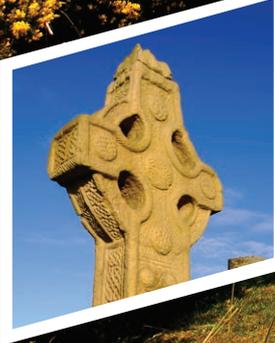




Annual Report 2016







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BRIEF HISTORY AND STATUTORY BACKGROUND OF THE COMPANY

Tourism Ireland CLG (Company Limited by Guarantee), formerly Tourism Ireland Limited, was formed by the Government of Ireland and the Northern Ireland Executive, under the auspices of the North South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland and was incorporated on 11 December 2000 as a Company Limited by Guarantee not having a Share Capital. On 30 November 2016, Companies Limited by Guarantee not having a share capital were automatically converted to CLGs. The CLG is the new updated version of the Guarantee Company format and is governed by Part 18 of the Companies Act 2014. The company takes policy direction from the NSMC and maintains a close working relationship with its founders and current members, Fáilte Ireland (FI) and Tourism Northern Ireland (TNI). The principal objectives of the company are to increase tourism to the island of Ireland and to support Northern Ireland in achieving its tourism potential. It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year corporate and one-year operating plans to guide its activities. The company receives grants of money from both jurisdictions and these grants are disbursed through FI and TNI. A board of directors is appointed by the NSMC, usually for a period of four years. The current term of the appointees from the southern jurisdiction expires in December 2019 and the term of the appointees from the northern jurisdiction expires in December 2021.





Lough Inagh, Co Galway



2016 HIGHLIGHTS

Overseas visitors to the island of Ireland

10.3m



Increase in overseas visitors over 2015



+9%


Holiday visitors to the island of Ireland

4.7m



Spend by overseas visitors €5.3bn/£3.7bn



Increase in spend over 2015



+9%


Tourism Ireland markets overseas



TOP FOUR

Markets for inbound tourism

Great Britain



United States



Germany



France



Overseas publicity worth €327m/£229m_{eav}

Unique visitors to Ireland.com **19.37**m in 2016

Ranking of Tourism Ireland's social presence
against other National Tourism Boards

 Facebook No. **4**  Twitter No. **4**  YouTube No. **3**

Ireland No. **3** for tourism marketing and branding
(World Economic Forum)



The Skellig Ring in **TOP 10** regions of
Lonely Planet's 'Best in Travel 2017'



Eyeries village, Co. Cork

CHAIRMAN AND CEO STATEMENT



Joan O'Shaughnessy
Chairman



Niall Gibbons
Chief Executive

2016 was the best year ever for overseas tourism to the island of Ireland. We welcomed approximately 10.3 million visitors, +9% growth over 2015, who contributed about €5.3bn/£3.7bn in revenue to the economies north and south and helped sustain some 281,000 jobs across the island. Growth was recorded from almost all of our markets, with the United States, Canada, Germany, France, Spain and Australia all turning in record performances once again in 2016. Holiday visitors from overseas grew by +10% during the year, an extra 416,000 holidaymakers. And, more importantly, revenue from overseas visitors grew by +9% during the year, an additional €446m/£312m compared with 2015.

This was the sixth consecutive year of growth in overseas tourism to the island of Ireland and we in Tourism Ireland are determined to continue to build on that success.

Strategic Priorities

In planning for 2016, Tourism Ireland set out a number of strategic priorities to maximise our promotional impact, to build on recent successes and to sustain growth into the future. Great Britain, North America and Mainland Europe, the markets offering the best return on investment – in terms of holiday visitors and revenue – were our top priority. In these markets, we targeted our 'best prospect' visitors more closely with distinctive holiday experiences, events and special offers, tailored to their interests and designed to trigger their 'go now' impulses. We also undertook an extensive programme

of promotions in Australia and in high potential, emerging markets – particularly China and India, where we highlighted the British-Irish Visa Scheme.

We continued to focus on our key 'culturally curious' audience (an older audience, wishing to explore new places), which represents the highest potential for the island of Ireland. We also targeted 'social energisers' (a younger, fun-loving audience looking for an exciting time in a vibrant destination) and 'great escapers' (an audience interested in rural holidays, wishing to take time out) in markets where significant potential exists. Niche segments were also targeted – including golfers, business and incentive visitors, as well as the diaspora in Britain, North America and Australia.

Throughout 2016, Tourism Ireland undertook a packed programme of promotions, to bring the island of Ireland to the attention of travellers everywhere. Our promotions centred on Ireland's Ancient East, the Causeway Coastal Route, the Wild Atlantic Way, Belfast and Dublin; other important themes included screen tourism, Northern Ireland's Year of Food and Drink, our world-class golf, as well as Tourism Ireland's annual Global Greening initiative on St Patrick's Day.

Digital and social media were especially important in further developing new ways of reaching, and connecting more frequently, with our target audiences.

Two new plans were unveiled by Tourism Ireland, setting out challenging and ambitious targets which will see the island of



Ireland welcome almost 3.8 million Spanish and Italian visitors between now and 2020, representing growth of +25%.

Ireland's Ancient East, Causeway Coastal Route and the Wild Atlantic Way

Ireland's Ancient East, the Causeway Coastal Route and the Wild Atlantic Way were a major focus for Tourism Ireland throughout 2016. Millions of potential visitors were exposed to these experiences across a range of platforms including TV, print and online advertising; on Ireland.com and through our social media channels; at major international consumer and trade fairs such as ITB in Berlin and World Travel Market in London; through familiarisation visits for influential travel agents and tour operators, as well as travel and lifestyle journalists and bloggers from around the world; and through Tourism Ireland's promotional material.

Overseas Publicity

Working with overseas travel, lifestyle and special interest media is an important element of our overseas promotional programme. In 2016, thousands of opportunities were created for potential visitors around the world to read, hear or watch positive messages about the island of Ireland. Tourism Ireland estimates that this exposure was worth almost €327m/£229m, in equivalent advertising value.

St Patrick's Day Global Greening

2016 was the seventh year of Tourism Ireland's annual Global Greening initiative for St Patrick's Day and it was bigger and better than ever before – with more than 240 landmark buildings and iconic sites in 127 cities in 45 countries around the world taking part, generating significant positive publicity, worth more than €10m/£7m, for the island of Ireland. In 2016, 7 World Trade Center at Ground Zero in New York, Gateshead Millennium Bridge in Newcastle upon Tyne, Yas Viceroy hotel in Abu Dhabi and the Nelson Mandela statue in Johannesburg joined our Global Greening for the first time.

Northern Ireland's Year of Food and Drink

Throughout 2016, Tourism Ireland undertook a packed programme of activity to highlight Northern Ireland's Year of Food and Drink around the world, working closely with Tourism NI, Food NI and other partners. Tourism Ireland invited people everywhere to come and discover the very best of local produce – and to experience the wonderful landscapes and coastline which make Northern Ireland so special. The programme included a partnership with Jamie Oliver's Food Tube, showcasing food producers in Fermanagh, Antrim and Londonderry; a presence at the BBC Good Food Show in Birmingham; articles in major publications like *The Daily Telegraph* and *Time Out* in GB; as well as visits by influential food journalists, such as New Zealand TV and radio cooking personality Annabelle White.

Leveraging Screen Tourism

At the beginning of 2016, Tourism Ireland launched phase two of its special *Star Wars* campaign, targeting fans of the science fiction franchise around the world. It involved a specially-commissioned 'behind-the-scenes' film, created during filming in 2014 on Skellig Michael. Tourism Ireland commissioned Lucasfilm – the company which produced *Star Wars: The Force Awakens* – to create the short film, in which *Star Wars* director JJ Abrams and other crew members discuss why they chose this special location for filming. Then, in April, Tourism Ireland unveiled phase three of its *Star Wars* campaign – with another superb 'behind-the-scenes' film in which Mark Hamill (Luke Skywalker) described Skellig Michael as "*just indescribably beautiful*". Tourism Ireland shared the films, via social media, in 14 different markets – including Britain, the United States, Canada, Germany, France, Italy, Spain, the Netherlands, the Nordic region, Australia, New Zealand, India, the GCC and South Africa.

In the spring, all eyes were on Northern Ireland when Tourism Ireland joined forces once again with HBO to leverage the incredible success of the hit TV series *Game of Thrones* and to promote Northern Ireland around the world. Timed to coincide with the return of the sixth season of the series, our campaign ran in Great Britain, the United States, Canada, Australia, France, Germany, Spain, Italy, the Netherlands and Scandinavia. An exciting feature of our 2016 campaign was a series of 10 intricately carved doors, depicting moments inspired by this season, the 'Doors of Thrones'. Tourism Ireland



unveiled the doors each week as season six unfolded – referencing key scenes and events from the latest episode and incorporating some of the iconic symbols of the show. The doors were carved from the trees blown down last winter in Storm Gertrude at the Dark Hedges in Co Antrim – which serves as the backdrop for the Kingsroad, perhaps the most iconic *Game of Thrones* location in Northern Ireland. Tourism Ireland's 'Doors of Thrones' campaign reached an estimated 126 million people around the world, with the campaign's short films being viewed 17 million times – generating coverage worth about £11.3m/€16.14m. The campaign did not go unnoticed by the marketing and advertising industry, racking up over 20 awards and accolades across Europe in the second half of 2016.

Access

Access is a critical factor, not just for delivering visitor numbers and tourism revenue, but also for the continued development of overseas tourism to the regions and to Northern Ireland. 2016 was another significant year in terms of access; notable positive developments included new Aer Lingus services from Los Angeles, Hartford and Newark to Dublin; Flybe flights from Edinburgh and Birmingham to Ireland West Airport Knock; Ryanair flights from Berlin and Milan to Belfast; Cityjet flights from Nantes and La Rochelle to Cork; an Iberia Express flight between Madrid and Cork; and a new Air Canada rouge service from Vancouver to Dublin. An estimated 537,000 direct, one-way airline seats to the island of Ireland were available each week during summer 2016, a +9% increase in capacity over summer 2015. The two largest airlines operating to the island of Ireland – Ryanair and Aer Lingus – account for approximately two-thirds of all one-way airline seats to the island of Ireland. Tourism Ireland's programme of co-operative marketing with air and sea carriers and travel industry partners invested €12.6m/£8.8m in joint marketing campaigns in 2016, leveraging significant commitment from the commercial sector.

Announcements of new services for 2017 augur well for the continued success of overseas tourism. These include a new Qatar Airways service between Doha and Dublin; and a new Aer Lingus flight to Dublin from Miami, as well as expanded services on Aer Lingus flights from Los Angeles, Chicago and Orlando. Other new routes in the pipeline include Norwegian transatlantic services to Cork (from TF Green Airport in Providence) and to Belfast, Shannon, and Dublin from New York (Stewart International Airport) and Providence (Rhode Island), as well as a Ryanair flight from Girona to Belfast, a Delta flight from Boston to Dublin, Transavia from Munich to Dublin, a Norwegian service between Stockholm and Dublin, an SAS flight from Stockholm to Shannon, a Lufthansa flight from Frankfurt to Shannon, Icelandair from Reykjavik to Belfast, WOW air from Reykjavik to Cork, BMI Regional from London Stansted to City of Derry Airport and a Swiss Air flight from Zurich to Cork. Also, Etihad will once again operate double-daily departures between Abu Dhabi and Dublin, from April.

Digital Marketing and Social Media

Tourism Ireland continued to grow its online presence, reaching almost 3.4 million fans on Facebook by year end. At the time of writing, the organisation is the fourth most popular tourism board in the world on Facebook, number four on Twitter and number three on YouTube. Our website, Ireland.com, attracted a record 19.37 million unique visitors in 2016.

Other Highlights

Other highlights during 2016 included successful sales missions to China, the UAE, India, New Zealand and Australia; as well as sales blitzes across the United States – in Chicago, Boston, New York, Phoenix (Arizona), Sarasota (Florida), San Francisco, Los Angeles and Seattle. In June, Tourism Ireland's Euro 2016 campaign celebrated the historic and remarkable achievement that both the Northern Ireland and Republic of Ireland teams qualified for the tournament; Tourism Ireland created a new online film, featuring two freestyle footballers playing ball at some of our top visitor attractions, including the Carrick-a-Rede Rope Bridge, Powerscourt House and Gardens, Titanic Belfast, the Guinness Storehouse, the Giant's Causeway and the Cliffs of Moher. We also worked with actor Richard E Grant during 2016, creating a series of short films for Smooth Radio to highlight the island of Ireland to about 5.5 million 'culturally curious' holidaymakers in Great Britain.

Governance

The Board met eight times in 2016 and the meetings, which took place at various locations around the island, including Dublin, Belfast, Galway and Drogheda, offered the opportunity for Board members to engage with local industry representatives and experience the tourism offering, including the Brú na Bóinne visitor centre and Cnoc Suain.

Matters considered by the Board during the year included the case for increased investment in tourism messaging, to improve our 'share of voice'; approval of the draft statutory accounts 2015; as well as ongoing reviews of business performance. Presentations were made on market activity in Great Britain and North America, as well as on the developing markets strategy 2017-2025. The potential implications of Brexit on the tourism economy were also considered. The Board oversaw the development of the Tourism Ireland Corporate Plan 2017-2019 and Business Plan 2017. Throughout 2016, reports were received from the Risk Management and Remuneration Committees on various matters including a review of senior management performance and satisfactory results arising from the internal audit programme.

Acknowledgements

We are very grateful for the continuing support which Tourism Ireland has received from the administrations in both jurisdictions on the island and from our ministers, Jonathan Bell MLA, Minister for Enterprise, Trade and Investment (until May 2016) and Minister Simon Hamilton, Minister for the Economy, in Northern Ireland; from Paschal Donohoe TD, Minister for Transport, Tourism and Sport, and Michael Ring TD, Minister of State for Tourism and Sport (until February 2016) and from Shane Ross TD, Minister for Transport, Tourism and Sport, and Patrick O'Donovan TD, Minister of State for Tourism and Sport. Ministers were generous with their time in participating in a significant number of productive visits to markets overseas for key promotions and events during the year. We are grateful, too, to the officials of both departments, as well as to those of the North South Ministerial Council, whose ongoing support and counsel we appreciate.

We would also like to thank our partners in the tourism industry across the island, who have worked with us to bring the island of Ireland holiday experience to life for potential holidaymakers at promotions around the world in unprecedented numbers. We pay tribute, too, to the members of the Central Marketing Partnership Group and to the members of the overseas Marketing Partnership Groups, who have given so freely of their time in working with us throughout 2016.

The co-operation of our colleagues in Fáilte Ireland and Tourism NI continues to be an invaluable support in all aspects of our work, as does the co-operation of the Irish Tourism

Industry Confederation. The staff of Tourism Ireland have worked tirelessly, both at home and overseas, to project a positive image of the island of Ireland. We remain very proud of their loyalty, commitment, energy and innovation in working on behalf of our industry.

Looking Forward

Building on the success of 2016 and sustaining growth into the future is at the heart of Tourism Ireland's strategy for 2017. Following six consecutive years of growth in overseas tourism, our aim is to build on the record performance of 2016, in terms of visitor numbers; and to grow overseas tourism revenue by +4.5% in 2017, to the economies north and south.

In 2017, we will continue to create 'stand out' for the island of Ireland, highlighting iconic experiences like the Wild Atlantic Way, the Causeway Coastal Route, Ireland's Ancient East and Titanic Belfast to consumers around the world. We will also showcase Belfast and Dublin, in particular for shoulder and off-peak travel. We also continue to take every opportunity to capitalise on the global popularity of *Star Wars* and *Game of Thrones* and their connections with Ireland and Northern Ireland.

Tourism Ireland will focus its investment on the basis of market potential and will continue to implement its market diversification strategy. We intend to maximise holiday revenue through investment in Mainland Europe and North America. We will optimise investment in Australia and emerging markets of high potential, including China and India.

2017 presents a number of challenges – not least Brexit, which is likely to impact consumer confidence and outbound travel to all destinations, including the island of Ireland, from Britain. As our nearest neighbour and our largest volume market, Britain will remain a priority for us now and in the future. The depreciation of sterling against the euro since the UK referendum on Brexit means that delivering value for money will be more important than ever in the British market. Tourism Ireland will continue to work with industry partners to highlight the ease of getting to the island of Ireland, all the great things to see and do here and the good value on offer from our industry.

Important factors working in our favour for 2017 include further new access developments; strong economies in key source markets like the United States and Mainland Europe; and the continuing strength of the Ireland 'brand' (or image) abroad. Other positives include Tourism Ireland's strength in digital and social media. Continued product investment enhances our offering overseas – particularly investment in experiences like the Wild Atlantic Way, Ireland's Ancient East and Titanic Belfast. Everyone at Tourism Ireland looks forward to working with our industry partners, at home and overseas, to build on the many opportunities that this exciting year has in store.

TOURISM IRELAND BOARD



Chairman

Joan

O'Shaughnessy is the Special Advisor to Aramark and to its CEO. Joan has been a leader and representative

in the service industry for the past 38 years. She is a member of the American Chamber of Commerce, the Institute of Directors and Skål Ireland. Joan is also a Non-Executive Director of Bewley's Tea & Coffee Ltd. Until her retirement in June 2011, Joan was CEO of Aramark Ireland, a position she held for over 12 years. As CEO, Joan strengthened the organisation to become one of Ireland's largest American multi-national companies, employing more than 4,000 staff across 400 locations nationwide.



Vice-Chairman

Christopher Brooke has been involved in the security industry for many years, ten of which were as a security advisor with the

Royal Office in Muscat, Sultanate of Oman. In 1990, he returned to Northern Ireland to develop Galgorm Castle Estate, which has been home to the Northern Ireland Open golf tournament since 2012. The estate currently attracts 230,000 visitors a year and also incorporates a garden centre, business parks and a conference and events facility. Christopher's other interests include the development of tourist accommodation and associated facilities on the Ashbrooke and Colebrooke estates. He is a Director of Saladin-Somalia Ltd (a company providing security in the Federal Republic of Somalia), a Deputy Lieutenant for County Antrim and a member of the RNLI Council for Ireland.



Trevor Clarke

is a hospitality management graduate from the Ulster University. He has worked in the hospitality industry for 25

years, 20 of which have been spent in a number of roles at the Magherabuoy Hotel in Portrush, most recently as a partner-operator. Trevor was a member of the Portrush Regeneration Group from 2010 until 2014, when he was elected to the Causeway Coast and Glens Borough Council. He takes a keen interest in the council's role in tourism development on the Causeway Coast and the industry's potential to drive regeneration, economic growth and prosperity. Trevor is a member of Coleraine's Harbour Commission and is a representative on The Honourable The Irish Society's local advisory committee.





Harry Connolly is the Executive Director of Fáilte Feirste Thiar, a local tourism development agency tasked with developing West

Belfast's tourism offering and building sustainable tourism infrastructure. Before working in tourism development, Harry worked for a number of years in youth, sport and community development across the greater Belfast area. He is the former Vice Chairperson of the West Belfast District Policing & Community Safety Partnership (DPCSP). Harry is currently a Director of Visit Belfast, the public/private body tasked with marketing Belfast as a tourism destination. Harry has been a board member of Féile an Phobail, Ireland's largest community arts festival, for a number of years and is currently its Treasurer. Under Harry's leadership, West Belfast tourism has become known as a model of effective practice, in terms of developing tourism models which encourage job creation and sustainability at a local level, ensuring local citizens benefit from an increase in tourism footfall.



Graham Keddie is the Managing Director of Belfast International Airport. He has been in the aviation industry for almost 30 years, in airline, airport

and ground handler roles. Graham has worked in 11 different countries in Asia, Africa, Europe and the Middle East. Prior to joining the aviation industry, Graham was a solicitor, admitted in Scotland. He is also a director of the Airport Operators Association.



Stephen Kavanagh was appointed Chief Executive Officer and a member of the Aer Lingus Board on 1 March 2015. Mr Kavanagh

is a graduate of University College Dublin and joined Aer Lingus in 1988. He undertook a variety of roles in operational and commercial departments, culminating in his appointment as an executive in 2006 and was part of the Initial Public Offering team that brought Aer Lingus to market in that year. He served as Chief Commercial Officer from 2009, where he led improvements in retail and revenue management, partner and network development. Prior to his appointment as Chief Executive Officer, he held the role of Chief Strategy and Planning Officer.



Ha'penny Bridge, Dublin

TOURISM IRELAND BOARD (continued)



John McGrillen is the Chief Executive of Tourism NI, Northern Ireland's tourism development authority. He was appointed to the

post in July 2015, following a lengthy career in economic development and local government. Prior to his appointment to Tourism NI, he was Director of Development at Belfast City Council, where he was responsible for economic development, regeneration and tourism within the city. From 1999 to 2010, he was Chief Executive at Down District Council. He began his career as an aerospace engineer before heading up IDB Northern Ireland's operations in Düsseldorf, Germany, and subsequently taking over as Chief Executive at NI-CO, an international development consultancy business based in Belfast.



David O'Brien was appointed Chief Commercial Officer of Ryanair in January 2014, having previously served as Director of Flight and

Ground Operations from December 2002. A graduate of the Irish Military College, David followed a military career, with positions in the airport sector and agribusiness in the Middle East, Russia and Asia.



Michael O'Sullivan is an environmental consultant. He has worked as project director on major multidisciplinary conservation and infrastructural

environmental management projects throughout Ireland over the past 25 years. Recent major projects include the Doonbeg Golf Course Masterplan and EIS/NIS for coastal protection, the Adare Manor Master Plan and EIS/NIS for development, the Broadmeadow Greenway EIS/NIS, Fingal and the Skellig Michael Environmental Assessment of Access. Michael has provided environmental and planning advice for industry and government alike. He edited the first Environmental Impact Assessment handbook in Ireland in 1990.





Shaun Quinn was Chief Executive of Fáilte Ireland, the state agency responsible for guiding and supporting the sustainable

development of tourism in Ireland, until December 2016. He was appointed to this position in 2003 and, under his stewardship, the agency continually evolved in response to the needs of tourism development. He successfully championed an 'experience brand' strategy to drive sustainable growth in inbound tourism. Over the period 2012-2013, he was Chairman of The Gathering, Ireland's largest community-driven tourism initiative. Prior to joining Fáilte Ireland, he was Chief Executive of CERT, the state tourism training agency, from 1998 to 2002. He joined tourism from the food sector, where he had been Head of Marketing within Bord Bia, the Irish Food Board, from 1994 to 1998. From 1986 to 1993, he worked with Coras Beostoic agus Feola (The Irish Meat and Livestock Board) as Economist and, latterly, as Director of Planning. He has served on several Government fora relating to tourism strategy and policy. He is a graduate of UCD and holds a master's degree in business administration.



Kathryn Thomson has been Chief Executive of National Museums NI since March 2016. Immediately prior to that, Kathryn spent 11

years as the Chief Operating Officer at Tourism NI. Kathryn holds a B.Com. (Hons) degree in Business Studies from the University of Edinburgh, completed her accountancy training at PwC and has a professional qualification as a chartered accountant with the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition, Kathryn holds a public appointment as a Director of the Strategic Investment Board and is a Non-Executive Director for Visit Belfast. She is also a director and trustee on the board of two charities – the Simon Community (since 2010) and Open House Festival (since April 2015).



Trevor White is the Director of the Little Museum of Dublin and City of a Thousand Welcomes. Born in 1972, he founded The

Dubliner magazine and edited Ireland's bestselling restaurant guide, *The Dubliner 100 Best Restaurants*, for many years. Trevor has written two books, *Kitchen Con: Writing on the Restaurant Racket* and *The Dubliner Diaries*.



Blessingbourne Country Estate, Co Tyrone



Derrivegal Lough, Co Kerry



REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2016

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COMPANY INFORMATION

Directors

Brian Ambrose OBE (*Chairperson*)
(*Resigned 19 December 2016*)

Joan O'Shaughnessy (*Vice-Chairperson*)
(*Chairperson from 18 December 2016*)

Christopher Brooke (*Vice-Chairperson*)
(*Appointed 18 December 2016*)

John McGrillen
(*Appointed 18 December 2016*)

Graham Keddie
(*Appointed 18 December 2016*)

Kathryn Thomson
(*Appointed 18 December 2016*)

Trevor Clarke
(*Appointed 18 December 2016*)

Harry Connolly
(*Appointed 18 December 2016*)

David O'Brien

Michael O'Sullivan

Trevor White

Ciara Burke
(*Resigned 19 December 2016*)

Howard Hastings
(*Resigned 19 December 2016*)

Stephen Kavanagh
(*Resigned 14 December 2016*)

David Lyle
(*Resigned 19 December 2016*)

Shaun Quinn
(*Resigned 31 March 2017*)

Derek Reaney
(*Resigned 19 December 2016*)

David Rodway
(*Resigned 19 December 2016*)

Chief Executive

Niall Gibbons

Secretary

Shane Clarke

Registered Office

5th Floor
Bishop's Square
Redmond's Hill
Dublin 2

Business Addresses

5th Floor
Bishop's Square
Redmond's Hill
Dublin 2

Beresford House
2 Beresford Road
Coleraine
BT52 1GE

Auditors

Comptroller and Auditor General
(Republic of Ireland)
3A Mayor Street
Dublin 1

Principal Bankers

Allied Irish Banks plc
37/38 Upper O'Connell Street
Dublin 1

Solicitors

Byrne Wallace
88 Harcourt Street
Dublin 2

Tughans
Marlborough House
30 Victoria Street
Belfast
BT1 3GS

REPORT OF THE DIRECTORS

for the year ended 31 December 2016

Brief History and Statutory Background of the Company

Tourism Ireland CLG (Company Limited by Guarantee), formerly Tourism Ireland Limited was formed by the Government of Ireland and the Northern Ireland Executive, under the auspices of the North/South Ministerial Council (NSMC), to be the overseas marketing arm of tourism for the island of Ireland and was incorporated on 11 December 2000 as a Company Limited by Guarantee not having a share capital. On 30 November 2016, Companies Limited by Guarantee not having a share capital were automatically converted to CLG's. The CLG is the new updated version of the Guarantee Company format and is governed by Part 18 of the Companies Act 2014. The company takes policy direction from the NSMC and maintains a close working relationship with its founder and current members, Fáilte Ireland (FI) and Tourism Northern Ireland (TNI). The principal objectives of the Company are to increase tourism to the island of Ireland and to support Northern Ireland in achieving its tourism potential. It is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC and prepares detailed three-year Corporate and one year Operating Plans to guide its activities. The Company receives grants of money from both jurisdictions and these grants are disbursed through FI and TNI. A Board of Directors is appointed by the NSMC for a period of usually four years.

Format of Financial Statements

The accounts have been prepared in a format determined by the Companies Act 2014 (Republic of Ireland). The base currency of the financial statements is Euro (€). The Euro results have been translated into Sterling (STG£) at the closing rate of STG£1 equals €1.17055 (2015: STG£1 equals €1.35593) for the Statement of Financial Position and at the yearly average rate of €1.21920 (2015: STG£1 equals €1.37684) for the Statement of Income and Expenditure.

Books of Account

To ensure that proper books and accounting records are kept in accordance with Section 281 and 282 of the Companies Act 2014, the Directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the Company's office at Bishop's Square, Dublin.

Principal Activities

The Company's principal activities are the design and implementation of marketing programmes in its key overseas markets for the purpose of promoting the tourism industry of the island of Ireland, in line with its objectives set out above.

External Auditors

The financial statements are audited by the Comptroller and Auditor General in the Republic of Ireland. The Comptroller and Auditor General for Northern Ireland has full access to the working papers of the Comptroller and Auditor General in the Republic of Ireland, based on which a report may be laid before the Northern Ireland Assembly.

Results

The surplus of income over expenditure for the year was €808,444 (STG £663,094).

Corporate Governance

The Company is governed by its Memorandum and Articles of Association and by the Financial Memorandum approved by the NSMC. It has a non-executive Board of Directors appointed by the NSMC and includes representatives of the Northern Ireland tourism industry, the tourism industry in the South, Tourism Northern Ireland and Fáilte Ireland. Directors are usually appointed for a four-year term. The current term of the appointees from the Southern jurisdiction expires in December 2019 and the current term of the appointees from the Northern jurisdiction expires in December 2021.

The Board agrees a schedule of meetings to be held in each calendar year. The Board Members receive full Board papers a week before each meeting; these papers include a finance report and reports from the Chief Executive and each of the Company's Divisional Directors. The Board members can, in furtherance of their duties, take independent professional advice as required, at the expense of the Company. All Board members have access to the advice and services of the Company Secretary.

REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2016

There were 8 Board meetings during 2016 and the following table sets out the attendance:

	Number of meetings potentially able to attend	Number of meetings actually attended
Brian Ambrose (Chairperson)*	8	7
Joan O'Shaughnessy (Vice-Chairperson)**	8	7
Ciara Burke	8	7
Howard Hastings	8	7
Stephen Kavanagh	8	4
David Lyle	8	8
David O'Brien	8	7
Michael O'Sullivan	8	6
Shaun Quinn	8	7
Derek Reaney	8	5
David Rodway	8	8
Trevor White	8	6

*Resigned 19 December 2016

**Chairperson from 18 December 2016

The Board also operates through a number of sub-committees as follows:

Risk Management Committee

This sub-committee is comprised of 4 Directors who meet on a quarterly basis to review and discuss risk management and the internal control environment of the Company. They are informed by the Company's Risk Register which is used to set out a programme of work for the Internal Audit function, reporting directly to this committee. The internal and external auditors have full and unrestricted access to the committee.

The following table sets out the composition and attendance at the Risk Management Committee meetings during 2016:

	Number of meetings potentially able to attend	Number of meetings actually attended
Howard Hastings (Chairperson)	4	4
David O'Brien (Vice-Chairperson)	4	3
David Lyle	4	3
Michael O'Sullivan	4	2

Remuneration Committee

This sub-committee consists of 4 Directors and meets to review the appropriateness of the Company's remuneration levels and other terms and conditions of employment of key executives.

The following table sets out the composition and attendance at Remuneration Committee meetings during 2016:

	Number of meetings potentially able to attend	Number of meetings actually attended
Stephen Kavanagh (Chairperson)	1	0
Joan O'Shaughnessy (Vice-Chairperson)	1	1
Brian Ambrose	1	1
David Rodway	1	1

The Board accepts its responsibility for the Company's internal control and sets out its position in more detail in the Statement of Directors' Responsibilities and the Statement of Internal Financial Control.

Post Statement of Financial Position Events

There have been no events subsequent to 31 December 2016 which necessitated amendment of the financial statements or separate disclosure therein.

Research and Development

The Company did not engage in research and development activities during the period.

Future Developments

The Directors expect that the development of the Company's activities will continue in accordance with plans.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company are the continued funding of its activities by the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland. While there is a reasonable expectation that the respective Governments will continue to fund the activities of the Company, the level of this funding is under constant review. There are no formal long-term funding agreements in place.

The consequences of Brexit have the potential to substantially alter travel to both jurisdictions on the island of Ireland and travel within the island itself. Tourism Ireland is closely monitoring the situation, to both mitigate any adverse effects and to make best use of any opportunities arising.

REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2016

Due to its widespread operations, the level of economic activity in the Company's key markets of Great Britain, the USA, France, Germany and the rest of the world generally, affects the propensity to travel. Any growth or contraction in these markets affects the whole tourism and travel industry and specifically, on the Company's ability to deliver the growth, both in tourist numbers and tourist spend, which the Company has been targeted to deliver to the island of Ireland. An event such as a major terrorist attack or outbreak of disease, which reduces international travel, would affect the Company's ability to deliver on its targets. In addition, any loss or disruption of air or sea access and unfavourable foreign exchange movements will have an impact on travel to the island of Ireland. The Board regularly monitors the above risks and appropriate actions are taken to mitigate those risks or address their potential adverse consequences to the extent reasonably practicable.

Equality Legislation

The Board's policy is to comply fully with Equality Legislation in both jurisdictions. Recruitment is based on the ability of a candidate to perform the job. Full and fair consideration is given to applications for employment from all minority groups, including the disabled, where they have the appropriate skills and abilities to perform the job.

If disablement occurs during employment, the Board's policy is to make every effort to ensure the availability of adequate retraining, or if applicable, to help source alternative employment.

Safety, Health and Welfare at Work

The policy of the Board is to ensure the continued safety, health and welfare of the employees at work by maintaining a safe and healthy work environment based on the provisions of Safety, Health and Welfare at Work Legislation in the jurisdictions in which it operates.

Charitable Donations

Tourism Ireland CLG made no charitable donations during the period.

Payment of Suppliers

Tourism Ireland CLG's policy is to pay all suppliers as promptly as is practicable and not to take any extra time in paying suppliers, other than that required to properly check and process the invoice. In 2016, the average time from receipt of a supplier invoice to payment was 21 days. During the year Tourism Ireland CLG did not pay any interest in respect of late payments. Further information on Tourism Ireland's payments to suppliers is available on Tourism Ireland's corporate website, www.tourismireland.com.

Employee Involvement

Tourism Ireland CLG implements its business strategy through its staff. In achieving business objectives, the involvement of staff in the planning and decision making process is key. Staff involvement is maximised through the combined use of appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

Freedom of Information

The British-Irish Agreement Act 1999 provides that a Code of Practice on Freedom of Information be drawn up by the Irish and Northern Ireland Ministers with responsibility for freedom of information for the North/South Bodies and the approval by the NSMC. The Code, which was approved on 1 January 2006, is non-statutory and was drafted with regard to the Freedom of Information Acts, 1997 and 2003 in Ireland and the Freedom of Information Act, 2000 in the United Kingdom.

The Code facilitates public access to information held by the six North/South Implementation Bodies and Tourism Ireland CLG in a number of ways. It provides that each body should publish certain types of information relating to its functions, structures, organisation and services, together with a general description of the type of information held by that body. It sets out the process under which a member of the public can request information held by a body, the steps that a body must take in handling such a request and the time period within which a body should normally respond to a request. The Code also contains the facility for members of the public to obtain a statement of the reasons for an act of a body affecting the person.

The Annex to the Code sets out the categories of exempt information. If the information requested falls into a category listed in Part 1 of the Annex, the body is not obliged to release the information. If the information requested falls into a category listed in Part 2, the body must carry out a public interest test in deciding whether or not to release the information. The Code provides for an internal review mechanism of decisions taken by the body under the Code.

Whistleblowing Policy and Procedures

Tourism Ireland CLG has a whistleblowing policy in place with procedures published and shared with all employees. Since adoption, no submissions have been made under the policy to date.

REPORT OF THE DIRECTORS (continued)

for the year ended 31 December 2016

Corporate Social Responsibility

Leading companies are those that not only deliver superior performance and excellent customer service, but also consider ethical, social and environmental issues for all stakeholders. Tourism Ireland CLG recognises its wider obligations to its employees, society and the community it serves and believes there is a strong link between Corporate Social Responsibility and long-term success. Tourism Ireland CLG aspires to a set of values which recognises the interests of all stakeholders and the contributions they make. To this end, we adopt very high standards of integrity, corporate governance and environmental awareness. We recognise that being a good corporate citizen not only involves achieving our business aims but embraces a wider contribution to the interests of all our stakeholders.

Our stakeholders, both in the tourist industry and tourists themselves, are fundamental to the growth of the tourist business on the island of Ireland. International tourism is an intensely competitive market and if we do not offer the most attractive propositions, tourists will take their business elsewhere.

Tourism Ireland CLG does not adopt a 'one size fits all' approach to the service we provide, but aims to provide a comprehensive and flexible suite of marketing options to the tourist industry.

At a corporate level, we adopt the highest standards of compliance with regulatory requirements operating within the letter and the spirit of the regulations of both jurisdictions.

We aim to treat our suppliers with the same courtesy with which we treat our stakeholders.

Without talented, dedicated and motivated staff, Tourism Ireland CLG cannot aspire to provide the excellent level of service our stakeholders deserve. For this reason, staff recruitment, training and development are given the highest priority. Our people and agents, based in 22 locations in 18 countries, are the key to Tourism Ireland's success over the past 16 years.

Tourism Ireland CLG is fully committed to equal opportunities recruitment and employment. Our strategy is to recruit the best and provide them with comprehensive training and support to allow them to maximise their long-term potential.

Directors' Register of Interests

The Directors' Register of Interests is maintained at the registered office of the Company. It is available to the public and may be accessed by contacting the Company Secretary.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 31 December 2016

Company law requires the Board of Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Company and of the surplus or deficit of the Company for that financial period. In preparing those financial statements, the Board of Directors is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Directors is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 2014, as applicable to companies limited by guarantee and not having a share capital. It is responsible for ensuring that the business of the entity is conducted in a proper and regular manner and for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT ON INTERNAL FINANCIAL CONTROL

for the year ended 31 December 2016

The Board acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Company.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

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

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board;
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- Clearly defined rules to ensure that public procurement procedures have been followed;
- As appropriate, formal project management disciplines.

The above framework incorporates the terms of the Financial Memorandum by which Tourism Ireland is governed to ensure compliance therewith.

Tourism Ireland CLG has an internal audit function in place, whose programme of work is influenced by analysis of the risk to which the Company is exposed. An internal audit plan has been prepared based on this analysis. This analysis of risk is reviewed during the year and is endorsed by the Company's Risk Management Committee. The internal audit programme of works includes performance of detailed audit work, provision of a report on the internal audit activity in the Company on a regular basis to the Risk Management Committee and an independent opinion on the adequacy and effectiveness of the Company's system of internal financial control. Areas covered by internal audit in their 2016 work programme included reviews of the Paris Market Office; Marketing Contract Management; Internal Financial Controls; Travel, Entertainment and Expenses Policy; Record Management, Data Protection and FOI; IT Internal Vulnerability and Strategic Monitoring Implementation.

The effectiveness of the system of internal financial control is assessed by the Board on the basis of work carried out by the executive managers within the Company who have responsibility for the development and maintenance of the financial control framework. In conducting their review, the Board takes account of the management letter and other reports of the external auditor.

In February 2017, the effectiveness of the system of internal financial controls was reviewed by the Board and the Board concluded that these controls were operating effectively and satisfactorily.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Niall Gibbons
CEO

Date: 14 June 2017

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

Report for presentation to the Houses of the Oireachtas
for the year ended 31 December 2016

Tourism Ireland Limited

I have audited the financial statements of Tourism Ireland Limited for the year ended 31 December 2016 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and generally accepted accounting practice in Ireland.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and otherwise comply with the Companies Act 2014 and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of Audit of the Financial Statements

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

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

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

In addition, I read the company's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit.

If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Acts 2014.

Matters on which I am required to report by the Companies Acts 2014

I have obtained all the information and explanations that I consider necessary for the purpose of my audit. In my opinion, the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

In my opinion, the information given in the directors' report is consistent with the financial statements.

Matters on which I report by exception

I report by exception if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the company's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the company's compliance with the Code of Practice for the Governance of State Bodies, or
- the disclosures of directors' remuneration and transactions as specified by the Companies Act 2014 are not made, or
- there are other material matters relating to the manner in which public business has been conducted.

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



Seamus McCarthy
Comptroller and Auditor General

Date: 30 June 2017

STATEMENT OF INCOME AND EXPENDITURE

for the year ended 31 December 2016

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Total Income	2	65,532	60,127	53,750	43,670
Less Expenditure	3	(64,826)	(61,519)	(53,171)	(44,681)
Transfer from Government Grant Reserve		102	222	84	161
Surplus/(Deficit) of income over expenditure		808	(1,170)	663	(850)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Surplus/(Deficit) of income over expenditure		808	(1,170)	663	(850)
Actuarial (loss)/gain on pension liabilities	14d	(9,077)	7,407	(7,754)	5,454
Adjustment to deferred pension funding		9,077	(7,407)	7,754	(5,454)
Total recognised gain/(loss) for the year		808	(1,170)	663	(850)

All income and expenditure for the year relates to continuing activities at the Balance Sheet date.

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Fixed Assets					
Intangible	7	122	243	104	180
Property, plant and equipment	8	132	113	113	83
		254	356	217	263
Current Assets					
Receivables	9	3,128	2,221	2,672	1,638
Cash and cash equivalents		5,750	4,872	4,912	3,593
		8,878	7,093	7,584	5,231
Current Liabilities (Amounts falling due within one year)					
Payables	10	(7,670)	(6,693)	(6,552)	(4,936)
Net Current Assets		1,208	400	1,032	295
Retirement Benefits					
Deferred pension funding	14f	64,899	52,937	55,443	39,041
Pension Liabilities	14c	(64,899)	(52,937)	(55,443)	(39,041)
		-	-	-	-
Total Net Assets		1,462	756	1,249	558
Represented by					
Income and Expenditure Account		1,208	400	1,032	295
Government Grant Reserve		254	356	217	263
		1,462	756	1,249	558

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT OF CHANGES IN EQUITY

as at 31 December 2016

Income and Expenditure Account Reserve

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Balance at 1 January	400	1,570	295	1,219
Surplus/(Deficit) for year	808	(1,170)	663	(850)
Actuarial (Loss)/Gain	(9,077)	7,407	(7,754)	5,454
Deferred Pension Funding	9,077	(7,407)	7,754	(5,454)
Exchange Gain/(Loss)	-	-	74	(74)
Balance at 31 December	1,208	400	1,032	295

Government Grant Reserve

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Balance at 1 January	356	578	263	452
Grants used to purchase property, plant and equipment	90	35	74	25
Amortisation in line with asset depreciation	(192)	(246)	(158)	(178)
Amount released on disposal of property, plant and equipment	-	(11)	-	(8)
Exchange Gain/(Loss)	-	-	38	(28)
Balance at 31 December	254	356	217	263
Total Equity at Year End	1,462	756	1,249	558

The Statement of Cash Flows and notes 1 to 21 form an integral part of these Financial Statements.

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT OF CASH FLOWS

for the year ended 31 December 2016

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Net cash generated from operating activities	12	968	(3,561)	1,393	(2,957)
Cash flows from investing activities:					
Payments to acquire property, plant and equipment		(90)	(35)	(74)	(25)
Net increase/(decrease) in cash and cash equivalents	13	878	(3,596)	1,319	(2,982)
Cash and cash equivalents at the beginning of the year		4,872	8,468	3,593	6,575
Cash and cash equivalents at the end of the year		5,750	4,872	4,912	3,593

On behalf of the Board



Joan O'Shaughnessy
Chairperson

Trevor White
Director

Date: 14 June 2017

STATEMENT OF ACCOUNTING POLICIES

as at 31 December 2016

The significant accounting policies adopted by the Company are as follows:

Accounting Policies

The basis of preparation and significant accounting policies adopted by Tourism Ireland CLG are set out below. They have been applied consistently throughout the year and for the preceding year.

Statement of Compliance

The financial statements of Tourism Ireland CLG for the year ended 31 December 2016 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The following accounting policies have been applied consistently in dealing with items considered material in relation to Tourism Ireland CLG financial statements.

Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

a) Depreciation and Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

b) Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high quality corporate bonds
- (ii) future compensation levels, future labour market conditions

Income

Income is accounted for on a receivable basis. All grant income is credited to the Statement of Income and Expenditure in the accounting period in which it is claimed from the funding bodies.

Expenditure

VAT and local sales taxes are absorbed by the Company with a limited recovery system agreed with the Revenue Authorities. All advertising and promotional expenditure, including costs incurred on the production of publications items for which no revenue is obtained, is charged to the Statement of Income and Expenditure in the financial period in which it is incurred.

Receivables

Trade Debtors are stated after providing for specific bad and doubtful debts.

Intangible Fixed Assets

Finite life intangible assets are amortised over the period of their expected useful lives by charging equal annual instalments to the Statement of Income and Expenditure. The useful life used to amortise finite intangible assets relates to the future performance of the assets acquired and management's judgement of the period over which the economic benefit will be derived from the asset.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, on the straight line basis. Computer software that is either purchased or developed in-house is normally written off in the year of purchase unless it can be proven to have a re-sale value.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are recorded at standard rates fixed for the year for each currency with gains and losses realised at the time of payment. Realised gains and losses are taken to the Statement of Income and Expenditure.

STATEMENT OF ACCOUNTING POLICIES (continued)

as at 31 December 2016

Translated amounts have been disclosed in the Statement of Income and Expenditure, Statement of Cash Flows, Statement of Financial Position and related notes in Euro (€) with summary amounts given in Sterling (STGE).

Retirement Benefits

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland CLG with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis. The scheme is administered by an external administrator. Funding from the Irish Government is provided by the Department of Transport, Tourism and Sport and funding from the Northern Ireland Executive is provided by the Department for the Economy (formerly the Department of Enterprise, Trade and Investment) to Tourism Ireland, which then funds the administrator.

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 or losses arising from changes to actuarial assumptions and from experience surpluses and deficits are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Northern Ireland Executive and the Irish Government.

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 Northern Ireland Executive and the Irish Government, in the manner described above.

The Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at the year end, together with a corresponding asset.

In accordance with accounting practice for non-commercial State bodies in the Republic of Ireland, Tourism 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, Tourism Ireland has

no evidence that this funding policy will not continue in the future.

Contributions are made to a number of personal pension schemes operated by staff who are not members of a defined benefit scheme. Payments made under each scheme are included in the Statement of Income and Expenditure in the year to which they relate.

Leased Assets

Assets acquired under finance leases are capitalised as fixed assets and depreciated in accordance with normal Company policy. The corresponding liability is recorded as a payable and the interest element of the finance lease payment is charged to the Statement of Income and on an annuity basis. Operating lease rentals are charged to the Statement of Income and Expenditure on a straight-line basis over the lease term.

Government Grant Reserve

The Government Grant Reserve represents the unamortised value of grant income used for capital purposes.

NOTES TO THE FINANCIAL STATEMENTS

for year ended 31 December 2016

1. Format of Financial Statements

Euro results have been translated into Sterling at the year-end closing rate of €1.17055 (2015: €1.35593) for the Statement of Financial Position and the average yearly rate of €1.21920 (2015: €1.37684) for the Statement of Income and Expenditure.

2. Total Income

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Fáilte Ireland		43,899	41,933	36,006	30,456
Tourism Northern Ireland		17,311	14,798	14,199	10,747
Trade Income		1,288	1,001	1,056	727
Sundry Income		151	151	124	110
Net deferred funding for pensions	14e	2,883	2,244	2,365	1,630
		65,532	60,127	53,750	43,670

Income is receivable from Fáilte Ireland and Tourism Northern Ireland in accordance with funding provisions set out in the Financial Memorandum. The amount actually received in Sterling from Tourism Northern Ireland was £12.118m (2015: £11.986m).

Income from Fáilte Ireland includes €4.363m: £3.578m (2015 €1.183m: £0.859m) for product marketing, Grow Dublin, and Regional Access.

3. Expenditure

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Marketing Programmes		39,137	36,861	32,101	26,772
Overseas General Sales Agents		652	601	534	437
Staff costs	5	16,138	14,950	13,237	10,858
Office and Administration costs		7,209	7,234	5,913	5,254
Travel and subsistence		1,191	1,206	976	876
Legal and professional		407	581	334	422
Directors' remuneration	6	91	86	75	62
Bad Debts		1	-	1	-
		64,826	61,519	53,171	44,681

Marketing programmes include €4.363m: £3.578m (2015 €1.182m: £0.858m) spent on product Marketing, Grow Dublin, and Regional Access.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

2016 Geographic Analysis of Expenditure

		Central	Great Britain	Europe	Australia & Dev. Markets	North America	Total
	Notes	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)	€ (000's)
Marketing Programmes		6,970	10,337	10,150	1,780	9,900	39,137
Overseas General Sales Agents		-	-	111	541	-	652
Staff costs	5	8,345	1,448	3,310	647	2,388	16,138
Office and Admin costs		4,342	836	810	226	995	7,209
Travel and Subsistence		390	194	200	132	275	1,191
Legal and professional		173	-	53	28	153	407
Directors' remuneration	6	91	-	-	-	-	91
Bad Debts		1	-	-	-	-	1
		20,312	12,815	14,634	3,354	13,711	64,826

		Central	Great Britain	Europe	Australia & Dev. Markets	North America	Total
	Notes	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)
Marketing Programmes		5,717	8,479	8,325	1,460	8,120	32,101
Overseas General Sales Agents		-	-	91	443	-	534
Staff costs	5	6,845	1,188	2,714	531	1,959	13,237
Office and Admin costs		3,561	686	665	185	816	5,913
Travel and Subsistence		320	159	164	108	225	976
Legal and professional		142	-	43	23	126	334
Directors' remuneration	6	75	-	-	-	-	75
Bad Debts		1	-	-	-	-	1
		16,661	10,512	12,002	2,750	11,246	53,171

Central Marketing programmes comprise of Tourism Ireland's customer contact centre, e-marketing unit, advertising production and the costs of the production and distribution of collateral materials.

4. Surplus/(Deficit) of Income over Expenditure

This is stated after charging:

	Notes	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Amortisation of intangible assets	7	121	122	100	88
Depreciation of property, plant and equipment	8	71	124	58	90
Auditors' remuneration		24	24	20	17
Directors' remuneration	6	91	86	75	62
Operating lease rentals – Land & Buildings		2,237	2,125	1,835	1,543
Operating lease rentals – Other		12	12	10	9

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

5. Employees and Remuneration

		2016	2015	2016	2015
	Notes	€ (000's)	€ (000's)	STG £ (000's)	STG £ (000's)
Wages and salaries		9,865	9,239	8,091	6,710
Social welfare costs		1,234	1,158	1,012	841
Student placement programmes		725	762	595	553
Company contribution to private pensions	14h	39	37	32	27
Current pension service costs	14e	3,997	3,502	3,278	2,544
Other payroll costs		278	252	229	183
		16,138	14,950	13,237	10,858

The average number of people employed during the year was 147 (2015: 144).

During the year, €162,350 (£133,161) of pension related deductions, under the Financial Emergency Measures in the Public Interest Act, 2009, as amended, were deducted and paid over to the Department of Transport, Tourism and Sport.

The current Chief Executive was re-appointed by the North South Ministerial Council on 10 June 2014 and his contract is for a period of 5 years. His salary in 2016 was €151,819 (£124,523) (2015 €150,758 (£109,496)), he is a member of the Company's pension scheme, no bonus is payable and his salary has been amended in accordance with the Financial Emergency Measures in the Public Interest Act 2009. The salary is also subject to a Public Service Pension Levy of 9.0% and a new Core Scheme pension contribution of 7.35%.

Employee benefits breakdown*

	Number of employees 2016	Number of employees 2015
€60,001- €70,000	17	16
€70,001- €80,000	13	14
€80,001- €90,000	12	11
€90,001- €100,000	7	8
€100,001- €110,000	4	3
€110,001- €120,000	2	0
€120,001- €130,000	1	1
€130,001- €140,000	1	1
€140,001- €150,000	2	4
€150,001- €160,000	2	1
€160,001- €170,000	2	1
€170,001- €180,000	0	0
€180,001- €190,000	1	0

* A breakdown of total employee remuneration (including salaries and other benefits) over €60,000, in increments of €10,000, is required under DPER circular 13/2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

6. Directors' Remuneration and Expenses

Emoluments:	2016	2015	2016	2015
	€	€	STG £	STG £
Mr Brian Ambrose	11,970	11,970	9,818	8,693
Ms Joan O'Shaughnessy	9,830	-	8,063	-
Ms Ciara Burke	7,695	7,695	6,312	5,589
Mr Denis Cregan	-	7,695	-	5,589
Mr James Flannery	-	9,830	-	7,139
Mr Howard Hastings	7,695	7,695	6,312	5,589
Mr John Healy	-	7,695	-	5,589
Mr Stephen Kavanagh	7,695	-	6,312	-
Mr David Lyle	7,695	7,695	6,312	5,589
Mr Christoph Mueller	-	2,565	-	1,863
Ms Elaine Murphy	-	7,695	-	5,589
Mr David O'Brien	7,695	-	6,312	-
Mr Michael O'Sullivan	7,695	-	6,312	-
Mr Derek Reaney	7,695	7,695	6,312	5,589
Mr David Rodway	7,695	7,695	6,312	5,589
Mr Trevor White	7,695	-	6,312	-
For services as Directors	91,055	85,925	74,689	62,407

Two of the Directors, Mr David O'Brien and Mr Stephen Kavanagh, instructed Tourism Ireland CLG to pay their remuneration to charities, Festina Lente Enterprises, Charity No. CHY16821 and Childvision, Charity No. CHY817, respectively. Accordingly, whilst Mr O'Brien's and Mr Kavanagh's remuneration is included in the above table, none of the remuneration was actually received by either of them.

No other Director received any remuneration and the Directors are not entitled to any other emolument, benefit or pension and are not entitled to compensation upon loss of office. None of the Directors received an incentive to take up office.

Board Members expenses are broken down as follows:

	2016	2015	2016	2015
	€	€	STG £	STG £
Mileage	4,498	4,336	3,689	3,150
Accommodation and Subsistence	2,491	5,063	2,044	3,677
Other Travel expenses	4,468	1,214	3,664	882
Total	11,457	10,613	9,397	7,709

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

7. Intangible Fixed Asset

This asset relates to the purchase of the domain name "Ireland.com" from The Irish Times in late 2012.

	Domain Name € (000's)
Cost	
At 1 January 2016	609
Additions	-
Disposals	-
At 31 December 2016	609
Amortisation	
At 1 January 2016	366
Charge for Year	121
Disposals	-
At 31 December 2016	487
	€
Net Book Value	(000's)
At 31 December 2016	122
At 31 December 2015	243

	Domain Name STG £ (000's)
Cost	
At 1 January 2016	449
Exchange Adjustment	71
Additions	-
Disposals	-
At 31 December 2016	520
Amortisation	
At 1 January 2016	269
Exchange Adjustment	47
Charge for Year	100
Disposals	-
At 31 December 2016	416
	STG £
Net Book Value	(000's)
At 31 December 2016	104
At 31 December 2015	180

The estimated useful life of intangible fixed assets, by reference to which amortisation is calculated, is as follows:

Domain Names 5 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

8. Property, Plant and Equipment

	Computer Equipment € (000's)	Fixtures & Fittings € (000's)	Leasehold Property € (000's)	Total € (000's)
Cost				
At 1 January 2016	1,566	915	2,381	4,862
Additions	85	5	-	90
Disposals	(317)	-	-	(317)
At 31 December 2016	1,334	920	2,381	4,635
Depreciation				
At 1 January 2016	1,486	882	2,381	4,749
Charge for Year	60	11	-	71
Disposals	(317)	-	-	(317)
At 31 December 2016	1,229	893	2,381	4,503
Net Book Value	€ (000's)	€ (000's)	€ (000's)	€ (000's)
At 31 December 2016	105	27	-	132
At 31 December 2015	80	33	-	113
Cost				
At 1 January 2016	1,153	676	1,757	3,586
Exchange Adjustment	175	107	278	560
Additions	70	4	-	74
Disposals	(260)	-	-	(260)
At 31 December 2016	1,138	787	2,035	3,960
Depreciation				
At 1 January 2016	1,094	652	1,757	3,503
Exchange Adjustment	165	103	278	546
Charge for Year	50	8	-	58
Disposals	(260)	-	-	(260)
At 31 December 2016	1,049	763	2,035	3,847
Net Book Value	STG £ (000's)	STG £ (000's)	STG £ (000's)	STG £ (000's)
At 31 December 2016	89	24	-	113
At 31 December 2015	59	24	-	83

The estimated useful lives of property, plant and equipment by reference to which depreciation is calculated, are as follows:

Computer Equipment 3 years Fixtures & Fittings 8 years Leasehold Property 8 years

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

9. Receivables

	2016	2015	2016	2015
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Trade debtors	101	139	87	103
Fáilte Ireland	1,772	888	1,514	655
Tourism Northern Ireland	2	-	1	-
Sundry debtors and prepayments	1,253	1,194	1,070	880
	3,128	2,221	2,672	1,638

10. Payables

	2016	2015	2016	2015
	€	€	STG €	STG €
	(000's)	(000's)	(000's)	(000's)
Amounts falling due within one year				
Trade and sundry creditors	6,462	5,304	5,520	3,912
Trade income received in advance	23	15	20	11
Pay related tax costs and deductions	209	191	178	141
Pension costs	10	10	9	7
VAT	115	409	98	302
Accruals	851	764	727	563
	7,670	6,693	6,552	4,936

11. Operating Leases

At 31 December 2016 the Company had commitments under operating leases as follows:

	Premises	Other Operating Leases	Total	Premises	Other Operating Leases	Total
	€	€	€	STG €	STG €	STG €
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Within 1 year	2,170	4	2,174	1,854	3	1,857
Between 2 and 5 years	5,622	2	5,624	4,803	2	4,805
More than 5 years	811	-	811	693	-	693
	8,603	6	8,609	7,350	5	7,355

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

11. Operating Leases (continued)

The rent payable in respect of leased premises is broken down as follows:

Location	Expiry Date	Break Clause	2016 Rent Payable € (000's)	2015 Rent Payable € (000's)	2016 Rent Payable STG £ (000's)	2015 Rent Payable STG £ (000's)
Head offices						
Dublin (1)	2022		609	609	500	442
Coleraine	2023	-	50	44	41	32
Overseas offices						
Amsterdam	2021	-	66	66	54	48
Brussels	2018	-	33	35	27	25
Copenhagen	2020	-	53	51	44	37
Dubai	2018	-	81	68	66	49
Frankfurt	2022	2017	70	70	57	51
Glasgow (2)	Rolling	-	23	19	19	14
London (4)	2025	2020	304	283	249	206
Madrid (1) (2)	Rolling	-	44	43	36	31
Milan	2017	-	46	44	38	32
New York (1)	2019	-	595	546	488	397
Paris	2018	-	143	143	117	104
Shanghai (3)	2017	-	16	-	13	-
Sydney	2017	-	53	54	44	39
Toronto	2023	-	51	50	42	36
Total cost for year			2,237	2,125	1,835	1,543

Notes:

(1) Shared accommodation with another state agency or Government body.

(2) Premises currently occupied on a rolling basis with no fixed term.

(3) This office was reopened in April 2016.

(4) In accordance with FRS102, lease incentives are spread over the remaining lease period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

12. Reconciliation of the Surplus/(Deficit) of Income over Expenditure to Net Cash Generated from Operating Activities

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Surplus/(Deficit) for the Year	808	(1,170)	663	(850)
Amortisation of intangible fixed assets	121	122	100	88
Depreciation of property, plant and equipment	71	124	58	90
Transfer (to)/from Government Grant Reserve	(102)	(222)	(84)	(161)
Loss on disposal of property, plant and equipment	-	11	-	8
(Increase)/Decrease in receivables	(907)	(347)	(1,034)	(183)
Increase/(Decrease) in payables	977	(2,079)	1,616	(1,869)
Revaluation of opening balance	-	-	47	(67)
Revaluation to closing balance	-	-	27	(13)
Net cash generated from operating activities	968	(3,561)	1,393	(2,957)

13. Reconciliation of Net Cash Inflow/(Outflow) to movement in Cash and Cash Equivalents

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Cash and cash equivalents at 1 January	4,872	8,468	3,593	6,575
Net Cash inflow/(outflow)	878	(3,596)	1,319	(2,982)
Cash and cash equivalents at 31 December	5,750	4,872	4,912	3,593
Net cash inflow/(outflow) from operating activities	968	(3,561)	1,393	(2,957)
Net cash (outflow) from non-operating activities	(90)	(35)	(74)	(25)
Net cash inflow/(outflow)	878	(3,596)	1,319	(2,982)

14. Pensions

a) Background

The North/South Pension Scheme was established by the North/South Implementation Bodies and Tourism Ireland CLG with effect from 29 April 2005.

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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

14. Pensions (continued)

a) Background (continued)

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 Tourism Ireland CLG is the Bord Fáilte Eireann Superannuation Scheme.

Most Core section members have benefits in both the Final Salary and alpha sections and new entrants who join the Scheme after 1 April 2015 will, in most cases, become members of the Core alpha section.

In addition Tourism Ireland makes contributions to a number of personal schemes operated by its employees.

b) Accounting Treatment

FRS102 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 costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

The effect of FRS102 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 Statement of Financial Position recognises the cumulative liability for pensions earned by employees as at 31 December 2016 together with a corresponding asset.

The valuation used for FRS102 disclosures at 31 December 2016 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 2016.

The principal actuarial assumptions used to calculate scheme liabilities under FRS102 are:

	2016	2015
Discount rate (South)	1.90%	2.65%
Discount rate (North)	2.70%	3.70%
Inflation rate (South)	1.50%	2.00%
Inflation rate (North)	2.30%	1.90%
Rate of increase in salaries (South)	3.00%	3.00%
Rate of increase in salaries (North)	2.30%	2.90%
Rate of increase for pensions (South)	1.50% or 3.00%	2.00% or 3.00%
Rate of increase for pensions (North)	2.30%	2.00%
Average expected future life at age 65 for		
Male currently aged 65	22.2	21.9
Female currently aged 65	24.2	23.8
Male currently aged 45	23.9	23.1
Female currently aged 45	26.1	25.3

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

14. Pensions (continued)

c) Movement in Net Pension Liability during the Financial Year

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Retirement Benefit Obligation at the beginning of the year	(52,937)	(58,100)	(39,041)	(45,115)
Exchange differences	-	-	(6,282)	2,250
Benefits paid during the year	1,114	1,258	914	914
Current service cost	(2,351)	(2,135)	(1,928)	(1,551)
Net transfers (in)/out of the scheme	(2)	-	(2)	-
Past Service credit	-	101	-	73
Other finance income/(charge)	(1,646)	(1,468)	(1,350)	(1,066)
Actuarial (loss)/gain	(9,077)	7,407	(7,754)	5,454
Retirement Benefit Obligation at the end of the year	(64,899)	(52,937)	(55,443)	(39,041)

d) Analysis of the Actuarial gain/(loss) in the Plan during the period is as follows:

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Experience (loss)/gain	(4,700)	(608)	(4,015)	(457)
Gain/(loss) on currency movements	4,256	-	3,636	-
(Loss)/gain on change of financial assumptions	(8,633)	8,015	(7,375)	5,911
Actuarial (loss)/gain	(9,077)	7,407	(7,754)	5,454

e) Statement of Income and Expenditure Analysis for the financial Year

Analysis of the net deferred funding for pensions is as follows:

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Current service cost	2,351	2,135	1,928	1,551
Past Service credit	-	(101)	-	(73)
Other finance cost	1,646	1,468	1,350	1,066
Benefits paid during the year	(1,114)	(1,258)	(914)	(914)
	2,883	2,244	2,364	1,630

Analysis of the current pension service costs is as follows:

	2016	2015	2016	2015
	€	€	STG £	STG £
	(000's)	(000's)	(000's)	(000's)
Current service cost	2,351	2,135	1,928	1,551
Past service credit	-	(101)	-	(73)
Other finance cost	1,646	1,468	1,350	1,066
	3,997	3,502	3,278	2,544

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

14. Pensions (continued)

f) Deferred Funding Asset for Pensions

	2016 € (000's)	2015 € (000's)	2016 STG £ (000's)	2015 STG £ (000's)
Opening Balance at 1 January	52,937	58,100	39,041	45,289
Increased/(Decrease) in Deferred Funding of Pension Asset	11,962	(5,163)	16,402	(6,248)
Closing Balance at 31 December	64,899	52,937	55,443	39,041

g) History of Defined Benefit Liabilities

	2016 € (000's)	2015 € (000's)	2014 € (000's)	2013 € (000's)	2012 € (000's)
(Deficit) as at 31 December	(64,899)	(52,937)	(58,100)	(47,746)	(56,021)
Experience (loss)/gain	(4,700)	(608)	372	3,119	692
Percentage of Scheme Liabilities	(7.2%)	1.2%	0.6%	6.5%	1.2%

	2016 STG £ (000's)	2015 STG £ (000's)	2014 STG £ (000's)	2013 STG £ (000's)	2012 STG £ (000's)
(Deficit) as at 31 December	(55,443)	(39,041)	(45,115)	(39,691)	(45,439)
Experience (loss)/gain	(4,015)	(457)	289	2,593	561
Percentage of Scheme Liabilities	(7.2%)	1.2%	0.6%	6.5%	1.2%

h) Private Pension Schemes

In circumstances where staff are unable to avail of the scheme, they may set up a personal defined contribution scheme, to which the Company will make a contribution. There are 36 staff members in such schemes.

15. Capital Commitments

There were no capital commitments at 31 December 2016 (2015 - Nil).

16. Other Commitments

The Company had committed to marketing expenditure of €5.9m (£5.1m) at 31 December 2016 (2015 - €0.7m: £0.5m).

17. Grant Payment Commitments

There were no grant payment commitments at 31 December 2016 (2015 - Nil).

18. Contingent Liabilities

Tourism Ireland is involved in a small number of legal cases, the outcome of which are difficult to determine. No provision has been made in respect of these cases (2015 - Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2016

19. Related Party Transactions

Tourism Ireland CLG is a Company limited by guarantee with two members Fáilte Ireland and Tourism Northern Ireland, and sponsored by two government departments, the Department of Transport, Tourism and Sport in Ireland and the Department for the Economy (formerly the Department of Enterprise, Trade and Investment) in Northern Ireland. These agencies and departments are regarded as related parties and during the year Tourism Ireland CLG was principally funded and had various transactions with them. These transactions are disclosed in notes 2, 9 and 10.

In common with many other entities, Tourism Ireland CLG deals in the normal course of business with other bodies which are wholly or partially owned or controlled by either the Government of Ireland or the Government of the United Kingdom of Great Britain and Northern Ireland.

20. Board Members – Disclosure of Transactions

In the normal course of business, Tourism Ireland CLG may enter into contractual arrangements with undertakings in which Board Members are employed or otherwise interested. Tourism Ireland CLG has adopted procedures in accordance with the guidelines issued in relation to the disclosure of interests by Board Members and these procedures have been adhered to during the year.

The Board members concerned did not receive any documentation from Tourism Ireland CLG on the transactions nor did the member participate in any decision relating to the transactions.

Tourism Ireland CLG engages in joint overseas marketing programmes (which are actively and widely promoted and open to any suitable applicant), with a large range of air and sea carriers, tour operators and enterprises at home and abroad as part of its operating plan.

During the year, Tourism Ireland CLG made payments to Aer Lingus, of which Steven Kavanagh was a director, totalling €0.88m (£0.75m) of which €0.60m (£0.51m) was outstanding at the year-end {2015: €0.85m (£0.63m) of which €nil (£nil) was outstanding at the year-end}, predominantly in respect of joint overseas marketing programmes.

€62k (£53k) {2015: €33k (£24k)}, was paid to Hastings Hotels, of which Howard Hastings is a director, predominantly in respect of hotel accommodation and facilities.

21. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 14 June 2017.



NOTES

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