that the necessary controls are in place, review these controls on a continual basis in line with any directions received. One of the non-executive members of the Finance Commission has been appointed as an independent reviewer/examiner of Internal Financial Controls. His function is to report back to the Finance Commission and the Council on the appropriateness and correctness of the standards of internal financial control to date in place.

We confirm that in October 2013 the Council reviewed the effectiveness of the system of internal financial control that operated during the year 31 December 2012.

Signed on behalf of the Council of Irish Water Safety.



Breda Collins  
Chairman



John Leech  
Chief Executive

Date: 6<sup>th</sup> December 2013

# Irish Water Safety

## Statement of Accounting Policies

### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention, under the accruals method of accounting except as stated below and in accordance with generally accepted accounting practice. The statements are in a form approved by the Minister for the Environment, Community and Local Government, with the consent of the Minister for Finance, under the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006).

### **Period of Accounts**

The financial statements cover the 12 month period to 31 December 2012.

### **Income**

Oireachtas Grants represent the actual cash receipts in the year.

Deferred income is taken to account in line with related expenditure.

### **Fixed Assets and Depreciation**

Fixed Assets are shown at cost. Depreciation is provided on a straight-line basis as follows:

Leasehold Improvements	21 years
Office Equipment	5 years
Computer Equipment	3 years
Motor Vehicles	5 years
Promotional Equipment	10 years

Artworks donated to Irish Water Safety over a number of years were valued by an independent valuer during 2006 and are included in the financial statements at this valuation. Artworks are not depreciated, as the Council believes that they are unlikely to suffer a loss in value.

### **Capital Account**

The capital account represents the unamortised value of income used for capital purposes.

### **Pensions**

Under the Irish Water Safety Establishment Order 2006, schemes and regulations made under the Local Government (Superannuation) Act 1980 (No. 8 of 1980) apply to Irish Water Safety as if it were a Local Authority.

Irish Water Safety operates a defined benefits scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of the Environment, Community and Local Government and from contributions deducted from staff salaries.

Pension Scheme liabilities are measured on an actuarial basis using the projected unit method.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by Irish Water Safety. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Environment, Community and Local Government.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of the Environment, Community and Local Government.

### **Water Safety Committees**

Committees, which are responsible for the organisation of water safety activities at local level, undertake local fundraising activities. Fundraising income is retained by the Water Safety Committees to finance local activities. Financial transactions of these Committees are not incorporated into these accounts.

**Irish Water Safety**  
**Income & Expenditure Account**  
**for the year ended 31 December 2012**

	Note	2012 €	2011 €
<b>Income:</b>			
Oireachtas Grants		512,000	512,000
Net Deferred Funding for Pensions	10c	<u>90,000</u>	<u>90,000</u>
		<b>602,000</b>	<b>602,000</b>
Contributions from Local Authorities		161,201	148,650
Miscellaneous	1	<u>318,069</u>	<u>248,326</u>
		<b>1,081,270</b>	<b>998,976</b>
Transfer from Capital Account	9	<u>11,820</u>	<u>1,916</u>
		<b><u>1,093,090</u></b>	<b><u>1,000,892</u></b>
<b>Expenditure:</b>			
Administration Expenses	2	607,927	576,834
Travel and Subsistence Expenses	3	108,229	119,221
Promotions, Publicity and Training	4	157,113	146,147
Grants to Water Safety Committees		109,500	96,500
Special Projects	5	31,689	33,898
<b>Total Operating Costs</b>		<b><u>1,014,458</u></b>	<b><u>972,600</u></b>
<b>Surplus for the Year</b>		<b>78,632</b>	<b>28,292</b>
<b>Accumulated Surplus 1 January</b>		<b>209,548</b>	<b>181,256</b>
<b>Accumulated Surplus 31 December</b>		<b><u>288,180</u></b>	<b><u>209,548</u></b>

The statement of Accounting Policies and notes 1 to 14 form part of these Financial Statements.

Breda Collins Chairman John Hoce Chief Executive

Date: 6<sup>th</sup> December 2013.



**Irish Water Safety**  
**Statement of Total Recognised Gains and Losses**  
**for the year ended 31 December 2012**

	Note	2012 €	2011 €
Surplus for the Financial Year		78,632	28,292
Experience Gains on Pension Scheme Liabilities		20,000	50,000
Changes in Assumptions Underlying the Present Value of Pension Scheme Liabilities		<u>-</u>	<u>-</u>
Actuarial Gain on Pension Liabilities		20,000	50,000
Adjustment to Deferred Pension Funding		<u>(20,000)</u>	<u>(50,000)</u>
<b>Total Recognised Gains and Losses for the Financial Year</b>		<u><b>78,632</b></u>	<u><b>28,292</b></u>

The statement of Accounting Policies and notes 1 to 14 form part of these Financial Statements.

Breda Collins Chairman      John J. Keel Chief Executive

Date: 6<sup>th</sup> December 2013

# Irish Water Safety

## Balance Sheet As at 31 December 2012

	Note	2012 €	2011 €
<b>FIXED ASSETS</b>			
Tangible Assets	6	<u>209,309</u>	<u>221,129</u>
<b>CURRENT ASSETS</b>			
Debtors	7	61,031	37,447
Cash at Bank and in Hand		256,024	241,792
		<u>317,055</u>	<u>279,239</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Creditors and Accruals	8	<u>(28,875)</u>	<u>(69,691)</u>
<b>NET CURRENT ASSETS</b>		<u>288,180</u>	<u>209,548</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		497,489	430,677
<b>DEBTORS/(CREDITORS) - Amounts falling due after one year</b>			
Deferred Pension Funding	10c	660,000	590,000
Pension Liabilities	10b	(660,000)	(590,000)
		<u>497,489</u>	<u>430,677</u>
<b>CAPITAL AND RESERVES</b>			
Capital Account	9	209,309	221,129
Income & Expenditure Account		288,180	209,548
		<u>497,489</u>	<u>430,677</u>

The statement of accounting policies and notes 1 to 14 form part of these financial statements.

Breda Collins Chairman
 John Doherty Chief Executive

Date: 6<sup>th</sup> December 2013

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

<b>Note 1. Miscellaneous Income</b>	<b>2012</b>	<b>2011</b>
	<b>€</b>	<b>€</b>
Sales	219,314	185,935
Membership	15,250	2,860
Ring Buoy Contribution	27,000	27,000
Sponsorship	10,898	13,975
RI Royalties	4,000	3,480
Donations Received	-	12,100
Other Income	41,607	2,976
	<b>318,069</b>	<b>248,326</b>
<b>Note 2. Administration Expenses</b>	<b>€</b>	<b>€</b>
Salaries and Temporary Staff	<b>2(a)</b> 340,808	319,333
Pension Costs	<b>10(a)</b> 75,519	76,066
Staff Training	5,273	517
Rent, Rates, Light and Heat	50,637	53,071
Insurance	25,522	19,914
Stationery	8,017	6,144
Postage and Telephone	26,867	22,756
Maintenance and Cleaning	27,654	29,465
Audit Fee	8,200	7,700
Accountancy	3,730	3,220
Legal & Other Professional Fees	-	4,370
Bank Charges	761	681
Miscellaneous Administration Expenses	6,350	4,694
Depreciation	28,589	28,903
	<b>607,927</b>	<b>576,834</b>

#### **Note 2a. Salaries & Temporary Staff**

The salaries and temporary staff costs for 2012 include the following amounts:

- **Council Members Emoluments**

The Chairman of the Council received a stipend of €8,947 in 2012 (2011 - €6,573). No other Council Member received any fees in 2012 or 2011.

- **Chief Executive Remuneration**

The Chief Executive's remuneration for 2012 was made up of an annual basic salary of €88,292 (2011 - €88,292). His pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

- **Pension Levy Deductions**

Pension related deductions of €19,791 (2011 - €19,042) were made from staff salaries and paid over to the Department of the Environment, Community and Local Government.

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

<b>Note 3. Travel and Subsistence Expenses</b>	<b>2012</b> €	<b>2011</b> €
Council	33,343	28,366
Committees and Commissions	26,985	20,417
Office	17,050	18,713
Ring Buoy Inspectors	21,916	22,380
International Travel	(1,302)	18,454
Other Travel	10,236	10,891
	<b>108,229</b>	<b>119,221</b>

The travel and subsistence expenses in 2012 include €11,666 received by the Chairman (2011 - €11,282) and €7,987 received by the Chief Executive (2011 - €9,008). Amounts are calculated in accordance with relevant Department of Public Expenditure and Reform Travel & Subsistence Circulars.

<b>Note 4. Promotion, Publicity and Printing Expenses</b>	<b>2012</b> €	<b>2011</b> €
Advertising and Press Cuttings	34,513	45,395
Education Development Officer - Expenses	-	8,136
Seminars and Training Courses	41,109	25,325
Non Saleable Books and Manuals	43,334	24,405
Purchase of Saleable Items	32,756	38,090
Memberships	5,401	4,796
	<b>157,113</b>	<b>146,147</b>

<b>Note 5. Special Projects</b>	<b>€</b>	<b>€</b>
Senior & Junior Surf and Pool Competition	(5,717)	3,561
Life Saving Competitions Abroad	37,406	20,852
Life Saving Equipment	-	9,485
	<b>31,689</b>	<b>33,898</b>

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

#### Note 6. Tangible Fixed Assets

	Leasehold Interest €	Computer Equipment €	Other Office Equipment €	Promotional Equipment €	Motor Vehicles €	Art & Paintings €	Total €
<b>Cost or Valuation</b>							
Opening Balance 1 Jan 2012	260,458	59,148	61,137	36,828	18,956	64,150	500,677
Additions	-	760	450	-	15,559	-	16,769
Disposals	-	-	-	-	-	-	-
Closing Balance 31 Dec 2012	<u>260,458</u>	<u>59,908</u>	<u>61,587</u>	<u>36,828</u>	<u>34,515</u>	<u>64,150</u>	<u>517,446</u>
<b>Depreciation</b>							
Opening Balance 1 Jan 2012	148,777	53,702	54,863	18,415	3,791	-	279,548
Disposals	-	-	-	-	-	-	-
Charge For Year	<u>12,397</u>	<u>3,066</u>	<u>2,540</u>	<u>3,683</u>	<u>6,903</u>	<u>-</u>	<u>28,589</u>
Closing Balance 31 Dec 2012	<u>161,174</u>	<u>56,768</u>	<u>57,403</u>	<u>22,098</u>	<u>10,694</u>	<u>-</u>	<u>308,137</u>
<b>Net Book Values</b>							
At 31 December 2012	<u>99,284</u>	<u>3,140</u>	<u>4,184</u>	<u>14,730</u>	<u>23,821</u>	<u>64,150</u>	<u>209,309</u>
At 31 December 2011	<u>111,681</u>	<u>5,446</u>	<u>6,274</u>	<u>18,413</u>	<u>15,165</u>	<u>64,150</u>	<u>221,129</u>

Leasehold improvements pertain to fit out costs in the premises occupied by Irish Water Safety.

Artworks donated to Irish Water Safety over a number of years are included above at valuation following an independent valuation carried out in May 2006.

Note 7. Debtors	2012 €	2011 €
Trade Debtors	23,192	22,503
Other Debtors	37,839	14,944
	<u>61,031</u>	<u>37,447</u>

Note 8. Creditors and Accruals	2012 €	2011 €
Trade Creditors	2,237	13,623
Accrued Expenses	26,638	56,068
	<u>28,875</u>	<u>69,691</u>

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

#### Note 9. Capital Account

	<b>2012</b>		<b>2011</b>	
	€	€	€	€
Balance as at 1 January		221,129		223,045
Income Allocated for Capital Purposes	16,769		26,987	
Amortisation in Line with Depreciation	<u>(28,589)</u>		<u>(28,903)</u>	
Transfer to Income & Expenditure Account		(11,820)		(1,916)
Balance as at 31 December		<u>209,309</u>		<u>221,129</u>

#### Note 10. Pension Costs

##### a. Analysis of Total Pension Costs Charged to Expenditure

	<b>2012</b>		<b>2011</b>
	€		€
Current Service Cost	60,000		60,000
Interest on Pension Scheme Liabilities	30,000		30,000
Employee Contributions	(14,481)		(13,934)
	<u>75,519</u>		<u>76,066</u>

##### b. Movement in Net Pension Liability During the Financial Year

	<b>2012</b>		<b>2011</b>
	€		€
Net Pension Liability at 1st January	590,000		550,000
Current Service Cost	60,000		60,000
Interest Cost	30,000		30,000
Actuarial (Gain)/Loss	(20,000)		(50,000)
Pensions Paid in Year	-		-
Net Pension Liability at 31 December	<u>660,000</u>		<u>590,000</u>

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

#### Note 10. Pension Costs (Continued)

##### c. Deferred Funding for Pensions

Irish Water Safety recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. Irish Water Safety has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in Income and Expenditure Account was as follows:

	2012	2011
	€	€
Funding Recoverable in Respect of Current Year Pension Costs	90,000	90,000
State Grant Applied to Pay Pensioners	-	-
	90,000	90,000

The deferred funding asset for pensions as at 31 December 2012 amounted to €660,000 (2011: €590,000).

##### d. History of defined benefit obligations

	2012	2011	2010	2009
	€	€	€	€
Defined benefit obligations	660,000	590,000	550,000	540,000
Experience (gains)/losses on scheme liabilities amount	(20,000)	(50,000)	(90,000)	56,000
Percentage of the present value of the scheme liabilities	(3%)	(8%)	(16.4%)	10.4%

The cumulative actuarial gain recognised in the Statement of Total Recognised Gains and Losses amounts to €109,000.

##### e. General description of the scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. 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 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

## Irish Water Safety

### Notes to the Financial Statements for the year ended 31 December 2012

#### Note 10. Pension Costs (Continued)

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation during February 2013 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2012.

The principal actuarial assumptions were as follows

	2012	2011
Rate of increase in salaries	4.0%	4.0%
Rate of increase in pensions in payment	4.0%	4.0%
Discount rate	5.5%	5.5%
Inflation	2.0%	2.0%

#### f. Average life expectancy used to determine liabilities

The average future life expectancy according to the mortality tables used to determine the pension liabilities were as follows:

	2012	2011
Male – aged 65	22	22
Female – aged 65	25	25

#### Note 11. Lease Commitments

Irish Water Safety occupies premises at Long Walk, Galway, under a lease for 21 years, which commenced in July 2000. The current rental is €41,722 per annum. The lease has break options after ten and fifteen years.

#### Note 12. Council Members Interests

The Council adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of Interests by Board Members and those procedures have been adhered to in the year. There are no transactions in the year in relation to Irish Water Safety's activities in which Council members had any beneficial interest.

#### Note 13. EU Late Payments Regulations

The regulation imposes a legal requirement on bodies to make interest payments in respect of invoices that are paid in excess of 30 days after receipt. Irish Water Safety has a system in place to identify overdue invoices and to calculate and pay the interest due as part of the invoice payments. No interest payments were made under the terms of the regulations in 2012 or 2011.

#### Note 14. Approval of Financial Statements

The financial statements were approved by the Council on