

2019




Waterways Ireland
Uiscebhealaí Éireann Watterweys Airlann

ANNUAL REPORT & ACCOUNTS



Annual Report and Accounts 2019

Laid before the Northern Ireland Assembly and
both Houses of the Oireachtas in accordance with the
North South Co-operation (Implementation Bodies)
(Northern Ireland) Order
1999 Schedule 1, Annex 2, Part 7,
Paragraphs 1.3 and 2.6. by Waterways Ireland

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FOREWORD

- CHIEF EXECUTIVE'S REVIEW



CHIEF EXECUTIVE'S REVIEW

John McDonagh
Chief Executive



"2019 was a significant year of progress for Waterways Ireland as we focused on addressing organisation leadership and capacity gaps; enhancing governance, risk and control gaps; and progressing a 10-year Long-Term Plan, alongside a long list of other accomplishments."

As I write this Introduction to our 2019 Annual Report I reverted to some of the words from my 2018 Introduction. I quote *'Externally there are known challenges including Brexit but the macro perspective highlights global growth in health-improving activities; an increasing share of preference by tourists in choosing to visit the island of Ireland; and presently in Ireland above average economic growth. It is a time of opportunity and the vision must be to accelerate Waterways Ireland's evolution to capture these positive sentiments'*. How times have changed so quickly.

I want to acknowledge the difficult times we live in today as we contend with COVID-19 and the inevitable aftermath. I offer my, and Waterways Ireland, condolences to all of the victims and their families. We will prevail despite the immediate suffering and the consequential impact in the months ahead as governments endeavour to stimulate the economies across the island of Ireland.

During 2019 Waterways Ireland focused on three Strategic Challenges. These were:

- 1. Increase leadership and organisation capacity** – these gaps stemmed from having no North/South Ministerial Council authority to approve senior appointments; a declining headcount following budgetary constraints; and retention challenges in certain functions as uncompetitive pay in Northern Ireland deterred talent from joining Waterways Ireland. Some roles in the organisation remained vacant; some were acting up and temporary arrangements. The result was our leadership ranks were stretched and our organisation was somewhat stressed.

Our Sponsor Departments have acknowledged and supported the need to build organisational capacity within budget cover. A small number of senior appointments including a Director of Technical Services; a Head of Transformation; and a Head of Asset Management have been successfully completed. Planned recruitment campaigns in Q1 and Q2 2020 were paused recognising the

compliance guidelines, and practical difficulties, in play as a result of COVID19.

- 2. Improve governance; risk and control gaps** – I concluded in early 2019 the system of internal control was not fully effective. This was referenced in the Statement on Internal Control. This conclusion was based on documented issues arising from Internal Audit findings particularly in relation to payroll allowance protocols.

It is important now to acknowledge Waterways Ireland has made steady, albeit slow, progress in addressing the key risks and internal control gaps highlighted in this statement in the 2018 Annual Report. I have expanded on these points in the Statement on Internal Control within this Annual Report.

- 3. Develop a strategic 10-year long term plan** - Waterways Ireland is obligated in its Financial Memorandum to produce a 3-year Corporate Plan. The existing plan expired in December 2019.

In my words last year I mentioned the connection between a growth path for Waterways Ireland and the imperative of long term thinking and planning. The absence of a strategic long-term plan, beyond the obligatory 3 year corporate plan, has meant our organisation has been working towards key themes without a strategic approach, longer term vision or meaningful ambition for growth. We have lost some of our relevance and purpose. We need to be ambitious and identify a growth platform to add more value to the island of Ireland.

Much of 2019 was focused on increasing organisational capacity measures and improving governance. However with recent Sponsor Department support we have commenced the formulation of a strategic 10-year long term plan. The process of formulating our 10-year long term plan will endure throughout 2020 as engagement and discussion with stakeholders in current COVID19 circumstances will be virtual and therefore will take more time. Much of 2019 was focused on increasing

organisational capacity measures and improving governance. In 2020, the Sponsor Departments supported the formulation of a strategic 10-year long term plan due completion in early 2021. In conjunction with this exercise, a 3-year Corporate Plan (2020-2022) was developed in for Sponsor Department approval in late 2020.

And notwithstanding these specific challenges 2019 brought with it a long list of accomplishments which I have reduced to a selection below:

- Current expenditure budget discipline was strong with no significant areas of concern;
- An Asset Management Strategy with a future roadmap was formulated which will be resourced and funded in 2020 and beyond;
- A Financial Governance Review was commenced mid-year and finalised. No new or unknown control issues have been identified;
- Efforts to build a sustained relationship were developed with our predominant user groups including Inland Waterways Association of Ireland (IWAI) and Heritage Boat Association (HBA) and we attended branch meetings and the IWAI AGM;
- Our largest project at Meelick Weir commenced and has progressed well against budget and time and will be completed in 2020;
- The 46km Barrow Blueway economic appraisal was carried out mid-year with a funding application to the Rural Regeneration Development Fund approving €5m for the project. The balancing 25% matched funding will be sought from our Sponsor Department to enable the project to mobilise and move to the design and construction phases. This was the largest of several funding applications and grants delivered during 2019;
- The Royal Canal Greenway is primed to become the longest Greenway in Ireland at 120 km;
- A strategic partnership with Fáilte Ireland was signed and the Shannon Master Plan is open for public consultation. Early stage projects have been identified for 2021;
- Phase 1 of the Ulster Canal Restoration Project was completed with the construction of new floating moorings at Castle Saunderson in County Cavan, which is now accessible from Upper Lough Erne by boat. Phase 2 of the Ulster Canal Restoration Project commenced with the securing of funding from the Rural Regeneration Development Fund to facilitate work to identify a sustainable water supply and ancillary studies for a section of the restoration in Clones;
- Three new accessible floating moorings were installed on the Erne System at Castle Museum, Tullyinishmore and Cloonatrig;

- There was a wide variety of events and activities along the waterways promoting and encouraging recreational and healthy pursuits. The Bram Stoker event in October 2019 lit up the Grand Canal Dock and attracted approximately 20,000 to the Dock. Over the year 13 recreational events were supported by Waterways Ireland in Dublin which attracted nearly 2,000 participants;
- Marketing promotion was accentuated by a high level of positive media coverage including 5 days of filming by RTE's Nationwide which highlighted the Shannon Erne and the Shannon Blueway attracting 500,000 viewers excluding Video on Demand;
- The Heritage Stories from the Waterways series became a finalist in the National eGovernment Awards and European Heritage Motion Awards;
- Preparation of a water management strategy was informed by anticipated changes in proposed new Water Abstraction legislation;
- A dedicated ecologist was recruited to further Waterways Ireland's commitment to sustainable management of our navigations and to prioritise ways in which we can manage our natural assets to combat the Biodiversity Crisis;
- Work on the formulation of a strategic maintenance programme along the Shannon in partnership with OPW is well-advanced; and
- Dialling-up engagement and communications within Waterways Ireland was identified as a priority. Increased usage of communications channels and engagement sessions with staff all added value particularly in the second half of 2019;

In conclusion, as an organisation we were internally-focused during 2019 as we addressed the strategic challenges I mentioned earlier. Moving to a steady state position is our immediate goal whilst contemporaneously developing a 10-year long term plan. These objectives require different skillsets and capabilities and a disciplined approach so that the short term imperatives do not over-weight the long term needs and vice versa.

Our people and economies will rebound. It will take time. And Waterways Ireland will be primed to take the big steps to secure its future growth in existing and new manifestations of its remit.



John McDonagh
Chief Executive

MOST POPULAR ACTIVITY BY WATERWAY >

1. SHANNON: Boating (private cruiser/barge)
2. SHANNON ERNE: Boating & Angling
3. LOWER BANN: Angling
4. ERNE SYSTEM: Walking
5. BARROW: Walking
6. ROYAL CANAL: Angling
7. GRAND CANAL: Walking, Event, Meeting Friends



TOTAL NUMBER OF USERS >

5.5M



4.2 MILLION
WALKING / CYCLING



284,000
COMMERCIAL BOATING



277,000
ROWING



147,000
ANGLING



125,000
SAILING



118,000
CANOEING



84,000
ACTIVITY CENTRE



61,000
RUNNING



23,000
WATERSKIING



22,000
CRUISE HIRE



15,000
SWIMMING/
TRIATHLETES



10,000
ENVIRONMENT/
ARCHIVE



2,000
EDUCATION

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STRATEGY & INDICATORS

- ABOUT WATERWAYS IRELAND
- OUR STRATEGY
- KEY PERFORMANCE INDICATORS
- ORGANISATIONAL STRUCTURE
- SENIOR MANAGEMENT TEAM
- STAKEHOLDER ENGAGEMENT



ABOUT WATERWAYS IRELAND

WHO WE ARE

Waterways Ireland is a cross-border Body, the largest of six North/South Implementation Bodies established under the British Irish Agreement of 10 April 1998. This Agreement was given domestic effect by means of the North/South Co-Operation (Implementation Bodies) (Northern Ireland) Order, 1999 and the British-Irish Agreement Act, 1999 respectively.

The Body employs over 300 staff located in a number of offices and sites close to our inland waterways who are assisted by a team of seasonally recruited staff reflecting the seasonality of the organisations remit. In addition, we are supported by communities and volunteers across the 1,000km of navigations who help look after the waterways amenity areas in towns and villages. The organisation's headquarters is in Enniskillen, Co Fermanagh with regional offices in Dublin, Carrick-on-Shannon and Scarriff.

WHAT WE DO

We are the navigation authority for over 1,000 km of navigable inland waterways, comprising: Lower Bann Navigation; Erne System; Shannon-Erne Waterway; Shannon Navigation; Royal Canal; Grand Canal; and Barrow Navigation.

Our statutory function is to manage, maintain, develop and restore specified inland navigable waterways, principally for recreational purposes. In July 2007, our remit was extended by the North/South Ministerial Council (NSMC) to include responsibility for the reconstruction of the Ulster Canal from Upper Lough Erne to Clones, and following restoration, for its management, maintenance and development, principally for recreational purposes. The NSMC at its 10 June 2015 meeting welcomed the Irish Government's approval on 24 February 2015, to progress the first phase of the Ulster Canal restoration from Upper Lough Erne to the International Scout Centre at Castle Saunderson, near Belturbet in Co Cavan. The NSMC also agreed at the June 2015 meeting that Waterways Ireland lead on progressing development of a Greenway along the corridor of the Ulster Canal in association with relevant councils and stakeholders.

At an operational level, we have responsibility for navigation channels, embankments, towpaths, adjoining lands, harbours, jetties, fishing stands, bridges, culverts, aqueducts, overflows, locks, sluices and lock houses along with buildings and archives. The valuation of the rebuild costs of infrastructure is estimated at approximately €1 billion. Our works are critical to

providing a safe and high-quality recreational environment for our customers, whilst also preserving the industrial and environmental heritage of the waterways for future generations. These challenges must be balanced with our objective of increasing recreational activity across all our waterways.

HOW WE OPERATE

As a cross-border Body, we operate under the policy direction of the North/South Ministerial Council and the two Governments and are accountable to the Northern Ireland Assembly and the Houses of the Oireachtas. At an administrative level, we report to our Sponsor Departments, the Department for Infrastructure (DfI) in Northern Ireland and the Department of Culture, Heritage and the Gaeltacht (DCHG).

Funding is provided by grants from money voted by the Northern Ireland Assembly and the Houses of the Oireachtas. 15% of recurrent or maintenance funding is provided by the Assembly in Northern Ireland, and 85% by the Irish Government, this reflecting the current distribution of waterways in each jurisdiction. Capital infrastructure repair programmes are funded separately by the jurisdiction where the works are carried out. Development work has been sustained through attracting third party investment from a wide range of sources.

Our operational performance targets are agreed with both Sponsoring Departments, and we report against these targets in our monitoring meetings. Waterways Ireland's Annual Report and Accounts are audited externally by the Comptrollers and Auditor Generals who are heads of the Northern Ireland Audit Office and the Office of the Comptroller and Auditor General in Ireland. These external audits provide independent assurance on the regularity and propriety of Waterways Ireland's accounts and our processes in relation to expenditure, revenue and assets. Waterways Ireland also has an Audit Committee, consisting of independent non-executive members, whose remit is to advise the Chief Executive as Accounting Officer, on whether an appropriate system of internal control is in operation.

Waterways Ireland submits an annual report of its activities and a statement of accounts to the NSMC and the Comptrollers and Auditors General for each jurisdiction. Following the Comptrollers and Auditor Generals' certification, the Annual Report and Accounts are laid before the Northern Ireland Assembly and the Houses of the Oireachtas.

IRELAND'S WATERWAYS

LOWER BANN NAVIGATION 1

ERNE SYSTEM 2

SHANNON-ERNE WATERWAY 3

SHANNON NAVIGATION 4

ROYAL CANAL 5

GRAND CANAL 6

BARROW NAVIGATION 7



OUR STRATEGY

OUR STRATEGY

The 2017-2019 Corporate Plan set out a road map to ensure the inland waterways were developed and managed to expand the recreational, social, health and economic benefits their use can provide.

The goal was to increase the use of these national treasures to provide high quality recreational amenities, well used by all the people who live near the waterways, while also attracting increasing numbers of visitors, bringing jobs, creating new and sustaining existing businesses, and delivering prosperity.

At the core of the plan is delivery of maintenance and active management of the waterways. Many of the navigation features are now over 200 years old and are in need of significant investment. We will continue to focus on ensuring public safety, water control, and investment in critical infrastructure in areas of greatest use.

Key programmes included the development of the canal network towpaths. Reimagining the waterside sites throughout the navigations for new activities to researching the potential of a pilgrim way exploring Christian heritage and facilitating a deeper understanding of the country's historic past.

OUR VISION

Our Vision is to bring our waterways to life – full of recreational and commercial activities, havens rich in wildlife and biodiversity, and positively transformational both in terms of enriching people's lives and regenerating the many rural and urban communities and regions through which the waterways pass. Our Vision statement is "*Delivering vibrant and living waterways now and in the future*".

The inland waterways will be internationally recognised as Ireland's go to escape, the place of choice to invest in, and will be treasured by the people who live alongside them with an overwhelming sense of pride and place.

OUR VALUES

Achieving delivery of our Corporate Plan centred on our Values which reflect the essence of our identity, shape our culture and provide the principles upon which we carry out our organisational activities. In all our activities we will be guided by:

1. The need to focus our services and facilities on our customers;
2. Our commitment to a culture of excellence;
3. Being open, accessible and accountable;
4. Working to the highest levels of integrity, impartiality and business equity;
5. Promoting fairness, equality of opportunity, mutual respect and good relations;
6. Ensuring value for money;
7. Having regard for the waterways heritage and natural environment in all our activities;
8. Developing our internal and external customer relationships;
9. Developing our staff; and
10. Taking reasonable and practical measures to provide a safe environment for our waterway users, staff, contractors, volunteers and neighbouring communities.

WATERWAYS VALUE

Our waterways add exponential economic value at a local and national level on an annual basis, in comparison with the level of investment. The benefits derived from the provision and development of such infrastructure cannot just be measured in economic terms but must also be viewed in terms of value to society and to peoples' quality of life. The inland waterways are an important component of the rural and urban landscapes within the island of Ireland and are areas rich in biodiversity and cultural heritage.

Waterways Ireland manages assets which were valued at almost €1 billion. This valuation represents the cost of rebuilding the infrastructure which passes through high value habitats and contributes in many ways to their physical surroundings, water management, local communities and the national economy. The actual value of the inland waterways can only truly be assessed by the benefit which they add on an annual basis to the local and national economies, to the health agenda, to social cohesion, to the environment, to culture and heritage and to the community and future generational use.

The benefits derived from the existence and maintenance of the inland waterways are wide ranging, contributing €405m in 2017 annually to the economy.

RECREATION

The inland waterways make a significant contribution to the visitor economy and to the recreation sector. They

are important destinations in their own right and they provide access to the water through a range of enabling public infrastructure such as marinas, jetties, moorings, piers, docks, harbours, slipways, canoe steps, navigation markers, locks etc. They also provide a range of waters' edge infrastructure such as towpaths, bridges, car parks, trails, service blocks, pump out facilities, walking and cycling trails, fishing stands and bird hides. This infrastructure is key to enabling visitors and people locally to access the resource for a wide range of water and land-based activities as well as providing links to other visitor attractions and services.

TOURISM

The inland waterways act as a magnet for tourism activity which encourages entrepreneurs to provide restaurants, convenience stores, recreational services and indeed holiday accommodation throughout rural and urban Ireland. Investment in the waterways also results in increased employment opportunities in the recreation/tourist/heritage industry, particularly through the provision of new destinations in rural areas and the development of existing popular areas. The estimated annual value of Cruise Hire and Angling on the inland waterways amounts to an estimated €200m to the national economy.

HEALTH AND WELL-BEING

The inland waterways form part of the "natural health service" – encouraging and supporting physical and healthy outdoor activity that encourages healthy communities. This is particularly the case in rural areas where people who live in isolated areas have a tendency to be less active to their urban counterparts. Local accessibility to well-maintained outdoor recreational facilities is vital in improving the health of inhabitants. It is estimated that the proximity of cycle and walking trails to the inland waterways improves the economic mortality rate by approximately €38.5m per annum.

EDUCATION

The inland waterways provide a "living lab" for research and environmental monitoring and an important resource for education and up-skilling of our young people. Inland waterways provide opportunities for education and training in history, activities and nature. There is also evidence that outdoor education contributes to children's creative development and ability to cope in real-life situations. Outdoor education improves exposure to a range of cultures, talents and interests as well as improving social skills through participation and interaction. This is particularly important for children from low-income or disadvantaged backgrounds. A number of the most deprived communities in Ireland live within 5 km of a waterway, increasing the potential to maximise these benefits.

COMMUNITY REGENERATION

The inland waterways act as a catalyst for physical and social regeneration – especially in rural areas. They often provide a focal point for activity in the community and improve the social cohesion and pride of many rural areas.

ECOSYSTEM HEALTH

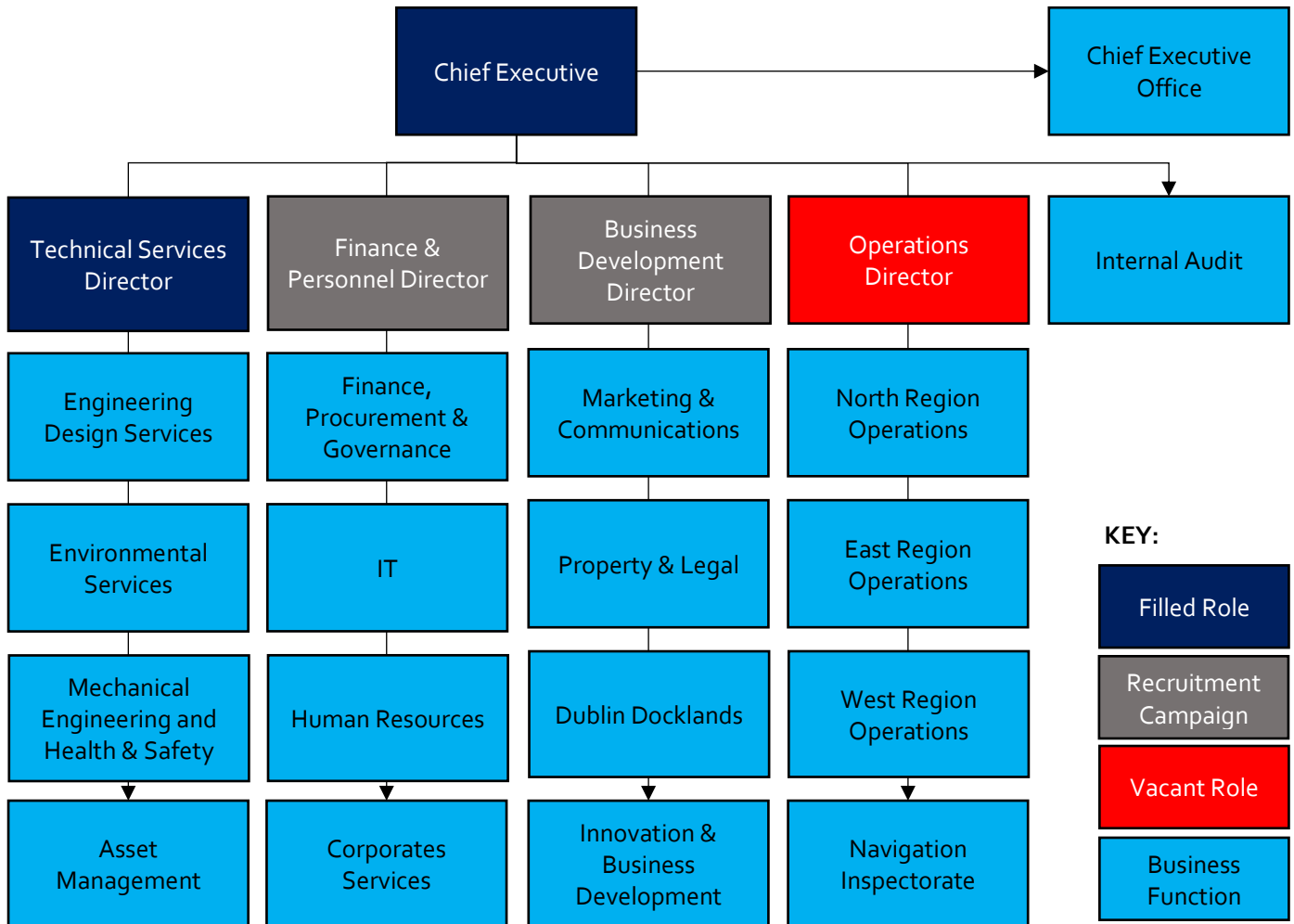
The inland waterways support ecological biodiversity. 80% of its landholdings are within a European designated site and the green infrastructure of the waterways provide vital ecosystem services.

STRATEGIC OBJECTIVES

Our 2017-2019 Corporate Plan set out the following eight Strategic Objectives:

1. Increase use of the inland navigations by 4% per annum over each year of the Corporate Plan.
2. Deliver a prioritised management and maintenance programme for the waterways concentrating available resources on the areas of greatest need and benefit.
3. Deliver a prioritised programme of infrastructural repairs focused on structures in a critical condition in places of greatest use.
4. Continue to form partnerships and seek third party investment into development of the canal towpaths and key waterway locations to provide new recreational opportunities and uses for the inland waterways that support sustainable economic and social benefits.
5. Continue to develop partnerships on each of the waterways with local communities, waterway user groups and tourism and recreational bodies to support the operation, upkeep, increased use and promotion of the inland waterways.
6. Implement an ongoing efficiency and effectiveness programme to continue work to achieve new ways to do business with reduced resources.
7. Continue to develop opportunities to earn increased income from the inland waterway property to support operation of the inland waterways.
8. Sustain and enhance the natural and built heritage of the inland waterways to protect and enhance these key public assets for use now and by future generations.

ORGANISATIONAL STRUCTURE



Staff Numbers	Finance & Personnel Directorate	Business Development Directorate	Technical Services Directorate	Operations Directorate	Chief Executive Office	TOTAL
Professional, Technical and Administration Staff	32.5	25.1	22.2	32.4	3.1	115.3
Operations Staff				200.6		200.6
Total	32.5	25.1	22.2	233	3.1	315.9

SENIOR MANAGEMENT TEAM

SENIOR MANAGEMENT TEAM

John McDonagh is the Acting Chief Executive. The Chief Executive is supported by four Directors; three Regional Managers; and professional, technical, operational and administration staff located throughout the waterways navigational network.

Director of Finance & PersonnelVacant
Director of Business Development.....Vacant
Director of Operations.....Vacant
Director of Technical ServicesJoe McMahon
Eastern Regional Manager.....John McKeown
Northern Regional ManagerJoe Gillespie
Western Regional Manager.....Éanna Rowe

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KEY PERFORMANCE INDICATORS

STRATEGIC OBJECTIVE ONE: DELIVERING WORLD CLASS WATERWAY CORRIDORS

1) Prioritise the repair / replacement of critical, unsafe condition principle assets and address health and safety risk through delivery of a Capital works programme.

Inspections of assets with a condition rating of four or higher were included and managed through a focused repair and replacement programmes. The Capital works programme completed throughout 2019 included as examples:

- A targeted dredging programme along the Grand Canal and Barrow Lines;
- Completion of Balroe Bank strengthening on the Royal Canal;
- Restoration and replacement of Albert Lock Gates on the Shannon navigation; and
- Reinstatement and repair of the weir, weir boards and walkway at Meelick on the Shannon.



Portna Lock Gate Repair and Replacement, Lower Bann

2) Keep 80% of navigable waterways and associated amenities open from April to September.

96% of navigable inland waterways remained open and available for use throughout 2019, with the exception of a rupture in an Irish Water pipe under Grand Canal in later July 2019. The canal has been reinstated on a temporary basis, with Waterways Ireland proactively working with Irish Water to reinstate the full navigation.

3) Expand Bye Law compliance through education and enforcement. Consult and seek Ministerial approval for revised Canal Bye Laws to update the 1988 Bye Laws.

Marine Safety Notices continued to be issued to all vessel owners and boating organisations and published across all Waterways Ireland and partner digital platforms. 12

vessels from the Shannon, 15 from Grand Canal and six from Royal Canal were removed, with plans progressing to improve Bye Law compliance at Shannon Harbour. Proposed amendments to the Canal Bye-Laws were submitted to our Government Sponsor Departments and an economist was engaged to assess an appropriate charging structure and mechanism for the navigations.

A serious breach of the Shannon Navigation Bye Laws resulted in the prosecution of a boat owner in March 2019. This enforcement action and associated high level of media coverage has had a significantly positive effect on boater behaviour on our waterways. A series of safety and educational programmes were also delivered to boat owners and waterway users throughout 2019 from lifejacket wearing on the Shannon Navigation to erection of additional signage to improved buoyage installation at Hexagon Shoal and Coosan Point on Lough Ree.

4) Continue to work with Irish Water and Dublin City Council to secure a long-term solution to provide good water quality in Grand Canal Dock.

Throughout 2019 Waterways Ireland proactively worked with Dublin City Council and Irish Water to advance the issue of water quality in the Grand Canal Dock. Water quality data from Waterways Ireland's Water Framework Directive monitoring programme indicate that the vast majority of canal artificial water bodies achieved Good Ecological Potential in 2019.



Grand Canal Waterway Water Quality Monitoring Programme

5) Attract third party funding and deliver a towpath enhancement programme across the canalised navigations.

Funding applications under the Greenways Strategy were submitted to develop towpaths along the Grand Canal. €1.7 million of funding was awarded for towpath development between Aymers Bridge and Sallins and a further €2.35 million awarded to develop the towpath between Tullamore and Daingean and between Henesy's Bridge to Turraun in Co Offaly. Waterways Ireland in partnership with Kildare and Laois County Councils secured €5.07 million of funding under the Rural Regeneration Development Fund for 46km of Barrow Blueway development. The funding is welcome and reflects continued commitment to the project through difficult planning and consultation periods.

6) Work with the Department of Housing, Planning and Local Government to secure existing navigation water supplies in light of new Abstractions Legislation being proposed.

Waterways Ireland continued to engage with the Department of Housing, Planning and Local Government on the Water Abstraction Bill for the protection and fulfilment of the statutory undertaking for which Waterways Ireland was established under the British Irish Agreement Act, 1999. It is essential that the proposed Water Extraction Bill give special recognition to Waterway Irelands position given our organisations remit and range of activities.

STRATEGIC OBJECTIVE TWO: TRANSFORM QUALITY OF LIFE AND REINVIGORATE LOCAL RURAL AND URBAN ECONOMIES

7) Complete and work with all local authority partners to open and market the Royal Canal Greenway from Maynooth to Clondra.

Work is progressing well with product completed in 2020. Waterways Ireland successfully bid for €1m of funding from the Department of Transport, Tourism and Sport, to upgrade the Royal Canal towpath in Longford and Westmeath and to provide signage and ancillary equipment for the entire route from Maynooth to Richmond Harbour. This will complete infrastructural works on the Royal Canal Greenway.

A promotional campaign was prepared to underpin a range of actions which need to be taken forward on a collaborative basis with Meath, Kildare, Westmeath and Longford County Councils to promote the Greenway in 2021. 'The Royal Canal Greenway' is primed to become the longest Greenway in Ireland at 120 km.



Royal Canal Greenway

8) Continue Blueway product development on each navigation

Blueways development continued throughout 2019 through collaborative partnerships with Fáilte Ireland, Tourism NI, Sport Ireland, Sport NI and other bodies. Guidelines now establish the framework for the planning, development and accreditation for Blueways on waterways throughout the Island of Ireland.



The Shannon Blueway Adventure Race

Minster Ring launched Phase III of the Shannon Blueway, a new 1km section of Blueway path, including a pedestrian bridge across the Millrace river connecting Drumshanbo town with a range of existing amenities along the shores of Lough Allen. The planning application for development of Barrow Blueway, 46km from Lowtown to Athy was approved with €5.07m funding secured in conjunction with Kildare and Laois County Councils.

9) Create and promote a Blueway on the Erne navigation and Lower Bann.

Waterways Ireland engaged in strategic partnerships with Tourism NI and Local Authorities to enhance the tourism potential of the Lower Bann and Erne. Workshop consultation was undertaken on the potential

development of a Blueway on the Lower Bann with Local Authorities, Tourism NI and other stakeholders.

Waterways Ireland provided capital funding for the development of fishing stands and a trail at Portglenone. This enabled the European Coarse Fishing Championships to be held at the venue in 2019. 105 anglers attended the event from 18 countries, attracting 5,000 visitors, 1977 bed nights and contributing £1.1 million to the local economy.



European Coarse Angling Championship, Portglenone

10) Continue development and promotion of recreational activity hubs in Athy, Mullingar, Carlow and Enniskillen.

Enniskillen activity hub continued to grow with over 3,000 people taking to the water using the day boat hire services while over 1,500 people took part in new paddling activities which included the ability to forage on local islands in both the Upper and Lower Lough Erne. Following the success of the Women on the Water initiative a new Clondra Canoe Club was established and licensed from Waterway Irelands premises in Richmond Harbour. Throughout 2019 Waterways Ireland with Carlow Sports Partnership extended the range of activities offered at Carlow Activity Hub.



Enniskillen Recreational Activity Hub

11) Deliver Year 3 of the Dublin Docklands Action Plan, complete the Fáilte Ireland strategic partnership

studies for a Grand Canal Dock Tourism Masterplan and a City Canal Greenway study.

A 'Nightwatch' festival was held in Grand Canal Dock in October as part of the Bram Stoker festival activities. The event supported by Fáilte Ireland and Dublin City Council lit up Grand Canal Dock during the festival and attracted approximately 20,000 people to the Dock. Over the year 13 recreational events were supported by Waterways Ireland in Dublin which attracted nearly 2,000 participants.



Nightwatch' festival, Grand Canal Dock

Throughout 2019 Waterways Ireland with Google Ireland progressed the feasibility of a boardwalk and floating nature area along the Inner Dock at Bolands Quay. Heads of Terms between Waterways and Google Ireland have reached an advanced stage to allow the project to progress. Work continued throughout 2019 on the feasibility of a floating market in Grand Canal Dock. Work remains ongoing on the tourism potential of a Dublin Canal Greenway, with final report due in 2020. This project is also funded through the Fáilte Ireland Strategic Partnership Agreement

The Dublin Canals Ambassador Volunteer Programme continued throughout 2019 with 16 volunteers promoting and interacting with members of the public on the Dublin canals. The volunteers undertook training over a ten-month period in the promotion and encouragement of canal usage as an amenity across Dublin. Volunteer Ireland assisted in the management and monitoring of the programme.

12) Refurbishment of the lock gates at Grand Canal Dock in 2019 for completion in Spring 2020.

Consultation work with Dublin City Council and a subsequent planning application took place in 2019 as detail design proposals for the new lock gates at Camden Lock were developed. Temporary works to facilitate the permanent works were completed in 2019 in order to prepare the structure for the installation of the new lock gates.



Camden Lock Installation of Removable Steel Stop Logs

13) Progress City Block 19 development as a joint venture to create an income stream to support navigation maintenance and operation.

Waterways Ireland engaged the services of the National Development Finance Agency (NDFA) to prepare an Economic Options and Appraisal Report to assess the options available to Waterway Ireland to maximize the value of its most valuable and strategically located asset. The decision on the strategic direction regarding this asset is ongoing in conjunction with our Government Sponsor Departments.

14) Continue to progress plans to redevelop Tullamore Harbour and branch line as a focal point on the Grand Canal and a new water quarter in Tullamore with commerce, tourism and housing. Commence development of a new depot site.

Discussions continued with Offaly County Council during 2019 with regard to the development of Tullamore Harbour site. The proposal to redevelop Tullamore Harbour is being progressed through development of a Masterplan to assess development potential of the site, including an Economic Appraisal of the various development options for site and models of delivery. Offaly County Council in partnership with Waterways Ireland has applied for funding through the Urban Regeneration Development Fund (URDF) to part fund the Masterplan. Separately a planning application for development of a new Waterways Ireland Tullamore depot was submitted in 2019 and subsequently approved in April 2020, subject to third party appeals, for this development to progress.

15) Deliver existing programmes teaching water sports to new participants. 10% increase in participation of Paddles Up and Blueway 10k programmes.

Waterways Ireland entered into separate Strategic Partnership Agreements with Triathlon Ireland, Athletics Ireland, Rowing Ireland, Canoeing Ireland and Get Ireland Walking in order to collaboratively design and run programmes to increase recreational participation, and

promote improved levels of fitness, health and wellness across all ages in a fun and sociable environment.

Programmes under these partnerships included 'The Paddles Up Programme' 'Wellness on the Water Programme', 'Family Splash and Dash' events, 'Get Going, Get Rowing', 'Waterways Ireland Pathway to row League', 'Family Fun Challenge', outdoor swim training programmes, athletics events 'Waterways for Health' programmes, and walking programmes. Over 10,000 participants of all ages, abilities, social backgrounds and locations took part in these events over the year.



Waterways Ireland and Triathlon Ireland Family Splash and Dash

16) Develop and deliver year 1 of a 3-year programme centred on the Shannon Erne to build local use of the waterways as a recreational amenity.

Throughout 2019 Waterways Ireland continued to partner with various stakeholders in the management and development of trails on the Shannon-Erne Navigation to build local use of the waterways as a recreational amenity. Waterways Ireland with Cavan County Council, progressed the Ballyconnell to Bellaheady trail and Leitrim to Kilclare project with Leitrim County Council to shovel ready stage.

The Shannon-Erne's 25th anniversary was also marked on RTE's Nationwide programme in October, with viewing figures in excess of 500,000, before RTE player or reruns. Whilst BBC broadcast a series of programmes on the Shannon-Erne between June and September.

17) Complete installation of moorings at Castlesaunderson as a destination for boats using the newly opened navigation from the Erne to Castlesaunderson.

New moorings were completed in October at Castle Saunderson, providing a new destination on the River Finn. An integrated consultant team was procured to undertake route selection, environmental studies, technical design, public consultation and stakeholder engagement and to progress the project in year towards planning. A number of public information events were

held during the year with Armagh City, Banbridge and Craigavon Borough Council and Monaghan County Council, in addition to landowners and the public. Waterways Ireland led the development of a Category two proposal to the Department of Rural and Community Development to fund the Ulster Canal Clones Terminus with an award of €325K made in 2019. This award will facilitate funding for development of the feasibility relating to sustainable water supply and any planning and environmental requirements with the same.

18) Successful delivery Year 3 of the 22 km Greenway development along the Ulster Canal from Smithborough.

Waterways Ireland continues to successfully lead the Ulster Canal Greenway project and to chair the Project Steering Group meetings with SEUPB. An Integrated Consultants team has been appointed and public consultation events have been facilitated to inform landowners and receive feedback on possible route options and any constraints. Route selection options are progressing alongside estimated costs for development.

STRATEGIC OBJECTIVE THREE: BRING TO LIFE ENVIRONMENTAL AND HERITAGE VALUE

19) Complete works to one heritage canal property and bring it back into use.

Renovation works were completed in 2019 to Clondra Lock house, with Waterways Ireland working in partnership with Longford County Council to develop a masterplan for the development of a recreational hub centred at the Lock house.

20) Complete the development study to create a pilgrim trail from Limerick to Donegal in partnership with the 13 local authorities, Fáilte Ireland and Built Heritage and commence delivery.

Waterways Ireland in association with West Limerick Resources and 11 other Leader bodies progressed plans on the feasibility of the Pilgrim Way, a 350km route from Donegal to the Shannon Estuary, Co Kerry. 94 sites of spiritual significance have been identified and assessed, with public consultation meetings completed. The proposed management models for delivery are under consideration pending finalisation of the Feasibility Study report.

21) Continue to work with Fermanagh and Omagh District Council and Department of Communities, Built Heritage in development of Devenish Island as a key visitor attraction on the Erne navigation.

Waterways Ireland continued to work through 2019 with multiple stakeholders in the development of Devenish Island as a key visitor attraction on the Erne. Access to the west facing public moorings was secured in

accordance with an agreement between Waterways Ireland, Fermanagh and Omagh District Council and Historic Environment Division. This included repairs to access steps and creation of a fenced corridor at the monastic site. Furthermore Waterways Ireland, Fermanagh and Omagh District Council, Historic Environment Division and Tourism NI are collaborating on the preparation of an Action Plan to explore how to increase visitors to the site in the future.



Devenish Island, Lower Lough Erne

22) Deliver year four of the Waterways Ireland Heritage Plan.

2019 was another successful year for environment and heritage through implementation of Waterways Ireland Heritage Plan (2016-2020).



Fourth Annual Heritage Plan Open Day, Grand Canal Dock

Key highlights were the final Heritage Boat Audit of the Erne and Lower Bann, representing completion of all waterways under our remit. The Heritage Grant Scheme allocated €20,000 to support local community groups in the delivery of heritage projects throughout our waterways. Our successful Heritage Stories from the Waterways digital media series continued showcasing the work undertaken by in-house experts on the promotion and protection of our waterways heritage, with the series becoming a finalist in the National

eGovernment Awards and European Heritage Motion Awards.

Community support and engagement remained the core tenet of the Heritage Plan through the delivery of our pilot Royal Canal Citizen Science Project and a collaboration with the Galway Heritage Officer and the Office of Public Works for Crinniú - a public, community centred event celebrating people, place and heritage on the Shannon Navigation. A joint submission, coordinated by the Waterways Ireland in association with the Inland Waterways Association of Ireland and Heritage Boat Association, saw floating heritage being incorporated into the National Register of Intangible Cultural Heritage.

The Google Trekker Loan Programme was once again successfully accessed under the Waterways Ireland Heritage Plan with the Royal Canal, Grand Canal Barrow Line and Barrow Navigation captured for the Google Maps platform. The programme also formed part of a dedicated broadcast on RTÉ Nationwide.

23) Actively participate in the European Green Win Waterways project to reduce the environmental impact of water pumping.

We continued our support of the European Green Win Waterways project to reduce the environmental impact of water pumping with our partners in Great Britain, France, Netherlands and Belgium. Technical design and project work packages were progressed, alongside site visits to four Waterway Ireland trial sites (12 pumping locations) by pump experts to obtain specific data. Waterways Ireland also lead on the projects communication through social media and website.

24) Develop a Corporate CSR HOTSPOT project, making a commitment to sponsor work on a specific Hotspot site on the canals or waterways.

Throughout 2019 planning work progressed on the development of a Corporate CSR HOTSPOT project, in association with Leave No Trace whereby a Corporate Body would make a commitment to sponsor work on a specific Hotspot site on the canals or waterways to deliver community outreach, school engagement, leave no trace awareness or restoration on the Hotspot site.

25) In collaboration with Leave No Trace, deliver the Rivers Explorers Programme to at least 550 students.

644 students participated on the Rivers Explorers Programme in collaboration with Waterways Ireland and Leave No Trace along the Shannon, Shannon-erne, Barrow and Royal Canal waterways in 2019. The River Explorers is a one-day programme which aims to enable participants to become aware of the geographical location, leisure potential and biodiversity value of their local river, lake or canal. Through outdoor and hands on learning, skills training, resource development and raising public awareness, the programme is offering

exciting and innovative learning approaches for primary schools. Creating positive memories, healthy lifestyles, and physical wellbeing as well as paving the way for creating opportunities for caring for our natural heritage are all integral facets of a project that has sustainability at its core. In 2019, the programme empowered 22 schools to connect with their natural environment and enjoy their natural heritage responsibly and ethically.



The Rivers Explorers Programme

26) Work with Leave No Trace, Inland Fisheries Ireland and the Environmental Protection Agency to develop a primary and post-primary 'Streamscape' educational programme.

Planning work progressed throughout the year on the development of a primary and post-primary 'Streamscape' educational programme. Waterways Ireland delivered a classroom-based workshop 'Being a responsible waterway user' to 75 students from participating schools in Longford and Leitrim. Waterways Ireland also worked in collaboration with Leave No Trace Ireland and other partners in delivering a number of Clean Up programmes involving almost 350 people over 16 days on the Royal and Grand Canals.

27) Sustain at current levels the schools education programmes.

In partnership with educational establishments we delivered value added education programmes directly linked with educational syllabuses. 104 schools participated in these Waterways Ireland Programmes, with a total of 3,000 students taking part.

The programmes provided a wide range of activities and learning opportunities for students including environmental awareness, engineering expertise, Leave No Trace, and opportunities to physically get out on the water and promote health and well-being. Specific programmes included Island Explorers, Rivers Explorers, Celebrating Halloween, Source to Tap, and other activities during Science Week, and Engineering week.

STRATEGIC OBJECTIVE FOUR: LET'S DELIVER

28) Ensure performance management is used throughout the organisation to deliver the Business Plan actions.

Progress has been made in cascading performance management throughout the organisation in 2019 and all line managers and employees were reminded of the requirement to action and monitor their performance indicators in the successful delivery of the 2019 Business Plan.



Whitworth Aqueduct, Royal Canal

29) Work with the Sponsor Departments to deliver the organisation wide review recommended by the Senior Management Team review completed in 2018, agree and commence implementation.

This objective was deferred in 2019 pending the development of a 10-year Long-Term Plan and recruitment campaigns developed for a permanent Technical Services Director and temporary Operations Director. The Technical Services Director role was successfully filled in 2019.

30) Continue delivery of a management development programme for key staff to build capacity.

An Extended Leadership Group was established to build capacity and capability. The Group are collectively accountable for all staff within Waterways Ireland and consist of Heads of Function with team member responsibilities and senior managers in specialist roles. The Group met periodically throughout 2019 to engage on management training and development; planning and strategy formulation; project management of initiatives; and matters of organisational and Government Sponsor Departments importance.

31) Complete the transition of service delivery in Tullamore and Portumna depot / stores.

Planning progressed throughout the year to transition service delivery in Tullamore and Portumna depot /

stores, with completion of the transfer of Payroll and Creditor payments to one office in 2020.

32) Review the current IT systems, develop and agree a programme to equip the organisation going forward.

With technology playing a pivotal role in fulfilling Waterway Irelands remit, a draft ICT strategy was developed in 2019. The Strategy builds upon the existing ICT infrastructure to enable delivery of our business objectives. The programme to equip the organisation going forward aims to provide staff with the confidence that they can deliver their objectives effectively in a sustainable manner. Above all, it reduces inefficiency, replication of systems and duplication of effort.

33) Complete restructure and transition of industrial staff to generic grades.

Waterways Ireland has progressed a review of industrial staff allowances and movement to generic pay grades, however the work remains to be finalised whilst in an industrial relations process. The generic pay grades project tender was awarded in 2019, with the project to be completed in 2021.

34) Implement the Waterways Ireland Equality and Disability Action Plans and develop new plans in tandem with delivery of the organisation's next Corporate Plan for the period 2020-2022.

Interim Equality and Disability Action Plans were developed and implemented in 2019, whilst Waterways Ireland progresses the development of a 10-year Long-Term Plan throughout 2020 and 2021. During the year, Waterways Ireland also took the opportunity to meet with representative from the Equality Commission and they provided invaluable advice on areas of focus for the future and these are being actively considered going forward.



Waterways Ireland and IWAI Cares Day, Lough Key Forest Park

35) Develop the in-house capacity for marketing activity and the expansion of digital communication and promotion of the waterways using social media channels.

Marketing was accentuated by a high level of positive media coverage including five days of filming by RTÉ's Nationwide which highlighted the Shannon Erne and the Shannon Blueway attracting 500,000 viewers excluding video on demand. The Blueways website was refreshed with more visitor focussed content and details of itineraries. A new Facebook page "WI Notifications" was created to host information on Marine Notices, job vacancies, press releases, etc. with recreational and tourism information continues to be hosted on the Waterways Ireland social media platforms.

Strategic marketing campaigns ran in both Spring and Autumn. The Spring campaign featured an outside broadcast on Today FM over two days with support via digital channels. Further supporting advertising activity included a brochure insert, digital advertising on the Irish Independent, social media and regional advertising. The campaign included the promotion of over 70 offers from businesses along the waterways to drive business throughout the year. The Autumn marketing campaign ran in collaboration with the Fáilte Ireland "Taste the Island" campaign promoting our food outlets and places to stay. Throughout 2019 brochures were produced linked to the activities, tourism attractions, places to eat, stay and relax on and along the waterways and issued at key recreational hubs.

36) Continue to work with the Sponsor Departments to address the deficits in the Senior Management Team at Director level.

Our Sponsor Departments have acknowledged and supported the need to build organisational capacity. A small number of senior appointments including a Director of Technical Services; Head of Transformation; and Head of Asset Management have been recruited.

STAKEHOLDER ENGAGEMENT

WORKING IN PARTNERSHIP

Waterways Ireland undertake all its functions by working collaboratively and closely with many public, private, community and voluntary bodies. This contribution is vital to the enhancement of our objectives and we wish to thank all our 'partners' who have helped us in this regard.

Our Sponsor Departments, tourism bodies, funding bodies, and Local Authorities made a huge contribution to our outcomes for 2019. Our interaction with private sector organisations continued to develop in 2019, whether activity providers, cruise hire businesses, or those wishing to organise events on or along our waterways. The support of the local communities is vital in delivering vibrant and living waterways and they along with the many voluntary organisations are very important players in realising the full potential of the inland waterways.

USERS	GOVERNMENT	OTHERS
RECREATION, SPORTS AND TOURISM BODIES	LOCAL AUTHORITIES / COUNCILS BODIES	FUNDING BODIES
PRIVATE / COMMERCIAL BODIES	NATIONAL GOVERNMENT DEPARTMENTS	HERITAGE BODIES AND GROUPS
WATERWAYS USER GROUPS	ELECTED REPRESENTATIVES	CLIMATE & ENVIRONMENTAL BODIES
GENERAL PUBLIC AND COMMUNITIES	OTHER PUBLIC SECTOR BODIES	CHARITABLE AND OTHER GROUPS

In 2020 Waterways Ireland will embark on a 10-year Long-Term Plan which will require the engagement and support of all our stakeholders. At Waterways Ireland we take the nature and quality of our relationships with all our stakeholders very seriously. We work closely to understand their views and interests, to deliver our projects in partnership, and respond to their interests as we progress our plans.

3

PERFORMANCE REVIEW

- MAINTAINING WORLD CLASS WATERWAYS
- SAFEGUARDING OUR ENVIRONMENT AND HERITAGE
- INCREASING PUBLIC PARTICIPATION
- ULSTER CANAL AND GREENWAY
- EDUCATION AND LEGACY
- INCOME AND INVESTMENT
- CORPORATE GOVERNANCE



PERFORMANCE REVIEW

STRATEGIC PERFORMANCE REVIEW

Waterways Ireland's focus throughout 2019 remained on achieving our Corporate themes to maintaining world class waterways; transforming quality of life and reinvigorating local rural and urban economies; bringing to life environmental and heritage value; and delivering through our people and partnerships. Waterways Ireland successfully delivered on its priorities set out in the 2017-2019 Corporate Plan and 2019 Business Plan, through increasing financial stability, growing public value and empowering people.

The operating environment for Waterways Ireland is regulated, political, dynamic, subject to change and under constant public scrutiny. It is important therefore to review some of the things that challenged our ability to deliver our strategic objectives. Continued legislative changes in both jurisdictions in relation to Environment and Climate Change, Health and Safety, Employment, Equality and Data Protection, and Brexit create an ever-changing environment within which we must operate and deliver our work programmes.



Acres Lake Floating Boardwalk, Leitrim

A large unknown continues to be uncertainty around the future consequences of Brexit. Waterways Ireland is adopting a business as usual approach in its ongoing operations, but remains vigilant to the changing environment as the UK Government and the EU continue to engage in dialogue. From a financial planning perspective, the stability of the Euro Sterling exchange rate is a material issue.

As the economy in the Republic of Ireland improved and the labour market was at full employment levels Waterways Ireland found it difficult to attract staff to fill vacant positions particularly engineering posts and senior level vacancies. As a result recruitment outcomes

undoubtedly impacted on the organisation's ability to deliver.

Three Strategic Challenges were identified and prioritised in 2019 and remain areas of focus into 2020. These Strategic Challenges are:

1. Improving Governance; Risk and Control Gaps;
2. Increasing Leadership and Organisation Capacity and Capability and;
3. Developing a strategic 10-year Long-Term Plan.

Progressing the Governance Strategic Challenge has a high dependency on Waterways Ireland engagement and dialogue with our industrial relations stakeholders. Less progress has been made on identified Governance issues with linkage to Industrial Relations.



Kayaking, Upper Lough Erne

Our most important asset is our employees. Steady progress has been made on Leadership and Organisational Capacity. It is anticipated organisational and planning steady state will be achieved later in 2021 given the Covid-19 Pandemic.

MAINTAINING WORLD CLASS WATERWAYS

MAINTAINING WORLD CLASS WATERWAYS

The navigable inland waterways remained open and available for use throughout 2019, with 96% of waterways open. A rupture in an Irish Water pipe under Grand Canal in late July impacted on accessibility. The canal was reinstated on a temporary basis, with Waterways Ireland proactively working with Irish Water to reinstate the full navigation. A planned programme of channel maintenance continued throughout 2019 across the waterways from weed and grass cutting to tree, bush and hedge trimming; targeted dredging programmes; and repairs across locks, jetties and other assets. Asset inspections were completed throughout the year, with 64 bridges; 9 moveable bridges; 12 culverts; quay walls at Killaloe Canal and Athlone Quay; 90km of major embankments; 11 jetties, sluices and gates; and other structures inspected.



The Shannon North Team and our CEO at Albert Lock Worksite

2019 saw completion of a number of critical infrastructure schemes including the restoration and replacement of the lock gates at Albert Lock on the Shannon and the first phase of the reinstatement and repair of the weir at Meelick.

While much of our capital programme is dependent on securing timely planning approval, decisions on planning matters are outside the control of Waterways Ireland. The development of future collaborative projects does however often depend on the prioritisation Local Authorities attach to project proposals and how such proposals fit within their overall development plans. Waterways Ireland continued to work proactively with Local Authorities to influence and support their development plans and in doing so, contribute to the development of future waterway projects that enable the realisation of shared aspirations and benefits for regions.

Funding applications under the Greenways Strategy were submitted to develop towpaths along the Grand Canal. Funding was awarded for the development between Aymers Bridge and Sallins and separate funding was awarded to develop the towpath between Tullamore and Daingean and between Henesy's Bridge to Turraun in Co Offaly. Planning permission for the Barrow Blueway was granted by An Bord Pleanála for 46km of the route between Lowtown and Athy. Waterways Ireland in partnership with Kildare and Laois County Councils secured funding for the 46km route under the Rural Regeneration Development Fund, representing the full capital grant requested.



Barrow Walk Way Event, Kildare, Laois and Carlow

Waterways Ireland successfully bid for €1m of funding from the Department of Transport, Tourism and Sport, to upgrade the Royal Canal towpath in Longford and Westmeath and to provide signage and ancillary equipment for the entire route from Maynooth to Richmond Harbour. This will complete infrastructural works on the Royal Canal Greenway making it the longest Greenway in Ireland at 120 km. A promotional campaign was prepared which needs to be taken forward on a collaborative basis with Meath, Kildare, Westmeath and Longford County Councils to promote the Greenway.

Waterways Ireland has continued to take an active and supportive role in the Shannon Flood Risk State Agencies Co-ordination Group, by undertaking a series of targeted measures on behalf and in partnership with the Office of Public Works and ESB. The pilot trial to lower the water level in Lough Allen was progressed throughout 2019 for the third year, with tree cutting, silt and reed bed removal at other key locations. A longer-term strategic maintenance programme for the Shannon in partnership with the Office of Public Works is nearing completion. Online vessel owner registrations continue to grow with approximately 60% of registrations completed online.

2019 saw a 99% uptake on online registration and payment for Winter Mooring facility on the Shannon Navigation with approximately 75% of canal permit applications and payments completed online. In 2019 there were 6,869 registered boats on the Erne system, 8,624 on the Shannon Navigation, 99 on the Royal Canal, 383 on the Grand Canal and 80 on the Barrow Navigation.



Towpath Works at Meelick Weir

Marine Safety Notices continued to be issued to all vessel owners and boating organisations who wished to receive them, and these notices were published across all Waterways Ireland and partner digital platforms. 12 vessels from the Shannon, 15 from Grand Canal and six from Royal Canal were removed, with plans progressing to improve Bye Law compliance at Shannon Harbour. A serious breach of the Shannon Navigation Bye Laws resulted in the prosecution of a boat owner in March. This enforcement action and associated high level of media coverage has had a significantly positive effect on boater behaviour on our waterways. A series of safety and educational programmes were delivered to boat owners and waterway users throughout 2019 from lifejacket wearing on the Shannon Navigation to erection of additional signage to improved buoyage installation at Hexagon Shoal and Coosan Point on Lough Ree.

SAFEGUARDING OUR ENVIRONMENT

SAFEGUARDING OUR ENVIRONMENT

2019 was another successful year for environment and heritage through the implementation of Waterways Ireland Heritage Plan (2016-2020). Key highlights were the final Heritage Boat Audit of the Erne and Lower Bann, representing completion of all waterways under our remit. The Heritage Grant Scheme allocated €20,000 to support local community groups in the delivery of heritage projects throughout our waterways. Our successful Heritage Stories from the Waterways digital media series continued showcasing the work undertaken by in-house experts on the promotion and protection of our waterways heritage, with the series becoming finalist in the National eGovernment Awards and European Heritage Motion Awards.

Community support and engagement remained the core tenet of the Heritage Plan through the delivery of our pilot Royal Canal Citizen Science Project and a collaboration with the Galway Heritage Officer and the Office of Public Works for Crinniú - a public, community centred event celebrating people, place and heritage on the Shannon Navigation. A joint submission, coordinated by the Waterways Ireland in association with the Inland Waterways Association of Ireland and Heritage Boat Association, saw floating heritage being incorporated into the National Register of Intangible Cultural Heritage.

For the third successful year Waterways Ireland continued support of the Waters and Communities Special Award as part of the National Tidy Towns Competition, in association with the Inland Fisheries Ireland and the Local Authority Water Programme. We continued our support of the European Green Win Waterways project to reduce the environmental impact of water pumping with our partners in Great Britain, France, Netherlands and Belgium. On European Heritage Open Day (EHOD) Waterways Ireland extensive and rich archive was opened to the public over a two-day period.

The Google Trekker Loan Programme was once again successfully accessed under the Waterways Ireland Heritage Plan with the Royal Canal, Grand Canal Barrow Line and Barrow Navigation captured for the Google Maps platform. The programme also formed part of a dedicated broadcast on RTÉ Nationwide and the 2018 data captured on the Shannon Navigation was shortlisted under the National eGovernment Awards.



New Heritage Boat Tour on Lower Bann

Waterways Ireland have continued to support the work of the Lough Erne Local Partnership (LELP) Heritage Lottery project to take forward opportunities to protect and promote the heritage value of Lough Erne through delivery of 23 projects. These projects included several high-profile events and activities; the first annual Community Engagement and Farming Fund small grants scheme; a Spiritual Trail along Lough Erne; and other projects including an expanded education programme with multiple delivery partners. Waterways Ireland in association with West Limerick Resources and 11 other Leader bodies progressed plans on the feasibility of the Pilgrim Way, a 350km route from Donegal to the Shannon Estuary, Co Kerry. 94 sites of spiritual significance have been identified and assessed, with public consultation meetings completed. The proposed management models for delivery are under consideration pending finalisation of the Feasibility Study report.

We worked in partnership with the Environmental Protection Agency and the Northern Ireland Environment Agency to facilitate water quality monitoring in key locations. Water quality data from Waterways Ireland's Water Framework Directive monitoring programme indicate that the vast majority of canal artificial water bodies achieved Good Ecological Potential in 2019. The monitoring of feeder, discharge point and recreational hubs has been undertaken throughout 2019. Some issues remain with feeder streams exhibiting poor water quality and these will be addressed on a case by case basis as part of the programme of measures for canals under the Water Framework Directive monitoring programme.



Grassland Management Pilot Citizen Science Project

We continued to be proactively involved in the Water Framework Directive working groups through the National Technical Implementation Group. We actively participated on the Environmental Protection Agency Hydromorphological subgroup, the Hydrometric Network Group, and the Department for Housing, Planning and Local Government steering group on fish passage at Parteen Weir. Multiple programmes were implemented to effectively manage water levels on the canals with Irish Water and the Local Authorities. Programmes from dredging and weeding at Milltown, pumping systems at Longwood, Abbeyshrule, the Downs and Thomastown and restricting draw-off from Lough Owel. Waterways Ireland also worked in collaboration with Leave No Trace Ireland and other partners in delivering a number of Clean Up programmes involving almost 350 people over 16 days on the Royal and Grand Canals.

INCREASING PUBLIC PARTICIPATION

INCREASING PUBLIC PARTICIPATION AND UNLOCKING OPPORTUNITIES

Blueways development continued throughout 2019 through collaborative partnerships with Fáilte Ireland, Tourism NI, Sport Ireland, Sport NI and other bodies. Guidelines now establish the framework for the planning, development and accreditation for Blueways on waterways throughout the Island of Ireland. Minister Ring launched Phase III of the Shannon Blueway, a new 1km section of Blueway path, including a pedestrian bridge across the Millrace river connecting Drumshanbo town with a range of existing amenities along the shores of Lough Allen.

Waterways Ireland hosted RTÉ Nationwide for five days of filming on the Shannon Erne and Shannon Blueways. The Shannon broadcast featured Drumshanbo, the floating boardwalk and a range of other activities. The Shannon-erne broadcast focused on the 25th anniversary and featured the archive exhibition curated by Waterways Ireland and on display in Ballinamore Library amongst other activities with the Heritage Boat Association. The first two broadcasts aired in October with a viewership figures of 500,000 before video on demand or broadcast reruns. Waterways Ireland in partnership with Fermanagh Lakeland Tourism executed a promotional campaign supporting water sports on Lough Erne entitled "Get on Board". The successful campaign was delivered across a range of media, with three media trips facilitated receiving widespread media coverage.

Waterways Ireland entered into separate Strategic Partnership Agreements with Triathlon Ireland, Athletics Ireland, Rowing Ireland, Canoeing Ireland and Get Ireland Walking in order to collaboratively design and run programmes to increase recreational participation, and promote improved levels of fitness, health and wellness across all ages in a fun and sociable environment. Programmes under these partnerships included 'The Paddles Up Programme' 'Wellness on the Water Programme', 'Family Splash and Dash' events, 'Get Going, Get Rowing', 'Waterways Ireland Pathway to row League', 'Family Fun Challenge', outdoor swim training programmes, athletics events 'Waterways for Health' programmes, and walking programmes. Over 10,000 participants of all ages, abilities, social backgrounds and locations took part in these events over the year.



Waterways Ireland and Fáilte Ireland Chief Executives



Minister Moran Announces €1m for Royal Canal Greenway

Waterways Ireland and Fáilte Ireland agreed a new Strategic Partnership Programme in 2019 focusing on the delivery of a programme of works to improve the quality of the visitor and user experience along Waterway Ireland's waterways for recreational purposes. All projects identified will complement the key brand experience propositions: Ireland's Ancient East, Wild Atlantic Way, Ireland's Hidden Heartlands and Dublin. The partnership includes a series of projects and initiatives aimed at cross-promotion and marketing. An example of this is the Shannon Masterplan, being led by Waterways Ireland, which will develop a sustainable international tourism destination in the Shannon Corridor which respects the nature and diversity of the environment and its people.

Fáilte Ireland and Waterways Ireland are also working on a project to encourage the local, national and international visitor to immerse themselves actively in the Dublin Canals. A consultation process on the tourism potential of the Dublin City Canals is already underway.

Throughout 2019 Waterways Ireland engaged in strategic partnerships with Tourism NI and Local Authorities to enhance the tourism potential of the Lower Bann and Erne. Workshop consultations were undertaken on the potential development of a Blueway on the Lower Bann with Local Authorities, Tourism NI and other stakeholders. Waterways Ireland provided capital funding for the development of fishing stands and a trail at Portglenone. This enabled the European Coarse Fishing Championships to be held at the venue in 2019. 105 anglers attended the event from 18 countries, attracting 5,000 visitors, 1,977 bed nights and contributing €1.1 million to the local economy.

Enniskillen Activity Zone continued to grow with over 3,000 people taking to the water using the day boat hire services while over 1,500 people took part in new paddling activities which included the ability to forage on local islands in Lough Erne. Following the success of the Women on the Water initiative a new Clondra Canoe Club was established and licensed from Waterway Irelands premises in Richmond Harbour.



Lough Key Sprint Triathlon

A 'Nightwatch' festival was held in Grand Canal Dock in October as part of the Bram Stoker festival activities. The event supported by Fáilte Ireland and Dublin City Council lit up the Dock during the festival and attracted approximately 20,000 people to the Dock. Over the year 13 recreational events were supported by Waterways Ireland in Dublin which attracted nearly 2,000 participants.

The Dublin Canals Ambassador Volunteer Programme continued throughout 2019 with 16 volunteers promoting and interacting with members of the public on the Dublin canals. The volunteers undertook training

over a ten-month period in the promotion and encouragement of canal usage as an amenity across Dublin. Volunteer Ireland assisted in the management and monitoring of the programme.



Volunteers at Dublin Canals Action Day

Strategic marketing campaigns ran in both Spring and Autumn. The Spring campaign featured an outside broadcast on Today FM over two days with support via digital channels. The campaign included the promotion of over 70 offers from businesses along the waterways to drive business throughout the year. The Autumn marketing campaign ran in collaboration with the Fáilte Ireland "Taste the Island" campaign promoting our food outlets and places to stay. Throughout 2019 brochures were produced linked to the activities, tourism attractions, places to eat, stay and relax on and along the waterways and issued at key recreational hubs.

ULSTER CANAL AND GREENWAY

ULSTER CANAL AND GREENWAY

Our statutory function is to manage, maintain, develop and restore specified inland navigable waterways, principally for recreational purposes. In July 2007, our remit was extended by the North/South Ministerial Council to include responsibility for the reconstruction of the Ulster Canal from Upper Lough Erne to Clones. The NSMC at its 10 June 2015 meeting welcomed the Irish Government's approval on 24 February 2015, to progress the first phase of the Ulster Canal restoration from Upper Lough Erne to the International Scout Centre at Castle Saunderson, near Belturbet in Co Cavan. The NSMC also agreed at the June 2015 meeting that Waterways Ireland lead on progressing development of a Greenway along the corridor of the Ulster Canal in association with relevant councils and stakeholders.



Tyholland, Ulster Canal

Waterways Ireland continues to successfully lead the Ulster Canal Greenway project and to chair the Project Steering Group meetings with SEUPB. An Integrated Consultants team has been appointed to undertake route selection, environmental studies, technical design, public consultation and stakeholder engagement and to progress the project in year towards planning. A number of public information events were held during the year with Armagh City, Banbridge and Craigavon Borough Council and Monaghan County Council, in addition to landowners and the public. Route selection options are progressing alongside estimated costs for development.



Finn Aqueduct, Ulster Canal

Phase One of the Ulster Canal Restoration Project was completed with the construction of new floating moorings at Castle Saunderson in County Cavan, providing a new destination on the River Finn and accessible from Upper Lough Erne by boat.

Phase two of the Ulster Canal Restoration Project has commenced with Waterways Ireland securing €325,000 in funding from the Department of Rural and Community Development to fund the Ulster Canal Clones Terminus. This award will facilitate funding for development of the feasibility relating to sustainable water supply and any planning and environmental requirements with a section of the restoration in Clones.

EDUCATION AND LEGACY

EDUCATION AND LEGACY

In partnership with educational establishments Waterways Ireland delivered several education programmes directly linked with educational syllabuses. 104 schools participated in these Waterways Ireland Programmes, with a total of 3,000 students taking part. The programmes provided a wide range of activities and learning opportunities for students including environmental awareness, engineering expertise, Leave No Trace, and opportunities to physically get out on the water and promote health and well-being. Specific programmes included Island Explorers, Rivers Explorers, Celebrating Halloween, Source to Tap, and other activities during Science Week, and Engineering week.

Waterways Ireland partnered with Midland Science Festival and the Irish Peatland Conservation Council to deliver a series of biodiversity workshops as part of Science Week. The workshops were rolled out to 166 primary school children and introducing them to science and the world around us in an informative but also fun and interesting way. Students had the opportunity to learn and discuss the journey rivers take from source to sea and compare this with the man-made structure of the Grand Canal. The event provided a great example of how Waterways Ireland strives to be actively engaged in the communities where we operate while promoting the importance of science education to local young people.

644 students participated on the Rivers Explorers Programme in collaboration with Waterways Ireland and Leave No Trace along the Shannon, Shannon-Erne, Barrow and Royal Canal waterways in 2019. The River Explorers is a one-day programme which aims to enable participants to become aware of the geographical location, leisure potential and biodiversity value of their local river, lake or canal. Through outdoor and hands on learning, skills training, resource development and raising public awareness, the programme offered exciting and innovative learning approaches for primary schools. In 2019, the programme empowered 22 schools to connect with their natural environment and enjoy their natural heritage responsibly and ethically.

Waterways Ireland delivered the Island Explorers Programme to in excess of 50 Students this year. The programme takes place on Devenish Island on Lough Erne and introduces participants to the rich ecological and heritage value of the island complimented by the physical activity of rowing a traditional Currach.



Waterways Ireland Science Week Programme

Waterways Ireland along with Source to Tap hosted "Bugs and Beasties" Halloween workshops. The workshops brought to life the vast array of species which can be found along our waterways from animals and plants to mini-beasts. Six schools took part in the workshops with groups learning about the importance of biodiversity and fully functioning ecosystems and discussed the relationships between organisms within food webs. Both students and teachers were full of questions and eager to impart their knowledge about their local waterway.

Waterways Ireland was delighted to be part of the schools convention as part of the Lough Erne Local Partnership project in September. The convention provided primary schools pupils with a unique opportunity to learn and participate in the natural and built heritage of Upper Lough Erne, to develop skills and to learn how to conserve and be a part of their natural environment. Over 350 local children from 15 schools, had spent half a day out canoeing on Lough Erne and the other attending nature based educational workshops.

INVESTMENT AND INCOME

INVESTMENT AND INCOME

Waterways Ireland continues to seek ways to strengthen and grow a sustainable income base from the use and development of its assets to care and support our inland waterways. Income streams increased across licence and moorings, investment and property and third party funding throughout 2019.

Waterways Ireland licenses a wide range of businesses to operate on our property assets to attract people to come and enjoy the waterway environment. Businesses include small vessel hire, such as day boat to canoe hire activity providers to large passenger vessel hire and licences to providers at food markets. Waterways Ireland also manages the licensing and use of a large portfolio of rural property connected to the navigations.



New Hire Boat Business Licenced on Lough Derg

Waterways Ireland's largest asset is City Block 19 in Dublin Docklands, a large 1.2 hectare development site. In 2019 Waterways Ireland engaged the services of the National Development Finance Agency to prepare an Economic Options and Appraisal Report to assess the options available to Waterways Ireland to maximize the value of its most valuable and strategically located asset. The decision on the strategic direction regarding this asset is ongoing in conjunction with our Government Sponsor Departments.

Waterways Ireland generated additional income streams through third party funded improvement projects from local and national partners. During 2019, Waterways Ireland in partnership with Kildare and Laois County Councils secured €5.07 million of funding under the Rural Regeneration Development Fund for 46km of Barrow Blueway development.

A further €4.05 million was awarded to develop towpaths along the Grand Canal under the Greenway Strategy and €1m of funding from the Department of Transport, Tourism and Sport, to upgrade the Royal Canal towpath in Longford and Westmeath and to provide signage and ancillary equipment for the entire route from Maynooth to Richmond Harbour.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Waterways Ireland is committed in all of its work to achieving the highest standards of corporate governance. The Organisation is accountable to two Government Sponsor Departments - the Department for Infrastructure in Northern Ireland and the Department of Culture, Heritage and the Gaeltacht (DCHG) in Ireland. Waterways Ireland is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key organisational issues.

The regular day to day management, control and direction of Waterways Ireland is the responsibility of the Chief Executive and the Senior Management Team. The Chief Executive and the Senior Management Team must follow the broad strategic directions agreed with the Sponsor Departments, and must ensure they have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The Chief Executive acts as a direct liaison between the Sponsor Departments and management of Waterways Ireland.

SENIOR MANAGEMENT TEAM

The Senior Management Team is made up of the Chief Executive; the Finance and Personnel Director; the Business Development Director; the Technical Services Director; and three Regional Managers from Northern, Western and Eastern regions of operations. The Senior Management Team meet on a monthly basis to review strategic and operational matters, including health and safety; financial; human resources; and all other corporate governance monitoring and reporting items.

SPONSOR DEPARTMENTS

Throughout the year Monitoring Committee Meetings are hosted between the Chief Executive and Directors of Waterways Ireland and representatives from our Government Sponsor Departments (Department for Infrastructure and Department of Housing, Local Government and Heritage) to consult on strategic and operational matters including those agenda items that may give rise to public or parliamentary concern, including the nature, scale and likelihood of potential issues and risks. There were six Monitoring Meetings throughout 2019.

AUDIT COMMITTEE

The Audit Committee met four times in 2019 to review and agree the work of Internal Audit. All Internal Audit reports were considered by the Committee. The Committee also considered the Body's Annual Report and Accounts which are audited by the Comptroller and Auditor General for Northern Ireland and the Irish Comptroller and Auditor General.

EQUALITY AND DISABILITY

Waterways Ireland agreed in 2018 the continued implementation of the Equality and Disability Action Plans 2016 and 2017 until the end of 2019 to enable Waterways Ireland to develop future plans in direct alignment with a new Corporate Plan.

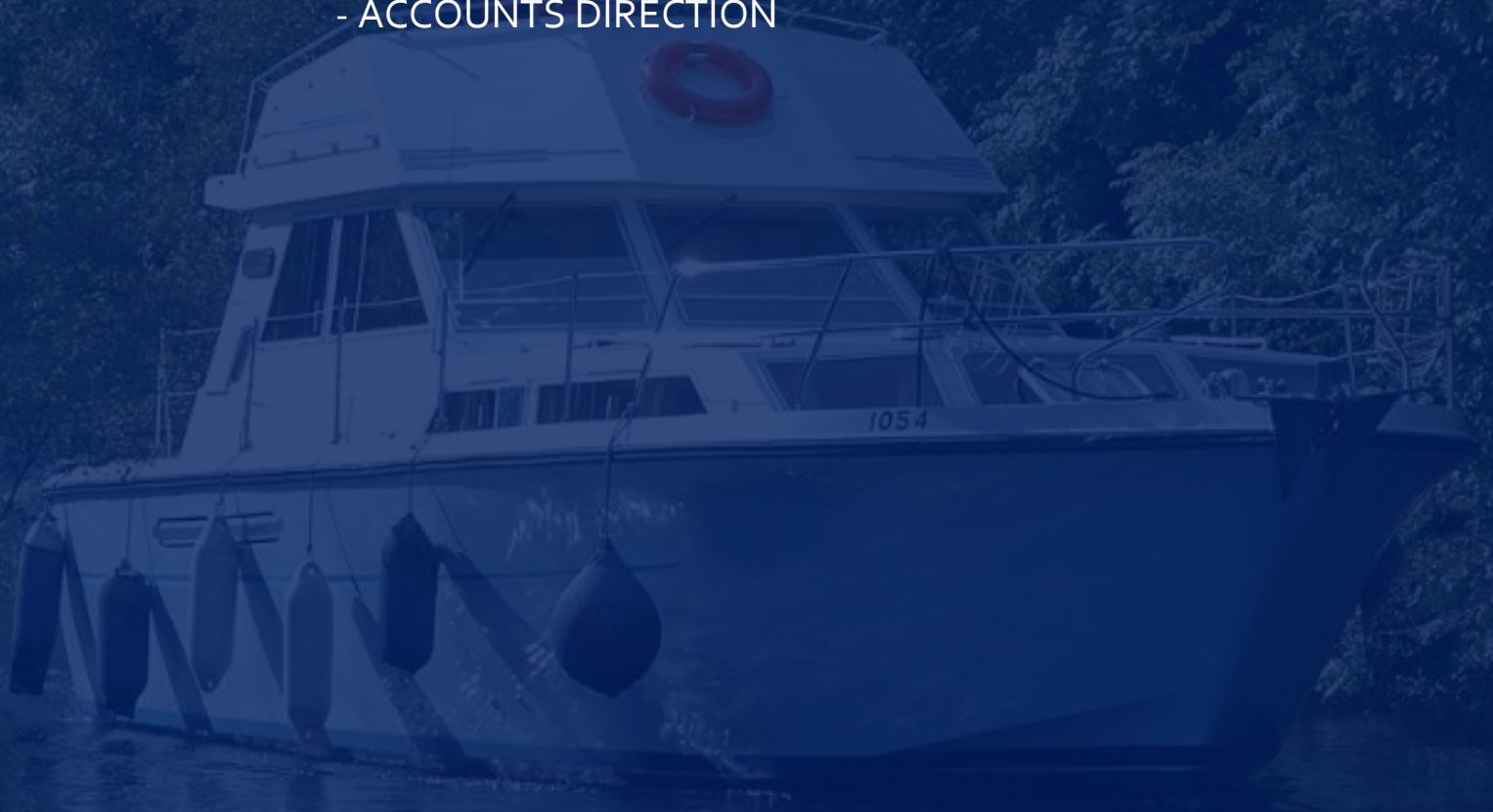
Commitment to promoting equality of opportunity is central to all our work processes and development programmes. For example, the annual Events Programme promotes equality of access to the waterways under our remit and the Affirmative Action Plan seeks to improve the profile of Waterways Ireland within the Protestant community and aims to address an identified imbalance in the applicant pool for job opportunities. Our education / learning programme provides work experience opportunities for placement students. The Island Explorers, Waterways Wildlife Wonders and "Rowing from the Past Biodiversity for the Future" workshops brought children from local schools out on the water to learn about biodiversity and heritage through shared education, whilst having fun and learning new skills. Education events are provided at minimal or no cost to the school, affording the opportunity for access to fun and educational programmes for all children and lessens the risk of cost / disability being a barrier to access or participation.

Mainstreaming of equality and good relations continued during 2019 with staff in Waterways Ireland receiving informative presentations by the Youth Justice Agency and the local Parkinson's Support Group. These briefings were incredibly well received and provided improved understanding of equality considerations in relation to a number of Section 75 groups.

4

FINANCIAL REVIEW

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- INCOME AND COMPREHENSIVE INCOME STATEMENTS
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ACCOUNTS FOREWORD

BACKGROUND INFORMATION

Waterways Ireland was established on the 2nd December 1999 under the British Irish Agreement Act 1999 and the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999. Its functions are the management, maintenance, development and restoration of the island's inland navigable waterway system, principally for recreational purposes. The accounts contained in this document refer to the year ended 31st December 2019.

These accounts have been prepared in accordance with:

- The financial arrangements as set out in Part 7 of Annex 2 to the Schedule of the British-Irish Agreement Act, 1999 and as set out in Part 7 of Annex 2 to the Schedule of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 establishing Implementation Bodies;
- A direction by the Department of Culture, Heritage and the Gaeltacht (DCHG) and the Department for Infrastructure (DfI), as provided for in the Body's Financial Memorandum in 2018;
- The Annual Report and Accounts Guidance provided by the Department of Public Expenditure and Reform (DPER) and the Department of Finance (DoF) (2017).

BUSINESS REVIEW

A full review of Waterways Ireland's activities is given in the Annual Report.

RESULTS FOR THE PERIOD

The results of Waterways Ireland are set out in detail on page 53. The deficit for the period was €1,329,000 (STG1,163,000). The deficit for 2018 was €1,696,000 (STG£1,500,000).

REPORTING CURRENCY

The normal operating currency of Waterways Ireland is euro. Sterling values are the euro values translated at the Bank of England average exchange rate for the year of €1.1405 (2018 €1.1305) to £1 for the Statement of Income while the Statement of Financial Position is translated at the Bank of England closing rate at year end of €1.1765 (2018 €1.1149) to £1.

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 7 to the accounts.

Waterways Ireland took over from DCHG and DARD (The Department of Agriculture and Rural Development) the asset portfolio comprising mainly infrastructure assets such as waterways, canals, towpaths, lock-houses and associated navigational features (locks, weirs, etc). The Shannon-Erne Waterway was transferred in 1999 and the Erne System, Grand Canal (including the Barrow Navigation), the Lower Bann Navigation, the Royal Canal and the Shannon Navigation were transferred in 2000 and valued in the accounts of Waterways Ireland in 2003.

Under guidance provided by the Department of Public Expenditure and Reform and the Department of Finance definable major assets or components within an infrastructure system or network with determinable finite lives are treated separately and depreciated over their useful economic lives.

Operational assets including land, navigational structures and work in progress have been valued in the accounts. Where title and value have been verified, land and buildings of a non-operational nature have been valued in the accounts. A net valuation increase in Tangible Assets of €556,000 primarily due to the revaluation of an asset held for sale. A net valuation increase in year in Operational Assets of €11,140,000 is primarily due to CPI increase €5,753,000, Land indexation €3,772,000, revaluation based on condition of lock gates and bridges €980,000. These changes are detailed in Notes 1.7, 7.1 and 7.2.

FUTURE DEVELOPMENTS

Capital development in 2020 continued to concentrate on the refurbishment of critical infrastructural assets in order to ensure that the navigations can continue to remain open and enjoyed by the wide spectrum of users. A detailed capital programme for 2020 has been agreed including the replacement of weirs, jetties and sea locks. COVID-19 did not significantly impact the capital program in 2020.

BOARD MEMBERS

Under the British Irish Agreement Act 1999 and the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 the functions of Waterways Ireland are exercised by the Chief Executive. There are no board members.

EQUALITY POLICY

Waterways Ireland implements an Equality Scheme in compliance with the requirements of Section 75 of the Northern Ireland Act 1998 and is fully committed to meeting the equality requirements of both jurisdictions.

POLICY IN RELATION TO PEOPLE WITH DISABILITIES

Waterways Ireland is an equal opportunities employer and welcomes people with disabilities as employees. We proactively seek to engage with people with disabilities and representative groups, providing opportunities for work placements.

EMPLOYEE INVOLVEMENT

The Industrial Relations Forum meet quarterly with representatives of management and unions to discuss items of common interest. In addition, management meet and work regularly with recognised Trade unions in addressing employee issues.

Management engage with staff at briefing and information meetings throughout the year, in addition to the regular, Regional, Departmental and Team meetings driven by both management and employees.

CHARITABLE DONATIONS

Waterways Ireland made no charitable donations during the period.

PRACTICE ON LATE PAYMENTS

Waterways Ireland is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2013 – Statutory Instrument 2013 No. 395 and the Irish Prompt Payment of Accounts Act, 1997, as amended by the European Communities (Late Payment in Commercial Transactions) Regulations (S. I. No. 580 of 2012). Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During 2019, 99% (2018, 98%) of invoices were paid within 30 days and interest charges of €221 (2018 €469) and late penalty charges of €3,179 (2018, €8,360) were incurred which are included in currency gains/losses and interest payable.

HEALTH AND SAFETY

Waterways Ireland is committed to ensuring a safe working environment for its staff. The updated Health and Safety Statement was signed in 2019. The Waterways Ireland Health and Safety committee is in place and the Health and Safety Working Group, each Regional Safety Group and Head Office Safety Group meet on a quarterly basis each year to review Health and Safety issues in each area and overall across Waterways Ireland. To ensure Waterways Irelands Health and Safety systems are in use and compliant with legislation multiple internal safety audits are undertaken each year.

EXTERNAL AUDIT

Waterways Ireland accounts are audited by the Comptroller and Auditor General for Northern Ireland and the Irish Comptroller and Auditor General (C&AGs) in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999. The C&AGs and the staff of their offices are wholly independent of Waterways Ireland. They report their findings to the Northern Ireland Assembly and the Houses of the Oireachtas. The charge for the audit services for the financial year, which is included as a cost in the Statement of Income, is €52,500 (STG£44,500). The auditors do not carry out non audit work in relation to Waterways Ireland.

PRINCIPAL RISKS AND UNCERTAINTIES

There are principal risks and uncertainties faced by Waterways Ireland. Waterways Ireland activities are funded by the Northern Ireland Assembly and Dáil Éireann. The level of funding is under constant review and the Corporate Plan 2017-2019 funding levels were based at the same level as 2016. The key risk, in real terms is there will be a continued decline in funding as increased pensions and potential exchange rate costs impact directly on the money available to fund the navigations. This will continue to increase the required draw on public funds from the two Governments.

Waterways Ireland faces significant exchange rate risk due to fluctuating exchange rates during the period of the Corporate Plan. In 2019 a €30,000 exchange gain was incurred mainly from conversion of sterling bank balances at month end in line with accounting practice resulting in a favourable exchange gain.

Waterways Ireland pays the pension costs for all retired staff from its operating budget. In 2001 over 200 staff transferred and designated to Waterways Ireland from the previous inland waterway management bodies. Waterways Ireland is liable for their full pension costs including the period of employment prior to 2001. Each year pension costs are significant and were €2,300,000 in 2019 (€2,800,000 in 2018). By 2020, it is estimated that there will be 154 pensioners who are retired or eligible to retire against a permanent workforce complement in 2019 of 284 staff. DfI fund all of the pension costs in addition to operating funding, whilst DCHG contribute up to the budget available with any additional requirement coming from operating funds.

BREXIT

As a cross border body, the impact of Brexit may include the loss of access to European funding for Northern Irish projects which is a significant source of development funding. Should Northern Ireland be outside the Single Market and Customs Union tariffs may apply in relation to the procurement of services and products, increasing operating costs of Waterways Ireland. Diverging

legislative provisions may impact on the business of Waterways Ireland. The possibility of increased custom checks at the border would increase travel journey times, diminish productivity and may deter existing and future workers from joining Waterways Ireland.

PENSIONS

In 2019 the fall in the discount rate of AA rated UK corporate bonds and fall in Eurozone corporate bonds at 31st December 2019 along with the net change in inflation rates, change in mortality assumptions and salary increase assumptions have resulted in an actuarial loss on the scheme and an increase in scheme liabilities in the year of €19,000,000.

McCloud and Sargeant ruling – Contingent Liability

Two employment tribunal cases in the cases of McCloud and Sargent were brought against the UK Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in the UK in 2015.

In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The UK Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019.

The Department of Finance (Northern Ireland) continues to liaise with HM Treasury for proposals to address age discrimination in the wider public service schemes as a consequence of the McCloud ruling. Further, the rectification process is expected to be long and time-consuming, and will need to address fairly the issue of pension accruals since 2015 and where individuals may have been better off in new schemes. In this regard certain staff of Waterways Ireland, who are scheme members of the North South pension scheme, may need to be compensated for any discrimination suffered as a result of the transitional protections.

Quantifying the impact of the judgement at this stage is difficult as it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. The terms of any possible settlement will require further consideration which will need approval by both the Department of Finance (Northern Ireland) and the Department of Public Expenditure and Reform (Ireland).

On this basis, no provision has been made in the accounts for the McCloud/Sargeant judgment.

The North South pension scheme actuary estimates that any compensation payable by Waterways Ireland will be up to €1,700,000.

A contingent liability has been recorded in note 18. Employee contributions of €632,000 (2018: €614,000) were received and remitted to DCHG and DfI on an 85:15 basis.

APPROVAL OF 2019 BUSINESS PLAN AND CORPORATE PLAN 2017-2019

Waterways Ireland's 2019 Business Plan and Corporate Plan 2017-2019 was retrospectively approved by the Sponsor Departments, Finance Departments and the North/South Ministerial Council in November 2020.

DCHG and DfI continued to fund Waterways Ireland's activities in the absence of an approved Business Plan with €30,077,000 of funds applied during 2019. Additional bids from Waterways Ireland has secured funding from DCHG of €725,000 toward capital.

DfI implemented contingency arrangements, put in place by DoF to enable the payment of funding to Waterways Ireland. These involve the approval of a draft Business Planning document which sets out the short-term proposed activities, together with the related benefits and costs. As a result, all 2019 funding requested to date has been paid by both Sponsor Departments.

EVENTS AFTER THE END OF THE REPORTING PERIOD

In January 2020 an incident occurred which resulted in injury to a member of the public. A claim has been received from the member of the public. Investigations are ongoing. At this time it is not possible to determine the quantum of the claim, or the extent of Waterways Ireland's liability.

COVID-19

From the initial outbreak of the COVID-19 virus and lockdown phase all process and operational implications including maintaining all critical operational functions, prioritising activities and identifying essential employees / teams were considered. Maintaining critical waterways assets and infrastructure, monitoring water levels, progressing ongoing preparations for key capital projects, maintaining waterway navigations in order to protect people and property are the priority.

From May 18th 2020 the phased reopening of waterways aligned with government guidance in their individual roadmaps - the National Framework for living with COVID-19 and the UK COVID-19 alert level system. The goal is to reduce the spread of the virus whilst keeping waterways re-opened.

Within Waterways Ireland a substantive Response Plan was shared with Sponsor Departments and staff. It is a living document updated as guidance changes. A Project Team meet regularly and a programme of ongoing communications with staff and users is in situ.

STATEMENT OF RESPONSIBILITIES

WATERWAYS IRELAND RESPONSIBILITIES

The Finance Departments have directed Waterways Ireland to prepare a statement of accounts for each year ended 31 December in the form and on the basis set out in the accounts direction on page 79 of this report section. The accounts are prepared on an accruals basis and must give a true and fair view, of the Body's state of affairs at the year end and of its income and expenditure, changes in equity, and cash flows for the calendar year.

In preparing the accounts Waterways Ireland is required to:

- Observe the accounts direction issued by the Sponsor Departments, including the relevant accounting and disclosure requirements, and apply accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that Waterways Ireland will continue in operation.

CHIEF EXECUTIVE'S RESPONSIBILITIES

The Chief Executive's responsibilities, as the Accountable Person for Waterways Ireland, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Financial Memorandum of Waterways Ireland.

INTERNAL CONTROL STATEMENT

SCOPE OF RESPONSIBILITY

The Financial Memorandum between Waterways Ireland and its Sponsor Departments sets out in detail the responsibilities of the Accounting Officer within a business and financial framework.

I am of the opinion Waterways Ireland has made steady, albeit slow, progress in addressing the key risks and internal control gaps highlighted in this statement in the 2018 Annual Report. The key risks associated with (i) an under-resourced organisation and (ii) closure of internal audit findings have not been fully mitigated. However, there has been progress throughout 2019 against each key risk. The pace of improvement has been influenced by the gaps identified in our organisational capacity and the sometimes prolonged engagement with stakeholders specifically relating to changes in work practices. In particular I would highlight the following important progressive steps:

- I. The Financial Governance Review initiated by the Department for Infrastructure and conducted by Business Consultancy Services from the Department of Finance has been presented to Waterways Ireland. The review concluded that overall, governance arrangements are sound but noted the relatively complex control and risk management environment in which WI operates. We have considered the Review and we are satisfied there are no new or previously unknown issues highlighted. In conjunction with our Sponsor Departments a group has been deployed to advance the recommendations.
- II. There has been a seamless transition of new Audit Committee Chairs with effect from March 1st 2020. I would like to acknowledge the contribution of former Chair, Noel O'Connell, and welcome new Chair, Kieran Kelly, to the role.
- III. Our Sponsor Departments have acknowledged and supported the need to build organisational capacity within budget cover. A small number of senior appointments including a Director of Technical Services; a Head of Transformation; and a Head of Asset Management have been successfully completed. Campaigns to fill Director positions in Finance & Personnel and Marketing & Development are in train.
- IV. Following engagement with industrial relations stakeholders a newly revised timesheet, as recommended by an Internal Audit finding, has been

introduced and is operating in compliance with pay and allowance protocols.

Having presented the progressive steps, I would like to highlight areas of required improvement:

- I. The organisation is not in steady state. Organisational gaps exist and closure of these gaps is complicated by several factors such as the fixed, rigid organisational structure established twenty years ago; uncompetitive pay scales in Northern Ireland contributing to loss of senior staff; and strong market demand for technical skills.
- II. The issue relating to Country Money remains outstanding. Both Waterways Ireland and Services, Industrial, Professional and Technical Union (SIPTU)) are working to conclude an agreement following a further Labour Court hearing finding. It is hoped this can be finalised in early 2021.
- III. There are opportunities to further improve corporate and field-based interactions. Weekly payslips can be made available electronically; manually filled time sheets can be rendered onto mobile devices; asset management and property management inspections uploaded remotely; and the introduction of telematics to improve fleet management and security. Progressing these opportunities will involve extensive engagement with stakeholders.

PUBLIC FINANCIAL PROCEDURES

As Waterways Ireland Acting Chief Executive I am directly responsible to the respective Ministers North and South and to their Departments, for the Body's performance and operations. The Ministers determine the policy framework under which Waterways Ireland operates and the scope of its activities. The Ministers also determine the resources to be made available to the Body and approve the Corporate and Business Plans. The 3-year Corporate Plan expired in December 2019. A new 3-year Corporate Plan has been developed in December 2020 and remains with our Sponsor Departments for review and approval. A single year 2020 Business Plan has been developed and approved in the interim by our Sponsor Departments and the NSMC.

Through Monitoring Meetings, I consult with Sponsor Departments on the handling of operational matters that could give rise to significant public or parliamentary concern, including the nature, scale and likelihood of risks. I can verify that Monitoring Meetings were held on

six occasions during 2019. In addition, there is ongoing dialogue with the Departments.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritize the risks to the achievement of the body's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in Waterways Ireland for the year ended 31st December 2019 and up to the date of approval of the annual report and accounts with the Finance Departments' guidance.

CAPACITY TO HANDLE RISK

A set of procedures was in situ during 2019 to identify the Body's objectives and risks and based on these procedures a control strategy for each of the significant, identified risks was determined. Risk ownership was allocated to the appropriate staff. The attitude to risk and the processes within Waterways Ireland operated in a continual cycle.

RISK AND CONTROL FRAMEWORK

A Corporate Risk Register identified the key risks directly related to the Body's corporate and business plan goals. The Senior Management Team within Waterways Ireland convened on a monthly basis to review and revise the Corporate Risk Register. The monthly forum considered new risks and changes in the operating environment and any necessary mitigation actions. The Corporate Risk Register was reviewed at each Monitoring Meeting and at each Audit Committee meeting. There were six Monitoring Meetings and four Audit Committee meetings in 2019.

A Review of Financial Governance initiated by the Department for Infrastructure and conducted by Business Consultancy Services from the Department of Finance has been presented to Waterways Ireland for comment. We have considered the Review and we are satisfied there are no new or previously unknown issues highlighted. In conjunction with our Sponsor Departments a group has been deployed to advance the recommendations.

BREXIT

Waterways Ireland has had a project team in place for 2 years and has evaluated risks associated with Brexit and a UK withdrawal from the EU. Mitigation measures were identified for each of the primary risk areas. Those

primary risk areas being Data Protection / GDPR; movement of employees across the border; Procurement; EU Legislation / policies; boat movements cross border; access to European funding in Northern Ireland; and exchanges rates. Our overall assessment of our sector is an environment of low to medium risk and impact and a series of mitigation measures in situ where we can influence the potential outcome.

MAJOR INFORMATION SYSTEMS

Waterways Ireland uses Integra systems to produce financial accounting information and Core payroll systems to produce wages and salaries information. There are process and system controls within and around both of these systems to ensure the quality and integrity of management information provided to the Chief Executive and Senior Managers.

Waterways Ireland needs to formulate an IT strategy with clear recommendations on IT governance and a pathway to the future. Opportunities for enhanced customer, staff and stakeholder improvement through digital transformation undoubtedly exist subject to a plan; availability of funding; and stakeholder engagement and acceptance.

MANAGEMENT OF PERSONAL DATA

There was a data breach reported in February 2020. A Risk assessment concluded that the breach was unlikely to result in a risk to the rights and freedoms of the individuals involved and therefore there was no requirement to notify the Information Commissioner or Data Protection Commission.

REVIEW OF EFFECTIVENESS

As the Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. I am mindful that the Financial Governance Review has not introduced any new, previously unknown gaps or issues. In addressing the key risks and internal control gaps that were highlighted in the 2018 Internal Control Statement I would conclude we have made slow but steady progress in addressing identified gaps.

FINANCIAL MANAGEMENT

The Body has in place the following processes:

- The Senior Management Team meet on a monthly basis to monitor progress on business plans and any other issues.

Waterways Ireland has an internal audit function in place, whose programme of work is informed by analysis of the risk to which the Body is exposed and annual internal audit plans are based on this analysis. These risk-based internal audit plans are agreed with the Accounting Officer and the Audit Committee. The internal audit plan

and internal audit reports are reviewed during the year by the Audit Committee which met four times during 2019. The Internal Audit assurance statement for the year ended 31 December 2019 concluded that 'based on the scope of the audits which were completed during 2019, and assuming management effectively implement, in a timely manner, the internal audit recommendations made in each audit report, internal audit can provide reasonable assurance that there was an overall adequate system of internal control in place for the majority of areas reviewed, with the exception of the area of Payroll. Whilst, in the main, there was an adequate system of internal control, there were significant control weaknesses noted which may put a number of the system objectives at risk in the area of Payroll. The Payroll internal audit, which contained twenty-six Priority 1 audit recommendations, noted risks and control weaknesses particularly in relation to the area of payroll allowances. Management have accepted all the recommendations and are continuing to take steps to implement remaining audit recommendations as soon as practicable. Implementation of recommendations is a key determinant of the annual opinion. If recommendations are not implemented in a timely manner then weaknesses in control and governance frameworks will remain in place. Management have also taken steps during 2019 to commence a process of longer term strategic planning and capacity building for the organisation, and have commenced a programme of work to fill vacancies in the senior management structure. Such actions will serve to assist with addressing control issues identified in internal audit reports, specifically in relation to organisation capacity building and the progression of payroll allowance migration to a more sustainable pay structure.

- The Audit Committee provided an annual report to the Accounting Officer for 2019 which provided assurance that the Committee had discharged its responsibilities in accordance with its Charter and Terms of Reference.
- During 2019 Internal Audit completed six audits and five desk-based reviews of procedures and policies. Nine of these concluded with an overall satisfactory opinion with two internal audits concluding with an overall limited opinion. The two audits which had limited opinion were in relation to Payroll and Operations Division Expenditure. Management have accepted all the recommendations made in all internal audit reports and have put in place an action plan to address the issues raised. To date, in 2020, Internal Audit have completed 4 audit reports. 1 of these reports concluded with an overall satisfactory opinion, 2 reports concluded with an overall limited

opinion, while the third report was an annual Follow Up audit. The 2 internal audit reports that concluded with an overall limited opinion were '*GDPR/Data Protection Compliance at Waterways Ireland*' and '*Purchase and Management of Small Plant Items.*' Management have accepted all the recommendations and have put in place action plans to address the issues raised.

- Following a review of the rules on the payment of 'Country Money' and settling of outstanding taxes to Revenue, Waterways Ireland have updated the internal rules and are continuing to work through the industrial relations impact of these changes.
- Waterways Ireland monitor the ever-increasing pensions costs for the Body, related to transferred in service for Southern Employees. This has first call on current funds and as it continues to increase it will put additional pressure on available current expenditure.
- Property registrations and review of lease legacies continue.
- An external review of the process used to value the operational assets of the Body was completed in December 2017. The review found that the Body is compliant with FRS 102 and made a number of recommendations to improve asset information and valuations. By 2018 a number of structures including weirs, bridges, aqueducts, culverts, lock gates and chambers, depots and lock houses have been revalued based on surveys and the useful lives of these assets have been reassessed and adjusted accordingly. Some of the land values recognised in the accounts are based on estimated rather than precise boundaries. The Body continues to collate the actual property registration layers and then register the deeds. This exercise is currently ongoing along the Royal and Grand canals. Any resultant increase in land values is expected to be modest given that any additional small parcels of land are largely at agricultural values. As resources permit Waterways Ireland will continue to progress the remaining recommendations which include further surveys of structures including canals, moorings and harbours for measurements and the condition of these assets along with a review of the heritage class of assets. During 2019 Waterways Ireland carried out a revaluation of office land and buildings, this resulted in a net valuation decrease in tangible assets.
- During 2019 a review of the Asset Management function was undertaken and this resulted in development of a new team structure which it is envisaged will feed into the future valuations of our

assets and determine a robust process for future capital investment.

- Continuance of management of key performance and risk indicators.
- Assurance statements are provided to Sponsor Department as required under the Service Level Agreement.
- Late payment interest and penalties continue to be closely reviewed by Senior Management.

A handwritten signature in blue ink that reads "John McDonagh".

John McDonagh
Chief Executive
27 April 2021

REMUNERATION REPORT

REPORT ON THE REMUNERATION OF SENIOR MANAGEMENT

The Senior Management of Waterways Ireland consist of the CEO, Directors and Regional Managers. The Chief Executive (Acting) is the Accounting Officer as approved by NSMC and according to the financial memorandum is responsible for the efficient and effective administration of Waterways Ireland.

POLICY ON THE REMUNERATION OF SENIOR MANAGERS

The pay scales of the Senior Management Team who are based in the NI jurisdiction mirror those of the NICS pay scales. The pay scales for each NICS grade contain a number of pay points from minima to maxima, allowing progression towards the maxima.

The pay scales of the Senior Management team who are based in the ROI jurisdiction are legacy pay scales and are instructed by the Sponsor Departments. Any annual increments are issued to Waterways Ireland through the relevant Sponsoring Department in each jurisdiction.

Each year, senior managers are set objectives based on the 3 year Corporate and Annual Business Plans. Individual goals and objectives of the Senior Management Team are reviewed and assessed by the CEO throughout the year using Waterways Ireland's Performance Management structure. These performance assessments are documented and records maintained. The Chief Executive is assessed through Monitoring Committee.

SERVICE CONTRACTS

Senior Management appointments are made in accordance with the Waterways Ireland Recruitment and Selection Policy which requires appointment to be on merit on the basis of competence and suitability. Senior Management will receive an employment contract on appointment which details all terms and conditions. Termination payments are in accordance with contractual terms. During the year 2019 there were no compensation or severance payments to senior Management.

SALARY AND PENSION ENTITLEMENTS

The following sections provide details of the remuneration and pension interests of the Senior Management of Waterways Ireland.

FAIR PAY DISCLOSURE

Waterways Ireland is required to disclose the relationship between remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The remuneration of the highest paid director in 2019 was €100,614 (2018: €99,630) (currency fluctuations affect conversion from sterling to euro). This was 2.52 times the median salary of the workforce which in 2019 was €41,716 (2018: €41,493). The range of staff remuneration in 2019 is from €0 as two members of staff are out of pay due to long term sick and one on a career break. In 2019 and 2018 no employee received remuneration in excess of the highest paid director. During the year eight new employees were recruited.

Total remuneration includes salary only, Waterways Ireland does not pay non-consolidated performance-related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

SALARY

'Salary' includes gross salary and any other allowance to the extent that it is subject to UK/Irish taxation.

BENEFITS IN KIND

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs/ Ireland's Revenue Commissioners as a taxable emolument. There were no benefits in kind provided to Senior Management in 2019 or 2018.

BONUSES

It is not the policy of the Waterways Ireland to make any bonus payments to members of the Senior Management team or staff. No bonus payments have been made in 2019 or 2018.

REMUNERATION (INCLUDING SALARY) AND PENSION ENTITLEMENTS OF SENIOR MANAGEMENT TEAM

	2019			2018		
	Salary	Pension Benefits ¹	Total	Salary	Pension Benefits ¹	Total
Total Senior Management Remuneration	€ 593,458	€ 352,223	€ 945,681	€ 525,222	€ 358,466	€ 883,688
Total Senior Management Remuneration – Full Time Equivalent	€ 612,253	€ 352,223	€ 964,476	€ 525,222	€ 358,466	€ 883,688

NOTES:

¹ The Senior Management Team includes the Acting Chief Executive, Director of Finance and Personnel, Director of Business Development, Director of Technical Services, and the Eastern, Western and Northern Regional Managers. The Chief Executive resigned on 31 January 2019. The Acting Chief Executive commenced his role in Waterways Ireland on 15 April 2019. He is employed through an Agency and not a direct employee of Waterways Ireland. The Director of Technical Services was promoted internally within Waterways Ireland following a competitive recruitment process in October 2019.

² The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.

Exchange rate fluctuations – euro pay fluctuates due to exchange rate movements at 2019 €1.1405 (2018 €1.1305) to £1.

Since disclosure of individual remuneration may represent a breach of the General Data Protection Regulations, a summary of senior management remuneration is presented.

FAIR PAY DISCLOSURE

	2019 €	2019 £	2018 €	2018 £
Midpoint of the band of the highest paid Director	105,000	92,065	97,500	86,245
Median remuneration of staff	41,716	36,577	41,493	36,703
Ratio	2.52		2.35	
Range of staff remuneration	€0 to €100,614	£0 to £88,219	€0 to €99,630	£0 to £88,129

PENSION BENEFITS

Name	Accrued Pension at Pension Age at 31/12/19 and related Lump Sum	Real Increase in Pension and related Lump Sum at Pension Age	CETV at 31/12/19	CETV at 31/12/18	Real Increase in CETV
Chief Executive 1 ¹	Pension €49,000 Lump Sum €147,000	Pension €3,000 Lump Sum €8,000	€1,131,000	€1,073,000	€58,000
Regional Manager 1	Pension €48,000 Lump Sum €144,000	Pension €2,000 Lump Sum €5,000	€1,115,000	€1,097,000	€18,000
Regional Manager 2	Pension €48,000 Lump Sum €144,000	Pension €2,000 Lump Sum €5,000	€1,139,000	€1,096,000	€43,000
Regional Manager 3	Pension €34,000 Lump Sum €102,000	Pension €2,000 Lump Sum €6,000	€641,000	€591,000	€50,000
Director 1	Pension €7,000 Lump Sum €0	Pension €2,000 Lump Sum €0	€82,000	€56,000	€26,000
Director 2	Pension €4,000 Lump Sum €0	Pension €2,000 Lump Sum €0	€42,000	€21,000	€21,000
Director 3 ²	Pension €24,000 Lump Sum €55,000	Pension €4,000 Lump Sum €8,000	€454,000	€372,000	€82,000

NOTES:

¹ Chief Executive 1 resigned on 31 January 2019 and her benefits are calculated at this date. The Acting Chief Executive is not a member of the Pension Scheme.

² Director 3 was promoted within Waterways Ireland in October 2019.

PENSION ARRANGEMENTS - GENERAL

DESCRIPTION OF THE SCHEME

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

The Core Final Salary Section

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

The Core Alpha Section

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

Reserved Rights Sections

These are a number of sections of the scheme that are modelled on the Irish public service pension schemes that employees of the North/South Bodies were members of at the point they were designated and transferred at the formation of the Bodies.

These schemes are final salary pension arrangements with benefits the same as the relevant Irish public sector scheme e.g. Superannuation Scheme for Established Civil Servants. These schemes provide a pension (for non-integrated members eightieths per year of service but for integrated members two-hundredths per year of service on salary up to 3.333 times the Old Age Contributory State Pension and eightieths per year of service on salary above 3.333 times the Old Age Contributory State Pension), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 60th birthday (or 65th in the Non-Contributory Pension Scheme for Non-Established State Employees).

Pensions in payment (and deferment) generally increase in line with general public sector salary inflation. The applicable Reserved Rights Scheme for Waterways Ireland in the South is both the, Non-Contributory Pension Scheme for Non Established State Employees

and the Superannuation Scheme for Established Civil Servants. In Northern Ireland, the relevant scheme is the Principal Civil Service Pension Scheme NI. Most Core section members have benefits in both the Final Salary and Alpha sections and new entrants who join the Scheme after 1st April 2015 will, in most cases, become members of the Core Alpha section.

The valuation used for FRS 102 disclosures at 31 December 2019 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2019.

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to Waterways Ireland's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

REAL INCREASE IN CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

COMPENSATION FOR LOSS OF OFFICE

During the current and preceding financial year there were no compulsory or voluntary redundancies in Waterways Ireland. Therefore no costs have been

incurred and no compensation payments have been made.

SALARY BANDS FOR ALL EMPLOYEES

Number of employees whose emoluments for the twelve months ending 31 December 2019 fell within the following bands:

Salary Bands €	2019 (no. of employees)	2018 (no. of employees)
Less than 40,000	191	189
40,000-49,999	108	113
50,000-59,999	38	28
60,000-69,999	17	22
70,000-79,999	10	7
80,000-89,999	1	1
90,000-99,999	1	3
100,000-109,999	2	0

Payments of arrears of pay to staff that left the Body are included above.

AUDIT CERTIFICATE

THE CERTIFICATE OF THE COMPTROLLERS AND AUDITORS GENERAL TO THE NORTHERN IRELAND ASSEMBLY AND THE HOUSES OF THE OIREACHTAS

OPINION ON THE ACCOUNTS

We certify that we have audited the accounts of Waterways Ireland (the Body) for the year ended 31 December 2019 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British/Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows; and,
- the statement of changes in equity; and
- the related notes including significant accounting policies.

These accounts have been prepared under the accounting policies set out within them.

In our opinion, the accounts:

- give a true and fair view of the state of the Body's affairs as at 31 December 2019 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

OPINION ON REGULARITY

In our opinion, the expenditure and income recorded in the accounts have in all material respects been applied to the purposes intended by the Northern Ireland Assembly and the Houses of the Oireachtas and the financial transactions reported in the accounts conform to the authorities which govern them.

BASIS OF OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE ACCOUNTS

The Body has presented certain other information together with the accounts. This comprises the annual report, the foreword to the accounts, the statement on the system of internal control/governance statement and the remuneration report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE REPORT BY EXCEPTION

We have nothing to report in respect of the following matters which we report if, in our opinion:

- we have not received all the information and explanations we required for our audit, or
- the accounting records were not sufficient to permit the accounts to be readily and properly audited, or
- the accounts are not in agreement with the accounting records, or
- the statement on the system of internal control/governance statement does not reflect compliance with applicable guidance on corporate governance.

RESPONSIBILITIES OF THE BODY AND THE ACCOUNTING OFFICER FOR THE ACCOUNTS

As explained more fully in the Statement of Responsibilities, the Body is responsible for the preparation of the accounts on the basis of the accounts direction included in the appendix to the accounts and for being satisfied that they give a true and fair view. The Chief Executive, as Accounting Officer, is responsible for the propriety and regularity in relation to the use of public funds.

RESPONSIBILITIES OF THE AUDITORS

Our responsibility is to audit the accounts in accordance with the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 and to report thereon to the Northern Ireland Assembly and the Houses of the Oireachtas.

Our objective in carrying out the audit is to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

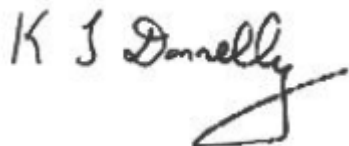
As part of an audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. In doing so

- We identify and assess the risks of material misstatement of the accounts whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- We conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Body to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition, we are required to obtain evidence sufficient to give reasonable assurance that expenditure and income recorded in the financial accounts have been applied to the purposes intended by the Northern Ireland Assembly and

Houses of the Oireachtas and that the financial transactions recorded in the accounts conform to the authorities which govern them.



Kieran Donnelly CB
Comptroller and Auditor General for
Northern Ireland
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU



Seamus McCarthy
Irish Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
Ireland
DO1 PF72

30 April 2021

INCOME AND COMPREHENSIVE INCOME STATEMENTS

INCOME STATEMENT

for the year ended 31st December 2019

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
				Restated	Restated
INCOME					
Revenue Funding from Departments	2	25,445	22,311	27,339	24,182
Release from Capital Grant/Donation/Grant Reserves		10,965	9,614	10,955	9,690
Other Operating Income	3	5,538	4,857	6,246	5,525
TOTAL INCOME		41,948	36,782	44,540	39,397
EXPENDITURE					
Staff Costs	4	21,531	18,879	22,440	19,850
Programme Costs	5	5,303	4,650	7,405	6,550
Other Operating Costs	6	5,530	4,847	5,427	4,799
Currency (gains)/losses and interest payable		(27)	(24)	25	22
Depreciation	7.1,7.2	10,954	9,605	10,955	9,690
TOTAL EXPENDITURE		43,291	37,957	46,252	40,911
Operating (Deficit) for the Year		(1,343)	(1,175)	(1,712)	(1,514)
Profit on Disposal of Fixed Assets		14	12	16	14
(Deficit) for the Year		(1,329)	(1,163)	(1,696)	(1,500)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December 2019

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
				Restated	Restated
(Deficit) for the Year		(1,329)	(1,163)	(1,696)	(1,500)
Actuarial (loss)/gain on pension liabilities	17.2	(14,885)	(12,651)	4,691	4,208
Net transfer (in)/out of the scheme	17.2	36	32	(3)	(3)
Adjustment to Deferred pension funding		14,849	12,619	(4,688)	(4,205)
Unrealised (deficit) on revaluation of Land and Buildings	7.1, 7.2	11,696	9,941	(794)	(712)
Total recognised (loss) for the Year		10,367	8,778	(2,490)	(2,212)

The notes on pages 58 to 79 form part of these accounts.



John McDonagh
Chief Executive

27 April 2021

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION

as at 31st December 2019

	Notes	€'000 2019	£'000 2019	€'000 2018 Restated	£'000 2018 Restated	€'000 2017 Restated	£'000 2017 Restated
PROPERTY, PLANT AND EQUIPMENT							
Tangible Assets	7.1	33,388	28,380	33,373	29,935	45,899	40,727
Operational Assets and Work in Progress	7.2	747,949	635,741	740,483	664,170	734,130	651,402
CURRENT ASSETS							
Short Term Investment	8	2,000	1,700	3,000	2,691	1,000	887
Cash at bank and in hand	9	5,509	4,682	3,278	2,940	5,907	5,241
Stocks	10	674	574	771	692	1,011	898
Debtors/Prepayments - amounts due within one year	11	1,265	1,075	1,232	1,105	1,377	1,222
		9,448	8,031	8,281	7,428	9,295	8,248
CURRENT LIABILITIES							
Creditors - amounts due within one year	12	(6,025)	(5,121)	(3,426)	(3,073)	(2,547)	(2,260)
NET CURRENT ASSETS							
Debtors/Prepayments - amounts due after one year	11	126	107	139	125	73	65
Creditors - amounts due after one year	12	(96)	(82)	(100)	(90)	(104)	(92)
Deferred Pension Funding	17.4	131,895	112,108	112,443	100,855	111,703	99,115
Pension Liability	17.5	(131,895)	(112,108)	(112,443)	(100,855)	(111,703)	(99,115)
Provisions	14	(4,045)	(3,438)	(3,797)	(3,406)	(3,287)	(2,917)
TOTAL ASSETS LESS LIABILITIES		780,745	663,618	774,953	695,089	783,459	695,173
FINANCE BY:							
CAPITAL AND RESERVES							
Revenue Reserve		(2,547)	(2,165)	(1,357)	(1,217)	185	164
Capital Grant Reserve		765,499	650,659	759,845	681,538	767,733	681,219
Donation Reserve		16,186	13,758	14,754	13,233	10,209	9,059
Grant Reserve		1,607	1,366	1,711	1,535	5,332	4,731
		780,745	663,618	774,953	695,089	783,459	695,173

The notes on pages 58 to 79 form part of these accounts.



John McDonagh
Chief Executive
27 April 2021

CASH FLOW STATEMENT

CASH FLOW STATEMENT

for the year ended 31st December 2019

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
Net Cash in/(out)flow from operating activities	15.1	1,566	1,373	(8)	(7)
CASHFLOWS FROM INVESTING ACTIVITIES					
Short term fixed deposit	8	1,000	991	(2,000)	(1,804)
Receipt from sale-plant, land, property rights		143	125	170	150
Payments to acquire tangible fixed assets	7.1,7.2	(6,868)	(6,022)	(5,730)	(5,069)
Net Cash outflow before financing		(4,159)	(3,533)	(7,568)	(6,730)
CASHFLOW FROM FINANCING ACTIVITIES					
Capital funding received		4,632	4,061	3,648	3,227
Donation/Grant received		1,758	1,541	1,291	1,130
Difference on currency translation		-	(327)	-	72
Net increase/(decrease) in cash and cash equivalents	15.2	2,231	1,742	(2,629)	(2,301)
Cash and cash equivalents at the start of the year		3,278	2,940	5,907	5,241
Cash and cash equivalents at the end of the year	15.2	5,509	4,682	3,278	2,940

The notes on pages 58 to 79 form part of these accounts.

The currency translation adjustment reflects the amount of the movement in the value of the current assets and liabilities which is attributable to the change in exchange rates over the year.



John McDonagh
Chief Executive
27 April 2021

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

as at 31st December 2019

REVENUE RESERVE	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
				Restated	Restated
At 1st January		(1,357)	(1,217)	185	164
Surplus/(Deficit) in the year		(1,329)	(1,163)	(1,696)	(1,500)
Plus: Transfer from Capital Grant Reserve & Donation Reserve		139	122	154	136
Difference on currency translation		-	93	-	(17)
At 31st December		(2,547)	(2,165)	(1,357)	(1,217)

NOTES:

Transfer from Capital Grant Reserve relates to disposal of land/property rights €129,000 plus €10,000 transfer from Donation reserve. As per note 2.1 certain revenue program costs are deemed capital in nature for funding purposes.

The currency translation adjustment reflects the amount of the movement in the value of the Revenue Reserve which is attributable to the change in the exchange rate over the year.

CAPITAL GRANT RESERVE	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
				Restated	Restated
At 1st January		759,845	681,538	767,733	681,219
Capital Grants Received	2	4,632	4,061	3,648	3,227
Prior Year Adjustment	7.3	-	-	316	280
Revaluation	7.1, 7.2	11,696	9,941	(794)	(711)
Less: Transfer to Revenue Reserve		(129)	(113)	(154)	(136)
Less: Amortisation of Capital Grants		(10,545)	(9,246)	(10,904)	(9,645)
Difference on currency translation	7.1, 7.2	-	(35,522)	-	7,304
At 31st December		765,499	650,659	759,845	681,538

DONATION RESERVE	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
At 1st January		14,754	13,233	10,209	9,059
Donations Received		1,758	1,541	14	12
Less: Amortisation of Donations		(316)	(277)	(263)	(233)
Less: Transfer to Revenue Reserve		(10)	(9)	-	-
Plus: Reclassification from Grant Reserve		-	-	4,794	4,241
Difference on currency translation	7.1, 7.2	-	(730)	-	154
At 31st December		16,186	13,758	14,754	13,233

NOTES:

Donations from third parties of Assets and funding to complete works on the Waterways. €10,000 transferred to Revenue Reserve for previous year's contribution received where the work was expensed.

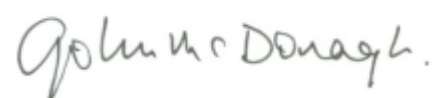
The currency translation adjustment reflects the amount of the movement in the value of the Donation Reserve which is attributable to the change in the exchange rate over the year.

GRANT RESERVE	Notes	€'000	£'000	€'000	£'000
		2019	2019	2018	2018
At 1st January		1,711	1,535	5,332	4,731
Grants Received		-	-	1,277	1,130
Less: Amortisation of Grants		(104)	(91)	(104)	(92)
Less: Reclassification to Donation Reserve		-	-	(4,794)	(4,241)
Difference on currency translation	7.1, 7.2	-	16	-	(131)
Difference on currency translation		-	(94)	-	138
At 31st December		1,607	1,366	1,711	1,535

NOTES:

Grants from third parties of funding to complete works on the Waterways. In 2018 €4,794,000 were reanalysed as Donations as no repayment required.

The currency translation adjustment reflects the amount of the movement in the value of the Grant Reserve which is attributable to the change in the exchange rate over the year.



John McDonagh
Chief Executive
27 April 2021

NOTES TO THE ACCOUNTS

NOTES TO THE ACCOUNTS

for the year ended 31st December 2019

1. ACCOUNTING POLICIES

1.1 ACCOUNTING CONVENTION

The accounts have been prepared in accordance with the historical cost convention modified to account for the revaluation of fixed assets. The accounts comply with the accounting and disclosure requirements issued by DoF and DPER in 2017.

1.2. STATEMENT OF COMPLIANCE WITH FRS 102

The financial statements of Waterways Ireland for the year ended 31 December 2019 have been prepared in accordance with North/South Implementation Bodies Annual Reports and Accounts Guidance (July 2017), produced by DoF and DPER, in conjunction with the Northern Ireland Audit Office and the Office of the Comptroller and Auditor General in Ireland.

1.3 INCOME

Income includes cash grants received and receivable from the Department for Infrastructure and the Department of Culture, Heritage and the Gaeltacht (DCHG). which funded activities in the current period. Other Operating Income is accounted for on an accruals basis, however, operating income includes income from navigation usage such as permits, winter moorings, lock tolls and dry dock charges which are recognised on a receipts basis. Government grants are recognised on an accruals basis as per FRS102.

1.4 EXPENDITURE

Expenditure relates to the operational activities of Waterways Ireland and is accounted for on an accruals basis.

1.5 DEBTORS

Debtors are stated after providing for bad and doubtful debts.

1.6 DEFERRED INCOME

Deferred Income relates to an agreement with Waterways Ireland receiving €135,000 for exclusive access to a duct part of which is on Waterways Ireland land. The length of this duct on Waterways Ireland property is 25,600 metres. The duct is solely used to hold telecommunications cable and no other cables from any other parties can use this duct. The lease is for two terms of 35 years with no break clause. The €135,000 is being released to the Statement of Income over 35 years commencing in 2011. There remains 26 years with €3,857 released in 2019 to income.

1.7 PROPERTY, PLANT AND EQUIPMENT

Waterways Ireland capitalise items with a useful economic life of over one year and with a value in excess of €1,000. Expenditure on IT and furniture and fittings are treated as a grouped asset and capitalised.

Project spend which replaces or enhances the service potential of property, plant and equipment is capitalised. Staff costs directly attributable to these projects are capitalised.

Where projects are not completed at year end but will create a new asset or a revaluation of an existing operational asset, the related project costs have been included in work in progress.

An impairment procedure is in place and is reflected in revaluations reserve.

Valuations:

Waterways Ireland aim to value all Asset categories at least every five years using a combination of internal professional valuers, external valuers and agreed sales proceeds. Operational asset are specialised in nature, location and function. They are valued by inhouse professionally qualified engineers supported by an external review of the process used to value operational assets to confirm compliance with FRS102.

The valuation basis by Asset Category are outlined below:

1.7.1 SURPLUS ASSETS

Surplus assets represent those assets that Waterways Ireland deem are not strategic and are available for sale. Valuations are based on recoverable market value from internal and external market reports. The main components were as follows:

- Hatch Bar €45,000; held at agreed sales proceeds.
- Athy Lockhouse €80,000; internal valuation 2019 Rodney McVitty BSc (Hons) Surveying (Specialising in Estate Management) MRICS in 2019.
- Canal House Park Canal €20,000; internal valuation by Kieran Taggart Member of the Royal Institute of Chartered Surveyors in 2017.
- Sea Lock House €800,000; externally valued at Market value by The Valuation Office, Dublin in April 2019. The valuation technique used was the "market approach" which uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets.
- Mill Cottage €110,000; valued internally Kieran Taggart Member of the Royal Institute of Chartered Surveyors in 2018.
- Property disposals in progress at 2019 €1,810,000 internally valued.
- Bogland at Pullough €9,490, valued in 2018 based on agreed sales proceeds.

1.7.2 LAND AND BUILDINGS

Land €19,500,000; valued at Market value by GVA Donal O Buachalla, Dublin in February 2019. The valuation technique used was the "market approach" which uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets. Buildings in 2019 are valued internally at market value of €3,408,000, 2018 €3,472,000 (restated including land valuation) by Rodney McVitty BSc (Hons) Surveying (Specialising in Estate Management) MRICS.

1.7.3 PLANT, VEHICLES AND MACHINERY

Cost incurred (Depreciated historical cost). Revaluation of pumps was added in 2018 €63,000 internal valuation.

1.7.4 COMPUTER, FURNITURE AND FITTINGS

Cost incurred (Depreciated historical cost) internal valuation.

1.7.5 WORK IN PROGRESS

Cost incurred (Depreciated historical cost) internal valuation.

1.7.6 OPERATIONAL ASSETS VALUATION PERFORMED IN HOUSE BY CHARTERED ENGINEERS

1. CANAL STRUCTURE; HARBOURS; JETTIES; QUAYS; DRY DOCKS; FLOATING JETTIES; AND TRACKLINE

Assets acquired prior to 2003 were internally valued in 2003 using replacement cost. Assets acquired since 2003 are initially measured at the cost incurred by Waterways Ireland in acquiring the asset.

The value of all assets (irrespective of year of acquisition) is indexed internally in line with construction inflation each year. In 2019, the Construction Price Inflation index applied was 1.601% resulting in a net surplus on revaluation of €5,753,000.

The valuations are also updated internally to take account of new information from surveys including exact dimensions, a dry dock was revalued during 2018.

Standard costs include integral elements of structures, fencing, bollards, sluices etc. With the exception of floating jetties, 25 years, life is estimated at 500 years based on regular repairs and maintenance and taking into consideration their existing age.

Towpaths, car parks, lighting, paved areas and small structures are capitalised in the accounts where they represent an improvement on assets included in the canal valuation. They are included in the gross project costs and depreciated over the project life. Further reviews will be carried out on a rolling basis with any amendments reflected in the Asset Register.

Structures on non-operational navigations are deemed to have no value since there is no economic benefit, only land footprint is valued.

2. LOCK CHAMBERS AND LOCK GATES

Lock Chambers and gates were externally valued in 2018 by Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS, resulting in a net surplus on revaluation. Lock gates assets are updated separately from lock chambers reflecting an expected life of up to 60 years with lock chambers life span being 120 years. Valuations are based on depreciated replacement costs, useful life is 120 years. In 2019 Revised condition on Lock chambers and gates are reflected in net increase for 2019 accounts of €2,917,000.

3. WEIRS

In 2018 all weirs are valued externally by Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS resulting in a net deficit on revaluation primarily arising from standard costed structures restated to correct life and dimension. Valuations are based on depreciated replacement costs, useful life is 120 years.

4. BRIDGES AQUEDUCTS AND MAJOR CULVERTS

In 2018 Bridges Aqueducts and Major Culverts were valued by externally Capita, Sharon Dickenson, Chartered Structural Engineer - BEng (Hons) CEng MIEI MStructE AMICE, and Rodney Hughes, Chartered Surveyor – BSc (Hons) MRICS resulting in a net surplus on valuations are based on depreciated replacement cost, useful life is 120 years. In 2019 Bridge revised condition changes are reflected in a net deficit on revaluation of €1,937,000. A bridge valuation was reversed in 2019 on confirmation of ownership, reduction of €456,000.

5. LAND

In 2018 Urban amenity land values were reviewed internally by Rodney McVitty MRICS resulting in an increase in value of €946,000. Rural land is valued internally using agricultural values, in 2019 accounts this resulted in an increase in land values on published Irish Farmer Journal Agricultural for change in 2018 and 2019 prices by €3,772,000. Land registered in 2019 increased by €70,000.

6. DEPOTS AND LOCK-HOUSES

Valued at Higher of Existing Use or Recoverable Market Value in 2011 accounts as replacement costs were not available. Internal valuations in 2011 were completed by Sarah Carney BSc (Hons) Member of Royal Institute of Chartered Surveyors and Carey Palmer BLE (Hons) Member of the Royal Institute of Chartered Surveyors, Waterways Ireland. A number of assets were valued for 2014 internally by Carey Palmer BLE (Hons) Member of the Royal Institute of Chartered Surveyors. A sample of asset valuations were reviewed externally in 2012 by Darac O'Neill BSc (Hons) MRICS MSCSI of O'Neill & Company Chartered Surveyors and Auctioneers Ltd.

In 2019 a sample of lock houses were reviewed internally by Rodney McVitty, BSc (Hons) Surveying (Specialising in Estate Management) MRICS, Waterways Ireland resulting in a net increase of €971,000.

7. SERVICE BLOCKS

Internally valued at replacement costs in 2011 accounts, service blocks were updated by CPI index movement in 2019, an increase of €50,000.

DEPRECIATION

Depreciation is charged in full on assets in year of acquisition and no depreciation is charged in year of disposal. Depreciation rates:

Asset Category	Years
Property, Plant and Equipment	
Surplus Assets	Not Depreciated
Buildings	50
Plant, Vehicles and Machinery	
Boats	10 - 40
Excavators	10 - 20
Grasscare	20
General Plant	6 - 20
Vehicles	6 - 15
Computers, Furniture and Fittings	
Furniture	10
IT Equipment	5
Operational Assets and Work in Progress	
Land	Not Depreciated
Operational Assets	
Canal Structures, Locks, Fixed Mooring	60 - 500
Lock houses	50
Depots, Service Blocks	50
Floating Moorings	25
Bridges, Aqueducts, Culverts, Weirs	125 - 500

1.8 DEFERRED PENSION FUNDING

In accordance with accounting practice for non-commercial State bodies in the Republic of Ireland, Waterways Ireland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, Waterways Ireland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. This treatment is inconsistent with accounting practice for UK Non-Departmental Bodies, where, due to the absence of a formal guarantee, a funding liability is not recognised until the commitment falls due.

1.9 PENSION COSTS

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29th April 2005. It is a defined benefit pension scheme with different benefit structures which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. The scheme is administered by an external administrator. Funding from the Irish Exchequer is provided by the Department of Culture, Heritage and the Gaeltacht (DCHG). The Northern Ireland share of the benefits paid during the year is provided by the Department for Infrastructure.

Pension costs reflect pension benefits earned by employees during the period. An amount corresponding to the pension charge is recognised as income to the extent, that in the future either by way of grant income or other funding to the administrator, it is recoverable, and offset by pension payments made in the year.

Actuarial gains and 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 UK and Irish Exchequers.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents a corresponding asset being resources to be made available in future periods from the UK and Irish Exchequers, in the manner described above.

The Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at 31st December 2019 together with a corresponding asset.

1.10 LEASED ASSETS

Operating lease rentals are charged to the Income Statement on a straight-line basis over the lease term.

1.11 VALUE ADDED TAX

VAT is included as expenditure or, where appropriate, capitalised in the value of fixed assets. Returns to the Revenue Commissioners in Ireland are in respect of certain goods and services from abroad and intra-community acquisitions. Revenue authorities in Northern Ireland have determined that there is no business activity in Northern Ireland and there is no liability to VAT.

1.12 STOCK

Stock figures in the accounts are valued at the lower of cost and net realisable value.

1.13 PROVISIONS AND CONTINGENT LIABILITY

A provision is made in the accounts which represents a reliable estimate of probable settlements for legal cases against Waterways Ireland. This estimate is based on the book of quantum by State Claims Agency. A percentage is applied to this amount and provided for in the accounts, based on Waterways Ireland judgement.

SCA Assessment of the Liability Position	Provision made at this % of SCA Assessment
Liability not yet established	100
Liability not in dispute	100
Liability in dispute - contributory negligence	70
Liability in dispute - third party	60
Liability fully disputed	50

A contingent liability arises for either claims where there is a possible but not probable obligation to settle or a reliable monetary estimate of the obligation cannot be made. Based on past experience the contingent liability is currently set at 60% of the best estimate for each case. Contingent liabilities are not recognised in the Statement of Financial Position but disclosed in a note 18 to the accounts. As a result of a ruling by the Court of Appeal in December 2018 in relation to two employment tribunal cases of McCloud and Sargent against the UK Government in relation to discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in the UK in 2015. A contingent liability is shown in the accounts based on advice sought. An estimate made by the actuary to the North South pension scheme is that any compensation payable by Waterways Ireland will be up to €1,700,000. This is recorded without adjustment in note 18 to the accounts.

1.14 CURRENCY TRANSLATION

Waterways Ireland's transactions are effected in both euro and sterling. The functional currency of Waterways Ireland is euro and transactions are initially recorded in that currency. Transactions in other currencies are translated to euro at an average of the previous month exchange rate (this is used as an approximation). Monetary assets and liabilities denominated in other currencies are translated to euro at the rates of exchange prevailing at the Statement of Financial Position date (closing rate). Realised gains and losses are taken to the Statement of Comprehensive Income.

At year end the financial statements are translated into sterling. The Statement of Income is translated using the average exchange rate for the year while the Statement of Financial Position is translated using the closing exchange rate. Currency adjustments arising from this translation of the financial statements are reflected in Fixed Assets (Note 7.1, 7.2), Statement of changes in Equity including the Revenue Reserve, Capital Grant Reserve, Donation Reserve, Grant Reserve, Net Cash Flow from Operating Activities (Note 15.1), Analysis of Movement in Pension Liability (Note 17.2) and the Deferred Pension Funding (Note 17.4). The Bank of England rates are used.

1.15 CAPITAL GRANT RESERVE

The Capital Grant Reserve represents the value of grants from sponsor departments used to purchase fixed assets and the value of infrastructure assets transferred to Waterways Ireland including any revaluations carried out. The Capital Grant Reserve is amortised in line with depreciation with the Income Statement credited to offset the impact of the amortisation.

1.16 DONATION RESERVE/GRANT RESERVE

The Donation Reserve and Grant Reserves arise from contributions of funding or assets to Waterways Ireland from third party bodies. Valuations, for non-cash donated assets, reflects confirmed project costs incurred by the third party to establish Waterways Ireland assets. The Donation Reserve and Grant Reserve is amortised in line with depreciation with the Income Statement credited to offset the impact of the amortisation.

2. FUNDING FROM DEPARTMENTS

2.1 FINANCIAL YEAR 1ST JANUARY 2019 - 31ST DECEMBER 2019

	DCHG	DCHG	Dfl	Dfl	TOTAL	TOTAL
	€'000	£'000	€'000	£'000	€'000	£'000
Funding taken to Income	21,496	18,848	3,949	3,463	25,445	22,311
Funding Capitalised	3,990	3,498	642	563	4,632	4,061
	25,486	22,346	4,591	4,026	30,077	26,372

2.2 FINANCIAL YEAR 1ST JANUARY 2018 - 31ST DECEMBER 2018

	DCHG	DCHG	Dfl	Dfl	TOTAL	TOTAL
	€'000	£'000	€'000	£'000	€'000	£'000
Funding taken to Income	22,996	20,341	4,343	3,841	27,339	24,182
Funding Capitalised	2,861	2,531	787	696	3,648	3,227
	25,857	22,872	5,130	4,537	30,987	27,409

This table indicates how the funds have been applied in the accounts. This is based on generally accepted accounting principles. Waterways Ireland was paid grants from money voted by the Northern Ireland Assembly and Dáil Éireann in 2019. As the Northern Ireland Assembly were not in session alternative arrangements were made. NSMC, with the approval of the Finance Ministers, recommended that the grants should be split on an 85:15 basis for current work - DCHG (85) and Dfl (15). Capital works are 100% funded in the jurisdiction in which they take place. The funding definition of current and capital differs from generally accepted accounting guidance.

Waterways Ireland's 2019 Business Plan was retrospectively approved by the Sponsor Departments, Finance Departments and the North South Ministerial Council (NSMC) in November 2020. Dfl implemented contingency arrangements, put in place by DoF to enable the payment of funding to the Body in 2019. These involve the approval of a draft Business Planning document which sets out the Body's short-term proposed activities, together with the related benefits and costs.

3. OTHER OPERATING INCOME

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
Licences		181	159	158	140
Property Related Income		485	425	364	322
Operating Income		231	203	249	220
Interest Receivable		2	2	2	2
Net deferred funding for pensions	17.3	4,603	4,036	5,428	4,801
Other Income		36	32	45	40
Total		5,538	4,857	6,246	5,525

4. STAFF COSTS

4.1 THE AVERAGE WEEKLY NUMBER OF PERMANENT EMPLOYEES (FULL TIME EQUIVALENT)

Category of Employment	2019	2018
Administration	109	105
Operations	175	171
Total	284	276

In addition there were 31 temporary staff supporting works on the navigations, two agency staff and four student placements, were engaged to cover maternity leave and other staff absence.

4.2 THE COSTS INCURRED IN RESPECT OF THESE EMPLOYEES WERE:

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
Staff Costs		13,592	11,918	13,059	11,552
Agency Costs		219	192	154	137
Employers NIC/PRSI		1,351	1,185	1,228	1,086
Other pension costs:- Current Service and Interest costs	17.3	6,914	6,062	8,228	7,278
		22,076	19,357	22,669	20,053
Less Staff and Agency Costs Capitalised		(545)	(478)	(229)	(203)
Total		21,531	18,879	22,440	19,850

No employer pension contributions were made in the financial year.

Remuneration and pension interests of the Senior Management team along with the Salary bands for all employees earning in excess of €40,000 are disclosed in the Remuneration Report contained in the Annual Report 2019.

5. PROGRAMME COSTS

	Notes	€'000	£'000	€'000	£'000
		2019	2019	2018	2018
Contracted in Services including construction costs		3,118	2,734	4,943	4,372
Vehicle Fuel		469	411	545	482
Plant Hire		208	182	438	387
Mechanical Spares and Equipment		766	672	775	686
Fuel and Light		93	82	86	76
Travel		209	183	207	183
Miscellaneous		440	386	411	364
Total		5,303	4,650	7,405	6,550

6. OTHER OPERATING COSTS

	Notes	€'000 2019	£'000 2019	€'000 2018 Restated	£'000 2018 Restated
Travel - Ireland		494	433	478	423
Recruitment costs		54	47	42	37
Training and Conferences		191	167	187	165
Contracted in Services		385	338	607	537
Compensation/ Provisions	14	1,508	1,322	899	795
Premises Running Costs including Utilities		693	608	731	647
Health and Safety		23	20	22	19
Communications		128	112	143	126
Other Operating Lease rental		15	13	13	11
Printing and Stationery		47	41	85	75
Computer Running Costs		759	665	831	735
Rent		283	248	271	240
Audit Fee - See Note		63	55	41	36
Marketing and Promotions		462	405	670	593
Insurance and Legal Fees		253	222	252	223
Pension Administrator costs		117	103	96	85
General Expenditure		55	48	59	52
Total		5,530	4,847	5,427	4,799

NOTES:

Annual audit fee for 2019 is €52,500 (£44,500). Additional cost for 2018 fee is €10,000 and other exchange rate fluctuations of payments and accruals in year of €500 increase the charge to €63,000, and when converted at average exchange rate is £55,000 sterling.

ADDITIONAL DISCLOSURE

Travel & Subsistence	€'000
- Within the Island of Ireland	694
- Outside the Island of Ireland	9
Hospitality and Staff Wellbeing	€'000
- Staff Wellbeing Costs	3
Consultancy Costs	€'000
- Internal Audit Consultancy	34
- Asset Management Consultancy	57
- H&S Consultancy	8
- HR Consultancy	56
- Marketing Consultancy	150
- Procurement Consultancy/Support	18
- Tax & Financial Advisory	11
- Environmental Consultancy	157
- Property Consultancy	73
Legal Costs	€'000
- Legal Fees - Property/Procurement	291
- Legal Fees - Compensation cases	84
- Compensation payments	1,176

7.1 PROPERTY, PLANT AND EQUIPMENT – TANGIBLE ASSETS

	Surplus Assets	Land and Buildings	Plant, Vehicles and Machinery	Computers, Furniture and Fittings	Total
Cost or Valuation	€'000	€'000	€'000	€'000	€'000
		Restated			Restated
Restated at 1st January 2019	2,445	23,691	25,707	7,367	59,210
Additions	-	22	729	246	997
Revaluation	556	-	-	-	556
Reclass to Operational	(7)	-	-	-	(7)
Disposals	(118)	-	(476)	(1,567)	(2,161)
At 31st December 2019	<u>2,876</u>	<u>23,713</u>	<u>25,960</u>	<u>6,046</u>	<u>58,595</u>
Depreciation					
Restated at 1st January 2019	-	719	18,367	6,751	25,837
Provision for year	-	64	1,056	293	1,413
Revaluation	-	-	-	-	-
Disposals	-	-	(476)	(1,567)	(2,043)
At 31st December 2019	<u>-</u>	<u>783</u>	<u>18,947</u>	<u>5,477</u>	<u>25,207</u>
Net Book Value €'000					
At 31st December 2019	<u>2,876</u>	<u>22,930</u>	<u>7,013</u>	<u>569</u>	<u>33,388</u>
At 31st December 2018 Restated	<u>2,445</u>	<u>22,972</u>	<u>7,340</u>	<u>616</u>	<u>33,373</u>
Net Book Value STG£'000					
At 31st December 2019	<u>2,445</u>	<u>19,490</u>	<u>5,961</u>	<u>484</u>	<u>28,380</u>
Currency Translation Adjustment	111	1,078	336	28	1,553
At 31st December 2018 Restated	<u>2,193</u>	<u>20,605</u>	<u>6,584</u>	<u>553</u>	<u>29,935</u>

PRIOR YEAR ADJUSTMENT: During the year a change in accounting policy regarding Buildings valuation was undertaken which changed from valuing Buildings at Depreciated Replacement cost to valuing at Market value. Details are provided in Note 7.3 below. The result is a change from 2017 in the Cost and Depreciation, a net downward movement by €12,160,000 to €3,408,000.

NOTES:

A number of assets were revalued in year - see Note 7.4 below. The net movements are reflected in the Statement of Changes in Equity is an increase in net book value of €556,000. Computers, Furniture and Fittings include intangible assets such as software of €215,000. This is considered to be immaterial and not requiring separate disclosure in the notes. Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

7.2 PROPERTY, PLANT AND EQUIPMENT – OPERATIONAL ASSETS AND WORK IN PROGRESS

Cost or Valuation	Work In Progress €'000	Operational Assets €'000	Total €'000
At 1st January 2019	7,687	1,419,397	1,427,084
Additions	4,674	1,457	6,131
Expensed from Work in Progress	(260)	-	(260)
Capitalised from Work in Progress	(2,329)	2,329	-
Reclass from Surplus	-	7	7
Disposal	-	(415)	(415)
Revaluation	-	13,403	13,403
At 31st December 2019	9,772	1,436,178	1,445,950
Depreciation			
At 1st January 2019	-	686,601	686,601
Revaluation	-	2,263	2,263
Disposal	-	(404)	(404)
Provision for year	-	9,541	9,541
At 31st December 2019	-	698,001	698,001
Net Book Value €'000			
At 31st December 2019	9,772	738,177	747,949
At 31st December 2018	7,687	732,796	740,483
Net Book Value STG£'000			
At 31st December 2019	8,306	627,435	635,741
Currency Translation Adjustment	487	34,197	34,683
At 31st December 2018	6,895	657,275	664,170

NOTES:

Operational assets include inherited assets and newly constructed assets. Included are assets of net book value €18,247,000 for which a part donation/grant from third parties has been received. A number of Operational assets were revalued in year - see Note 7.4 below. The net impact of these valuation movements on the Statement of Changes in Equity is an increase in net book value of €11,140,000. Currency translation adjustment is the difference between the net book value of fixed assets calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

7.3 Prior Period Adjustment

During the year a change in accounting policy regarding Buildings valuation was undertaken changing from valuing Buildings at Depreciated Replacement Cost to valuing at Market value. This change provides reliable and more relevant information on these buildings reflecting the local values of similar type buildings. A Prior Year Adjustment has been processed and the impact is as follows:

Property, Plant and Equipment - Tangible Assets	Cost €	Acc Depn €	NBV €
Opening Balance at 1st January 2018 as previously stated	19,424,807	(3,856,515)	15,568,292
Prior Year Adjustment	(15,232,957)	3,200,655	(12,032,302)
Opening Balance at 1st January 2018 as restated	4,191,850	(655,860)	3,535,990
Movement in 2018	19,500,000	(64,066)	19,435,934
Closing Balance at 31st December 2018 as restated	23,691,850	(719,926)	22,971,924

Capital Grant Reserve	€
Opening Balance at 1st January 2018 as previously stated	779,766,000
Prior Year Adjustment	(12,032,302)
Opening Balance at 1st January 2018 as restated	767,733,698
Movement in 2018	(7,888,000)
Closing Balance at 31st December 2018 as restated	759,845,698

Income Statement Prior Year Adjustment	2018 €
Release from Capital Grant/Donation/Grant Reserves as previously stated	11,271,000
Prior Year adjustments	(316,000)
Release from Capital Grant/Donation/Grant Reserves as restated	10,955,000

Income Statement Prior Year Adjustment	2018 €
Depreciation as previously stated	11,271,000
Prior Year adjustments	(316,000)
Depreciation as restated	10,955,000

There was no net impact on the Operating Deficit in 2018 as a result of prior year adjustments.

7.4 REVALUATIONS

	Net Book Value at 01.01.2019 Restated €'000	Revaluation €'000	Additions Disposals Other Movements 2019 €'000	Net Book Value at 31.12.2019 €'000
Surplus Assets	2,445	556	(125)	2,876
Land and Buildings	22,972	-	(42)	22,930
Operational Assets	732,796	11,140	(5,759)	738,177
	<u>758,213</u>	<u>11,696</u>	<u>(5,926)</u>	<u>763,983</u>

NOTES:

Assets established from joint works with third parties on Waterways Ireland's land are capitalised in the accounts on the completion of works at the project costs incurred by third parties and Waterways Ireland. These assets are reflected in the donation reserve and grant reserve.

Waterways Ireland values its Land and Buildings in accordance with RICS guidance. Such guidance notes that, due to the worldwide impact of Covid 19, there is an increased level of uncertainty in terms of forming opinions on asset valuations.

Whilst at this stage there is no evidence of impairment at year end, the future impact of Covid cannot be reasonably assessed. Waterways Ireland continues to keep this matter under review.

8. SHORT TERM INVESTMENT

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Euro Fixed Term Deposit	2,000	1,700	3,000	2,691
Total	2,000	1,700	3,000	2,691

9. CASH AT BANK AND IN HAND

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Sterling Bank Account	1,106	940	563	504
Euro Bank Account	1,764	1,499	1,205	1,081
Euro Bank Reserve Account	2,637	2,241	1,508	1,353
Petty Cash	2	2	2	2
Total	5,509	4,682	3,278	2,940

10. STOCKS

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Hardware	155	132	164	147
Timber	369	314	452	406
Fuel and Lubricants	22	19	17	15
Protective Clothing	57	48	62	56
Spare Parts and Filters	20	17	26	23
Smart Cards	12	10	12	11
Publications	23	20	23	21
Miscellaneous	16	14	15	13
Total	674	574	771	692

11. DEBTORS AND PREPAYMENTS

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Amounts falling due within one year:				
Trade Debtors	104	88	174	156
Less: Provision for bad debt	(42)	(36)	(24)	(22)
Other Debtors	401	341	383	344
Prepayments	802	682	699	627
Total	1,265	1,075	1,232	1,105
Amounts falling due after one year:				
Prepayments	126	107	139	125
Total	1,391	1,182	1,371	1,230

12. CREDITORS AND ACCRUALS

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Amounts falling due within one year:				
Trade Creditors	369	314	77	69
Other Creditors	3,115	2,648	2,245	2,014
VAT	119	101	7	6
Accruals and Deferred Income	2,422	2,059	1,097	984
Total	6,025	5,121	3,426	3,073
Amounts falling due after one year:				
Deferred Income	96	82	100	90
Total	6,121	5,203	3,526	3,163

13. OTHER OPERATING LEASES

At 31st December 2019 - future lease payments under non-cancellable operating leases for each of the following periods:	€'000	€'000	€'000	€'000
	2019	2019	2018	2018
Leases which expire:	Land and Buildings	Other	Land and Buildings	Other
Within one year	282	3	260	8
Between two and five years	447	-	418	1
More than five years	3	-	1	-
	<u>732</u>	<u>3</u>	<u>679</u>	<u>9</u>
	€'000	€'000	€'000	€'000
	2019	2019	2018	2018
Leases which expire:	Land and Buildings	Other	Land and Buildings	Other
Within one year	247	3	230	7
Between two and five years	392	-	370	1
More than five years	3	-	1	-
	<u>642</u>	<u>3</u>	<u>601</u>	<u>8</u>

14. PROVISIONS

	Notes	€'000	£'000	€'000	£'000
		2019	2019	2018	2018
At 1st January		3,797	3,406	3,287	2,917
Provision utilised in year		(1,260)	(1,105)	(389)	(344)
Provision in year	6	1,508	1,322	899	795
Difference on currency translation		-	(185)	-	38
At 31st December		<u>4,045</u>	<u>3,438</u>	<u>3,797</u>	<u>3,406</u>

NOTES:

This provision represents a reliable estimate of probable settlements for legal cases against Waterways Ireland. A Revenue payment of Tax, Interest and Penalties was paid in 2019. The currency translation adjustment reflects the amount of the movement in the value of the provision for claims settlement which is attributable to the change in exchange rate over the year.

15. NOTES TO CASH FLOW STATEMENT

15.1 RECONCILIATION OF RESULT FOR THE YEAR TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	€'000	£'000	€'000	£'000	€'000	£'000
	2019	2019	2018	2018	2017	2017
			Restated	Restated	Restated	Restated
Result for the year	(1,329)	(1,163)	(1,696)	(1,500)	(444)	(389)
Depreciation	10,954	9,605	10,955	9,690	8,700	7,623
Amortisation of Capital Grants	(10,965)	(9,614)	(10,955)	(9,690)	(8,818)	(7,726)
(Profit)/Loss on disposal of fixed assets	(14)	(12)	(16)	(14)	(4)	(4)
Decrease/(Increase) in stock	97	82	240	215	(118)	(105)
Decrease/(Increase) in debtors	(20)	(17)	79	71	571	507
(Decrease)/Increase in creditors	2,595	2,206	875	785	(897)	(796)
Provisions	248	211	510	457	1,141	1,012
Difference on currency translation	-	75	-	(21)	-	(8)
Net cash generated from operating activities	1,566	1,373	(8)	(7)	131	114

NOTES:

Currency translation adjustment reflects the amount of the movement in the value of current assets and liabilities which is attributable to the change in exchange rates.

15.2 RECONCILIATION OF NET CASH IN/ (OUT) FLOW TO MOVEMENT IN CASH AND CASH EQUIVALENTS

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Cash and cash equivalents at 1st January	3,278	2,940	5,907	5,241
Net cash inflow/(outflow)	2,231	1,742	(2,629)	(2,301)
Cash and cash equivalents at 31st December	5,509	4,682	3,278	2,940
Net cash inflow/(outflow) from operating activities	1,566	1,373	(8)	(7)
Net cash inflow/(outflow) from non-operating activities	665	369	(2,621)	(2,294)
Net cash (outflow)/inflow	2,231	1,742	(2,629)	(2,301)

16. CAPITAL COMMITMENTS

Capital commitments at 31st December 2019 for which no provision has been made:

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
Contracted	1,751	1,488	1,185	1,063
Authorised but not contracted	8,318	7,070	9,739	8,735

NOTES:

Formal approval on 2020 capital programme has been received.

17. PENSIONS

17.1 ACCOUNTING TREATMENT

FRS 102 requires financial statements to reflect, at fair value, the assets and liabilities arising from an employer's obligations and any related funding and to recognise the cost of providing superannuation benefits in the accounting period in which they are earned by employees.

The effect of FRS 102 is to recognise as expenditure in the year the cost of pensions earned rather than the payments made to pensioners, and a corresponding funding amount. In addition the Balance Sheet recognises the cumulative liability for pensions earned by employees as at 31st December 2019 together with a corresponding asset.

The valuation used for FRS102 disclosures at 31 December 2019 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Limited). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2019.

The principal actuarial assumptions used to calculate scheme liabilities under FRS 102 are:

At 31st December	2019	2018	2017	2016	2015
Discount rate Northern Ireland	2.10%	2.75%	2.50%	2.70%	3.70%
Discount rate Republic of Ireland	1.30%	2.15%	2.10%	1.90%	2.65%
Rate of increase in Consumer Price Index Northern Ireland	2.00%	2.15%	2.10%	2.30%	1.90%
Rate of increase in Consumer Price Index Republic of Ireland	1.15%	1.40%	1.65%	1.50%	2.00%
Rate of increase in salaries - Northern Ireland	2.00%	2.15%	2.10%	2.30%	2.90%
Rate of increase in salaries - Republic of Ireland	2.00%	2.15%	2.10%	2.30%	1.90%
Average rate of increase for pensions Northern Ireland in line with CPI	2.00%	2.15%	3.00%	3.00%	2.90%
Average rate of increase for pensions Republic of Ireland					
in line with salary increases	1.15%	1.40%	1.65%	1.50%	2.00%
in line with CPI	2.00%	2.15%	3.00%	3.00%	3.00%
Average expected future life at age 65 for					
Male currently aged 65	22	21.9	22.1	22.2	21.9
Female currently aged 65	23.9	23.8	23.9	24.2	23.8
Male currently aged 45	23.4	23.3	23.5	23.9	23.1
Female currently aged 45	25.4	25.4	25.4	26.1	25.3

17.2 MOVEMENT IN NET PENSION LIABILITY DURING THE FINANCIAL YEAR

	Notes	€'000 2019	£'000 2019	€'000 2018	£'000 2018
(Deficit) in the plan at the beginning of the year		(112,443)	(100,855)	(111,703)	(99,155)
Benefits paid during the year		2,311	2,026	2,800	2,477
Net transfer (in)/out of the scheme		36	32	(3)	(3)
Current service cost		(4,422)	(3,877)	(5,755)	(5,091)
Other finance (charge)		(2,492)	(2,185)	(2,473)	(2,188)
Actuarial gain/(loss)		(14,885)	(12,651)	4,691	4,208
Difference on currency translation		-	5,402	-	(1,143)
(Deficit) in the plan at the end of the year		(131,895)	(112,108)	(112,443)	(100,855)
		2019	2019	2018	2018
Experience gain/(loss)	17.5	1,882	1,600	(3,074)	(2,757)
Gain/(loss) due to currency movements		(1,552)	(1,319)	538	483
Gain/(loss) on change of financial assumptions		(15,215)	(12,932)	7,227	6,482
Actuarial gain/(loss)		(14,885)	(12,651)	4,691	4,208

The main element of the actuarial loss of €14,885,000 relates to the increase in the value of the liabilities mainly as a result of the change in actuarial assumptions including a fall in the Northern and Southern discount rates (which results in an increase in the value of the liabilities), partially offset by the fall in the inflation assumptions (which results in a decrease in the value of the liabilities). The impact of the change in the mortality assumption is immaterial. The net impact of the change in actuarial assumption is an increase in the liabilities of c €15,215,000 and losses due to unfavourable currency movements of c €1,552,000. These have been partially offset by experience gains on liabilities of c €1,882,000. During the year employee contributions were received of €632,000 (2018: €614,000) which were remitted to DCHG and Dfl on an 85:15 basis.

The currency translation adjustment reflects the amount of the movement in the value of the Net Pension Liability which is attributable to the change in exchange rate over the year.

17.3 INCOME AND EXPENDITURE ACCOUNT ANALYSIS FOR THE FINANCIAL YEAR:

	Notes	2019	2019	2018	2018
Current service cost		4,422	3,877	5,755	5,091
Other finance income		2,492	2,185	2,473	2,188
Benefits paid during the year		(2,311)	(2,026)	(2,800)	(2,477)
Net transfers out of / (in to) the scheme		-	-	-	-
Net deferred funding for pensions	3	4,603	4,036	5,428	4,802

Note: Net transfer out of the Scheme in 2019 relates to a retirement

Current service cost		4,422	3,877	5,755	5,091
Other finance income		2,492	2,185	2,473	2,188
Current pension service costs	4	6,914	6,062	8,228	7,279

17.4 DEFERRED PENSION FUNDING

	€'000	£'000	€'000	£'000
	2019	2019	2018	2018
At 1st January	112,443	100,855	111,703	99,115
(Decrease)/Increase in Deferred Funding of Pension Asset	19,452	17,056	740	655
Difference on currency translation	-	(5,803)	-	1,085
At 31st December	131,895	112,108	112,443	100,855

Waterways Ireland recognises an asset representing resources to be made available by the UK and Irish Exchequers for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation schemes, and the policy and practice in relation to funding public service pensions in both jurisdictions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the funding bodies, Waterways Ireland has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. The deferred funding asset for pensions as at 31 December 2019 amounted to €132m (2018 €112m).

The currency translation adjustment reflects the amount of the movement in the value of the Deferred Pension Funding which is attributable to the change in exchange rate over the year.

17.5 HISTORY OF DEFINED BENEFIT LIABILITIES

	Notes	€'000	€'000	€'000	€'000	€'000
		2019	2018	2017	2016	2015
Surplus/(Deficit) at 31st December		(131,895)	(112,443)	(111,703)	(117,043)	(96,180)
Experience gain/(loss)	17.2	1,882	(3,074)	8,108	(7,648)	(481)
Percentage of Scheme Liabilities		1.40%	2.70%	7.3%	-6.5%	-0.5%

	Notes	£'000	£'000	£'000	£'000	£'000
		2019	2018	2017	2016	2015
Surplus/(Deficit) at 31st December		(112,108)	(100,855)	(99,115)	(100,457)	(70,695)
Experience gain/(loss)	17.2	1,600	(2,757)	7,194	(6,252)	(354)
Percentage of Scheme Liabilities		1.40%	2.70%	7.3%	-6.2%	-0.5%

17.6 EMPLOYEES JOINING

In the event of staff joining Waterways Ireland with prior service in the Northern Ireland public sector, with funded/unfunded schemes a transfer value will be calculated by the Pension Administrator for Waterways Ireland and forwarded to the Department for Infrastructure. In relation to staff from Southern Ireland with prior public sector service and a funded scheme, the transfer value will be calculated by the Pension Administrator for Waterways Ireland and forwarded to the Department of Culture, Heritage and the Gaeltacht (DCHG). In the case of Irish unfunded public service pension scheme, the liability for the prior Irish public service remains with the Irish exchequer until it is discharged.

Transfer values for non-public service funded schemes will be split and apportioned by the Pension Administrator and the transfer value will be passed via Waterways Ireland to both Departments. There were five transfers in to the scheme in the year totalling €28,500.

17.7 EMPLOYEES LEAVING

In the event of staff leaving Waterways Ireland the service in Waterways Ireland, is funded by DfI at 15% and DCHG at 85% of the amount to be transferred. If there is prior public sector service as outlined above the transfer value will be funded by the relevant jurisdiction in its entirety (other than Irish unfunded public service pension scheme). There were two transfers out of the scheme in the year totalling €64,000.

17.8 PENSION ARRANGEMENTS - GENERAL DESCRIPTION OF THE SCHEME

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

The Core Final Salary Section

This is a final salary pension arrangement with benefits modelled on the Classic section of the Principal Civil Service Pension Scheme in Northern Ireland. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age has increased per DPER, and from 26 December 2018, an increase in the compulsory retirement age to 70 will apply as set out in the Public Service Superannuation (Age of Retirement) Bill 2018 on an administrative basis. Pensions in payment (and deferment) increase in line with general price inflation.

The Core Alpha Section

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

Reserved Rights Sections

These are a number of sections of the scheme that are modelled on the Irish public service pension schemes that employees of the North/South Bodies were members of at the point they were designated and transferred at the formation of the Bodies. These schemes are final salary pension arrangements with benefits the same as the relevant Irish public sector scheme e.g. Superannuation Scheme for Established Civil Servants. These schemes provide a pension (for non-integrated members eightieths per year of service but for integrated members two-hundredths per year of service on salary up to 3.333 times the Old Age Contributory State Pension and eightieths per year of service on salary above 3.333 times the Old Age Contributory State Pension), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. In December 2018, DPER notified Bodies to apply the increase in the compulsory retirement age to 70 as set out in the Public Service Superannuation (Age of Retirement) Bill 2018 on an administrative basis. Pensions in payment (and deferment) generally increase in line with general public sector salary inflation. The applicable Reserved Rights Scheme for Waterways Ireland in the South is both the, Non-Contributory Pension Scheme for Non-Established State Employees and the Superannuation Scheme for Established Civil Servants. In Northern Ireland, the relevant scheme is the Principal Civil Service Pension Scheme NI. Most Core section members have benefits in both the Final Salary and Alpha sections and new entrants who join the Scheme after 1st April 2015 will, in most cases, become members of the Core Alpha section.

The valuation used for FRS 102 disclosures at 31 December 2019 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2019.

18. CONTINGENT LIABILITIES

The contingent liability of Waterways Ireland at 31st December 2019 is €1,936,000, (2018 €210,000) The contingent liability cases are :

*Land was compulsory purchased by Waterways Ireland, the amounts represent reasonable costs including legal fees and claims for reimbursement are not time bound.

*As part of a compulsory purchase order an agricultural water-main was subsequently provided to supply drinking water to livestock for the benefit of various adjoining landowners in Leitrim. Various issues have arisen including who is responsible for the charges for the water supply to the various landowners and the liability regarding the repair and maintenance of the water-main which is leaking. Discussions are ongoing and the costs reflected in this case are to cover the cost of replacing the watermain. The value is Waterways Ireland best estimate and there is no possibility for reimbursement.

Based on past experience and calculated at 60% of the best estimate, the contingent liability on the above totals €236,000.

* McCloud and Sargeant ruling – Contingent Liability

Two employment tribunal cases in the cases of McCloud and Sargent were brought against the UK Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in the UK in 2015.

In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The UK Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019.

The Department of Finance(Northern Ireland) continues to liaise with HM Treasury for proposals to address age discrimination in the wider public service schemes as a consequence of the McCloud ruling. Further, the rectification process is expected to be long and time-consuming, and will need to address fairly the issue of pension accruals since 2015 and where individuals may have been better off in new schemes. In this regard certain staff of Waterways Ireland, who are scheme members of the North South pension scheme, may need to be compensated for any discrimination suffered as a result of the transitional protections.

Quantifying the impact of the judgement at this stage is difficult as it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. The terms of any possible settlement will require further consideration which will need approval by both the Department of Finance (Northern Ireland) and the Department of Public Expenditure and Reform (Ireland).

On this basis, no provision has been made in the accounts for the McCloud/Sargeant judgment.

The North South pension scheme actuary estimates that any compensation payable by Waterways Ireland will be up to €1,700,000.

* Waterways Ireland following a recommendation from the Labour Court have engaged with Services, Industrial, Professional and Technical Union (SIPTU) and are working to conclude an agreement in relation to compensation associated with Country money payments to staff.

19. PERFORMANCE AGAINST KEY FINANCIAL TARGETS

Annual business plans are presented to North South Ministerial Council and approved. The financial targets set for Waterways Ireland by the Sponsor Departments and DPER and DoF is that spend is to be maintained within budget limits. This was achieved. Non-financial targets were also set and are reported in Part 1 of the Annual Report.

Waterways Ireland's 2019 Business Plan was retrospectively approved by the Sponsor Departments, Finance Departments and the North South Ministerial Council (NSMC) in November 2020.

DfI implemented contingency arrangements, put in place by DoF to enable the payment of funding to Waterways Ireland in 2019.

20. RELATED PARTY TRANSACTIONS

Waterways Ireland is a cross border implementation Body sponsored by DCHG and DfI. These departments are regarded as related parties and during the year, Waterways Ireland was principally funded by these departments and had various transactions with them. Waterways Ireland has procedures in place to manage conflicts of interest and these were compiled within the period under review.

None of the members of the key management staff of Waterways Ireland or their related parties has undertaken any material transactions with Waterways Ireland during the financial year 1st January 2019 – 31st December 2019.

21. LOSSES REGISTER

A Losses Register is maintained by Waterways Ireland. Losses recorded during the year amounted to €922,000 (2018 €158,000) and have been incorporated within these accounts where the cost relates to this financial year.

Losses Statement	2019	2018
	€	€
Compensation Payment - Public Liability Claims	141,766	104,543
Employee Liability Claims	654,612	-
Fruitless Payment - Revenue Late Payment and Penalties	97,814	-
Constructive Loss	-	2,408
Late Payment of Debt	3,400	8,830
Stores and Plant Losses	21,481	25,171
Abandoned Claims	3,274	17,048
Total	922,347	158,000

A payment of €655,000 is in relation to a claim from an employee who was involved in a work place accident. Sponsor Department approval was obtained for this payment. Payments to Revenue were for Country Money related interest and penalties of €92,220 and under payment of VAT on the receipt of reverse charge services of €5,594.

22. FINANCIAL INSTRUMENTS, LIQUIDITY, INTEREST RATE AND FOREIGN CURRENCY RISK

22.1 FINANCIAL INSTRUMENTS

Due to the non-trading nature of its activities and the way Waterways Ireland is financed, it is not exposed to the degree of financial risk faced by business entities. The Financial Memorandum permits Waterways Ireland to borrow subject to the prior approval of the Sponsor Departments and the Finance Departments, which has not been sought. The financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing Waterways Ireland in undertaking its activities. Financial instruments mainly consist of cash, trade debtors and trade creditors.

22.2 LIQUIDITY, INTEREST RATE AND FOREIGN CURRENCY RISK

Waterways Ireland's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly and Dáil Éireann, as is its capital expenditure. It is not therefore exposed to significant liquidity risks.

Waterways Ireland does not access funds from commercial sources and so is not exposed to significant interest rate risk.

Waterways Ireland's transactions are effected in the currencies of each part of Ireland, with recorded gains and losses being taken to the Statement of Comprehensive Income and Income Statement, facing significant exchange rate uncertainty.

23. EVENTS AFTER THE REPORTING PERIOD

In January 2020 an incident occurred which resulted in injury to a member of the public. A claim has been received from the member of the public. Investigations are ongoing. At this time it is not possible to determine the quantum of the claim, or the extent of Waterways Ireland's liability.

COVID-19

From the initial outbreak of the COVID-19 virus and lockdown phase all process and operational implications including maintaining all critical operational functions, prioritising activities and identifying essential employees / teams were considered. Maintaining critical waterways assets and infrastructure, monitoring water levels, progressing ongoing preparations for key capital projects, maintaining waterway navigations in order to protect people and property are the priority.

From May 18th 2020 the phased reopening of waterways aligned with government guidance in their individual roadmaps - the National Framework for living with COVID-19 and the UK COVID-19 alert level system. The goal is to reduce the spread of the virus whilst keeping waterways re-opened.

Within Waterways Ireland a substantive Response Plan was shared with Sponsor Departments and staff. It is a living document updated as guidance changes. A COVID-19 Project Team led by the Acting CEO meets regularly and a programme of ongoing communications with staff and users is in situ.

There are no other events to report after the reporting date.

The Annual Report and Accounts for the year ended 31st December 2019 were authorised to be issued on 30th April 2021 by the Accounting Officer.

ACCOUNTS DIRECTION

Accounts Direction Waterways Ireland

ACCOUNTS DIRECTION GIVEN BY THE NORTHERN IRELAND DEPARTMENT FOR INFRASTRUCTURE, THE IRISH DEPARTMENT OF CULTURE, HERITAGE, AND THE GAELTACHT WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH-IRISH AGREEMENT ACT 1999.

The annual accounts shall give a true and fair view of the Income and Expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement, the body shall prepare accounts for the financial year ended 31 December 2017 and subsequent financial years in accordance with:

- a. The North/South Implementation Bodies Annual Reports and Accounts Guidance;
- b. Other guidance which Finance Departments may issue from time to time in respect of accounts which are required to give a true and fair view;
- c. Any other specific disclosures required by Sponsoring Departments;

except where agreed otherwise with Finance Departments, in which case the exception shall be described in the notes to the accounts.

**Signed by authority of the
Department for Infrastructure**



Name
29 June 2018

Signed by authority of the Department of Culture, Heritage and the Gaeltacht



Name: Kathleen Licken (Secretary General)
28 June 2018



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