



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Irish Water Safety

I have audited the financial statements of Irish Water Safety for the year ended 31 December 2016 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 8 of the Irish Water Safety (Establishment) Order 2006 (SI 389/2006), and in accordance with generally accepted accounting practice.

Responsibilities of the Council

The Council is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Council's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of Irish Water Safety as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Council's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan

Patricia Sheehan

For and on behalf of the
Comptroller and Auditor General

20 December 2017

IRISH WATER SAFETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

IRISH WATER SAFETY

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IRISH WATER SAFETY

Information

Council

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

Business Address

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Galway

Auditor

The Comptroller and Auditor General,
3a Mayor Street Upper,
Dublin 1.

Accountants

CAG
Chartered Accountants,
Steamship House,
Dock Street,
Galway.

Bankers

Bank of Ireland,
Mainguard Street,
Galway.

Solicitors

Sheehan & Co.
Augustine Court,
St. Augustine Street,
Galway.

IRISH WATER SAFETY

Statement of Responsibilities of the Council of Irish Water Safety

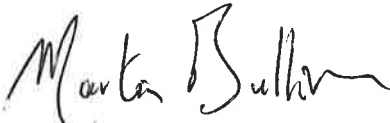
Irish Water Safety was established on 24 July 2006 by the Minister for the Environment, Community and Local Government under the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006). The order re-established the former Irish Water Safety Association as a corporate body under its new title "Irish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

Section 8 of the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006) requires Irish Water Safety to keep, in such form as may be approved by the Minister for the Environment, Community and Local Government with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these 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 adequate accounting records, 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.



Martin O'Sullivan
Chairman



John Leech
Chief Executive

Date: 6th December 2017

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 the 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 Auditors. 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)

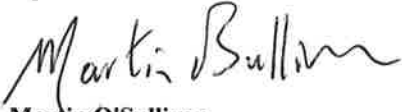
Annual Review of Controls

The Irish Water Safety provides grants to 32 Water Safety Area Committee (see note 17). Each committee must submit an annual return to IWS consisting of a statement of income and expenditure in the period, a bank reconciliation and a certificate of a bank balance, a programme of activities for the coming year and an equipment listing. In addition all Water Safety Area Committee's are audited by an Internal Auditor appointed by the Audit Commission and the findings of those audits are reviewed by the Audit Commission.

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.

I confirm that the council reviewed the effectiveness of the system of internal financial control that operated during the year 31 December 2016.

Signed on behalf of the Council of Irish Water Safety.



Martin O'Sullivan
Chairman

Date: 6th December 2017


IRISH WATER SAFETY

Statement of income and expenditure and retained revenue reserves for the year ended 31 December 2016

	Note	2016 €	2015 €
Income			
Oireachtas Grants	2	657,000	657,000
Net Deferred Funding for Pensions	13c	100,000	105,000
Contributions from Local Authorities		175,105	136,948
Other Income	3	464,759	469,256
Total Income		<u>1,396,864</u>	<u>1,368,204</u>
Transfer from Capital Account	12	(5,506)	9,809
		<u>1,391,358</u>	<u>1,378,013</u>
Expenditure			
Administration Expense	4	655,729	642,337
Travel and Subsistence Expenses	5	99,156	119,432
Promotions, Publicity and Training	6	401,853	345,162
Grants to Water Safety Committees	17	100,450	104,700
Special Projects	7	80,150	101,770
Total Expenditure		<u>1,337,338</u>	<u>1,313,401</u>
Surplus for the Year		54,020	64,612
Brought forward 1 January		<u>503,320</u>	<u>438,708</u>
Balance carried forward at 31 December		<u>557,340</u>	<u>503,320</u>

The statement of cash flows and notes 1 to 18 form part of these financial statements.

On behalf of the Board of Irish Water Safety


Martin O'Sullivan
 Chairman


John Leech
 Chief Executive

Date: 6th December 2017

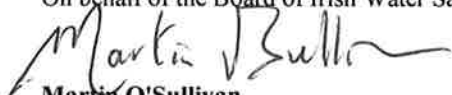
IRISH WATER SAFETY

Statement of Comprehensive Income for the year ended 31st December 2016

	Note	2016 €	2015 €
Surplus for the Financial Year		54,020	64,612
Experience (Loss)/Gains on Retirement Benefit Obligations		(120,000)	35,000
Changes in Assumption Underlying the Present Value of Retirement Benefit Obligations		<u>(50,000)</u>	<u>(220,000)</u>
Actuarial (Loss) in the Year		(170,000)	(185,000)
Adjustment to Retirement Benefit Funding		<u>170,000</u>	<u>185,000</u>
Total Comprehensive Income for the Year.		<u>54,020</u>	<u>64,612</u>

The Statement of Cash Flows and notes 1 to 18 form part of these Financial Statements.

On behalf of the Board of Irish Water Safety


Martin O'Sullivan
Chairman


John Leech
Chief Executive

Date: 6th December 2017

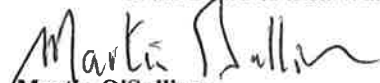
IRISH WATER SAFETY

Statement of Financial Position as at 31st December 2016

	Note	2016 €	2015 €
Fixed Assets			
Property, plant & equipment	8	163,593	158,087
Current Assets			
Inventory	9	6,352	9,708
Receivables	10	136,276	127,768
Cash and Cash Equivalents		481,522	421,519
		<u>624,150</u>	<u>558,995</u>
Current Liabilities - (amounts falling due within one year)			
Payables	11	(66,810)	(55,675)
Net Current Assets		<u>557,340</u>	<u>503,320</u>
Total Assets Less Current Liabilities		<u>720,933</u>	<u>661,407</u>
Long Term Liabilities - amounts falling due after one year			
Deferred Retirement Benefit Funding Asset	13c	1,300,000	1,030,000
Retirement Benefit Obligations	13b	(1,300,000)	(1,030,000)
Total Net Assets		<u>720,933</u>	<u>661,407</u>
Representing			
Capital Account	12	163,593	158,087
Retained Revenue Reserves		557,340	503,320
		<u>720,933</u>	<u>661,407</u>

The statement of cash flows and notes 1 to 18 form part of these financial statements.

On behalf of the Board of Irish Water Safety


Martin O'Sullivan
 Chairman


John Leech
 Chief Executive

Date: 6th December 2017

IRISH WATER SAFETY

Statement of Cash Flows for the year ended 31st December 2016

	2016	2015
	€	€
Net Cash Flows from Operating Activities		
Excess Income over expenditure	54,020	64,612
Depreciation	36,609	24,143
Decrease in inventory	3,356	(387)
(Increase) in receivables	(8,508)	(1,893)
Increase in payables	11,135	(2,341)
Net Cash Inflow from Operating Activities	<u>96,612</u>	<u>84,134</u>
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(36,609)	(24,143)
Net Cash Flows from Investing Activities	<u>(36,609)</u>	<u>(24,143)</u>
Net Increase in Cash and Cash Equivalents	<u>60,003</u>	<u>59,991</u>
Cash and cash equivalents at 1st January	<u>421,519</u>	<u>361,528</u>
Cash and Cash Equivalents at 31st December	<u><u>481,522</u></u>	<u><u>421,519</u></u>

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31st December 2016

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by Irish Water Safety are set out below. They have all been applied consistently throughout the year and for the preceding year.

a) General Information

Irish Water Safety was set up under the Irish Water Safety Establishment Order 2006 (S.I. No. 389 of 2006), with a head office at The Long Walk, Galway.

Irish Water Safety's primary objectives are set out in section 4(1) & (2) of the The Irish Water Safety (Establishment) Order, 2006. (S.I. No 389 of 2006) are as follows:

- the promotion of public awareness of water safety,
- the promotion of measures, including the advancement of education, related to the prevention of accidents in water,
- the provision of instruction in water safety, rescue, swimming, resuscitation and recovery drills,
- the promotion of efficiency and standardisation of the lifeguard service,
- the establishment of national standards for lifeguards, lifesaving and water safety, and
- such other services relating to water safety as the Minister may from time to time require, direct or determine.

b) Statement of Compliance

The financial statements of Irish Water Safety for the year ended 31st December 2016 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

c) Period of Accounts

The financial statements cover the 12 month period to 31 December 2016.

d) 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 financial statements are in the form approved by the Minister for the Environment, Community and Local Government, with the concurrence of the Minister for Finance under the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Irish Water Safety's financial statements.

e) Revenue

- (1) Oireachtas Grants are recognised on a cash receipt basis.
- (2) Contributions are received from local authorities in relation to services provided and are recognised on a cash receipts basis.
- (3) Other income comprising sales of water safety manuals, provision of courses and membership are recognised on an accruals basis.

IRISH WATER SAFETY

f) Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in euro, which is the company's functional and presentation currency and is denoted by the symbol "€".

g) Property, Plant & Equipment

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	
Outlays on Computer Software & Hardware	Nil	(Uncommissioned)

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.

h) Inventory

Inventory consists of goods for resale, and is recognised in the financial statements at the lower of Cost and Net Realisable Value (NRV). Cost is calculated on a first-in-first-out (FIFO) basis and includes all purchase costs. NRV is the selling price (actual or estimated) less all necessary completion costs.

i) Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that Irish Water Safety will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

j) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

k) Capital Account

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

l) Employee Benefits

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

m) Retirement Benefits

Under the Irish Water Safety Establishing 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.

IRISH WATER SAFETY

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 Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Environment, Community and Local Government.

The financial statements reflect, at fair value, the assets and liabilities arising from Irish Water Safety's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

n) **Water Safety Committees**

The Council also makes funding available to the Water Safety Committees for small local projects. Unspent, grant funding is retained by the WSAC's for use on local projects the following year.

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.

A summary is included at Note 17.

o) **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.

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

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31st December 2016

Note 2. Oireachtas Grants	2016 €	2015 €
Department of Environment Community and Local Government Vote 25 Subhead E.13	<u>657,000</u>	<u>657,000</u>
Operating Grant	507,000	507,000
Additional Grant Note 6a	<u>150,000</u>	<u>150,000</u>

During the year Irish Water Safety received €150,000 from the Department of Environment, Community & Local Government. The funds are ring fenced for the specific purpose of promoting Irish Water Safety and in particular projects that target population segments at risk of drowning with tailored national and provincial awareness campaigns. The related expenditure is disclosed in Note 6.

Note 3. Other Income	2016 €	2015 €
Sales	317,240	326,918
Membership	42,380	38,864
Ring Buoy Contribution	33,000	33,000
Sponsorship	4,684	1,655
In-service Teachers	-	2,320
Irish Sports Council Grant	19,000	19,000
Other Income	10,315	2,812
Competition Income	38,140	39,400
Seminar Income	-	5,287
	<u>464,759</u>	<u>469,256</u>

Note 4. Administration Expenses	2016 €	2015 €
Remuneration and other pay costs Note 4(a)	362,753	348,021
Retirement Benefit Costs Note 13(a)	86,457	91,442
Staff Training	2,650	1,900
Rent, Rates, Light and Heat	34,495	22,015
Insurance	43,232	33,313
Stationery	6,287	7,964
Postage and Telephone	29,992	35,153
Maintenance and Cleaning	32,008	34,837
Audit Fee	10,000	7,800
Accountancy	3,629	3,629
Legal & Other Professional Fees	8,433	15,034
Bank Charges	741	893
Miscellaneous Administration Expenses	3,949	6,384
Depreciation	<u>31,103</u>	<u>33,952</u>
	<u>655,729</u>	<u>642,337</u>

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31st December 2016

Note 4a. Remuneration & Other Pay Costs

The salaries and temporary staff costs for 2016 include the following amounts:

Council Members Emoluments

The Chairman of the Council received a stipend of €9,314 in 2016 (2015 - €8,947). No other Council Member received any fees in 2016 or 2015.

Chief Executive Remuneration

The Chief Executive's remuneration for 2016 was made up of an annual basic salary of €86,423 (2015 - €82,530). 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 €14,850 (2015 - €17,650) were made from staff salaries and paid over to the Department of the Environment, Community and Local Government.

Salary Range

The number of employees whose total employee benefits for the reporting period fell within the bands below were:

<u>Employment Benefit Range</u>	<u>Number of Employees</u>
€60,001 - €70,000	2
€70,001 - €80,000	-
€80,001 - €90,000	1
	3
	3

Note 5. Travel and Subsistence Expenses	2016	2015
	€	€
Council	21,087	30,448
Committees and Commissions	20,333	19,699
Office	19,319	20,117
Ring Buoy Inspectors	20,908	21,169
International Travel	5,232	12,796
Other Travel	12,277	15,203
	99,156	119,432
	99,156	119,432

The travel and subsistence expenses in 2016 include €11,326 received by the Chairman (2015 - €7,990) and €7,540 received by the Chief Executive (2015 - €6,611). Amounts are calculated in accordance with relevant Department of Public Expenditure and Reform Travel & Subsistence Circulars.

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31 December 2016

	2016	2015
Note 6. Promotion, Publicity and Printing Expenses	€	€
Advertising and Press Cuttings	51,884	43,719
Promoting Irish Water Safety Note 6a.	156,208	156,972
Education Development Officer - Expenses	4,786	5,395
Seminars and Training Courses	111,580	71,693
Non Saleable Books and Manuals	11,790	10,112
Purchase of Saleable Items	60,833	52,556
Memberships	4,772	4,715
	401,853	345,162
 Note 6a. Promoting Irish Water Safety	 €	 €
Primary School Education Programme	12,395	39,617
Communications - Newsletters and Online	17,007	18,135
Press Campaign Costs	18,202	3,862
Radio Campaign Costs	68,121	63,040
Television Campaign Costs	40,483	32,318
	156,208	156,972
 Note 7. Special Projects	 €	 €
Senior & Junior Surf and Pool Competition	37,995	33,485
Life Saving Competitions Abroad	13,203	10,593
Lifesaving Equipment	28,952	57,692
	80,150	101,770

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2016

Note 8. Property, Plant & Equipment

	Leasehold Interest €	IT Software Project €	Work in Progress Computer Equipment €	Other Office Equipment €	Promotional Equipment €	Motor Vehicles €	Art & Paintings €	Total €
Cost or Valuation								
Opening Balance 01/01/16	260,458	-	74,344	62,611	36,827	55,265	63,151	552,656
Additions	-	32,622	3,987	-	-	-	-	36,609
Closing Balance 31/12/16	<u>260,458</u>	<u>32,622</u>	<u>78,331</u>	<u>62,611</u>	<u>36,827</u>	<u>55,265</u>	<u>63,151</u>	<u>589,265</u>
Depreciation								
Opening Balance 01/01/16	198,365	-	68,756	58,748	33,147	35,553	-	394,569
Charge For Year	12,398	-	5,786	1,977	3,680	7,262	-	31,103
Closing Balance 31/12/16	<u>210,763</u>	<u>-</u>	<u>74,542</u>	<u>60,725</u>	<u>36,827</u>	<u>42,815</u>	<u>-</u>	<u>425,672</u>
Net Book Values								
At 31 December 2016	<u>49,695</u>	<u>32,622</u>	<u>3,789</u>	<u>1,886</u>	<u>-</u>	<u>12,450</u>	<u>63,151</u>	<u>163,593</u>
At 31 December 2015	<u>62,093</u>	<u>-</u>	<u>5,588</u>	<u>3,863</u>	<u>3,680</u>	<u>19,712</u>	<u>63,151</u>	<u>158,087</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 and is now viewed as the deemed cost.

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2016

Note 9.	Inventory	2016	2015
		€	€
	Stock of books and manuals	6,352	9,708
		<u>6,352</u>	<u>9,708</u>
Note 10.	Receivables	2016	2015
		€	€
	Trade Debtors	50,052	90,716
	Other Debtors & Prepayments	86,224	37,052
		<u>136,276</u>	<u>127,768</u>
Note 11.	Payables	2016	2015
		€	€
	Other Creditors & Accruals	66,810	55,675
		<u>66,810</u>	<u>55,675</u>

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2016

Note 12. Capital Account	€	2016	€	2015	€
Balance as at 1 January		158,087		167,896	
Income Allocated for Capital Purposes	36,609		24,143		
Amortisation in Line with Depreciation*	(31,103)		(33,952)		
Transfer to Income & Expenditure Account		5,506		(9,809)	
Balance as at 31 December		<u>163,593</u>		<u>158,087</u>	

Note 13. Retirement Benefit Costs

a. Analysis of Total Retirement Benefit Costs charged to the Statement of Expenditure and Retained Revenue Reserves.

	2016	2015
	€	€
Current Service Cost	75,000	60,000
Interest on Retirement Benefit Obligation Scheme Liabilities	25,000	45,000
Employee Contributions	(13,543)	(13,558)
	<u>86,457</u>	<u>91,442</u>

b. Movement in Net Retirement Benefit Obligations Liability During the Financial Year

	2016	2015
	€	€
Net Retirement Benefit Obligation at 1st January	1,030,000	740,000
Current Service Cost	75,000	60,000
Interest Cost	25,000	45,000
Actuarial (Gain)/Loss	170,000	185,000
Retirement Benefit Obligations Paid in Year	-	-
Net Retirement Benefit Obligation at 31 December	<u>1,300,000</u>	<u>1,030,000</u>

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2016

Note 13. Retirement Benefit Costs (Continued)

c. Deferred Funding for Retirement Benefit Obligations

Irish Water Safety recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefit obligations 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 retirement benefit obligations 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 Retirement Benefit Obligations recognised in Income and Expenditure Account was as follows:

	2016	2015
	€	€
Funding Recoverable in Respect of Current Year Retirement Benefit Obligation Costs	100,000	105,000
State Grant Applied to Pay Pensioners	-	-
	100,000	105,000

The deferred funding asset for retirement benefit obligations as at 31 December 2016 amounted to €1,300,000 (2015: €1,030,000).

d. History of defined benefit obligations

	2016	2015	2014	2013
	€	€	€	€
Defined benefit obligations	1,300,000	1,030,000	740,000	720,000
Experience losses/(gains) on scheme liabilities amount	120,000	(35,000)	(80,000)	36,000
Percentage of the present value of the scheme liabilities	9%	3%	11%	5%

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 retirement benefit obligation (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's retirement benefit obligations. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Retirement Benefit Obligations 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 2016

Note 13. Retirement Benefit Costs (Continued)

The Valuation used for FRS102 - Retirement Benefits disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2016.

The principal actuarial assumptions were as follows

	2016	2015
Rate of increase in salaries	2.5%	2.5%
Rate of increase in pensions in payment	2.5%	2.5%
Discount rate	2.00%	2.35%
Inflation	1.75%	1.75%

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:

	2016	2015
Male - Aged 65	21	22
Female - aged 65	24	25

Note 14. 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 €26,000 per annum (2015 - €26,000). The Lease had break options after ten and fifteen years.

At 31 December 2016 Irish Water Safety had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
	€	€
Payable within one year	26,000	26,000
Payable within two to five years	78,000	104,000
Payable after five years	-	15,167
	104,000	145,167

Operating lease payments recognised as an expense were €30,500 (2015: €19,683)

Note 15. 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.

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2016

Note 15. Council Members Interests (Continued)

Related Party Disclosures

Key management personnel in Irish Water Safety consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel, including Board members' fees and expenses and total CEO remuneration, amounted to €116,824 (2015: €121,925).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 4a.

Irish Water Safety adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, Irish Water Safety may approve grants or enter into other contractual arrangements with entities in which Irish Water Safety Board members are employed or are otherwise interested.

Note 16. 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 2016 or 2015.

Note 17. Water Safety Area Committee's

The 32 national Water Safety Area Committee's (WSAC) bank accounts do not form part of the accounts of Irish Water Safety. The Board does not consolidate the transactions of the WSACs as it does not exercise control over the entities. The following is a summary of the year on year movement.

	2016	2,015
Opening Bank Balances	734,436	822,852
*Adjustment	85,896	-
Grants from IWS	100,450	104,700
Additional funding for PAWS Programme	-	3,528
Income from fundraising	612,027	465,038
Other Income	424,775	621,059
Total	1,957,584	2,017,177
Expenditure on local projects	1,113,554	1,282,741
Closing Balance	844,030	734,436

*The above adjustment relates to bank balances owned by a WASC omitted from this disclosure note in error.

Note 18. Approval of Financial Statements

The financial statements were approved by the Council on the 6th December 2017.
