

Financial Statements – 18th December 2014

Irish Water Safety
Financial Statements
For the year ended 31 December 2013

Irish Water Safety

Contents

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

Irish Water Safety

Information

Council

Breda Collins (Chairman)
Martin O'Sullivan (Vice-Chairman)
Michael Cuddihy
Brendan McGrath
Anne Ryan
John Considine
Seamus O'Neill
Paul Murphy
Tom Doyle
Lola O'Sullivan
Christy McDonagh
Tim O'Sullivan
Odran Reid

Business Address

The Long Walk
Galway

Auditor

The Comptroller and Auditor General
Treasury Block
Dublin Castle
Dublin 2

Accountants

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

Solicitors

Lewis C Doyle & Co.
Augustine Court
Augustine Street
Galway

Bankers

Bank of Ireland
Mainguard St
Galway

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.


Breda Collins
Chairman


John Leech
Chief Executive

Date: 22 December 2014

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 an Audit 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 Audit 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 Audit 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 Audit Commission has been appointed as an independent reviewer/examiner of Internal Financial Controls. His function is to report back to the Audit Commission and the Council on the appropriateness and correctness of the standards of internal financial control to date in place.

We confirm that on 4th December 2013 the Council reviewed the effectiveness of the system of internal financial control that operated during the year 31 December 2013.

Signed on behalf of the Council of Irish Water Safety.



Breda Collins
Chairman

Date: 22 December 2014

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 2013.

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.

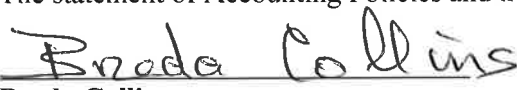
Water Safety Committees

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 2013

	Note	2013 €	2012 €
Income:			
Oireachtas Grants		507,000	512,000
Net Deferred Funding for Pensions	10c	<u>96,000</u>	<u>90,000</u>
		603,000	602,000
Contributions from Local Authorities		157,092	161,201
Miscellaneous	1	<u>370,435</u>	<u>381,893</u>
		1,130,527	1,145,094
Transfer from Capital Account	9	<u>20,150</u>	<u>11,820</u>
		<u>1,150,677</u>	<u>1,156,914</u>
Expenditure:			
Administration Expenses	2	651,676	607,927
Travel and Subsistence Expenses	3	121,728	108,229
Promotions, Publicity and Training	4	200,628	164,953
Grants to Water Safety Committees		83,800	109,500
Special Projects	5	<u>34,042</u>	<u>87,673</u>
Total Operating Costs		<u>1,091,874</u>	<u>1,078,282</u>
Surplus for the Year		58,803	78,632
Accumulated Surplus 1 January		288,180	209,548
Accumulated Surplus 31 December		<u>346,983</u>	<u>288,180</u>

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


Breda Collins
Chairman



John Leech
Chief Executive

Date: 22 December 2014

Irish Water Safety
Statement of Total Recognised Gains and Losses
for the year ended 31 December 2013

	Note	2013 €	2012 €
Surplus for the Financial Year		58,803	78,632
Experience Gains on Pension Scheme Liabilities		36,000	20,000
Changes in Assumptions Underlying the Present Value of Pension Scheme Liabilities		<u>-</u>	<u>-</u>
Actuarial Gain on Pension Liabilities		36,000	20,000
Adjustment to Deferred Pension Funding		<u>(36,000)</u>	<u>(20,000)</u>
Total Recognised Gains and Losses for the Financial Year		<u>58,803</u>	<u>78,632</u>

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


Breda Collins
Chairman



John Leech
Chief Executive

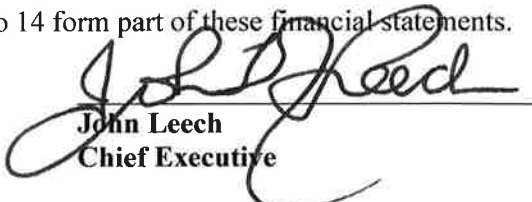
Date: 22 December 2014

Irish Water Safety
Balance Sheet
As at 31 December 2013

	Note	2013 €	2012 €
FIXED ASSETS			
Tangible Assets	6	<u>188,159</u>	<u>209,309</u>
CURRENT ASSETS			
Debtors	7	84,324	61,031
Cash at Bank and in Hand		330,379	256,024
		<u>414,703</u>	<u>317,055</u>
CREDITORS - Amounts falling due within one year			
Creditors and Accruals	8	<u>(66,720)</u>	<u>(28,875)</u>
NET CURRENT ASSETS		<u>347,983</u>	<u>288,180</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		536,142	497,489
DEBTORS/(CREDITORS) - Amounts falling due after one year			
Deferred Pension Funding	10c	720,000	660,000
Pension Liabilities	10b	(720,000)	(660,000)
		<u>536,142</u>	<u>497,489</u>
CAPITAL AND RESERVES			
Capital Account	9	189,159	209,309
Income & Expenditure Account		346,983	288,180
		<u>536,142</u>	<u>497,489</u>

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


Breda Collins
Breda Collins
Chairman


John Leech
John Leech
Chief Executive

Date: 22 December 2014

Irish Water Safety

Notes to the Financial Statements for the year ended 31 December 2013

Note 1. Miscellaneous Income	2013 €	2012 €
Sales	225,263	219,314
Membership	28,860	15,250
Ring Buoy Contribution	27,000	27,000
Sponsorship	17,654	10,898
In-service Teachers	4,120	4,000
Donations Received	-	-
Other Income	17,948	41,607
Competition Income	33,436	55,984
Seminar Income	16,154	7,840
	<u>370,435</u>	<u>381,893</u>

The 2012 figures for Competition Income and Seminar Income have been restated to conform to the current year presentation.

Note 2. Administration Expenses	€	€
Salaries and Temporary Staff	2(a) 357,266	340,808
Pension Costs	10(a) 81,425	75,519
Staff Training	4,080	5,273
Rent, Rates, Light and Heat	48,043	50,637
Insurance	26,583	25,522
Stationery	7,006	8,017
Postage and Telephone	27,247	26,867
Maintenance and Cleaning	44,820	27,654
Audit Fee	8,000	8,200
Accountancy	3,730	3,730
Legal & Other Professional Fees	-	-
Bank Charges	1,784	761
Miscellaneous Administration Expenses	11,043	6,350
Depreciation	30,649	28,589
	<u>651,676</u>	<u>607,927</u>

Note 2a. Salaries & Temporary Staff

The salaries and temporary staff costs for 2013 include the following amounts:

- **Council Members Emoluments**

The Chairman of the Council received a stipend of €8,947 in 2013 (2012 - €8,947). No other Council Member received any fees in 2013 or 2012.

- **Chief Executive Remuneration**

The Chief Executive's remuneration for 2013 was made up of an annual basic salary of €85,855 (2012 - €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 €19,911 (2012 - €19,791) 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 2013

Note 3. Travel and Subsistence Expenses	2013 €	2012 €
Council	29,557	33,343
Committees and Commissions	29,748	26,985
Office	17,113	17,050
Ring Buoy Inspectors	23,867	21,916
International Travel	8,876	(1,302)
Other Travel	12,567	10,236
	121,728	108,229

The travel and subsistence expenses in 2013 include €6,533 received by the Chairman (2012 - €11,666) and €9,138 received by the Chief Executive (2012 - €7,987). Amounts are calculated in accordance with relevant Department of Public Expenditure and Reform Travel & Subsistence Circulars.

Note 4. Promotion, Publicity and Printing Expenses	2013 €	2012 €
Advertising and Press Cuttings	54,868	34,513
Education Development Officer – Expenses	-	-
Seminars and Training Courses	51,181	48,949
Non Saleable Books and Manuals	28,091	43,334
Purchase of Saleable Items	60,656	32,756
Memberships	5,832	5,401
	200,628	164,953

The 2012 figure for Seminars and Training Courses has been restated to conform to the current year presentation.

Note 5. Special Projects	€	€
Senior & Junior Surf and Pool Competition	23,193	21,278
Life Saving Competitions Abroad	10,849	66,395
	34,042	87,673

The 2012 figures have been restated to conform to the current year presentation.

Irish Water Safety

Notes to the Financial Statements for the year ended 31 December 2013

Note 6. Tangible Fixed Assets

	Leasehold Interest €	Computer Equipment €	Other Office Equipment €	Promotional Equipment €	Motor Vehicles €	Art & Paintings €	Total €
Cost or Valuation							
Opening Balance 1 Jan 2013	260,458	59,908	61,587	36,828	34,515	64,150	517,446
Additions	-	1,065	9,434	-	-	-	10,499
Disposals	-	-	(8,410)	-	-	(1,000)	(9,410)
Closing Balance 31 Dec 2013	<u>260,458</u>	<u>60,973</u>	<u>62,611</u>	<u>36,828</u>	<u>34,515</u>	<u>63,150</u>	<u>518,535</u>
Depreciation							
Opening Balance 1 Jan 2013	161,174	56,768	57,403	22,098	10,694	-	308,137
Disposals	-	-	(8,410)	-	-	-	(8,410)
Charge For Year	12,397	3,239	4,427	3,683	6,903	-	30,649
Closing Balance 31 Dec 2013	<u>173,571</u>	<u>60,007</u>	<u>53,420</u>	<u>25,781</u>	<u>17,597</u>	<u>-</u>	<u>330,376</u>
Net Book Values							
At 31 December 2013	<u>86,887</u>	<u>966</u>	<u>9,191</u>	<u>11,047</u>	<u>16,918</u>	<u>63,150</u>	<u>188,159</u>
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>

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. During the year, one piece of art was returned to its owner and the reduction in carrying value has been reflected.

Note 7. Debtors	2013 €	2012 €
Trade Debtors	50,525	23,192
Other Debtors	33,799	37,839
	<u>84,324</u>	<u>61,031</u>

Note 8. Creditors and Accruals	2013 €	2012 €
Trade Creditors	3,172	2,237
Accrued Expenses	63,548	26,638
	<u>66,720</u>	<u>28,875</u>

Irish Water Safety

Notes to the Financial Statements for the year ended 31 December 2013

Note 9. Capital Account

	2013		2012	
	€	€	€	€
Balance as at 1 January		209,309		221,129
Income Allocated for Capital Purposes	10,499		16,769	
Amortisation in Line with Depreciation	<u>(30,649)</u>		<u>(28,589)</u>	
Transfer to Income & Expenditure Account		(20,150)		(11,820)
Balance as at 31 December		<u>189,159</u>		<u>209,309</u>

Note 10. Pension Costs

a. Analysis of Total Pension Costs Charged to Expenditure

	2013		2012	
	€	€	€	€
Current Service Cost		60,000		60,000
Interest on Pension Scheme Liabilities		36,000		30,000
Employee Contributions		(14,575)		(14,481)
		<u>81,425</u>		<u>75,519</u>

b. Movement in Net Pension Liability During the Financial Year

	2013		2012	
	€	€	€	€
Net Pension Liability at 1st January		660,000		590,000
Current Service Cost		60,000		60,000
Interest Cost		36,000		30,000
Actuarial (Gain)/Loss		(36,000)		(20,000)
Pensions Paid in Year		-		-
		<u>720,000</u>		<u>660,000</u>
Net Pension Liability at 31 December		<u>720,000</u>		<u>660,000</u>

Irish Water Safety

Notes to the Financial Statements for the year ended 31 December 2013

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:

	2013	2012
	€	€
Funding Recoverable in Respect of Current Year Pension Costs	96,000	90,000
State Grant Applied to Pay Pensioners	-	-
	96,000	90,000

The deferred funding asset for pensions as at 31 December 2013 amounted to €720,000 (2012: €660,000).

d. History of defined benefit obligations

	2013	2012	2011	2010
	€	€	€	€
Defined benefit obligations	720,000	660,000	590,000	550,000
Experience (gains)/losses on scheme liabilities amount	(36,000)	(20,000)	(50,000)	(90,000)
Percentage of the present value of the scheme liabilities	(5%)	(3%)	(8%)	(16%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Gains and Losses amounts to €145,000.

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 2013

Note 10. Pension Costs (Continued)

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

The principal actuarial assumptions were as follows

	2013	2012
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:

	2013	2012
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 €41,730 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. Late Payment in Commercial Transactions Legislation (Statutory Instrument No. 580 of 2012)

The statutory instrument 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 2013 or 2012.

Note 14. Approval of Financial Statements

The financial statements were approved by the Council on 22nd December 2014.