

IRISH WATER SAFETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

IRISH WATER SAFETY

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IRISH WATER SAFETY

Information

Council	Martin O'Sullivan (Chairman) Seamus O' Neill (Vice - Charirman) Michael Cuddihy Philip Keleghan Anne Ryan Peter Cleere Paul Murphy Tom Doyle Lola O' Sullivan Karen Morton Anastasia Ward Clare McGrath Conor Coyne
Business Address	The Long Walk Galway
Auditor	The Comptroller and Auditor General, 3a Mayor Street Upper, Dublin 1.
Accountants	OMB 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

Governance Statement and Council Members' Report

Governance

The Council of Irish Water Safety was established on 24 July 2006 by the Minister for Rural and Community Development 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. The Council is accountable to the Minister for Rural and Community Development and is responsible for ensuring good governance and performs this task by setting strategic plans, objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of Irish Water Safety are the responsibility of the Chief Executive Officer (CEO) and the senior management team must follow the broad strategic direction set by the Council, and must ensure that all Council members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Council and management of Irish Water Safety.

Council Responsibilities

The work and responsibilities of the Council are set out in The Irish Water Safety (Establishment) Order, 2006, which also contain the matters specifically reserved for Council decision. Standing items considered by the Council include:

- declaration of interests,
- reports from committees, commissions and working groups,
- financial reports/management accounts,
- performance reports, and
- reserved and other legal matters,
- matters relating to the safeguarding of children,

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 Rural and Community Development 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 maintenance and integrity of the corporate and financial information on the Irish Water Safety's website is the responsibility of the Council.

The Council is responsible for approving the annual plan and budget. An evaluation of the performance of Irish Water Safety by reference to the annual plan and budget was carried out on the 6th December 2017.

IRISH WATER SAFETY

Governance Statement and Council Members' Report

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.

Council Structure

The Council consists of a Chairperson, Vice - Chairperson and 11 ordinary members, 5 elected by the Water Safety Areas and 6 of whom are appointed by the Minister for Rural and Community Development.

<u>Council</u>	<u>Role</u>	<u>Date Appointed</u>
Martin O'Sullivan	(Chairman)	23th August 2016
Seamus O' Neill	(Vice - Charirman)	1st March 2017
Michael Cuddihy	Council Member	1st March 2017
Philip Keleghan	Council Member	1st March 2017
Anne Ryan	Council Member	1st March 2017
Peter Cleere	Council Member	1st March 2017
Paul Murphy	Council Member	1st March 2017
Tom Doyle	Council Member	1st March 2017
Lola O' Sullivan	Council Member	1st March 2017
Karen Morton	Council Member	1st March 2017
Anastasia Ward	Council Member	1st March 2017
Clare McGrath	Council Member	1st March 2017
Conor Coyne	Council Member	1st March 2017

Schedule of Attendance, Fees and Expenses

A schedule of attendance at Council, Audit Commission and Other Commission meetings for 2017 is set out below including the fees and expenses received by each member. Other Commission meetings comprise of Education, Marketing, Rescue, Sports, Lifeguard and Swimming Commissions as well as various Working

	<u>Council</u>	<u>Audit</u>	<u>Other</u>	<u>Fees</u>	<u>Expenses</u>
Number of meetings	6	3			
Martin O'Sullivan	6	2	23	8,972	9,607
Seamus O' Neill	6	-	12	-	5,834
Michael Cuddihy	6	-	8	-	4,840
Philip Keleghan	5	-	3	-	1,787
Anne Ryan	6	-	6	-	3,163
Peter Cleere	5	3	1	-	2,948
Paul Murphy	4	-	6	-	2,107
Tom Doyle	5	3	5	-	4,901
Lola O' Sullivan	3	-	13	-	4,756
Karen Morton	5	-	10	-	1,656
Anastasia Ward	3	-	3	-	1,840
Clare McGrath	5	-	5	-	2,569
Conor Coyne	4	2	-	-	1,136
Total				8,972	47,144

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Governance Statement and Council Members' Report

Key Personnel Changes

4 members of the Council resigned during the year at the end of their appointments. In accordance with the Irish Water Safety Establishment Order 2006 (S.I. 389 of 2006) the Minister appointed 6 new members.

Disclosures Required by Code of Practice for the Governance of State Bodies 2016

The Council is responsible for ensuring that Irish Water Safety has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosure are required by the Code.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2017	2016
	€	€
Risk Assessments	1,524	1,030
Mediation	2,690	-
Legal	-	923
Corporate Governance	-	4,613
Other	-	1,869
Total	<u>4,214</u>	<u>8,435</u>

Legal Costs and Settlements

In the reporting period there was no expenditure in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties.

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
- Council	30,741	21,087
- Staff	19,807	17,527
International		
- Council	5,604	4,038
- Staff	3,069	1,792
Total	<u>59,221</u>	<u>44,444</u>

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Governance Statement and Council Members' Report

Statement of Compliance

Irish Water Safety has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016, with the following exceptions: Irish Water Safety does not currently have a formal internal audit function as outlined in the Statement on Internal Control.

Martin O'Sullivan

Chairman

John Leech

Chief Executive

Date: 5th December 2018

IRISH WATER SAFETY

Statement on Internal Control

Scope of Responsibility

On behalf of Irish Water Safety I acknowledge the Council's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies 2016.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. 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 way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Irish Water Safety for the year ended 31st December 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Council established an Audit Commission consisting of four 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 taken steps to ensure an appropriate control environment by;

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

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.

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Statement on Internal Control

Ongoing Monitoring and Review

Formal Procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Council, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place.

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

I confirm that Irish Water Safety has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

Review of Effectiveness

The council's monitoring and review of the effectiveness of the system of internal control is based on the work of the Financial Officer and CEO who have responsibility for the development and maintenance of an appropriate 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.

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. In 2017, The Council's annual review of effectiveness was informed by a review conducted by the ARC where they documented the internal financial control procedures at IWS. The Council approved same at a meeting held in October 2017. IWS have planned an external review of internal controls in November 2018.

I confirm that the council reviewed the effectiveness of the system of internal control that operated during the year 31 December 2017.

Internal Control Issues

Some weaknesses in internal control were identified in relation to 2017 that require disclosure in the financial statements:

Non-Compliant Procurement

During 2017, expenditure of €94,341 was incurred in relation to goods and services where the procedures employed did not comply with procurement guidelines. Irish Water Safety are reviewing their procedures in 2018 to ensure compliance with procurement guidelines.

No formal Internal Audit Function

Irish Water Safety do not currently have a formal internal audit function as required by the Code due to lack of resources. IWS are reviewing this situation in 2019.

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Statement on Internal Control

Signed on behalf of the Council of Irish Water Safety.

Martin O'Sullivan
Chairman

Date: 5th December 2018

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Statement of income and expenditure and retained revenue reserves for the year ended 31 December 2017

	Note	2017 €	2016 €
Income			
Oireachtas Grants	2	1,007,000	657,000
Net Deferred Funding for Pensions	13c	108,000	100,000
Contributions from Local Authorities		130,555	175,105
Other Income	3	463,237	464,759
Total Income		<u>1,708,792</u>	<u>1,396,864</u>
Transfer from Capital Account	12	(1,676)	(5,506)
		<u>1,707,116</u>	<u>1,391,358</u>
Expenditure			
Administration Expense	4	693,701	655,729
Travel and Subsistence Expenses	5	138,469	99,156
Promotions, Publicity and Training	6	577,001	401,853
Grants to Water Safety Committees	17	99,200	100,450
Special Projects	7	91,518	80,150
Total Expenditure		<u>1,599,889</u>	<u>1,337,338</u>
Surplus for the Year		107,227	54,020
Brought forward 1 January		<u>557,340</u>	<u>503,320</u>
Balance carried forward at 31 December		<u>664,567</u>	<u>557,340</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: 5th December 2018

IRISH WATER SAFETY

Statement of Comprehensive Income for the year ended 31st December 2017

	Note	2017 €	2016 €
Surplus for the Financial Year		107,227	54,020
(Loss)/Gains on Retirement Benefit Obligations		<u>(652,000)</u>	<u>(170,000)</u>
Actuarial (Loss) in the Year		(652,000)	(170,000)
Adjustment to Retirement Benefit Funding		<u>652,000</u>	<u>170,000</u>
Total Comprehensive Income for the Year.		<u>107,227</u>	<u>54,020</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: 5th December 2018

IRISH WATER SAFETY

Statement of Financial Position as at 31st December 2017

	Note	2017 €	2016 €
Fixed Assets			
Property, plant & equipment	8	165,269	163,593
Current Assets			
Inventory	9	13,416	6,352
Receivables	10	102,416	136,276
Cash and Cash Equivalents		613,604	481,522
		<u>729,436</u>	<u>624,150</u>
Current Liabilities - (amounts falling due within one year)			
Payables	11	(64,868)	(66,810)
Net Current Assets		<u>664,568</u>	<u>557,340</u>
Total Assets Less Current Liabilities		<u>829,837</u>	<u>720,933</u>
Long Term Liabilities - amounts falling due after one year			
Deferred Retirement Benefit Funding Asset	13c	2,060,000	1,300,000
Retirement Benefit Obligations	13b	(2,060,000)	(1,300,000)
Total Net Assets		<u>829,837</u>	<u>720,933</u>
Representing			
Capital Account	12	165,270	163,593
Retained Revenue Reserves		664,567	557,340
		<u>829,837</u>	<u>720,933</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: 5th December 2018

IRISH WATER SAFETY

Statement of Cash Flows for the year ended 31st December 2017

	2017	2016
	€	€
Net Cash Flows from Operating Activities		
Excess Income over expenditure	107,227	54,020
Depreciation	28,887	36,609
(Increase) in inventory	(7,064)	3,356
Decrease in receivables	33,860	(8,508)
(Decrease) in payables	(1,941)	11,135
Net Cash Inflow from Operating Activities	<u>160,969</u>	<u>96,612</u>
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(28,887)	(36,609)
Net Cash Flows from Investing Activities	<u>(28,887)</u>	<u>(36,609)</u>
Net Increase in Cash and Cash Equivalents	<u>132,082</u>	<u>60,003</u>
Cash and cash equivalents at 1st January	<u>481,522</u>	<u>421,519</u>
Cash and Cash Equivalents at 31st December	<u><u>613,604</u></u>	<u><u>481,522</u></u>

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31st December 2017

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 2017 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 2017.

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.

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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.

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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 2017

Note 2. Oireachtas Grants	2017 €	2016 €
Department of Environment Community and Local Government Vote 25 Subhead E.13	1,007,000	657,000
Operating Grant	507,000	507,000
Additional Grant Note 6a	500,000	150,000

During the year Irish Water Safety received €500,000 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	2017 €	2016 €
Sales	304,953	317,240
Membership	45,012	42,380
Ring Buoy Contribution	33,000	33,000
Sponsorship	1,500	4,684
Irish Sports Council Grant	19,000	19,000
Other Income	9,492	10,315
Competition Income	50,280	38,140
	463,237	464,759

Note 4. Administration Expenses	2017 €	2016 €
Remuneration and other pay costs Note 4(a)	392,732	362,753
Retirement Benefit Costs Note 13(a)	94,086	86,457
Staff Training	1,682	2,650
Rent, Rates, Light and Heat	29,270	34,495
Insurance	48,182	43,232
Stationery	5,922	6,287
Postage and Telephone	35,307	29,992
Maintenance and Cleaning	32,581	32,008
Audit Fee	10,000	10,000
Accountancy	6,396	3,629
Legal & Other Professional Fees	4,214	8,433
Bank Charges	677	741
Miscellaneous Administration Expenses	5,441	3,949
Depreciation	27,211	31,103
	693,701	655,729

IRISH WATER SAFETY

Notes to the Financial Statements for the year ended 31st December 2017

Note 4a. Remuneration & Other Pay Costs

(a) Aggregate Employee Benefits

	2017	2016
	€	€
Short Term Benefits	355,802	328,464
Termination Benefits	-	-
Retirement Benefit Costs	94,086	86,457
Employers Contribution to Social Welfare	36,930	34,289
	486,818	449,210

The total number of staff employed at the year end was 9 (2016:8)

(b) Staff Short-Term Benefits

	2017	2016
	€	€
Basic Pay	355,802	328,464
	355,802	328,464

(c) Termination Benefits

	2017	2016
	€	€
Termination benefits charged to the Income & Expenditure Account	-	-
	-	-

(d) Key Management Personnel

Key management personnel in Irish Water Safety consists of the Council and the Chief Executive Officer.

	2017	2016
	€	€
Salary	94,095	95,737
	94,095	95,737

The Chairman of the Council received a stipend of €8,972 in 2017 (2016 - €9,314). No other Council Member received any fees in 2017 or 2016.

(e) Chief Executive Officer Salary and Benefits

The CEO remuneration package for the financial period was as follows:

	2017	2016
	€	€
Basic Pay	85,123	86,423
	85,123	86,423

IRISH WATER SAFETY

The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the public sector defined benefit superannuation scheme.

Pension Levy Deductions

Pension related deductions of €13,739 (2016 - €14,80) 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>	
	2017	2016
€60,001 - €70,000	1	2
€70,001 - €80,000	-	-
€80,001 - €90,000	1	1
	<u>2</u>	<u>3</u>

Note 5. Travel and Subsistence Expenses	2017	2016
	€	€
Council	30,741	21,087
Committees and Commissions	28,011	20,333
Office	22,876	19,319
Ring Buoy Inspectors	26,231	20,908
International Travel	17,190	5,232
Other Travel	13,420	12,277
	<u>138,469</u>	<u>99,156</u>

The travel and subsistence expenses in 2017 include €9,607 received by the Chairman (2016 - €11,326) and €8,903 received by the Chief Executive (2016 - €7,80). Amounts are calculated in accordance with relevant Department of Public Expenditure and Reform Travel & Subsistence Circulars.

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Notes to the Financial Statements for the year ended 31 December 2017

	2017	2016
	€	€
Note 6. Promotion, Publicity and Printing Expenses		
Advertising and Press Cuttings	40,015	51,884
Promoting Irish Water Safety Note 6a.	402,714	156,208
Education Development Officer - Expenses	3,805	4,786
Seminars and Training Courses	53,500	111,580
Non Saleable Books and Manuals	15,586	11,790
Purchase of Saleable Items	56,701	60,833
Memberships	4,680	4,772
	577,001	401,853
 Note 6a. Promoting Irish Water Safety	 €	 €
Primary School Education Programme	194,486	12,395
Communications - Newsletters and Online	74,951	17,007
Press Campaigns	1,534	18,202
Radio Campaigns	120,058	68,121
Television Campaigns	11,685	40,483
	402,714	156,208
 Note 7. Special Projects	 €	 €
Senior & Junior Surf and Pool Competition	43,634	37,995
Life Saving Competitions Abroad	22,797	13,203
Lifesaving Equipment	25,087	28,952
	91,518	80,150

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2017

Note 8. Property, Plant & Equipment

	Leasehold Interest €	Work in Progress IT Software Project €	Computer Equipment €	Other Office Equipment €	Promotional Equipment €	Motor Vehicles €	Art & Paintings €	Total €
Cost or Valuation								
Opening Balance 01/01/17	260,458	32,622	78,331	62,611	36,827	55,265	63,151	589,265
Additions	-	-	4,037	-	-	24,850	-	28,887
Scrapped	-	-	(7,656)	-	(1,224)	(6,856)	-	(15,736)
Closing Balance 31/12/17	<u>260,458</u>	<u>32,622</u>	<u>74,712</u>	<u>62,611</u>	<u>35,603</u>	<u>73,259</u>	<u>63,151</u>	<u>602,416</u>
Depreciation								
Opening Balance 01/01/17	210,763	-	74,542	60,725	36,827	42,815	-	425,672
Scrapped	-	-	(7,656)	-	(1,224)	(6,856)	-	(15,736)
Charge For Year	12,399	-	3,806	1,886	-	9,120	-	27,211
Closing Balance 31/12/17	<u>223,162</u>	<u>-</u>	<u>70,692</u>	<u>62,611</u>	<u>35,603</u>	<u>45,079</u>	<u>-</u>	<u>437,147</u>
Net Book Values								
At 31 December 2017	<u>37,296</u>	<u>32,622</u>	<u>4,020</u>	<u>-</u>	<u>-</u>	<u>28,180</u>	<u>63,151</u>	<u>165,269</u>
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>

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 2017

Note 9.	Inventory	2017 €	2016 €
	Stock of books and manuals	13,416	6,352
		<u>13,416</u>	<u>6,352</u>
Note 10.	Receivables	2017 €	2016 €
	Trade Debtors	72,563	50,052
	Other Debtors & Prepayments	29,853	86,224
		<u>102,416</u>	<u>136,276</u>
Note 11.	Payables	2017 €	2016 €
	Other Creditors & Accruals	64,868	66,810
		<u>64,868</u>	<u>66,810</u>

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2017

Note 12. Capital Account	€	2017	€	2016	€
Balance as at 1 January		163,594		158,087	
Income Allocated for Capital Purposes	28,887		36,609		
Amortisation in Line with Depreciation	(27,211)		(31,103)		
		<u>1,676</u>		<u>5,506</u>	
Transfer to Income & Expenditure Account					
Balance as at 31 December		<u>165,270</u>		<u>163,593</u>	

Note 13. Retirement Benefit Costs

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

	2017	2016
	€	€
Current Service Cost	82,000	75,000
Interest on Retirement Benefit Obligation Scheme Liabilities	26,000	25,000
Employee Contributions	(13,914)	(13,543)
	<u>94,086</u>	<u>86,457</u>

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

	2017	2016
	€	€
Net Retirement Benefit Obligation at 1st January	1,300,000	1,030,000
Current Service Cost	82,000	75,000
Interest Cost	26,000	25,000
Actuarial (Gain)/Loss	652,000	170,000
Retirement Benefit Obligations Paid in Year	-	-
Net Retirement Benefit Obligation at 31 December	<u>2,060,000</u>	<u>1,300,000</u>

IRISH WATER SAFETY

Notes to the Financial statements for the year ended 31 December 2017

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:

	2017	2016
	€	€
Funding Recoverable in Respect of Current Year Retirement Benefit Obligation Costs	108,000	100,000
State Grant Applied to Pay Pensioners	-	-
	108,000	100,000

The deferred funding asset for retirement benefit obligations as at 31 December 2017 amounted to €2,060,000 (2016: €1,300,000).

d. History of defined benefit obligations

	2017	2016	2015	2014
	€	€	€	€
Defined benefit obligations	2,060,000	1,300,000	1,030,000	740,000

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 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 2017

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 2017.

The principal actuarial assumptions were as follows

	2017	2016
Rate of increase in salaries	2.5%	2.5%
Rate of increase in pensions in payment	2.5%	2.5%
Discount rate	1.85%	2.00%
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:

	2017	2016
Male - Aged 65	21	21
Female - aged 65	24	24

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 (2016- €26,000). The Lease had break options after ten and fifteen years.

At 31 December 2017 Irish Water Safety had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	€	€
Payable within one year	26,000	26,000
Payable within two to five years	67,166	78,000
Payable after five years	-	-
	93,166	104,000

Operating lease payments recognised as an expense were €26,000 (2016: €30,500)

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 2017

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 €110,643 (2016: €116,824)

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 2017 or 2016.

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.

	2017	2016
Opening Bank Balances	844,030	734,436
*Adjustment	-	85,896
Grants from IWS	102,750	100,450
Additional funding for PAWS Programme	4,536	-
Income from fundraising	684,543	612,027
Other Income	453,881	424,775
Total	2,089,740	1,957,584
Expenditure on local projects	1,256,875	1,113,554
Closing Balance	832,865	844,030

*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 5th December 2018
