



Annual Report and Financial Statements 2023



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Address:

Colvill House, 24-26 Talbot Street,
Dublin 1, D01 NP86, Ireland

Introduction

Uisce Éireann is responsible for the delivery of secure, safe, and sustainable water services for the people of Ireland. We are responsible for providing clean and safe water for millions of people across Ireland. We operate and maintain water and wastewater infrastructure including thousands of treatment plants and assets, as well as tens of thousands of kilometres of pipe network.

We provide our customers with a safe and reliable supply of drinking water and collect their wastewater treat it and safely return it to the environment. In delivering these vital services, which underpin social and economic growth for present and future generations.

Highlights

Revenue

€1,560m

Surplus/profit before income tax*

€379m

Capital expenditure

€1,289m

Average employee numbers

1,478

Size and scale of our operations

 **Water**

Litres treated daily

1.72 bn

Pumping stations

>1,800

Treatment plants

>700

Km of network

>64,000

 **Wastewater**

Litres treated daily

1.26 bn

Pumping stations

>2,300

Treatment plants

>1,000

Km of network

>26,000

* Any surplus is re-invested to fund critical infrastructure projects.

Strategic report

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Chairperson's report on 2023

Uisce Éireann is responsible for the provision of safe, clean, affordable, and environmentally compliant water and wastewater services to households and businesses connected to the public networks. I am committed to ensuring that Uisce Éireann continues to support the achievement of Government policy, including the National Development Plan, Housing for All, the Water Services Policy Statement and the Climate Action Plan.

During 2023, Uisce Éireann prioritised the investment of €1.289bn. This level of investment enables us to make necessary, multi-generational improvements to water and wastewater infrastructure. It is targeted at enhancing health and quality of life, protecting our environment, benefiting communities and is critical for growth and development across Ireland.



Tony Keohane
Chairperson

“We issued positive responses to 3,008 enquiries associated with 98,369 housing units and issued 4,597 connection offers associated with 42,970 housing units.”

Safety Culture

Staff and delivery partners at Uisce Éireann are empowered to prioritise safe ways of working. The safety culture and values are embedded in all Uisce Éireann’s activities through the Work Safe Home Safe programme and initiatives. An unprecedented milestone was achieved in 2023, with over 8-million-person hours worked since the last employee lost time injury in December 2018. This is a direct result of the commitment to achieve the Work Safe Home Safe vision and the efforts made to ensure safety is prioritised.

Implementing the Framework for the Future Delivery of Water Services

I am happy to say that there has been significant progress made in delivering on the ambition outlined in the ‘Framework for the Future Delivery of Water Services’ in 2023. Assuming responsibility for the management and direction of all water services activity across Local Authorities as well as being accountable for the health and safety of teams on the ground was a major achievement this year.

The focus will remain on the transition of Water Services staff in 2024 and integrating everyone into the new shared organisation, the ambition is to migrate additional water services staff during 2024. Core operational support and control functions will be stood up and standardised ways of working will be developed and implemented. These steps are vital if we are to fully deliver on the benefits of a national utility model with strong local teams delivering in and for our communities.

Housing for All

Uisce Éireann remains committed to playing its part in the national drive to provide homes to people who need them by developing and prioritising the delivery of key water service infrastructure. In 2023, we completed all 5 of the key action items assigned to us in the Government’s Housing for All programme. These included the development of an Experienced Based Accreditation Scheme, the publication of capacity registers and the implementation of our First Mover scheme. We witnessed continued demand for new connection enquiries and application services.

We issued positive responses to 3,008 enquiries associated with 98,369 housing units and issued 4,597 connection offers associated with 42,970 housing units. Customers accepted 3,599 offers associated with 30,339 housing units. This year Uisce Éireann completed 6,634 connections to water services infrastructure associated with 40,431 housing units (these connections are not equivalent to the housing units built in 2023). This uplift is driven by growth in the housing market and an internal review on all new connection activities.

Sustainability

As one of the largest Public Sector energy users Uisce Éireann is proactively continuing on the pathway to meet the Government’s Climate Action Plan Public Sector targets of a 51% reduction in greenhouse gas emissions and a 50% improvement in energy efficiency. This must be achieved without compromising the statutory obligations or service levels. A wide-ranging array of initiatives are being implemented across the organisation and are continuously reviewed and updated. There is more

Chairperson's report on 2023

(continued)

“Uisce Éireann recognises the importance of equality, diversity, and inclusivity among our workforces both in Uisce Éireann and the Local Authority staff who deliver water services on behalf of Uisce Éireann.”

information on the sustainability agenda available on pages 48-54. I am proud to say that during the year Uisce Éireann received a Green Award for ‘Public Sector Organisation of the Year’ and the Chambers Ireland Sustainable Business Impact Award for the Environment. These awards showcase an unwavering dedication to improving the sustainability of water services and delivering on Uisce Éireann’s commitment to value and enhance the environment.

Diversity and Inclusion

Uisce Éireann employs almost 1,500 people, who together with circa 2,800 staff in Local Authorities working on behalf of Uisce Éireann deliver water and wastewater services. We recognise the importance of equality, diversity, and inclusivity among our workforces. Addressing our Gender Pay Gap, which stands at 9.16%, is an important element of the Uisce Éireann D&I agenda, as we strive to increase female representation at all levels and ensure we are creating an environment where everyone feels valued and recognised at work. You can read more about the Gender Pay Gap and our D&I developments in 2023 on page 52-54.

Economic Benefit

Our activities yield benefits beyond the direct impacts on water and wastewater services. It enables Uisce Éireann to generate shared value for the people of Ireland by creating opportunities for large scale employment, directly and indirectly in water and wastewater sector services. Uisce Éireann continues to work closely with our Supply Chain partners to develop and maintain the capacity to deliver effective and efficient outputs and outcomes on an ongoing basis. The ripple effect of this economic activity, as it filters through society, is far reaching.

Governance

During 2023 the Board prioritised corporate governance in line with best practice, transparency, emerging regulation, and trends. We comply with the applicable provisions of the Code of Practice for the Governance of State Bodies. Risks are formally reviewed and monitored on an ongoing basis to ensure appropriate mitigations and controls exist. As Chairperson, I am satisfied that the appropriate internal controls exist and are managed effectively to meet our governance requirements. For more details, please see the Report of the Board on pages 62-76.

Conclusion

I appreciate the ongoing engagement from the Minister and his officials in the Department of Housing, Local Government and Heritage who together with NewERA support Uisce Éireann in progressing the agenda set for the company.

I would like to thank Fred Barry, as he steps down from the Board, for his advice, support and service. I extend a warm welcome to Michael Nolan who has recently been appointed to the Board. I wish to acknowledge Niall Gleeson and the Executive team, who have led the organisation through a year of complex challenges. On behalf of the Board, I want to recognise the expertise, dedication and commitment of all our people, partners and Local Authority staff who deliver water services on behalf of Uisce Éireann.

Tony Keohane

Chairperson



Chief Executive Officer's statement

The Scale of the Challenge

At the outset of this statement, I would like to acknowledge everyone involved in delivering public water and wastewater services for our customers and the wider environment. Uisce Éireann operates and maintains water and wastewater infrastructure including thousands of treatment plants and assets, as well as tens of thousands of kilometres of pipe network. Every day we supply 1.7bn litres of drinking water and collect 1.26bn litres of wastewater, treat it and safely return it to the environment.



Niall Gleeson
Chief Executive Officer

“Any population centre should have spare capacity in the region of 18%-25% to cater for growth and intermittent supply interruptions.”

We take a long-term view on value creation, the next iteration of the Water Services Strategic Plan, which will go to public consultation this year, runs to 2050. Similarly, the National Water Resources Plan is a 25-year plan. It is built around the three pillars of Use Less, Lose Less and Supply Smarter. This is important because investment alone will not address the scale of all known needs, behavioural changes and new ways of working will be required to mitigate service risks and optimise investment outcomes.

Capacity Constraints

I am concerned about the capacity constraints for both water and wastewater services in the Greater Dublin Area (GDA), which if not remedied will limit the potential for growth and development in this area. Demand for water is rising against a backdrop of current fixed production capability, minimal resilience and potential sustainability issues with water sources. Any population centre should have spare capacity in the region of 18-25% to cater for growth and peaks in demand. There is currently no spare capacity in the GDA. There is a significant risk of water supply shortages over the coming years and already customers are impacted with interim measures required to try to maintain treated water reserves. We have begun to plan for a time when regional restrictions may be necessary. This is not just a water or wastewater services constraint; it will ultimately constrain housing development and economic growth in the Greater Dublin Area.

A long-term solution will require continued leakage reductions, new water treatment capacity and a new source of water, together with the additional capacity to treat the wastewater. The Water Supply Project – Eastern and Midlands will enhance resilience and enable us to adapt to the effects of climate change by diversifying water supply sources. It will provide a secure source of supply to 37 additional supplies in Meath, Wicklow, Carlow, Westmeath, Offaly and Tipperary. When combined, the Water Supply Project - Eastern and Midlands Region and the Greater Dublin Drainage project will provide the essential increase in service capacity for the Greater Dublin Area (there is more information on these projects on page 46).

Multi-Annual Funding

Our Capital Investment Plan is aligned to the wider infrastructure investment policies of Government. This year we will prepare for the 4th Revenue Control period and will then seek regulatory approval for the required capital expenditure outlined in the Capital Investment Plan 2025-2029. It will enable us to address compliance (particularly in relation to public health), improve environmental issues and support housing supply while providing value for money for the taxpayer. It is of critical importance that multi-annual funding is secured to deliver this essential water and wastewater infrastructure over the lifetime of the plan.

Chief Executive Officer’s Statement

(continued)

Drinking Water Quality

The quality of drinking water in public supplies remained very high in 2023. However, we continue to work on supplies where treatment is still not as robust as it needs to be to ensure all supplies are resilient and safe into the future. A total of 10 schemes were removed from the EPA’s Remedial Action List in 2023, however the EPA added a further 9 schemes to the list during the year with a total of 57 supplies remaining on the list at year end.

Trihalomethanes (THMs) are formed when organic material in treated water reacts with chlorine. We have prioritised investment in the schemes identified in the Court of Justice of the European Union infringement case as at risk from THM exceedances. To date works at 69 of the original 74 public water supplies included in the first European Court of Justice infringement letter have been completed. There are comprehensive plans in place to address the issues at the remaining five supplies.

Wastewater Quality

In a judgment of 28 March 2019, the Court of Justice of the European Union found that Ireland was not in compliance with Articles 3, 4, 5 and 12 of Directive 91/271 in relation to the treatment of urban wastewater at 28 named agglomerations across Ireland. In response Ireland agreed to deliver a detailed programme of works and other measures to ensure full compliance with

the judgment. The programme primarily consists of capital works projects to bring the named agglomerations into compliance with the Directive. Works were completed at Ringsend, Roscommon and Mallow during the year. As at the end of 2023, works had been completed on 22 of the 28 named agglomerations.

The Year Ahead

The top priority in 2024 relates to the transformation programme. In 2024 we will stand up core operational support and control functions while developing and implementing standardised ways of working while managing the risks to service or safety. In the coming year we will also be focusing on:

- Delivering the Capital Investment Plan for 2024.
- Reducing leakage, particularly in the Greater Dublin Area.
- Ensuring our strong safety culture is maintained through our Work Safe Home Safe initiatives.
- Developing the Strategic Funding Plan 2025-2029 and preparing the Revenue Control submission for the Commission for Regulation of Utilities.
- Progressing the Diversity and Inclusion agenda and promoting gender equality while making meaningful action to close the Gender Pay Gap at all levels in the organisation.
- Advancing the sustainability agenda and proactively continuing on the pathway to meet the Government’s Climate Action Plan Public Sector

targets of a 51% reduction in greenhouse gas emissions and a 50% improvement in energy efficiency.

Uisce Éireann performed well in 2023 which was a year of complex change and challenges, and you can read more about our performance this year on pages 34-46. I want to take this opportunity to thank the members of the Board, my colleagues on the Executive team, Uisce Éireann staff and our delivery partners who together with staff in the Local Authorities delivered water and wastewater services in 2023.

Niall Gleeson
Chief Executive Officer



Strategic framework







Purpose

We rise to the challenge of delivering transformative water services that enable communities to thrive.

Vision

A sustainable Ireland where water is respected and protected, for the planet and all the lives it supports.

Strategic objectives

	T Transform Ireland's water infrastructure	By delivering timely, essential, value for money water services	See more on Key Performance Indicators on pages 18 to 21.
	H Harness a safe, diverse, inclusive culture	Where our people are empowered and high performing	Read about our diversity and inclusivity initiatives on pages 52-54.
	R Realise an integrated Uisce Éireann	To deliver safe, affordable, customer focused water services for our country	Updates on water and wastewater services are available on pages 41-46.
	I Inspire confidence	To become Ireland's trusted water services utility	For an overview of our approach to stakeholder engagement go to pages 22-23.
	V Value and enhance our environment	By prioritising our water quality and resilience to become a sustainability exemplar	Our Sustainability report can be found on pages 48-54.
	E Ensure the essential funding	To fulfil Ireland's national water services needs	Further information on funding the business is available on pages 34-38.

Values

Our five values define the character of our organisation, they guide our actions and decisions, and provide a framework for how we communicate with each other, our customers and our stakeholders.



Performance

We strive to be a high performing utility, continuously delivering quality services and infrastructure.



Integrity

We are open and honest in everything we do. We treat each other, our customers, our assets and the natural resources we rely on with respect.



Safety

We put safety at the heart of what we do.



Collaboration

We work together to get results, sharing and learning from each other.



Customer service

Our goal is to provide quality services for our customers. We listen to their needs and strive to exceed their expectations.

Uisce Éireann business model

Inputs

Approach to gathering and developing inputs

Natural Capital

- >530 water resource zones
- National Water Resources Plan

Manufactured Capital

- >1,700 treatment plants
- >90,000 km of water and wastewater network
- 5-year Capital Investment Plan approved by the CRU

Intellectual Capital

- Environmental expertise
- Biodiversity Action Plan
- Innovation
- Corporate governance and capital approvals
- Water stewardship

Human Capital

- >4,300 water services workers
- Capital delivery partners
- Contracted services
- ibelong D&I programme
- Work Safe Home Safe
- Doing the Right Thing
- Graduate entry

Social and Relationship Capital

- >1.6m domestic customers
- >0.2m non-domestic customers
- Shareholder and regulators
- Customer First programme
- Stakeholder engagement

Financial Capital

- €7.5bn of Total Assets
- €581m capital contribution
- €1,068m government subvention
- Strategic Funding Plan 2019-2024
- The Commission for Regulation of Utilities set revenue allowances for the 5-year period 2020-2024

Drinking water

Design, build and commission

Treat and distribute

Serve our customers

We build, maintain and operate our water and wastewater infrastructure to provide essential services to our customers, communities and the economy.

Current and Expected Benefits

Uisce Éireann



Wastewater



Design, build and commission



Collect and treat



Serve our customers

- Supply **1.7bn litres** daily of drinking water
- Treat **1.26bn litres** of wastewater produced daily

Is responsible for the functions assigned to it by the Water Services Acts and strives to deliver best practice, cost effective water services focused on customer needs.

- Secure, safe water services
- Economic development
- Strategic growth
- Value for money

Will transition to a fully integrated national water services authority.

- Nature based solutions
- Protect the environment and enhance biodiversity
- Support local communities

Supports the achievement of Government policy, including the National Development Plan, Housing for All and the Climate Action Plan.

- Learning and development
- Improving gender diversity
- Enhance employee engagement

Prioritises investment in essential water infrastructure and support economic development and job creation in local communities.

- **68%** customer satisfaction
- **99.7%** of public water supplies comply with bacterial and chemical limits (EPA published % on the 2022 data)
- Support government policy including Housing for All, the National Development Plan and the Climate Action Plan

Addresses compliance particularly in relation to public health issues and environmental compliance on plants listed in European Commission infringement proceedings.

- Invested **€1,289m** in water and wastewater infrastructure

Operates within its Exchequer funding parameters and ensures best practice in terms of accountability, governance and delivering value for money for taxpayers.

Factors influencing value creation



Economic environment



The challenge is to

Operate within the regulatory contract in the face of elevated price pressures, supply chain constraints and resourcing challenges.

This means we must

Work closely with our partners and contractors to carefully control and manage the cost base.

And we will create value by **Maintaining efficient and cost effective public water and wastewater services.**



Government policy



The challenge is to

Deliver the Project Ireland 2040 investment in infrastructure initiative that is made up of the National Planning Framework to 2040 and the National Development Plan 2021-2030 that prioritises investment in infrastructure of almost €200bn.

This means we must

Make significant investment in public water and wastewater infrastructure to serve the growing population and economy and to meet current and future environmental standards.

And we will create value by **Delivering the capital investment in line with the Government's Water Services Policy Statement and in line with funding proposals outlined in Project Ireland 2040.**



Sustainable future



The challenge is to

Operate in a way that shows care for the environment and respect for resources.

This means we must

Manage increasing demand for public water services resulting in extensive pressure on our infrastructure, greater energy and resource inputs with increasing levels of waste and other by-products.

And we will create value by Working to evolve our environmental, economic and social strategies, reducing energy consumption, fixing leaks and increasing resilience to increase the sustainability of the public water supply.



Customer



The challenge is to

Deliver a customer experience that meets their needs.

This means we must

Continue to engage with customers and stakeholders to ensure value add service.

And we will create value by Driving continuous improvement in our engagement with our customers, committing to delivering cost efficient customer operations.

Key performance indicators

Water framework directive



Water Services Policy Statement

Uisce Éireann is a publicly owned, regulated, commercial State body with responsibility for the operation and maintenance of water and wastewater assets.



Water Services Strategic Plan

The operating model for Uisce Éireann is set in the context of the EU Water Framework Directive (WFD). The WFD is the overarching Directive in relation to water policy in the EU.



Strategic Funding Plan



		Measure	Definition	Unit	2021	2022	2023*
Quality							
Water	Drinking water	Boil Water Notice (> 30 days)	Population remaining at year end on BWN that has been in place for > 30 days	No. remaining	908	18,287	19,109**
		Schemes on EPA Remedial Action List (RAL)	No. of schemes on live RAL	No. remaining	52	58	57
	Lead	Lead	Total lead services replaced	No.	5,876	10,801	9,588
Wastewater	UWWTD	Priority areas for wastewater improvement	No. of priority areas for wastewater improvement (starting point Q1 2015)	No. remaining	97	91	80
		Untreated agglomerations	No. of agglomerations with no treatment or preliminary treatment only	No. remaining	33	29	19
Conservation							
Savings		Leakage	Net daily water savings	ML/day	35	30	..***
Future Proofing							
Capacity & resilience	Wastewater treatment plants	New and upgraded total (quantity)	No.	8	9	42	
	Water treatment plants	New and upgraded total (quantity)	No.	12	6	9	
	Wastewater network	Length of sewer laid new/ rehabilitated (total)	km	26	102	122	
	Water network	Length of watermain laid new/ rehabilitated (total)	km	241	315	512	

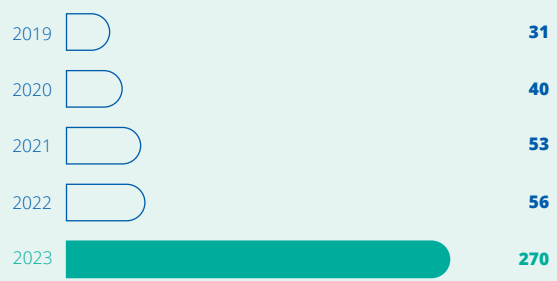
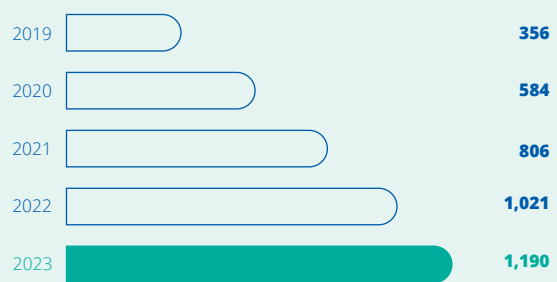
* In 2023 we undertook a continuous improvement initiative to consistently capture outputs and outcomes. This yielded benefits to the customer that had not previously been reported. These are included in the 2023 figures.

** At the end of 2023 there were 10 Boil Water Notices in place for more than 30 days. The majority of the impacted population were in two locations Whitegate (9,011) and Foynes/Shannon Estuary (6,986). The long-standing Boil Water Notices at Clonmel Poulavanogue supply in Tipperary was lifted in November 2023. This notice had been in place since 2018 and affected a population close to 100. Over 64% of Boil Water Notices imposed in 2023 were rectified within 30 days.





***2023 leakage data is currently under review..

Key performance indicators
(continued)

Safety	What we measure	Why we measure it										
<p>Total LTIFR – employees (>1 day) #/100k hours</p> <table border="1"> <tr> <td>2019</td> <td>0.0</td> </tr> <tr> <td>2020</td> <td>0.0</td> </tr> <tr> <td>2021</td> <td>0.0</td> </tr> <tr> <td>2022</td> <td>0.0</td> </tr> <tr> <td>2023</td> <td>0.0</td> </tr> </table>	2019	0.0	2020	0.0	2021	0.0	2022	0.0	2023	0.0	<p>We use Lost Time Injury Frequency Rates (LTIFR) to track the number of employee accidents per 100,000 hours worked, that result in a staff member needing to take >1 day off work. There has not been an employee Lost Time Injury since 2018.</p>	<p>Safety is a core value at Uisce Éireann. The Work Safe Home Safe, safety culture programme has been in place since 2015 and we continue to work to improve our safety performance.</p>
2019	0.0											
2020	0.0											
2021	0.0											
2022	0.0											
2023	0.0											
Boil water notices (>30 days)	What we measure	Why we measure it										
<p># of customers remaining</p> <table border="1"> <tr> <td>2019</td> <td>14,117</td> </tr> <tr> <td>2020</td> <td>1,042</td> </tr> <tr> <td>2021</td> <td>908</td> </tr> <tr> <td>2022</td> <td>18,287</td> </tr> <tr> <td>2023</td> <td>19,109</td> </tr> </table>	2019	14,117	2020	1,042	2021	908	2022	18,287	2023	19,109	<p>The number Boil Water Notices that have been in place for more than thirty days.</p>	<p>A Boil Water Notice is imposed after consultation with HSE where contamination of the drinking water supply has occurred.</p>
2019	14,117											
2020	1,042											
2021	908											
2022	18,287											
2023	19,109											
Customer service	What we measure	Why we measure it										
<p>First contact resolution – metering and operations %</p> <table border="1"> <tr> <td>2019</td> <td>67%</td> </tr> <tr> <td>2020</td> <td>79%</td> </tr> <tr> <td>2021</td> <td>83%</td> </tr> <tr> <td>2022</td> <td>72%</td> </tr> <tr> <td>2023</td> <td>83%</td> </tr> </table>	2019	67%	2020	79%	2021	83%	2022	72%	2023	83%	<p>We review a sample of our customer contacts each month across a range of different call types. A selection of calls are surveyed independently to validate the scores.</p>	<p>This measure tells us how often we are able to resolve a customer’s request on their first contact, without the need to get further information, escalate to the back office, create a complaint or follow up.</p>
2019	67%											
2020	79%											
2021	83%											
2022	72%											
2023	83%											

Sustainability	What we measure	Why we measure it												
<p># sites with biodiversity measures implemented</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>31</td> </tr> <tr> <td>2020</td> <td>40</td> </tr> <tr> <td>2021</td> <td>53</td> </tr> <tr> <td>2022</td> <td>56</td> </tr> <tr> <td>2023</td> <td>270</td> </tr> </tbody> </table>	Year	Value	2019	31	2020	40	2021	53	2022	56	2023	270	<p>This measures site performance in supporting biodiversity both on site and in the surrounding landscape.</p>	<p>This measure is used to advise on actions to be taken to enhance the site from a biodiversity perspective.</p>
Year	Value													
2019	31													
2020	40													
2021	53													
2022	56													
2023	270													
Operating efficiencies	What we measure	Why we measure it												
<p>Cumulative OPEX efficiencies €m</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>157.0</td> </tr> <tr> <td>2020</td> <td>182.3</td> </tr> <tr> <td>2021</td> <td>200.1</td> </tr> <tr> <td>2022</td> <td>207.0</td> </tr> <tr> <td>2023</td> <td>211.0</td> </tr> </tbody> </table>	Year	Value	2019	157.0	2020	182.3	2021	200.1	2022	207.0	2023	211.0	<p>We measure operational efficiencies secured via the delivery of lean initiatives and continuous improvement.</p>	<p>We strive to meet the efficiency targets as set by the Commission for Regulation of Utilities.</p>
Year	Value													
2019	157.0													
2020	182.3													
2021	200.1													
2022	207.0													
2023	211.0													
Water saved	What we measure	Why we measure it												
<p>Cumulative gross leakage savings (megalitres per day)</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>356</td> </tr> <tr> <td>2020</td> <td>584</td> </tr> <tr> <td>2021</td> <td>806</td> </tr> <tr> <td>2022</td> <td>1,021</td> </tr> <tr> <td>2023</td> <td>1,190</td> </tr> </tbody> </table>	Year	Value	2019	356	2020	584	2021	806	2022	1,021	2023	1,190	<p>This is a measure of the cumulative water saved as a result of our efforts in rehabilitating mains and pro-actively finding and fixing leaks.</p>	<p>We aim to increase the effectiveness and resilience of our networks by reducing the quantity of water lost in the system.</p>
Year	Value													
2019	356													
2020	584													
2021	806													
2022	1,021													
2023	1,190													

Strategic stakeholder engagement

Key Relationships	Priorities
 <p>Employees</p>	<p>Safety</p> <hr/> <p>Organisational Performance</p> <hr/> <p>Diversity and Inclusion</p> <hr/> <p>Wellbeing</p>
 <p>Customers and Communities</p>	<p>Effective customer centric services</p> <hr/> <p>Secure, safe water services</p> <hr/> <p>Protect the environment</p>
 <p>Shareholders and Regulators</p>	<p>Government policy implementation</p> <hr/> <p>Efficient and compliant operations</p>
 <p>Service Delivery Partners</p>	<p>Safety</p> <hr/> <p>Value for Money</p> <hr/> <p>Sustainability within the value chain</p>
 <p>Formal Stakeholder Representative Groups</p>	<p>Water resource quality and security of supply</p> <hr/> <p>Environmental Impacts</p>

Stakeholder engagement is the process whereby we actively engage with our customers and stakeholders in an open, transparent and meaningful way. We prioritise the critical role of our stakeholders and work closely with them to address their needs and expectations. In addition, we actively seek feedback from our stakeholders to understand how well we are meeting these expectations.

Description

Throughout the year we undertake regular employee engagement and wellbeing initiatives.

We promote both a positive and proactive behavioural based safety culture, reinforcing our Work Safe Home Safe belief that ‘we all have a right to work and go home safely’.

Uisce Éireann recognises the importance of equality, diversity and inclusivity among our workforce. Our Diversity and Inclusion Council is made up of employee representatives.

Our customers and communities are our most important stakeholders. Engagement takes place daily through our customer channels and we deliver public consultation, public information campaigns and manage incidents and disruptions through media engagement, digital and social media, open events, advertising, and face to face or virtual meetings.

We have ongoing engagement with the Department of Housing, Local Government and Heritage (DHLGH) in relation to funding, delivery of public water services and implementation of government policy.

The Commission for Regulation of Utilities (CRU) is our economic regulator, and the Environmental Protection Agency (EPA) is our environmental regulator. We engage directly and report to both regulators on our performance and compliance with price control and environmental legislation.

Uisce Éireann engages closely with contractors and third parties who deliver support services to us to ensure the effective and efficient delivery of significant capital investment and overseeing daily operation of a national water utility to benefit our customers, the economy and the environment.

Uisce Éireann engages with a wide range of formal stakeholder representative groups to provide updates on our plans, to inform two-way decision making, develop a culture of transparency and dialogue on specific themes, and to provide relevant expert briefings.

Media is an important channel of communication with our customers and stakeholders, particularly when there is disruption to service, issues with water quality or when infrastructure projects or upgrades impact a community.

How we engage

Uisce Éireann engages with stakeholders through public consultation on our infrastructure projects and plans. We commit to continuous and responsive two-way communication, at every stage of the consultation process to ensure that information is accessible, meaningful, transparent and accountable for all stakeholders. Stakeholder engagement is not confined to statutory consultation and can be broadly categorised across a range of categories. Uisce Éireann uses remote platforms such as our website and online channels together with surveys, media, face to face meetings, information events and internal communications to engage with our stakeholders.

Risk Management

Our Risk Management Environment

Throughout 2023 Uisce Éireann has continued to experience and respond to the dynamic and interconnected global risk landscape which is continually evolving. Uisce Éireann operates within a complex environment, managing and operating an aged asset infrastructure. We are committed to integrating and embedding effective risk management practices across all our activities to foster awareness and understanding of the operating environment.

Effective risk management within the organisation is key to achieving our strategic objectives while safeguarding the interests of our shareholders, customers and the wider community.

Risk management within Uisce Éireann supports our forward planning and facilitates well informed and proactive risk-based decision making across our activities. The principles outlined in Uisce Éireann’s Enterprise Risk Management

(ERM) Policy guide our risk management practices. Many of our risks are enduring, reflecting the long-term nature of our activities. These risks may evolve over time due to changing internal and external factors and events.

Despite the challenging risk landscape, Uisce Éireann successfully managed these challenges throughout 2023 and remains resilient in its response.

Risks such as those associated with the macroeconomic and geopolitical environment and supply chain challenges, cyber security threats and the Uisce Éireann Transformation Programme (UÉT) were fully assessed for their potential impacts. Mitigations were implemented where possible and these risks continue to be closely monitored as integral components of our resilience planning throughout 2024.

Our approach to risk is championed under the following principles



Proactive Risk Culture

Ensures our risk culture is embedded within the organisation, enabling our people to have the awareness and understanding of the risks which have the potential to affect our ability to achieve our business objectives.



Competence

Ensures our people are competent and capable of managing risks effectively.



Management

Ensures our risk management processes underpin the successful achievement of our business objectives by empowering our people to manage risks.

Risk Management Framework

During 2023, Uisce Éireann maintained an effective and integrated risk governance structure, including a comprehensive risk management process to manage, review, monitor and report on the principal risks and uncertainties that could impact the achievement of our strategic objectives.

Uisce Éireann's ERM Framework, Policy and processes are well established and are consistently applied across the organisation, thus facilitating the identification, assessment, monitoring and reporting of risks at all levels of the organisation, at an individual and aggregate level.

Our risk policy sets out a clear and consistent approach to risk management, including the application of a single scoring matrix which considers both risk impact and likelihood of occurrence.

Our risk assessment methodology supports Uisce Éireann to minimise impact from adverse events and maximise opportunities to safeguard the interests of our stakeholders.

Risk Culture

Uisce Éireann recognises that successful risk management is dependent on an effective risk culture encompassing the behaviours, norms and attitudes of our people. Uisce Éireann management recognises the criticality of an effective risk culture, which is promoted through 'tone from the top' and regular risk management training. It is recognised that everyone in the organisation has a role to 'speak up' about risk. We continuously and actively engage in horizon scanning to assist in identifying new and emerging risks.

The Board and Risk Management

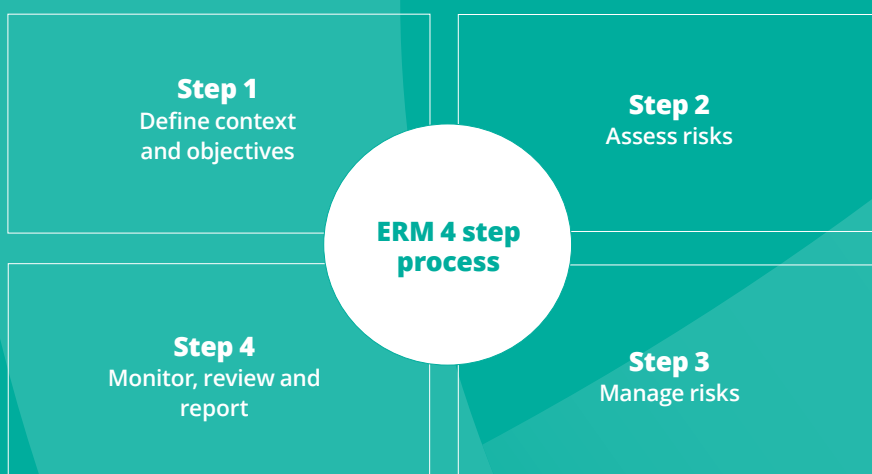
The Board has overall accountability for effective risk management across Uisce Éireann, regularly reviewing and challenging the principal risks presented to them by management, ensuring they are appropriately assessed, managed and mitigated. The Board sets the Risk Appetite of the organisation on an annual basis, which expresses the level and type of risk Uisce Éireann is willing to accept in the pursuit of its' strategic objectives.

The Audit and Risk Committee has the delegated authority to support the Board with these obligations. It is supported in maintaining an effective risk management environment by a dedicated risk team through a top-down, bottom-up governance committee model.

During 2023, the Audit and Risk Committee considered the status of the principal risks and related mitigating actions and was presented with a number of Deep Dive Reviews to further enhance their understanding of certain principal risks and their key mitigations.

Uisce Éireann follows leading practice and uses a four-step process to ensure the consistent identification, assessment, response and monitoring of risk across the organisation.

ERM 4 step process



Risk management
(continued)

Principal risks and uncertainties in no particular order

Risk	Context	Key mitigations	Capitals Affected
Health & safety			
<p>1 A significant people, process or asset safety event resulting in serious injury/fatality or negative impact to the health and well-being of staff, Local Authority Water Services partners, other delivery partner or the public.</p>	<p>All health and safety legislation and arrangements must be adhered to in order to protect staff, delivery partners, and the public from injury or fatality and avoid potential prosecution and financial loss and reputational damage.</p> <p>Uisce Éireann assumed responsibility for the management and direction of all water services activity across Local Authorities on a phased basis during 2023. This includes responsibility for the asset base and for the health and safety of water services staff.</p> <p>Varying inherited safety practices and safety culture maturity across the Water Services industry, and a legacy aged asset base contribute to this risk.</p>	<ul style="list-style-type: none"> • Implementation of 31 existing Local Authority Safety Management systems in addition to the implementation, promotion and maintaining certification of the Safety Management System (ISO 45001). • Strong governance, health & safety performance monitoring and promoting a safety culture. • Proactive approach to safety incidents to address systemic safety issues and taking risk-based, asset- specific interventions where required. • Provision of training and competency assessment across the Water industry to ensure everyone is well versed in our safety expectations and standards. • Working with the 31 Local Authority Safety Management Systems to develop a national Uisce Éireann Safety Management System. • Promoting a positive culture towards mental health and wellbeing for all who work with Uisce Éireann. 	
Transformation of water services			
<p>2 Failure to fully deliver all expected outcomes in the Uisce Éireann Transformation Programme as it progresses.</p>	<p>Uisce Éireann as a stand-alone legal entity was established on 1 January 2023. Following this, the Uisce Éireann Transformation Programme focus was to manage the transfer of water services activity from Local Authorities and deliver the improved service levels and efficiencies outlined in the Uisce Éireann Business Plan.</p>	<ul style="list-style-type: none"> • Operational control of the LA's transferred, Uisce Éireann now has full visibility of the day-to-day operations for all of our water assets. This is a critical building block to the establishment of a national utility model with strong local teams delivering in and for our communities. • The Programme continues to work with Uisce Éireann business leads to establish the key operational changes needed and how these can be deployed across services nationally. All changes will be deployed in a controlled manner to ensure that operational stability and customer service delivery is not affected during the transition period. 	



Natural Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital





Financial Capital

Risk	Context	Key mitigations	Capitals Affected
Transformation of water services (continued)			
<p>3 Significant service disruption, safety issues or public health impact due to operational challenges including asset failure.</p>	<p>Historic under-investment in Ireland’s water and wastewater networks and treatment facilities has resulted in Uisce Éireann operating with aged assets and infrastructure.</p>	<ul style="list-style-type: none"> • Management and investment in key assets including the Capital Investment Plan which prioritises areas of investment to focus on strategic priorities in line with the Water Services Policy Statement and Water Services Strategic Plan. • Continued focus on resilience, emergency preparedness and business continuity planning. • Adoption of an asset management approach in line with international best practice. • Asset Stewardship framework supported by site, regional and national stewardship groups. • Critical asset reporting. 	
Our people			
<p>4 A failure to have the right processes, resources and strategic enablers including culture in place could potentially undermine the ability to deliver our business objectives in the transformation of water services.</p>	<p>Uisce Éireann operates in a competitive recruitment environment with high employment levels nationally and resourcing challenges in key areas of our business requiring specialist capabilities.</p> <p>Ensuring Uisce Éireann’s culture is effectively developed and maintained during a period of significant change is critical to enable the organisation’s success in the delivery of water services and will allow the retention and attraction of people, reducing the risk of organisational instability.</p>	<ul style="list-style-type: none"> • The Uisce Éireann Target Operating Model, which details resources and organisational structure required to deliver on the organisation’s strategic objectives, was approved by the Board in June 2023 and is currently being implemented. • Dedicated recruitment campaigns and panels with a focus on critical and priority vacancies. • Significant engagement programme with Local Authority partners. • Dedicated recruitment campaigns and panels with a focus on critical and priority vacancies. • Significant engagement programme with Local Authority partners. • Uisce Éireann’s business strategy, which includes a number of employee-focused strategic plans (including but not limited to Diversity and Inclusion, Engagement and Wellbeing, Occupational Health, and Hybrid Working), continues to be developed and progressed to ensure a positive work environment for all new and existing employees. • A revised Culture Values and Behaviours programme is underway and will be rolled out in 2024. • Sustainable Employee Engagement is tracked and development actions are undertaken at an organisational level in response to surveys and employee feedback. 	

Risk management

(continued)

Risk	Context	Key mitigations	Capitals Affected
Security of supply and service delivery			
<p>5 Not delivering the projected water leakage savings targets committed to in our strategy.</p>	<p>Not achieving leakage savings targets could result in customer and service impacts, increase operating costs and reduce efficiencies impacting Uisce Éireann’s strategic objective of becoming a trusted utility.</p>	<ul style="list-style-type: none"> • Uisce Éireann has established a project team to prioritise the reduction of leakage and demand in the Greater Dublin Area and are developing action plans under three pillars aligned to the National Water Resources Plan – Supply Smarter, Lose Less and Use Less. • Key programmes in place including - Find & Fix programme, First Fix Programme, watermain replacement, metering and pressure/network management. • Targeted and continuing communications in relation to leakage. • Leakage Strategy, Leakage Management System, and Annual Leakage Management plan in place. • Scenario and resource planning underway as part of the Leakage Programme review. 	 



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Human Capital



Social and Relationship Capital



Financial Capital

Risk	Context	Key mitigations	Capitals Affected
<p>6 Failure to meet present and future water demand in the Greater Dublin Area (GDA) due to a lack of available headroom, reliance on a primary water source and critical single points of failure across an aged water infrastructure.</p>	<p>Without additional capacity, quantity and quality issues could result in potential water supply challenges, social and economic impacts, and a failure to support future growth demands.</p> <p>The supply of water to the Greater Dublin Area lacks resilience. Even with an improved network efficiency and leakage reduction, population growth, economic growth and climate change will exacerbate the water supply problem in the Greater Dublin Area. Until a major new source of water is delivered, Uisce Éireann will not be able to achieve the desired level of service and will continue to run the risk of sustained outages impacting homes and businesses.</p> <p>A key concern is that the Water Supply Project – Eastern & Midlands Region (the long-term strategic solution to meet future demands) may experience delays in the statutory consent process, similar to other Strategic Infrastructure Delivery projects including the Greater Dublin Drainage project.</p>	<ul style="list-style-type: none"> • The National Water Resources Plan has assessed national water capacity and quality, focusing on sustainable supply and demand balance in the short, medium, and long term. • The Water Supply Project - Eastern and Midlands Region has been identified as the key preferred project for the long-term strategic solution to meet the future demands of the Eastern and Midlands Region. • Key upgrade measures and investment are underway and proposed to increase resilience, reduce leakage, and operationally manage the risk in the short to medium term. • Ongoing monitoring of all water resource levels (rivers, lakes, boreholes, impounding reservoirs) with short term measures available to boost water available for use. 	 

Risk management
(continued)

Risk	Context	Key mitigations	Capitals Affected
Security of supply and service delivery (continued)			
<p>7 Wastewater discharges and/or non-compliance incidents resulting in environmental damage, prosecution and EU infringement.</p>	<p>Poor asset condition and/or operational issues can lead to environmental damage and prosecution, together with delays to critical improvement works due to operational challenges and external factors (such as statutory or planning or legal challenges). An example of this is delay in the completion of statutory processes for the Greater Dublin Drainage Project, which is directly impacting on the provision of strategic infrastructure essential to ensure the continued growth and development of the Greater Dublin Area. Changes in water quality standards, environmental regulations, and compliance requirements could lead to fines and/or operational challenges.</p>	<ul style="list-style-type: none"> • Asset builds and upgrades as part of Capital Investment Plan (e.g. Ringsend, untreated agglomerations etc). • By the end of 2023, the Ringsend WWTP Upgrade project was completed to achieve compliance with the Urban Waste Water Treatment Directive (UWWTD) for a population equivalent of 2.1 million. All remaining works critical to treat wastewater for up to 2.4 million population equivalent to the required UWWTD standards will be completed by the end of 2025 with all remaining ancillary works completed in 2026. • Greater Dublin Drainage Project (GDD) is a key project for long term wastewater treatment and resilience in the Greater Dublin Area. • The capital maintenance programme is in place to replace or refurbish failed or failing assets and maintain existing levels of service. • Cross-functional forums ensure consistent wastewater reporting/messaging on priority plants to the EPA and other stakeholders. • Focusing on urban water significant pressures as identified in the 3rd Cycle River Basin Management Plan. • Sampling and analysis are undertaken in accordance with legislative requirements. • Drainage Area Plans are under development in key agglomerations. • Implementation of real-time monitoring and analysis of key/critical plants to identify issues. • Ongoing engagement with key stakeholders at European and National level in relation to the update of the Urban Waste Water Treatment Directive. 	 



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Financial Capital

Risk	Context	Key mitigations	Capitals Affected
Security of supply and service delivery (continued)			
<p>8 A significant failure to deliver clean, safe drinking water could lead to public health, economic, reputation, compliance and prosecution risks.</p>	<p>While work continues across the aged asset infrastructure to improve quantity and quality of drinking water supply, there is a risk of quality issues materialising. These could arise due to severe weather events or delays to critical improvement works (due to operational challenges and external factors such as statutory or planning issues, legal challenges, and judicial reviews).</p>	<ul style="list-style-type: none"> • Our National Operations Management Centre is operating 24/7, monitoring alarms and water treatment performance at the critical water treatment plants. • Delivery of the Capital Investment Plan to upgrade assets and improve resilience. • Ongoing training of Plant operational staff in plant operations and incident reporting. • Cross-functional forums ensure consistent drinking water reporting/messaging on priority plants to the EPA and other stakeholders. • Sampling and analysis are undertaken in accordance with legislative requirements. • Cross organisational engagement on new Drinking Water Regulatory compliance implementation is ongoing. • Extensive audit of plants and targeted assessments such as Alarm and Inhibit reviews and source and sanitary surveys. • A National Drinking Water Safety Plan team, processes, procedures and system is in development. 	  
Delivering growth & infrastructural investment			
<p>9 Failure to fully deliver the Uisce Éireann Capital Investment Plan (CIP) due to both internal and external factors, resulting in the reduced availability of water services and limiting the company's response to public health, safety, economic development, and environmental risks.</p>	<p>Uisce Éireann is actively monitoring key external exposures to CIP delivery including timely planning and statutory approvals, inflationary and supply chain impacts, and geopolitical impacts. Availability of long-term multi-cycle funding is a key dependency.</p>	<ul style="list-style-type: none"> • Strategic Funding Plan 2020-2024 and Capital Investment Plan allowance. • Controls in place to monitor our CIP spend against budget. • Progressing and monitoring the delivery of the CRU approved outcomes and outputs. • Approach to next regulatory period Investment Plan under discussion with CRU and DHLGH. • Key external engagement ongoing. • Uisce Éireann have adopted open and transparent stakeholder engagement and communication to keep parties informed of the progress and challenges of the Capital Investment Plan and to manage expectations and build trust. 	 

Risk management

(continued)

Risk	Context	Key mitigations	Capitals Affected
Delivering growth & infrastructural investment (continued)			
<p>10 Failure to deliver sufficient capacity to meet the needs of future connecting customers and wider economic growth and development, could impact the delivery of projects at a national level.</p>	<p>Uisce Éireann has a significant role to play in supporting Ireland’s economic growth, compliance, and development goals. If Uisce Éireann cannot deliver sufficient capacity, it will have a reputational impact as well as the potential to impact economic growth and development.</p>	<ul style="list-style-type: none"> • Delivering the Uisce Éireann CIP. • Uisce Éireann is supporting the growth ambitions as set out in the National Development Plan and the Regional Economic Spatial Strategy. • Ensuring adherence to the Connection Charging Policy (CCP). Together with the CRU, Uisce Éireann is enhancing the CCP in areas such as self-lay in the public road and First Mover Disadvantage initiatives. • Continuing to improve Uisce Éireann’s response timelines to connection enquiries and applications to support the development industry. • Delivering an ongoing programme of proactive communications and training. 	
IT/OT technology – cyber security			
<p>11 A cyber-attack targeting systems impacting our infrastructure and delivery of services.</p>	<p>A cyber-attack could compromise the integrity of data, disrupt normal operations, and pose a threat to the security of Ireland’s water supply. Such an incident would also have the potential to cause public health and safety issues, reputational damage, and/or potential fines.</p>	<ul style="list-style-type: none"> • Strategy to further mature and strengthen our cyber security capability to enhance Uisce Éireann’s resilience against a potential cyber-attack. • Security Operations Centre operating 24/7 monitoring Information Technology and Operating Technology assets. • Ongoing engagement with the National Cyber Security Centre (NCSC) to proactively manage any threats. • Cyber Resilience Plan and Runbook under ongoing review and simulation exercises undertaken. • Online cyber security training for employees with regular simulated phishing exercises and other initiatives to keep employees vigilant and informed about emerging threats. 	
Financial & economic			
<p>12 Supply Chain Delivery challenges heightened by macro-economic environment impacts and key contractor availability and capability.</p>	<p>Macroeconomic and geopolitical environment resulting in potential supply chain challenges and increased costs.</p> <p>Continued challenges with obtaining requisite capacity and capability through the supply chain particularly for capital contractors, professional staff and other specialist staff.</p>	<ul style="list-style-type: none"> • Contractor management strategy and early contractor engagement to advance programmes and encourage tender response and contract delivery. • Financial Health Ratings for all strategic suppliers. • Contingency plans in place for key material supplies. • Mitigating actions in place for inflationary impacts within Uisce Éireann’s control. • Availability of contractors to resource their own workforce continually monitored. 	



Natural Capital



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Intellectual Capital









Human Capital



Social and Relationship Capital



Financial Capital

Risk	Context	Key mitigations	Capitals Affected
Financial & economic (continued)			
<p>13 Funding shortfall impacting on the delivery of water services.</p>	<p>Uisce Éireann's capital and operational funding is approved by the Commission for Regulation of Utilities (CRU) through a 'Revenue Control' process. The next five-year cycle is due to commence in 2025.</p>	<ul style="list-style-type: none"> There is ongoing engagement with the CRU and DHLGH on Uisce Éireann's funding requirements, with a revenue control submission due in 2024. 	 
Climate action & sustainability			
<p>14 The potential for Uisce Éireann's activities to be impacted by climate change due to the increased frequency and intensity of extreme weather events.</p>	<p>Without appropriate and proactive forward planning, mitigation and adaptation measures; climate change will likely continue to impact future water and wastewater services. The network infrastructure and operations could come under increasing pressure due to the frequency and intensity of extreme climatic conditions, likely increasing supply-demand imbalance events.</p>	<ul style="list-style-type: none"> Uisce Éireann have commenced embedding climate resilience into our investment planning and delivery processes to improve the sustainability of our water and wastewater services for the benefit of our customers and the environment. Climate resilience efforts continue to be developed as an integral part of our asset design and planning. Building in nature-based solutions in how we deliver capital projects. 	 
Customer, Reputation & Stakeholder			
<p>15 Potential to adversely impact the Uisce Éireann brand and reputation by failing to deliver for our customers and stakeholders or to keep customers and stakeholders fully and accurately informed and up to date on the work of the organisation.</p>	<p>Delivering for our customers and stakeholders and building trust, confidence and gaining their support is essential to enable Uisce Éireann to deliver water services and to achieve the organisation's strategic objectives.</p>	<ul style="list-style-type: none"> Keeping the public fully informed, in a timely manner, on all matters relating to water services is a critical priority especially on issues of public health. A new Corporate Strategy has been developed and rolled out with a key focus on Customer Service, Stakeholder Engagement and Reputation. Stakeholder engagement ongoing at key forums. Comprehensive communication plans and processes, including public consultations on our key projects and local community and school programmes. 	 

Financial review

Uisce Éireann delivered a strong financial performance during 2023. Uisce Éireann's capital investment activities continued to be a significant source of economic stimulus during 2023. In addition, its operating and maintenance programmes continued to provide both direct and indirect employment and other economic benefits across the Irish economy.

Surplus/profit generated by Uisce Éireann, together with necessary Government support in the form of capital contributions of €581m, was invested to fund critical infrastructure projects and enabled the successful delivery of a €1,289m capital investment programme in 2023. This allowed us deliver jobs, increase capacity for housing and development and support economic growth.



Chris McCarthy
Chief Financial Officer

Key Highlights 2023

Revenue

€1,560m

Surplus/profit before income tax

€379m

Total assets

€7,501m

EBITDA

€560m

Capex

€1,289m

Net debt

€534m

Uisce Éireann's surplus/profit is reinvested to fund critical infrastructure projects.

Key financial trends

Revenue €m

2019	1,122
2020	1,061
2021	1,191
2022	1,309
2023	1,560

Capex €m

2019	863
2020	839
2021	851
2022	1,061
2023	1,289

EBITDA €m

2019	380
2020	262
2021	382
2022	424
2023	560

Net assets €m

2019	2,810
2020	3,399
2021	3,989
2022	4,678
2023	5,579

Summary Income Statement

	2023 €m's	2022 €m's
Revenue	1,560	1,309
Commercial revenue	492	348
Government subvention	1,068	961
Operating costs	(1,000)	(885)
EBITDA	560	424
Depreciation and amortisation	(178)	(167)
Finance costs	(4)	(4)
Surplus/profit before income tax	379	253

Depreciation

Depreciation and amortisation of €178m has increased compared to prior year due to the growth in capital investment.

Surplus/profit before income tax

Surplus/profit before tax increased by €126m to €379m for 2023 due to higher EBITDA of €136m, partially offset by higher depreciation charges of €10m. Uisce Éireann's surplus/profit is reinvested to fund critical infrastructure projects. Finance costs were consistent with 2022.

Revenue

Revenue of €1,560m for the year to 31 December 2023, was €252m higher compared to 2022. Government subvention income of €1,068m in respect of domestic water billing was €107m higher than prior year. The total of Non-Domestic and New Connection revenues was €492m, which is €145m higher than 2022, due to higher non-domestic revenue of €24m and higher customer connection revenues of €121m.

Customer connections charges are received in advance and recognised as deferred revenue on receipt. Growth in the housing market has contributed to the uplift in this connection revenue. The reported 2023 revenue uplift recognises connection receipts for some cases where connections had been substantially completed by other parties, but only fully validated as complete by Uisce Éireann in 2023. In addition, the revenue uplift also includes some instances where work was completed to Uisce Éireann's requirements but was not progressed to the appropriate status, some of which may have been completed in prior years.

Financial review

(continued)

Operating Costs Summary

	2023 €m's	2022 €m's
Employee costs	(115)	(95)
Local authority agreement costs	(223)	(222)
Hired and contracted services	(287)	(253)
Materials, maintenance and plant hire	(130)	(123)
Rent, rates, utilities and insurance	(148)	(116)
IT operational costs and telecommunications	(43)	(31)
Impairment of trade receivables	(16)	(18)
Asset derecognition	(3)	-
Other operating costs	(35)	(26)
Total	(1,000)	(885)

Operating costs

Operating costs of €1,000m increased by €115m when compared to 2022. Significant progress in programme activity (particularly the Uisce Éireann Transformation programme) has resulted in higher contracted service costs, however this increase was offset by lower contracted service costs for the operation of treatment plants following

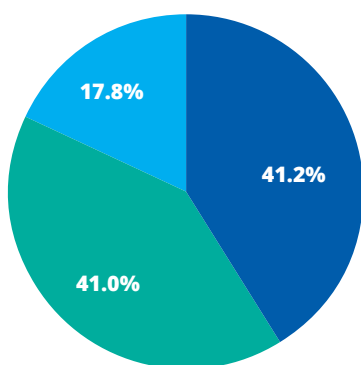
the unprecedented increases in global energy prices in 2022. While on the other hand, the strong hedging positions achieved for 2022 in respect of the wider cost base were not viable options for 2023 due to the unprecedented price levels in 2022, and so the impact of inflation on our wider cost base resulted in increases in energy costs, higher rates, and increased costs of chemicals for

2023 compared to 2022. Payroll costs were €20m higher reflecting increased headcount and pay progression in accordance with agreements. IT services, support and telecommunications were €12m higher than the previous year. These increases were partly offset by the delivery of a further €4m in operating cost efficiencies.

Summary Balance Sheet

	2023 €m's	2022 €m's
Infrastructure assets	6,969	5,872
Other assets	532	519
Total assets	7,501	6,391
Borrowings and other debt	(830)	(645)
Pension liabilities	(32)	(21)
Other liabilities	(1,060)	(1,048)
Total liabilities	(1,922)	(1,713)
Net assets	5,579	4,678
Net debt	(534)	(331)

CAPEX (%)



- Quality
- Future Proofing
- Conservation

Infrastructure assets and capital expenditure

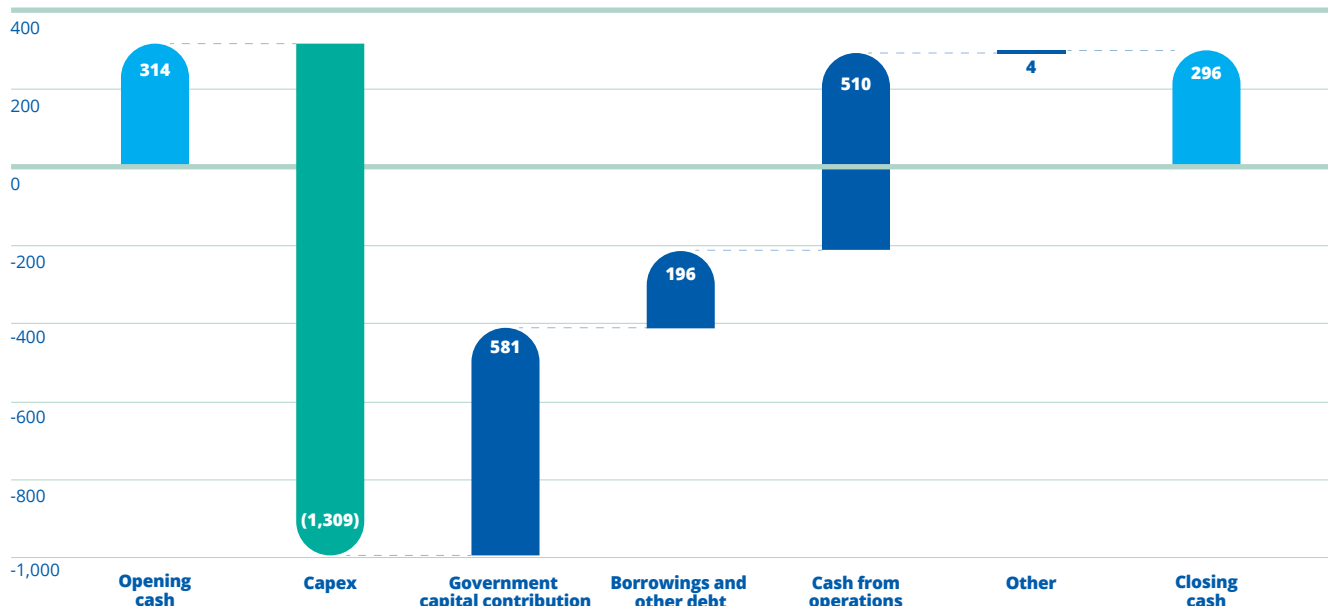
2023 saw Uisce Éireann deliver the highest level of investment in water and wastewater services in its history, totalling €1,289m in 2023 compared to €1,061m in 2022. This level of investment enables us to make necessary, multi-generational improvements to water and wastewater infrastructure. It is targeted at enhancing health and quality of life, protecting our environment, benefiting communities and is critical for growth and development across Ireland.

Net debt and cash flows

The net debt position at 31 December 2023, was €534m (total borrowings and other debt of €830m, less cash and cash equivalents of €296m), as compared to €331m in the prior year.

In 2023, water and wastewater capital investment funding requirements (€1,309m in cash outlay terms) were partially met by the capital contribution funding received from Government of €581m, resulting in a residual capital investment funding requirement of €728m. The net cash increase in borrowings and other debt of €196m, along with positive operating cash flows of €510m, were utilised to meet this residual capital funding requirement. Other net cash inflows of €4m resulted in cash at year end of €296m.

How cash was used in 2023 (€m)



Financial review

(continued)

Capital resources

As at 31 December 2023, Uisce Éireann held;

- total drawn borrowings of €814m (excludes lease liabilities of €16m),
- Minister for Finance facilities available to be drawn in 2024 of €184m,
- undrawn NTMA working capital facility of €350m, and
- €296m of cash and cash equivalents.

As at 31 December 2023, €814m of State loan facilities have been provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, €201m of which was drawn down in 2023. Subject to the approval of the Minister for Finance, €184m is to be made available to be drawn in 2024 to cover non-domestic capital expenditure in 2024.

Uisce Éireann has committed to ensuring that the NTMA working capital facility remains undrawn on 31 December each calendar year, unless Uisce Éireann has obtained prior Ministerial agreement to utilise the facility. Uisce Éireann also has a €10m uncommitted overdraft facility to help manage its daily banking requirements.

At 31 December 2023, the weighted average interest rate on the Company's portfolio of outstanding borrowings was 1.53% (2022: 0.90%) and the average maturity of its debt was 8.09 years (2022 8.14 years).

Treasury governance

The responsibility for treasury activity and its performance rests with the Board, which exercises its responsibility through regular review. The Audit and Risk Committee provides oversight of the risk and control environment on behalf of the Board. Uisce Éireann has complied with the requirements and conditions of the Minister for Finance under the Financial Transactions of Certain Companies and Other Bodies Act, 1992. The Uisce Éireann treasury function is not operated as a profit centre and treasury positions are managed in a risk averse manner. All treasury transactions have a valid underlying business reason and speculative positions are strictly prohibited. Further details of our treasury governance financial risk management policies are set out in the Financial Statements note 21.



Executive team



Niall Gleeson
Chief Executive Officer



Eamon Gallen
Chief Operating Officer



Orlaith Blaney
Communications and Corporate
Affairs Director



Chris McCarthy
Chief Financial Officer



Dawn O'Driscoll
People and Safety Director



Sean Laffey
Asset Management and
Sustainability Director



Michael O'Sullivan
Business Services Director



Justin Johnston
Interim Strategy, Resilience and
Regulation Director



Noeleen McHenry
Chief Legal Officer



Richard O'Sullivan
Company Secretary

Operating review

Major challenges and achievements in 2023

An exciting new chapter for water services in Ireland

On 1 January 2023, Irish Water transitioned to Uisce Éireann and became Ireland's new standalone water utility, responsible for the delivery of all public water services in Ireland. This move was part of the Government's framework for the Future Delivery of Water Services (the Framework) which involves the transfer of water services and staff from all local authorities. Uisce Éireann, the Local Government Management Agency and County and City Management Association worked together to progress a Master Co-Operation Agreement to support the transition of responsibility for water services. This was a key milestone in the programme and meant Uisce Éireann could begin to operationalise the provisions of the Framework.

During 2023, our focus was on this transition of Water Services staff, along with filling vacancies, and enabling the integration of all our people in our new shared organisation. This work is vital so that we can fully deliver on the benefits of a national utility model with strong local teams delivering in and for our communities.

This work has been carried out by our Transformation Programme Team who have been progressing the transition on a phased basis, with the primary focus being on stability of operations, service continuity and safety of both staff and public health.



Supporting growth and development at local and national level

Uisce Éireann is a key enabler for Ireland's social and economic development through its investment in world class water infrastructure and services. Balancing the need to bring old infrastructure up to modern standards and capital works to support future growth and development, we take an evidence-based approach looking at national data, policies and plans that have a direct impact on where investment should be prioritised or which have a dependence on the public water and wastewater infrastructure such as job growth policies, climate action plans and housing policies.

While our water pipes are out of view below ground, a thriving economy needs this investment to function just as much as it needs new roads, hospitals and energy generation. Uisce Éireann delivered €1,289m of capital investment in 2023.

Uisce Éireann also has a central role in supporting the development and delivery of housing, under the Government's Housing for All strategy.

In 2023, we issued positive responses to 3,008 enquiries associated with 98,369 housing units and issued 4,597 connection offers associated with 42,970 housing units. We also now have a single, consistent national system to support the delivery of connections for housing.

Operating review
(continued)

Our Experience Based Accreditation Scheme, launched in 2022 which allows experienced accredited contractors to deliver water services infrastructure in public roads on behalf of developers, has also seen progress in 2023 with 19 additional contractors accredited, bringing the total to 42.

Understanding the challenges faced by the first developers to open areas for growth, Uisce Éireann collaborated with the Commission for Regulation of Utilities (CRU) to develop a First Mover Disadvantage policy proposal. The CRU, following public consultation, has now published a decision paper that can be accessed on the CRU website. The CRU’s approval of a Shared Quotable Rebate (SQR) scheme, effective from 19 November 2023, mitigates first-mover disadvantages, ensuring fair opportunities for all developers, including self-lay developers.

We also launched the Water Stewardship and Sustainability in the Construction Sector campaign in 2023, with goals to conserve water, protect the environment and protect water supply capacity promoted by all and you can read more about this campaign on page 54.

Progress against strategic objectives

QUALITY

Water quality

The protection of public health is a priority for Uisce Éireann and we have made significant progress in identifying and addressing risks to public drinking water supplies over the years. In August 2023, the EPA published the Drinking Water Quality in Public Supplies Report for 2022. It reported that over 99.7% of public water supplies comply with bacterial and chemical limits, which means that the public water supply is safe to drink.

As part of our efforts to safeguard public water supplies, in 2023 we performed circa 180,000 individual sampling tests and stepped-up oversight of our largest plants. Sampling results for each public water supply are published on our website.

Our National Operations Management Centre based in Dublin operates 24/7 and is now monitoring alarms at 220 of our water treatment plants, covering 78% of the population served by Uisce Éireann. We rely on these activities to maintain high quality standards, so that, when necessary, we can put a Boil Water Notice (BWN) or Do Not Consume Notice in place until we can rectify the situation and ensure water supplies are safe to drink.

Our commitment to ensuring our customers continue to have safe, clean drinking water brings with it its own challenges. In the past twelve months 64 BWNs were issued and 68 BWNs were rescinded, 64% of notices issued in 2023 were lifted within 30 days. BWNs were served on a population of circa 250,000, of which circa 100,000 related to precautionary BWNs. At the end of the year, there were 11 BWNs in place, impacting a population of circa 19,000. The BWNs in place at 4 supplies accounted for the majority of the impacted population. The largest of these were in Whitegate and the Foynes Shannon Estuary.

The EPA also maintains a list, known as the Remedial Action List (RAL), of all water treatment plants deemed to be at risk of producing non-compliant water. It publishes this twice a year. At the start of the year there were 58 supplies on the list. We completed works at 10 supplies to meet the EPA’s required standards and the EPA added a further 9 supplies to the list during the year.

We have prioritised investment in the schemes identified in the Court of Justice of the European Union infringement case as at risk from Trihalomethanes (THM) exceedances. Of the original 74 public water supplies included in the first European Court of Justice infringement letter, all but five of these have now been addressed. For those that remain, we have comprehensive plans in place to address the issues either through upgrades or rationalisation of existing treatment plants.

We are working hard to address issues with supplies currently on the RAL to bring them up to the EPAs required standard for removal.

In 2023, several national works programmes saw progress on:

- The delivery of reservoir cleaning and refurbishment, telemetry monitoring of critical operating parameters, safety programmes and water quality programmes.
- The upgrade of 9 sites was completed via the Coagulation, Filtration and Clarification (CFC) Programme. This involves the installation of new or upgraded CFC filtration facilities in water treatment plants to reduce the risk of non-compliance.
- The treatment of lead in drinking water via orthophosphate commenced at a small number of water treatment plants that meet the requirements of both health and environment assessments, as detailed in the Lead in Drinking Water Mitigation Plan.



Rationalisation is achieved by decommissioning a plant and laying a water main connection to a neighbouring treatment plant producing drinking water more efficiently and/or to a higher quality. During 2023, 13 water treatment plants were rationalised.

The Minister for Housing Local Government and Heritage signed the new EU Drinking Water Regulations 2023 into Irish law on 7 March 2023. Uisce Éireann is now part of a Drinking Water Expert Group under the DHLGH producing implementation plans to ensure compliance with the new regulations against the various deadlines outlined in same.

These new regulations improve access to drinking water, introduce an assessment of leakage, have new parameters and have updated some existing parametric values, include risk-based monitoring and risk assessment and management as well as operational monitoring,

cover materials in contact with drinking water and improve information to the customer.

To ensure Ireland has a safe, sustainable, secure and reliable drinking water supply for everyone in the decades to come, Uisce Éireann has developed the country's first National Water Resources Plan (NWRP). It is made up of four Regional Water Resources Plans (RWRP) which consider more than 530 water resource zones and identifies individual needs. In 2023, we consulted on, finalised, adopted and published all remaining plans, meaning all four are now in place for the Eastern and Midlands Region (RWRP EM), the South West (RWRP SW), the North West (RWRP NW) and the South East (RWRP SE).

Wastewater quality

Effective wastewater management is a requirement for a modern society and it is our job to collect and treat the effluent before it can be reintroduced safely back into the environment.

“The Minister for Housing Local Government and Heritage signed the new EU Drinking Water Regulations 2023 into Irish law on 7 March 2023.”

Operating review *(continued)*



Uisce Éireann now operates over 1,000 wastewater treatment plants, over 2,300 wastewater pumping stations and circa 26,000km of foul/combined sewer network.

Since being established in 2014, Uisce Éireann has worked to ensure communities with no wastewater treatment have been connected to new treatment plants and existing plants have been upgraded to improve the capacity and quality of treatment.

Under our programme to eliminate raw sewage discharges, Uisce Éireann has built new wastewater infrastructure for 31 towns and villages where none existed before, ending the unacceptable discharge of raw sewage into the environment. More than 70% of the raw

sewage discharge in Ireland has now been eliminated and we remain on track to eliminate the vast majority of raw sewage discharges by 2025.

Key milestones reached in 2023 include the completion of works to eliminate raw sewage discharges in Kilmore Quay, Spiddal, Castletownshend, Inchigeelagh, Clarecastle, Liscannor, Kilcar, Kerrykeel, Ahascragh and Burtonport.

The EPA also maintains a Priority Action List (PAL) for areas where it deems wastewater treatment improvements are needed. Uisce Éireann is progressing plans or assessments to deal with these, and in 2023 removed 17 agglomerations, leaving 80 on the list. We continue to report regularly to the EPA on our progress.

In a judgment of 28 March 2019, the Court of Justice of the European Union found that Ireland was not in compliance with Articles 3, 4, 5 and 12 of Directive 91/271 in relation to the treatment of urban wastewater at 28 named agglomerations across Ireland. In response Ireland agreed to deliver a detailed programme of works and other measures to ensure full compliance with the judgment. The programme primarily consists of capital works projects to bring the named agglomerations into compliance with the Directive. Works were completed at Ringsend, Roscommon and Mallow during the year. As at the end of 2023, works had been completed on 22 of the 28 named agglomerations.

We are addressing challenges in our wastewater networks through our Drainage Area Plans with a focus on environmental compliance, customer service and growth. We are also progressing the Critical Sewer Surveys to assess the Sewer Rehabilitation Prioritisation Programme.

Ringsend Wastewater Treatment Plant

The major upgrade to the Ringsend Wastewater Treatment Plant will enable it to treat the increasing volumes of wastewater arriving at the plant to the required standard, enabling future housing and commercial development.

There are four key elements to the upgrade project:

1. Provision of a capacity upgrade facility with nutrient reduction (400,000 population equivalent).
2. Upgrade of the 24 existing secondary treatment tanks to provide additional capacity.
3. Provision of a new phosphorous recovery facility.
4. Expansion of the plant's sludge treatment facilities.

The upgrade project continued to progress to plan throughout 2023 with works continuing on the upgrade of the 24 existing secondary treatment tanks to provide additional capacity and nutrient reduction. Uisce Éireann also completed the new phosphorous recovery facility and continued to make good progress on the expansion of the plant's sludge treatment facilities.

By the end of 2023, the infrastructure to achieve compliance with the Urban Wastewater Treatment Directive for a population equivalent of 2.1 million was completed. By the end of 2025, the Ringsend Wastewater Treatment Plant will be able to treat wastewater for a 2.4 million population equivalent while meeting the required standards with all remaining ancillary works completed in 2026.

CONSERVATION

A significant volume of Ireland's drinking water is lost to leaks before it reaches our taps. Leaks can be difficult to find because they happen in the vast and complex network of pipes below ground. Many of these pipes are now old and damaged and need to be repaired or replaced to improve our water quality and supply.

The leakage reduction program achieved a gross leakage saving of 169 megalitres per day through the rehabilitation of watermains, capital interventions and fixing leaks. The net leakage calculation is currently being reviewed following the recent receipt of new Census 2022 data from the Central Statistics Office. This means that we are not in a position to report on the 2023 net leakage performance at the time of signing of this report. While challenging, Uisce Éireann continues to be focused on delivering leakage savings and is committed to achieving the 2030 targets, despite the current resourcing and supply chain capacity challenges. During periods of extreme weather, Uisce Éireann monitors the levels at all water supply zones and clearly communicates about any localised issues as they arise to reduce demand and protect supplies.

We also continued our partnerships and long-running sponsorship of initiatives such as Green Schools and Clean Coasts' Think Before You Flush campaigns throughout 2023, to raise social awareness and promote better decision making around the protection and conservation of water (see page 54). By using only what we need, we can all play our part in safeguarding our water for our future.

FUTURE PROOFING

In 2023, we enhanced the resilience of water and wastewater services. We increased water and wastewater treatment capacity by constructing new plants or upgrading existing ones. We also laid new watermain and sewer main and rehabilitated the existing networks. However, there are capacity constraints for both water and wastewater services in the Greater Dublin Area. A long-term solution will require continued leakage reductions, new water treatment capacity and a new source of water for the GDA, together with the additional capacity to treat the wastewater. When combined the Water Supply Project - Eastern and Midlands Region and the Greater Dublin Drainage project will provide the essential increase in service capacity.

Water Supply Project - Eastern and Midlands Region

Water supply in the Eastern and Midlands Region faces a number of serious challenges.

Operating review

(continued)

Currently a single source, the River Liffey, supplies 85% of the water requirements for 1.7 million people in the Greater Dublin Area (GDA). This dependency on the Liffey (and the two main treatment plants of Ballymore Eustace and Leixlip) results in a serious vulnerability to risks such as prolonged drought and/or contamination. Exposure to this key vulnerability is endured daily and can only be addressed through a new independent water source for the Greater Dublin Area and the Eastern and Midlands Region. Population growth, economic growth and climate change will exacerbate the region's water supply challenges even further.

The Water Supply Project - Eastern and Midlands Region forms a key part of Uisce Éireann's long-term strategy to increase supply resilience and levels of service in the region by creating a major new source of water to meet supply demands to 2050. The Water Supply Project - Eastern and Midlands Region will provide a secure source of supply to 37 additional supplies, in Meath, Wicklow, Carlow, Westmeath, Offaly and Tipperary. It will allow for tighter management and operational controls over water quality.

The interconnection of supplies will provide improved security of supply to all customers as rainfall patterns typically vary across the country, connecting our supplies across large regions reduces the vulnerability to drought events and allows us to move away from providing supply from sources which currently struggle to provide the volumes required during dry weather events. Providing appropriate sources of supply, such as the Parteen basin, for these areas will enable growth and economic development across the regions and will allow for flexibility in future growth patterns if required.

Uisce Éireann has conducted extensive environmental studies and has engaged 1,500 stakeholders through the four rounds of non-statutory consultation including with affected landowners.

In 2023, a preliminary business case was submitted to the Department of Housing, Local Government and Heritage as part of their assessment of the project under the Public Spending Code. There will be a further round of non-statutory consultation in advance of the submission of a Strategic Infrastructure Development planning application to An Bord Pleanála in Q4 2024, subject to external dependencies.

Greater Dublin Drainage Project

Having adequate wastewater infrastructure is vital to support the sustainable growth of communities and business and to protect the environment. Currently, 1.9 million people or 40% of Ireland's population live and work in the Greater Dublin Area. By 2040, it is expected that a further 450,000 people will join them. Continued population growth and increased commercial activity means the volume of wastewater generated in greater Dublin is projected to increase by more than 50% over the next 30 years.

The Greater Dublin Drainage Project involves the construction of a new wastewater treatment facility in north Dublin, along with associated infrastructure to serve parts of Dublin, Meath and Kildare. This new infrastructure will provide much needed additional treatment capacity for the region, once the country's largest wastewater treatment facility at Ringsend reaches its maximum upgrade capacity later this decade.

Subsequent to the project planning application being remitted back to An Bord Pleanála (ABP) by the High Court in 2021 for a fresh decision, last year Uisce Éireann submitted a detailed response to a request from ABP which provided us the opportunity to update, where appropriate, the Environmental Impact Assessment Report and Natura Impact Statement and any other information submitted. An Bord Pleanála will provide a decision on the remitted planning application in due course.



**Uisce
Éireann**
Irish Water



Sustainability Report

Sustainability is concerned with protecting the planet, halting climate change and promoting social development without endangering life on earth or leaving anyone behind. It seeks to cover our current needs whilst not compromising resources for future generations. As the national public water services utility, responsible for public water and wastewater services throughout Ireland, Uisce Éireann is intrinsically obligated and motivated to do the right thing by the environment. Our organisation’s vision is for a sustainable Ireland where water is respected and protected, for the planet and all the lives it supports.

At Uisce Éireann, we are passionate about improving the sustainability of Ireland’s water services, playing our part in building a more sustainable future. In 2023, we established a new Sustainability Steering Group to champion sustainability. It has cross-functional representation and is responsible for steering the sustainability efforts of the representative teams and directorates in the same direction as the sustainability strategy and agenda. This resulted from a review and update of our sustainability strategy, its principles and practices, with a focus on putting us in a strong position to deliver a low carbon, energy efficient and sustainable water utility. Once the full review is complete in 2024, Uisce Éireann will start to implement this strategy, and monitor and report on performance against targets.



Governance of Sustainability Matters



Our Sustainability Purpose is to bring sustainability to the fore in all decision making, and to embed and monitor the targets and initiatives of the sustainability framework across Uisce Éireann.

Collaboration and Innovation

Collaboration is key to Uisce Éireann being able to achieve its sustainability strategy and objectives. We know that by fostering a collaborative approach to working with stakeholders, industry and peers we will be better able to deliver the sustainability agenda. We intend to include Collaboration as a key pillar in our sustainability strategy.

We were delighted to be recognised by the L&DI Excellence in Learning Awards by winning the prestigious “Best L&D Collaboration Award” which highlights our successful partnership with 20FIFTY Partners and the Lean & Green Skillnet for our Water Stewardship Programme.

The importance of innovation to progressing the sustainability agenda cannot be overemphasised. In recognition of this our innovation team is now part of the same function as Sustainability. During 2023, the team set out a new vision to develop

a culture of innovation across the water sector. By the end of the year there were over 100 initiatives in progress through cross functional, Irish, EU and UK collaborations hitting all strategic themes at all stages from research to pilots and projects that are scaling and delivering measurable outcomes. New processes, cross-functional governance and KPIs have been implemented to measure and demonstrate impact.

Environment

It is Uisce Éireann’s responsibility to ensure that all our customers receive a safe and secure supply of drinking water and have their wastewater collected, appropriately treated and returned safely to the environment. In rising to the challenge of tackling climate change and embedding sustainability, we were very pleased to receive two high-profile awards during 2023 in recognition of our efforts to improve the Environment. In February, we received a Green Award for ‘Public Sector Organisation of the Year’.

Sustainability Report *(continued)*



The Green Awards is a leading platform for sustainability intelligence, leadership and innovation in best green practice in Ireland recognising the contribution and commitment organisations make towards a greener future. We also received the Chambers Ireland Sustainable Business Impact Award for the Environment in September. These awards showcase our unwavering dedication to improving the sustainability of water services and delivering our strategic commitment to value and enhance our environment.

Energy-related GHG Emissions The Climate Action Plan 2023 (CAP 23) revised the singular total GHG emissions target, splitting it into two separate but related targets. Uisce Éireann is now mandated to reduce its energy related GHG emissions by 51% for both its total energy and non-electricity energy.

We continue to make positive progress on GHG reduction. This has been achieved through an ongoing Energy Action Plan programme, a comprehensive set of 18 plans covering energy management, capital energy efficiency, operational energy efficiency, renewable energy and energy innovation transition. Each plan is rated by the internal business owner on a quarterly basis in terms of progress and reviewed by the sustainability team. A revised Energy Efficiency Design Standard was also approved in 2023 by the Uisce Éireann Water Technical Environmental Forum.

The SEAI independently reports annually on public sector progress towards achieving the Climate Action Plan (CAP 23) targets. In the 2023 report (2022 data) an emissions reduction of 21% versus the baseline is rated as ‘good’ (from 15% in 2021).

The introduction of the secondary non-electricity target has motivated us to refocus attention on our non-electricity (thermal and transport) energy consumption.

The strategy to build an energy efficient low carbon fleet includes a commitment to replace all light commercial vehicles with electric options, which together with a comprehensive fuel strategy means the decarbonisation of our transport energy is well on track. However, due to thermal consumption of drying requirements in Wastewater Treatment Plants, our non-electricity GHG emissions, as reported by the SEAI*, remain behind target despite improving from +42% in 2021 to +13% in 2022. During 2024, we will be progressing plans to reduce non-electricity – thermal - energy consumption.

During 2023 we commenced the preliminary work required to submit the required formal letter of commitment to the net-zero target independent verification process, which is performed by the Science Based Target initiative. We intend to further progress this in 2024. The approach we adopted for quantifying the operational carbon footprint is based on the UK Water Industry Research Ltd. standardised workbook and methodology for quantifying water industry operational GHGs, using a tool referred to as the Carbon Accounting Workbook which is based on the GHG Protocol.

During the year we engaged with the suppliers, sub-contractors and material suppliers that account for 70% of our spend. For 2024, we intend to continue these engagements as we move to enhance the reporting of our carbon emissions including Scope 3 (Supply Chain) emissions.

Energy efficiency
Uisce Éireann is also mandated, through the Climate Action Plan 2023, to improve energy efficiency by 50% by 2030.

The energy performance indicator – EnPI - measures energy performance by dividing the organisation's total primary energy consumption by an activity metric, in the case of Uisce Éireann, population served. In the latest report (2022 data), the SEAI continue to rate the -30% indicator change as 'good' (-30% in 2021). We remain committed to achieving the 2030 target.

*SEAI Annual Report 2023 on Public Sector Energy Performance.

Renewable Energy
Our pathway to achieve Net Zero must include ensuring a sufficient supply of renewable energy generation to counter-balance residual emissions from the net zero target date.

We conducted an extensive assessment for the potential for solar PV and biogas across our asset base during the year. A Biogas Optimisation working group has been established to explore the opportunity for production and consumption of biogas.

Pollution
At the end of 2023, the Environmental Protection Agency reported that untreated wastewater from the equivalent of approximately 47,000 people in 19 towns and villages flowed into the environment.

We plan to connect nine of these areas to treatment plants by the end of 2025, with remaining areas to receive treatment between 2027 and 2030.

Biodiversity
The ability of Uisce Éireann to provide sustainable water and wastewater services relies heavily on a natural and biodiverse ecosystem.

We recognise and proactively advocate for the need to increase and accelerate efforts to halt the decline of biodiversity and are committed to ensuring that we build and manage our infrastructure responsibly so that our ecosystems are protected and where possible, enhanced.

The benefits of biodiversity are clear when it comes to protecting the quality of our drinking water and providing wetland-based wastewater treatment.

Our Biodiversity Action Plan was developed to help us conserve, enhance and work with the natural environment. It provides the tools to manage each site in ways that will benefit and enhance biodiversity and tailor enhancement measures to suit each individual site.

Uisce Éireann is actively progressing more 'Nature based solutions' in our plans and projects to avoid impact and benefit biodiversity: Integrated Constructed Wetlands, Sludge Drying Reed Beds, Stormwater wetlands, Sustainable Urban Drain water systems (SUDs), Reedbeds Polishing Filter and Grasscrete.

In 2023 we:

- Planted >45,000 trees under the Department of Agriculture, Food and the Marine's Woodland Scheme.
- Recorded Biodiversity enhancement measures for >250 sites.
- Estimated no net loss status for >90% of projects submitted for planning permission.

Circular Economy
Designing out waste is one of the core circular economy principles. It has the potential to provide a wide range of environmental, social and financial benefits and its fundamental to reducing our carbon emissions.

One of the key pieces of work undertaken during 2023 was to progress our Circular Economy Design Standard (CEDs). It sets out how we intend to plan, design, build and operate assets in a way that ensures circular economy, resource efficiency and sustainable waste management approaches are integrated across all Uisce Éireann projects and lifecycle.

Sustainability Report

(continued)

It is a legal requirement for Uisce Éireann to understand how much Construction and Demolition waste is generated and how it is treated – recycled, reused, recovered or disposed.

A high-level assessment carried out, during 2023, on the 2022 data demonstrated that our recovery rate is currently at circa 70% and we are making good progress towards the ‘Zero recoverable waste to landfill by 2025’ target.

Social

We proactively manage and identify the impacts of our business on employees, customers and communities. We are committed to ensuring our business makes a positive impact in the communities in which we operate. Uisce Éireann continued to support its strong partnerships and community programmes. These programmes promote positive behaviours in water and wastewater related activities in homes and businesses and increase awareness of water related issues and the benefits of making simple positive changes.

Putting Safety First

Despite the ongoing focus on safety, we are reminded that our activities carry risk which always have the potential to cause harm. Tragically on the 16th of January 2023, an external delivery driver had a fatal accident during the unloading of a pipe at an Infrastructure Delivery site. Uisce Éireann took several actions including a meeting at Senior Executive level with the main contractor and the issuing of a safety alert to all Uisce Éireann delivery partners on the incident. During the Water Industry Safety Days in May, a presentation on the hazards and controls of loading and unloading was delivered to over 380 participants.

Our People

Safety

Uisce Éireann is committed to enhancing the safety culture through the Work Safe Home Safe (WSHS) initiatives, which are designed to ensure staff and delivery partners are empowered to prioritise safe ways of working.

An unprecedented milestone was achieved in 2023, with over 8-million-person hours worked since the last employee lost time injury in December 2018. This is a direct result of the commitment to achieve the Work Safe Home Safe vision and the efforts made to ensure safety is prioritised.

The Work Safe Home Safe strategic plan was approved by the Board in 2023 and will be implemented over the next three years. This strategic plan acknowledges the organisational safety challenges and focuses on managing these through key pillars including safe assets, safe ways of working, and safe delivery partners.



The ‘Am I Safe?’ initiative commenced in May and there was a stand down of all delivery partner teams on 6 June, to re-emphasise the need for individual and collective safety. This initiative continued during the year with over 40 Director level meetings with delivery partners on safety performance. There has been extensive collaboration with the wider construction industry and utilities to benchmark Uisce Éireann’s safety performance. These activities are exerting a positive influence on safety culture and to raising safety standards throughout the water industry.

During the year over 1,757 safety conversations were conducted, to ensure the Work Safe Home Safe culture is embedded. Our Mental Health and Wellbeing initiatives have resulted in an increase in the number of trained Mental Health First Aiders (currently 114) and staff continue to be encouraged to form healthy habits through initiatives such as ‘Time to Talk’ and our ‘digital wellbeing platform’.

During 2023, Uisce Éireann became the employer under the Safety Health and Welfare at Work Act 2005 for water services staff in 30 Local Authorities. Appropriate safety training was delivered to all staff to allow them to discharge their new safety responsibilities. Furthermore, the first collaborative Uisce Éireann and Local Authority Water Services Area Health and Safety Conference which was attended by over 300 people, was held in October.

The WSHS pillars embed the safety values in our activities by providing both staff and delivery partners with tangible tools to support them. The health and safety management system – WSHS is based on recognised standards (ISO 45001 certification) for its safety management system and has been certified by an external party. It applies to 100% of our own workforce and to anybody who works under the direct management and control of Uisce Éireann.

Diversity and Inclusion

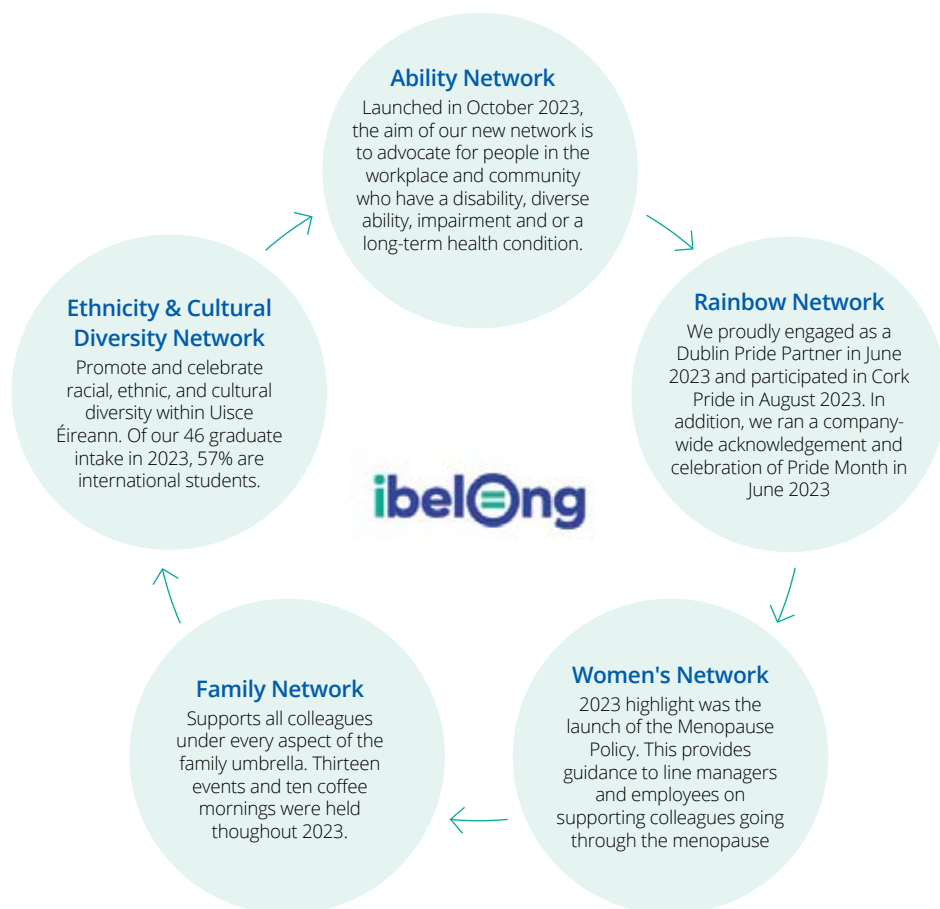
Uisce Éireann employs almost 1,500 people, who together with circa 2,800 staff in Local Authorities working on behalf of Uisce Éireann, deliver water and wastewater services. We recognise the importance of equality, diversity, and inclusivity among our workforces.

Now in its fifth Year, the Uisce Éireann Diversity and Inclusion (D&I) ibelong programme of work is governed by the Uisce Éireann D&I Council, a cross-functional multi-level employee forum, under the stewardship of Executive sponsorship. The Uisce Éireann D&I Council and the ibelong programme of work are key to the delivery of THRIVE as we aim to ‘Harness a Safe, Diverse, Inclusive Culture, where our people are empowered and high performing.

As Uisce Éireann transforms and grows with the addition of water services staff and the development of a new organisational culture for a new organisation, ibelong plays a vital role in ensuring that all Uisce Éireann staff feel a true sense of belonging and inclusion. Much of the work completed in 2023 addresses the need for a new, cohesive D&I strategic plan to shape the ibelong programme of work from 2024 to 2026 as Uisce Éireann’s employee demographics change and evolve.

This year there have been a series of new policy developments and the ongoing development of external partnerships. The D&I employee resource groups continued to grow and develop with the welcome addition of a fifth ibelong network, the ibelong Ability Network.

One of the highlights of 2023, was the development of the Uisce Éireann Diversity and Inclusion Policy, which enhances our commitment to D&I, and guides Uisce Éireann in fostering a culture of inclusivity. Other policies which were newly introduced include the Uisce Éireann Menopause Policy. To ensure a workplace that is inclusive of female colleagues, Uisce Éireann now also supports Period Dignity with the provision of sanitary products in all female bathroom facilities.



Uisce Éireann continues to adhere to the Diversity Charter Ireland, the Business in the Community Ireland (BITCI) Elevate Pledge, Inclusive Workplace Pledge and collaborates with UK Water Industry Research (UKWIR) platform research and data on demographics of workforce in water utilities in UK & Ireland.

The D&I Index measures employee sentiment relating to inclusion and is reported annually as part of employee engagement. The score for 2023 is 84%, which is 3% above the Irish national average, as per the benchmark from the provider of the Uisce Éireann employee engagement survey.

“Uisce Éireann jumped 137 places in the gradireland rankings this year placing us at the 46th most attractive graduate employer in Ireland.”

Sustainability Report

(continued)

Gender Pay Gap

Addressing our Gender Pay Gap is an important element of the Uisce Éireann D&I agenda, as we strive to increase female representation at all levels and ensure we are creating an environment where everyone feels valued and recognised at work.

The gender pay gap is the difference in the average hourly wage of males and females across the organisation. We are reporting a mean gender pay gap of 9.16% this year, meaning that on average, males earn 9.16% more than females, based on all organisational levels. This is an increase on the gap we reported in 2022 which was 7.37%. A key driver of the GPG is increased male representation overall, and across multiple levels of the organisation, including in leadership roles. We recognise that there is a gender imbalance in STEM disciplines, not only within Uisce Éireann but in our industry as a whole. This impacts on our ability to attract and recruit females to operational and engineering roles within our organisation, and we also have more men represented in operational roles with non-standard work schedules that incur additional payments. We are committed to taking actions to address this and to reduce the gender pay gap, including but not limited to building our employment value proposition to attract more female candidates, and also investing in a female talent development programme for existing employees.

Customers and Communities

We are committed to serving our customers and enabling communities to thrive by continuously upgrading and developing critical infrastructure to support sustainable growth and development, providing safe drinking water, and enhancing the environment.

As part of our 'customer first' programme, this summer we contacted 180,000 commercial customers setting out their projected water costs and advising potential options available including how to access the programme. By working collaboratively and collectively we can achieve all our sustainability objectives.

We recognise and understand the inconvenience and disruption water outages can cause. We also understand the importance of keeping our customers informed.

In September, we collaborated with business groups launching a media campaign highlighting our Outage Notification service for business customers. It provides real time information on planned/unplanned water outages or drinking water restrictions.

Encouraging behavioural change in relation to the conservation of water resources is one of the priority objectives included in the Water Services Policy Statement.

The #ThinkWaterConservation appeal encouraged households across the country to assess their water usage habits and conserve precious water resources. A big part of water conservation in the winter is anticipating the effects of cold weather in homes, offices and factories around the country.

In partnership with An Taisce's Clean Coasts programme we ran media campaigns urging the public to 'Think Before You Flush' and the 'Think Before You Pour' to help protect the environment.

The award-winning Water Stewardship Programme, helps businesses to reduce water use, costs and protect the environment. The training provides businesses with the necessary tools and guidance to assess their water usage,

**customer
first**

identify areas for improvement, and implement effective water conservation measures. To-date over 600 fully trained water stewards have delivered more than 1,400 individual water improvement projects nationwide.

2023 was the tenth year of the Green-Schools partnership between An Taisce and Uisce Éireann. The objective is to develop awareness around water conservation and how to manage water resources in our schools and at home. Since we began this partnership in 2014, over 630,000 students have taken part in the Water Theme programme.

Sustainable growth of smaller communities across Ireland is dependent on infrastructure service provision.

The strategic national 'Small Towns & Villages Growth' Programme supports the development of smaller communities. There are currently 39 projects included in the programme and an additional 11 towns and villages will also be delivered through alternative Uisce Éireann programmes. This year we launched a new webpage to report on progress.

Business Conduct

Please refer to the Report of the Board on pages 62-74 for further information in relation to:

- Protected disclosures.
- Code of Business Conduct.
- Anti-bribery and anti-corruption policy.
- Anti-fraud policy.
- Regulation of Lobbying.
- Prompt payment policy.



Governance Report

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The Uisce Éireann Board



Tony Keohane
Chairperson

Appointment: 1 January 2023
Tenure: 1.5 years

Career experience:

Tony is a former Chairperson of the Ervia Board. An expert in the strategic development of businesses and organizations, Tony formerly chaired the Board of Tesco Ireland and held the role of Chief Executive from February 2006 to July 2013. He has held a number of non-executive board roles including Chairperson of Repak and of the government appointed Services Strategy Group, as well as Board member of Bord Bia and Sam McCauley Chemists.

External appointments:

Football Association of Ireland, Deposit Return Scheme Ireland CLG, Circol Elt CLG, Keohane Conaty Consulting Ltd and Malone Engineering Group Ltd.



Niall Gleeson
CEO

Appointment: 1 January 2023
Tenure: coincides with duration of role as CEO of Uisce Éireann

Career experience:

Niall has significant experience in finance, construction, commissioning and maintenance of transport and utility assets, and has led major infrastructure projects across Ireland, the UK and Asia. He has held a number of senior leadership roles with world-leading infrastructure companies including General Electric and Shanahan Engineering. He is also the former Managing Director for Veolia Ireland and Alstom Ireland. Niall holds a degree in engineering from the Dublin Institute of Technology.



Christopher Banks
Board member

Appointment: 1 January 2023
Tenure: 1.5 years

Career experience:

Chris is a previous member of the Ervia Board. He was formerly a Commercial Director at Scottish Water from 2002-2014 during its formative period and business transformation within public sector ownership. Chris has worked at Board and Senior Management level in Building Products, Minerals and Shipping industries. He runs his own consultancy business acting as Non-Executive Director, Interim Commercial Director and Strategic Advisor to a number of utility, consultancy, technology, services and supply companies in water, waste and renewable energy sectors. Chris is a graduate of Oxford University and holds an MBA from Cranfield School of Management.

External appointments:

Chris B2B Ltd.



Gerard Britchfield Board member

Appointment: 1 January 2023
Tenure: 3 years

Career experience:

Gerard served as a senior member of the Coillte CGA executive team for 15 years from 2006 to 2021, including serving as Acting CEO, CFO and COO. He played a key role in Coillte's Transformation programme, which led to a step change in the trajectory of the business.

Gerard currently provides strategic and business advisory services to a large privately owned Irish multinational. He previously served as Chairperson of the Board of Trustees of the independent Coillte Pension Fund and as a Director of a number of Coillte Joint Ventures companies and subsidiaries. Gerry is a Fellow of Chartered Accountants Ireland, and also holds an MBA from DCU.



Liz Joyce Board member

Appointment: 1 January 2023
Tenure: 21 months

Career experience:

Liz is a previous member of the Ervia Board. She has held senior executive roles in the Central Bank of Ireland, Pioneer Investments, Greenstar Ltd., Diageo and Concern International. Liz has extensive experience in governance, leading change and engaging stakeholders in international and complex environments. She is an Independent Director with the board of the Football Association of Ireland and has previously held a range of non-executive roles, including with Aware and Concern International. Liz is a graduate of University College Galway (BA Hons in Psychology) and a postgraduate of Dublin City University (MBS in HR Strategies). She also holds diplomas in Coaching and Business Finance. Liz is a Chartered Director with the Institute of Directors (IOD) and Fellow of the Chartered Institute of Personnel and Development (FCIPD).

External appointments:

Football Association of Ireland

Key to Committee Memberships:

-  Investment/Infrastructure & Sustainability Committee
-  Audit & Risk Committee
-  Uisce Éireann Transformation Programme Committee
-  Remuneration Committee

The Uisce Éireann Board
(continued)



Patricia King
Board member

Appointment: 1 January 2023
Tenure: 4 years

Career experience:
Patricia is a former General Secretary of ICTU and former vice-President of SIPTU. She also served as one of two vice-Presidents of Congress and was a full time official with SIPTU for over 25 years. Patricia was the first woman to serve as a national officer of the union when appointed as vice-President in 2010. She has represented workers in all areas of the economy, in both the public and private sectors and was a lead negotiator in both the Croke Park and Haddington Road agreements. Patricia played a leading role in the Irish Ferries dispute (2005/6) and in subsequent negotiations that saw an overhaul of employment rights law and the establishment of the National Employment Rights Authority (NERA). She served on the boards of the Dublin Airport Authority (DAA) and the Apprenticeship Council and is currently a member of the Housing Commission.

External appointments:
Courts Service Board, Atlantic Technological University Governing Body



Eileen Maher
Board member

Appointment: 1 January 2023
Tenure: 4 years

Career experience:
Eileen is an experienced strategic advisor and leader, having spent 30 years in the telecoms industry and the past 10 years as an independent consultant. She has strong strategic, commercial, transformation, regulatory and legal experience. Eileen is currently a non-executive Director of NAMA and Chairperson of NAMA's Risk Committee as well as member of its Finance and Audit Committees. She is a member of the Broadcasting Authority of Ireland Compliance Committee and is the independent Chairperson of ComReg's Industry Engagement Forum and the Nuisance Communication Industry Taskforce. Eileen was formerly a non-executive Director of Eirgrid and the Director of Strategy and External Affairs in Vodafone Ireland. She holds a Bachelor of Commerce Degree and Master's in Business Studies from UCG.

External appointments:
National Asset Management Agency (NAMA), GAATEC Limited, Cicada Exchange Limited



Cathy Mannion
Board member

Appointment: 1 January 2023
Tenure: 5 years

Career experience:
Cathy has a background in economic regulation as it applies to aviation, water, electricity and gas. She is presently a member of the Performance Review Body; providing advice to the European Commission on areas that affect the performance of air navigation services and network functions in the EU. Until late 2021, Cathy was the Commissioner for Aviation Regulation in Ireland, and the National Supervisory Authority for the economic regulation of air navigation services. In this role, she was responsible for the approval of a €2+ billion investment programme at Dublin airport. Cathy previously worked in the Commission for Regulation of Utilities and was responsible for establishing the economic regulatory framework for water services and for developing and implementing policy for many aspects of the Irish energy markets including tariffs and the economic regulation of electricity and gas networks. She holds a BA Mod (Hons) in Economics and Business Administration from TCD, an MBA from Queen's University Belfast and a Diploma in Corporate Governance from UCD.



Michael Nolan Board member

Appointment: 20 January 2024
Tenure: 5 years

Career experience:

Michael was appointed to the Uisce Éireann Board in January 2024. Michael was formerly CEO of Transport Infrastructure Ireland from 2015 to 2020, and previously held positions as Head of Major Projects and Capital Programmes at the National Roads Authority. Michael held local authority positions, including leading various interurban motorway projects. His external appointments include non-executive Director of ESB Networks DAC and Chairperson of the Major Projects Advisory Group, which advises the Minister for Public Expenditure, NDP Delivery and Reform in advance of Government consideration of major public investment proposals. Michael holds a Bachelor of Civil Engineering Degree from the University of Galway and a Master's in Major Programme Management from the Saïd Business School at the University of Oxford. He is a Chartered Engineer and a Fellow of Engineers Ireland.

External appointments:
ESB Networks DAC



Michael Walsh Board member

Appointment: 1 January 2023
Tenure: 5 years

Career experience:

Michael has over thirty years' experience as a non-executive director, senior executive and commercial lawyer in the aircraft leasing and financing industry. In addition, from 2003 to 2005, he served as Chief Legal Officer of Bord Gais Éireann. From 1986 to 1989, Michael was a diplomat in the Irish Diplomatic Service. Michael is Chairperson of Shannon Foynes Port Company and a non-executive director of AerCap Holdings N.V., the industry leader in aviation leasing, which is listed on the New York Stock Exchange. Michael is also a member of the Executive Committee of Limerick Civic Trust and previously served as a non-executive director, including chairperson, of a number of companies which finance and lease aircraft and trains throughout the world. Michael is a Barrister and a law graduate from University College Cork.

External appointments:
AerCap Holdings N.V.
Shannon Foynes Port Company

Key to Committee Memberships:

-  Investment/Infrastructure & Sustainability Committee
-  Audit & Risk Committee
-  Uisce Éireann Transformation Programme Committee
-  Remuneration Committee

Report of the Board

Governance Statement

The Board of Uisce Éireann (“the Board”) present the Report of the Board for the financial year ended 31 December 2023.

Uisce Éireann (“the Company”) was incorporated in July 2013 pursuant to the Water Services Act 2013. Uisce Éireann is a Designated Activity Company limited by shares with a Constitution (Memorandum and Articles of Association) in accordance with the Companies Act 2014. Uisce Éireann is a regulated utility, that is economically regulated by the Commission for Regulation of Utilities and environmentally regulated by the Environmental Protection Agency.

Following the announcement in 2018 by the Government that Uisce Éireann would become a standalone, publicly owned, commercial, regulated utility and would no longer be a subsidiary of the Ervia Group, Uisce Éireann legally separated from Ervia with effect from 01 January 2023.

A non-executive Board of Uisce Éireann was appointed with effect from 01 January 2023 with these appointments having been made by the Minister

for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure, NDP Delivery and Reform. Four of the appointments included Board Members who were members of the Ervia Board up to the date of legal separation. Board members, Tony Keohane, Chris Banks, Fred Barry and Liz Joyce who sat on the Ervia Board up to 31 December 2022, were appointed to the Board of Uisce Éireann with effect from 01 January 2023.

During 2023, Uisce Éireann complied with the provisions of the Code of Practice for the Governance of State Bodies (“the Code”), as it applies to a commercial semi-state entity. In accordance with provision 1.9 of the Business and Financial Reporting Requirements outlined in the Code, Uisce Éireann reports to the Minister for Housing, Local Government and Heritage (“the Minister”) on its compliance with the Code.

Directors’ Compliance Statement

The Board acknowledges that it is responsible for securing the Company’s compliance with its relevant obligations in accordance with Section 225 of the Companies Act 2014.

The Board is of the opinion that the policies and the structures and arrangements which the Company has in place are appropriate to secure material compliance by the Company with its relevant obligations. The Company’s “relevant obligations” are identified in the Compliance Policy Statement and the associated Compliance Matrix which identifies the key actions and checks that must be in place. This Compliance Policy Statement has been communicated to all senior management of the Company to ensure consistent and robust adherence. The Board carried out a mid-financial year and year-end review of the arrangements and structures in place for 2023 to secure the Company’s material compliance with its relevant obligations.

As compliance is a dynamic process, involving multiple policies and procedures, the commitment of the Board and senior management and the support of all employees, contractors and agents is essential to make the policy effective. The Board is committed to fostering an environment at Board level and throughout the Company which raises awareness and respects and promotes the aims of the Compliance Policy Statement.

Role and responsibilities of the Board

The Board's role is to provide leadership and direction to the Company and ensure good governance across Uisce Éireann. The Board performs this task by constructively challenging performance and supporting the development of proposals on strategy. The Governance Framework outlines the formal schedule of matters reserved for the Uisce Éireann Board (some of which are subject to Ministerial approval).

The day-to-day administration of the company is conducted by the Executive, under the management of the CEO, in accordance with the strategic goals and policy documents approved by the Board and within a prudent and effective control environment. Operational and financial decisions are made in consideration of achieving the goals that the Board has determined, having regard to Uisce Éireann's statutory obligations and shareholders' expectations.

Schedule of matters reserved for Board approval as outlined in the Uisce Éireann Governance Framework includes:

- Annual Budgets, Corporate Plans, long-term Strategic Plan.
- Safety policy.
- Without prejudice to certain delegations, all expenditure in relation to investment and capital projects and approval of major contract terms as required by the Public Spending Code.
- Annual Report and Annual Financial Statements.
- Appointment/removal of external auditor.
- Treasury matters.
- Significant amendments to pension scheme.
- Terms of employment of senior management.
- Code of Business Conduct, Enterprise Risk Management Policy, Anti-Fraud Policy, Protected Disclosures Policy and Anti-Bribery and Anti-Corruption Policy.
- All matters requiring Ministerial approval.
- Criminal prosecutions for non-compliance with trade effluent licenses or any provision of the Water Services Acts 2007 to 2022.

Matters considered by the Board during 2023 include:

- Approval of 2022 Annual Report.
- Uisce Éireann Business and Financial Plan 2023-2027.
- Approval of 2024 Annual Budget.
- Approval of 2023 Balanced Scorecard metrics and monitoring of target achievements.
- Monthly finance and operations update and quarterly forecasting.
- Approval of budgets for capital programmes and expenditure.
- Quarterly Risk updates.
- Approval of Risk Appetite.
- Monthly Safety updates as well as bi-annual deep dive review.
- Quarterly updates on critical assets.
- Updates on Water Supply Project and Abstraction legislation.
- Strategy presentations.
- Updates on Revenue Control 3 and 4.
- Consideration of Director's Compliance Policy Statement.
- Review of effectiveness of internal controls.
- Updates on leakage performance.
- Approval of the adoption and publication of the Regional Water Resources Plan for the Eastern and Midlands Region with associated Strategic Environmental Assessment Statement and Appropriate Assessment Determination.
- Board Effectiveness review.
- Approval of amendments to Corporate Governance documents including the Governance Framework and the Board and Committee Terms of Reference.

Report of the board

(continued)

Directors' Responsibilities Statement for the Annual Report and Financial Statements

The Board is responsible for preparing the Director's Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations. The Directors are responsible for the maintenance and integrity of certain corporate and financial information included on the Company's website www.water.ie. Legislation in Ireland concerning the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the Directors must not approve the financial

statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies for the Company financial statements and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Director's report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Overview of the Board

Board composition, appointment and re-election

The Board's structure is prescribed by statute, provided for in Section 6A of the Water Services Act 2013. Board vacancies are filled in accordance with Guidelines on Appointments to State Boards. The Chairperson engages with the Minister in advance of the Board appointment process about the specific skills and diversity that are required on the Board.

Section 6A of the Water Services Act 2013 provides that:

- The number of Board Members shall be more than 5 but not more than 10.
- Board Members are appointed by the Minister for Housing, Local Government and Heritage with the consent of the Minister of Public Expenditure, NDP Delivery and Reform.

- One Board Member will be nominated by the Irish Congress of Trade Unions.
- The CEO shall be an ex-officio Board Member of the Company.

A new non-executive Board of Uisce Éireann was appointed with effect from 01 January 2023 with these appointments having been made by the Minister for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure, NDP Delivery and Reform through the Public Appointment Service. See profiles on pages 58-61 for details of the current Board membership.

Board Member Fred Barry's term of office expired on 19 January 2024. Michael Nolan was appointed to the Board, with effect from 20 January 2024.

The Chairperson of the Board is Tony Keohane, who is responsible for leading the Board and ensuring the effectiveness and full participation of each Board Member.

The Company Secretary, Richard O'Sullivan, is responsible for ensuring that Board procedures are complied with and for advising the Board, through the Chairperson, on governance matters generally.

The Board has an appropriate balance of skills, experience and knowledge of the Company to allow it to discharge its duties and responsibilities effectively. The Board is of sufficient size to ensure that this balance of skills and experience can be utilised appropriately and changes to the Board's composition can be managed without undue disruption.

Overview of the Board (continued)

Re-appointments to the Board, following the expiration of a Board Members term of office, are a matter for the Minister.

Induction and development of new Directors

On appointment, Board Members are provided with detailed briefing documents, governance, financial

and operational information, and the opportunity to be briefed by the Executive team on the different aspects of the business of the Company. The Company Secretary liaises with Board Members for their specific needs, such as attendance at conferences, courses and webinars relevant to the business or briefings by management on specific topics.

Independence

The Board of Uisce Éireann is comprised of 9 independent Non-Executive Directors and 1 Executive Director.

Board Members are required, in accordance with the provisions of the Code of Practice, to disclose any relevant interest and absent themselves from Board discussions where they have a direct or indirect interest.

Board remuneration, expenses and attendance

The Non- Executive Board Members are entitled to fees, on a scale determined by the Minister. The remuneration of the CEO of Uisce Éireann for 2023 is outlined in note 3 of the financial statements. A schedule of the attendance at the Board meetings for 2023 is outlined below.

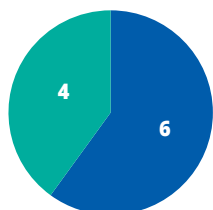
Board Member	Remuneration (€)	Expenses* (€)	Board (attended/eligible)	Audit and Risk Committee (attended/eligible)	Investment, Infrastructure & Sustainability Committee(attended/eligible)	Uisce Éireann Programme Committee (attended/Eligible)	Remuneration Committee (attended/eligible)
Tony Keohane (Chairperson of the Board)	31,500	€124	12/12	-	-	-	6/6
Christopher Banks	15,750	€326	12/12	-	10/10	7/7	-
Fred Barry (Term of Office expired 19 January 2024)	15,750	-	11/12	-	8/10	6/7	-
Gerard Britchfield	15,750	€2,856	12/12	8/8	-	-	6/6
Niall Gleeson (CEO)	Note 1	-	12/12	-	10/10	7/7	-
Liz Joyce	15,750	-	11/12	-	-	7/7	6/6
Patricia King	Note 2	-	12/12	-	-	7/7	6/6
Eileen Maher	15,750	-	12/12	7/8	-	-	6/6
Cathy Mannion	15,750	-	11/12	8/8	10/10	-	-
Michael Walsh	15,750	-	11/12	8/8	10/10	-	-

* Expenses claimed directly by Board Member.

Note 1 Did not receive a Board fee in compliance with Guidelines on Contracts, Remuneration and Other Conditions of Chief Executives and Senior Management of Commercial State Bodies.

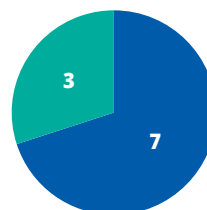
Note 2 Board fee waived on a discretionary basis.

Board and Executive team Gender



Board Gender

- Men
- Women



Executive Team Gender

- Men
- Women

Report of the board

(continued)

Overview of the Board (continued)

Board committees

During 2023, the Board was assisted in discharging its obligations through the delegation of certain roles and responsibilities to four Committees:

- Audit and Risk Committee.
- Investment, Infrastructure and Sustainability Committee.

- Remuneration Committee.
- Uisce Éireann Transformation Programme Committee.

The Committees assisted the Board by considering business, operational and financial issues. The specific functions delegated to each Committee are set out in their Terms of Reference which are

reviewed and approved on an annual basis. Following each meeting, the Committees report to the Board on the matters within their remit.

Attendance at Committee meetings is outlined in the 'Board Remuneration, Expenses and Attendance' table on page 65.

Committee	Membership during 2023	Terms of Reference
Investment, Infrastructure and Sustainability Committee	Chris Banks (<i>Chairperson</i>) Fred Barry (<i>Former Committee Chairperson, Term of office expired 19 January 2024</i>) Niall Gleeson Cathy Mannion Michael Walsh	Advising the Board on all matters relating to capital projects and programmes, development opportunities and sustainability. The Committee met 10 times during 2023.
Remuneration Committee	Eileen Maher (<i>Chairperson from November 2023</i>) Gerard Britchfield Liz Joyce Tony Keohane (<i>Chairperson until November 2023</i>) Patricia King	Advising the Board on CEO Remuneration (having regard to the legal and regulatory requirements of the Code of Practice), Senior Management Remuneration, leadership succession planning and development, company pay model, balanced scorecard, pension matters and matters related to gender pay gap. The Committee met 6 times during 2023.
Uisce Éireann Transformation Programme Committee	Liz Joyce (<i>Chairperson</i>) Niall Gleeson Patricia King Chris Banks Fred Barry (<i>Term of office expired 19 January 2024</i>)	Advising the Board on all matters (i.e. legal, safety, governance, financial) relating to the transition of accountability and delivery of water services and direct management of any water services staff from Local Authorities to Uisce Éireann. The Committee met 7 times during 2023.
Audit and Risk Committee	Gerard Britchfield (<i>Chairperson</i>) Eileen Maher Cathy Mannion Michael Walsh	Advising the Board on matters relating to the financial statements, internal controls, risk, internal audit, external audit and other matters including the Corporate Sustainability Reporting Directive and Uisce Éireann's ethics related policies. The Committee met 8 times during 2023. Detailed Committee Report outlined on page 77-79.

Disclosures required by the Code of Practice for the Governance of State Bodies

Board effectiveness

The Board conducted an evaluation of its own performance and that of its Committees in December 2023. The areas of performance assessed align with the evaluation questionnaire provided in the Code of Practice for the Governance of State Bodies.

As 2023 was the first year of operation of the newly appointed Uisce Éireann Board, an external evaluation was not undertaken. An external evaluation will be carried out within the 3 year timeframe specified in the Code of Practice for the Governance of State Bodies.

Relations with shareholders

The Minister for Housing, Local Government and Heritage holds one ordinary share of €1.00 and the Minister for Public Expenditure, NDP Delivery and Reform holds 99 ordinary shares of €1.00.

In accordance with the Code of Practice for the Governance of State Bodies, the Minister for Housing, Local Government and Heritage issued a Shareholder Letter of Expectation to Uisce Éireann in April 2023. The letter provides guidance to the Board on the Government's current objectives for Uisce Éireann as well as the governance arrangements in place.

The Board is responsible for ensuring that Uisce Éireann has complied with the requirements of the Code. The following disclosures are required by the Code:

Analysis of employee benefits

Details of the number of employees whose total employee benefits (excluding employer pension costs) for the financial year for each band of €25,000 from €50,000 upwards are set out below.

	2023	2022
€50,000-€75,000	501	468
€75,001-€100,000	332	274
€100,001-€125,000	206	171
€125,001-€150,000	71	44
€150,001-€175,000	34	28
€175,001-€200,000	17	15
€200,001-€225,000	5	4
€225,001-€250,000	9	6
€250,001-€275,000	2	3

Note: All short-term employee benefits in relation to services rendered during the reporting period are included in the disclosure above. Refer to note 4 of the Financial Statements for further analysis of the various benefits included.

The Uisce Éireann pay model which is market based and performance related comprises two elements namely base pay and a performance related award. Performance is assessed against individual objectives and corporate objectives through a balanced scorecard process. Uisce Éireann made performance related payments to 1,631 employees in 2024 in respect of 2023. These payments were approved by the Board of Uisce Éireann in January 2024. These payments, in aggregate, totalled €10,569,830. The average payment was €6,480. As a result of a Government direction in 2011, the CEO does not have access to the payment of a performance related award, and therefore no such payments have been made to the CEO.

Report of the board

(continued)

Disclosures required by the Code of State Bodies (continued)

Consultancy costs

Consultancy costs include the directly incurred cost of external advice. They are defined as engagements to provide intellectual or knowledge-based services (e.g. expert analysis and advice) through delivering reports, studies, assessments, recommendations, proposals, etc. that contribute to decision or policymaking in a contracting authority for a limited time period to carry out a specific finite task. They exclude outsourced 'business-as-usual' functions.

	2023 €'000	2022 €'000
Legal advice	112	59
Financial advice	418	399
• Regulatory financial advice	201	-
• Financial services advice	143	196
• Other financial advice	74	203
Public relations/marketing	-	3
Human resources	353	282
• Pension related advice	251	169
• Other HR advice	102	113
Business improvement/ change	1,722	695
• Business change programme advice	484	-
• IT related projects advice	485	103
• Supply chain/procurement advice	140	85
• Business strategy	412	233
• Other improvement/change advice	201	274
Engineering	91	109
Facilities	124	-
Other	74	311
Total	2,894	1,858
	2023	2022
Consultancy capitalised	485	148
Income statement	2,409	1,710
Total	2,894	1,858

2023 Consultancy spend represent 0.1% of total operational and capital spend. Consultancy cost increases from prior year:

- Regulatory financial advice relates to additional CRU requirements and interactions for Uisce Éireann Revenue Control Periods 3 and 4.
- Pension related advice in respect of the take on of the Uisce Éireann (ex-Ervia) Superannuation Scheme and advice in respect of the Uisce Éireann Defined Benefit Superannuation Fund in the context of the Uisce Éireann Transformation Programme.
- Business change programme advice relates to review of structure and reporting requirements of Uisce Éireann Transformation Programme.
- IT related costs due to specific business continuity and disaster recovery planning advice and cyber security projects in respect of the Network and Information Security (NIS) Directive.
- Business strategy relating to independent assessment of outcomes and outputs delivered as part of Uisce Éireann Capital Investment Plan, following CRU request and the development of business services strategy following separation of Ervia.
- Facilities costs relate to property management advice received.

Legal costs and settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements, conciliation, and arbitration proceedings. This does not include expenditure incurred in relation to general legal advice as this is included in consultancy costs above.

	2023 €'000	2022 €'000
Legal fees & costs	1,777	1,034
Conciliation / arbitration payments	258	-
Settlements	2,133	1,855
Total	4,168	2,889
No. of legal cases	58	47

2023 legal fees and costs includes an amount of €183,954 in relation to a legal matter with University of Limerick, and an amount of €45,341 in relation to legal matters with Inland Fisheries Ireland. This disclosure note excludes any payments made by Uisce Éireann's insurer directly. The number of cases relate to legal cases initiated by Uisce Éireann itself or proceedings taken against it and excludes insurance claims/proceedings and wayleave conciliations. There were no legal costs incurred in 2023 in respect of employee departures.

Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2023 €'000	2022 €'000
<i>Domestic</i>		
- Board	6	-
- Employees	3,376	1,669
<i>International</i>		
- Board	5	-
- Employees	54	13
Total	3,441	1,682

Uisce Éireann Board travel and subsistence expenditure is reported here for first time by Uisce Éireann – it was previously included in the Ervia Annual Report. Travel and subsistence expenditure incurred by the Uisce Éireann CEO is included within the disclosure of employee expenditure.

Hospitality

The income statement includes the following hospitality expenditure:

	2023 €'000	2022 €'000
Staff hospitality	116	49
Client hospitality	13	5
Total	129	54

Transparency

Uisce Éireann is an open organisation which strives to be accountable and transparent to the public. Uisce Éireann is committed to improving the understanding of how the organisation operates and our role in delivering important national infrastructure and services to support the social and economic development of Ireland.

Protected disclosures and raising concerns

The mechanism whereby Uisce Éireann's employees and management may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014 (as amended), is outlined in the Protected Disclosures Policy. Further guidance on raising concerns for management and employees is outlined in the Code of Business Conduct, the Anti-Fraud Policy and the Anti-Bribery and Anti-Corruption policy. Section 22 of the Protected Disclosures Act 2014, as amended by the Protected Disclosures (Amendment) Act 2022, requires Uisce Éireann to publish an Annual Report relating to protected disclosures made under the Act. In accordance with this requirement, Uisce Éireann confirms that in the year ended 31 December 2023, it received two protected disclosures. Following the conclusion of the initial assessment into each case, there was no prima facie evidence of wrongdoing in either case.

Regulation of lobbying

Uisce Éireann is registered on the lobbying register maintained by the Standards in Public Office Commission. In accordance with the requirements of the Regulation of Lobbying Act 2015 the required returns have been made for the return periods in 2023.

Report of the board

(continued)

Transparency (continued)

Payment Practices

Uisce Éireann is committed to making every effort to paying suppliers on time. A policy is in place within the Company to govern payment practices. The table below outlines payment practices for 2023.

	Number	Value €'000	Percentage (%) of total number of payments made
Total payments made	150,121	2,020	100%
Payments made within 30 days	133,909	1,970	89%
Payments made outside of 30 days	16,212	50	11%
Payments made in excess of 30 days that did not result in late payment interest and compensation costs	16,210	50	11%
Payments made in excess of 30 days that resulted in late payment interest and compensation costs	2	.096	0.001%

	Value €
Amount of late payment interest paid	Note 1 10,301
Amount of compensation costs paid	n/a

Note 1: Late payment interest was paid in 2023 in respect of 32 invoices from 2022, totalling €89,000 and 2 invoices from 2023, totalling €96,000. Late payment interest was charged at 8% per annum on the invoice amount calculated for the number of days between the prescribed payment date and actual payment date, in line with the 2022 interest rate of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. Late payment interest paid in 2022 was nil.

Freedom of information

The Company is subject to the provisions of the Freedom of Information Act 2014 ('FOI Act'). A Model Publication Scheme has been prepared and published in accordance with the requirements of Section 8 of the FOI Act. The scheme is accessible through the Company's website www.water.ie.

Under the scheme, the Company publishes as much information as possible in an open and accessible manner on a routine basis outside FOI, having regard to the principles of openness, transparency and accountability.

Official Languages Act

In accordance with Section 4B (a) of the Official Languages Act 2003 as amended by the Official Languages (Amendment) Act 2021 (the "Official Languages Act") senior management has appointed the Chief Legal Officer to oversee compliance and report to the CEO as appropriate. In addition, Uisce Éireann recruited an Official Languages Officer in 2023. In accordance with Section 4B (a) of the Official Languages Act a report of activities relating to compliance with the Official Languages Act was submitted to senior management. In summary and in accordance with Section 4B (b) of the Official Languages Act, the report referred to the implementation of the obligations, duties and progress towards full compliance with relevant legislation.

Gender balance, diversity and inclusion

An overview of the Company's commitment to the promotion of gender balance, diversity and inclusion throughout 2023 is outlined on page 52-54.

Statement on the System of Internal Controls

Scope of Responsibility

The Board acknowledges its responsibility under Section 7.3 of the Code of Practice for the Governance of State Bodies for ensuring that an effective system of internal control is maintained and operated.

Legal Separation

Operational separation of Uisce Éireann from the Ervia Group commenced on 1 January 2022 which resulted in the transition of the centralised services provided by Ervia to Uisce Éireann so that the Company could operate independently of the Ervia Group to the greatest extent possible under the legal framework in place at the time. The Water Services Amendment (No.2) Act 2022 facilitated the legal separation of Uisce Éireann from the Ervia Group on 1 January 2023.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it and can only therefore 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 detected in a timely way.

The system of internal control which accords with guidance issued by the Department of Public Expenditure, NDP Delivery and Reform has been in place in Uisce Éireann for the year ended 31 December 2023 and up to the date of approval of the financial statements.

Management of Risk

All employees of Uisce Éireann have a responsibility for the effective management of risk which includes designing, operating and monitoring the systems of internal control for Uisce Éireann. The Chief Executive Officer is the accountable executive with ultimate responsibility. The Chief Executive Officer delegates clear roles and responsibilities for effective risk management and for ensuring the systems of internal control are operating effectively to his Executive Team and their reports.

Risk and Control Environment

The Board ensures the Company has appropriate systems of internal control and risk management in place through use of the following structures and systems:

Audit and Risk Committee

Uisce Éireann has an Audit and Risk Committee (the "ARC") comprising 4 non-executive Uisce Éireann Board Members who have the necessary expertise for the role. The ARC provides oversight of the risk and control environment on behalf of the Uisce Éireann Board and is responsible for assisting the Uisce Éireann Board in discharging its responsibilities as they relate to this area. On a quarterly basis the ARC performs a substantive review of the Uisce Éireann Principal Risks, prepared by management, ensuring oversight of the key risks and reviewing the effectiveness of management's responses to key risk exposures facing the Company. The ARC also considers quarterly updates on the control environment as part of the Integrated Assurance Forum.

Three Lines Model

Uisce Éireann operates an integrated assurance framework which further consolidates and co-ordinates in a structured manner all assurance activities in the organisation across the "Three Lines" model. This ensures that Uisce Éireann maximises risk, assurance and governance oversight and control to build organisational resilience and follows leading practice to support compliance obligations and governance requirements.

Enterprise Risk Management

Uisce Éireann has an embedded Enterprise Risk Management function which is responsible for the design and implementation of an Enterprise Risk Management framework and for ensuring that sufficient risk management experience and skills are available throughout Uisce Éireann. The Head of Risk and Resilience reports to the Strategy, Resilience and Regulation Director and attends ARC meetings. In addition, the Uisce Éireann Risk Management Committee, chaired by the Chief Executive Officer, meets quarterly. In particular, the Risk Management function:

- Ensures that adequate and consistent Enterprise Risk Management 4 step process and oversight are in place for defining, assessing, managing, monitoring and reporting of risks to which Uisce Éireann is exposed.
- Ensures that oversight is maintained and an assessment is undertaken of the Uisce Éireann risk profile including principal risks, emerging and trending risks and high impact low probability risks, including a description of these risks and associated mitigation measures or strategies and their effectiveness.
- Embeds an appropriate risk management culture.

Report of the board

(continued)

Statement on the System of Internal Controls (continued)

Integrated Assurance Forum

The Integrated Assurance Forum (IAF) ensures that the review of the effectiveness of the Internal Control environment is carried out in a co-ordinated and structured manner with appropriate evidence and sign offs in place. Each function Directorate maintains a register of key controls and each key control is self-assessed quarterly for effectiveness and continuous control monitoring is performed quarterly. A summary of the forum discussions are provided to the ARC.

The membership for the Integrated Assurance Forum (IAF) is the Uisce Éireann CEO and all direct reports of the CEO. There has been a strong “tone from the top” with support from Senior Management and Executive nominated Pillar Leads and Champions in place across the business. The Champion network is working successfully and is aware of the importance of the Integrated Assurance process including the role it plays to support the business.

As part of the end of year Forum management are required to confirm that:

- They are satisfied with the effectiveness of the control environment in the period.
- There are no material exceptions or breaches of key controls in the period.
- Action plans and timelines are agreed for controls requiring enhancement.

Furthermore, in instances where control issues have been identified, they have either been subsequently addressed, have actions assigned to them since identification, or have mitigating controls in place.

Management has considered the items brought to the attention of the Audit and Risk Committee in 2023 and have assessed several items in detail against the criteria outlined in the guidance documentation on the Code of Practice for the Governance of State Bodies, issued by the Department of Public Expenditure, NDP Delivery and Reform.

Internal Audit

Uisce Éireann has an established Internal Audit function which is adequately resourced and conducts a programme of work agreed with the ARC for Uisce Éireann. The Head of Internal Audit reports directly to the ARC and to the Chief Financial Officer.

The internal audit function provides a systematic and disciplined approach to evaluate and improve the effectiveness of Uisce Éireann's, governance, risk management and internal control.

In particular the Internal Audit function:

- Evaluates risk exposure relating to the achievement of Uisce Éireann's strategic objectives.
- Evaluates the systems established to ensure compliance with policies, plans, procedures, laws and regulations.
- Evaluates the means of safeguarding assets.
- Monitors and evaluates the effectiveness of the risk management processes.
- Performs advisory services related to governance, risk management and control as appropriate.

Elements of Control Environment

In addition to the key structures referred to above, the Board confirms that a control environment, containing the following elements, is in place in Uisce Éireann;

- Responsibility by management at all levels within Uisce Éireann for internal control and risk management over respective business functions.
- Established processes to identify and evaluate business risks by identifying the nature, extent and financial implication of risks facing Uisce Éireann including the extent and categories which it regards as acceptable. Other processes to identify and evaluate business risks include assessing the likelihood of identified risks occurring and assessing Uisce Éireann's ability to manage and mitigate the risks that do occur through associated mitigation plans and strategies.
- A comprehensive listing of key controls is maintained by each business function, which are assessed on a quarterly basis with action plans implemented as required.
- An internal control framework assessment that involves undertaking an extensive risk assessment, reviewing the operation and effectiveness of key control policies and processes, internal control self-assessment reporting and monthly performance reporting, supported by assurance activities of Integrated Assurance and Internal Audit.
- Systematic reviews of internal financial and operational controls by Integrated Assurance and Internal Audit. In these reviews, emphasis is focused on areas of greater risk as identified by risk assessment.
- Appropriate segregation of duties and documentation of processes and controls that are focused on preventing and detecting fraud.
- Internal policies requiring all employees to act with integrity and maintain the highest ethical standards. These policies include the Code of Business Conduct, Anti-Fraud Policy, Anti-Bribery and Anti-Corruption Policy, Regulation of Lobbying Policy and Protected Disclosures Policy.

- A comprehensive anti-fraud programme including an anti-fraud policy, training and communication and a fraud response plan.
- The Corporate Governance Framework that includes financial control and risk assessment. This is monitored by Uisce Éireann management and the Internal Audit and Risk Management functions.
- Clearly defined organisational structure, with defined authority limits and reporting mechanisms to higher levels of management and to the Uisce Éireann Board.
- A comprehensive set of policies and procedures relating to operational and financial controls, including capital expenditure. Large capital projects require Board approval and are closely monitored by the Investment/ Infrastructure and Sustainability Committee.
- A comprehensive budgeting system with an annual budget and quarterly forecasts which are reviewed and agreed by the Uisce Éireann Board.
- A comprehensive system of financial Reporting.
- A comprehensive set of management information and performance indicators is produced quarterly enabling progress against longer-term objectives and annual budgets to be monitored, trends evaluated and variances acted upon.

Ongoing Monitoring and Review

Uisce Éireann has a robust framework to review the adequacy and monitor the effectiveness of internal controls covering financial, operational, compliance and risk management processes. The Board is satisfied that the system of internal control in place is appropriate for the business.

The monitoring and review of the effectiveness of the system of internal control in respect of Uisce Éireann is informed by the work of employees within Uisce Éireann responsible for the development and maintenance of the internal control framework and the work of the IAF. This is supplemented by the ARC who oversee the work of the Integrated Assurance, Risk Management and Internal Audit functions and comments made by the External Auditor in their management letter and/or other reports. Control deficiencies are communicated to those responsible for taking corrective action, to management and to the Board of Uisce Éireann, where relevant, in a timely way.

Capital and Operational Expenditure

The Department of Public Expenditure, NDP Delivery and Reform guidance on the Quality Assurance Process to be followed to provide a summary overview of how compliant an organisation is with the Public Spending Code, includes a three-point rating scale:

- Scope for significant improvements
- Compliant but with some improvement necessary
- Broadly compliant

Uisce Éireann's self-assessment completed in line with this guidance, confirms that robust and effective systems are in place to ensure that the requirements of the Public Spending Code are broadly complied with, as per the above rating scale. As would be expected, these systems remain under continuous review and minor enhancements continue to be made. The Infrastructure Guidelines, issued in December 2023, have provided further clarity on how certain requirements of the Public Spending Code apply to Uisce Éireann.

The Procurement Policy (PD02) details the procedures to be followed by Uisce Éireann to support procurement requirements in the organisation. Application of PD02 ensures EU and Irish laws relating to public procurement are adhered to, tender processes are appropriately managed and governance and management oversight of the procurement process is maintained across the Company.

The Expenditure and Contract Approval Policy (PD03) sets out the financial expenditure and contract governance framework including the authorisation process and authority levels for capital and operational expenditure in Uisce Éireann. All expenditure and contract approvals must comply with the requirements of the Governance Framework (which outlines the formal schedule of matters reserved for the Uisce Éireann Board) and PD03.

All capital expenditure must have regard to national and EU procurement requirements in addition to compliance with any requirements that may be set by the Commission for Regulation of Utilities ('CRU'), environmental and planning related requirements and national, regional and local infrastructural priorities. Appropriate and proportionate financial and economic appraisal methodologies as required by the Public Spending Code are used in respect of capital projects and programmes in order to facilitate effective decision making. Capital projects and programmes are assessed and delivered using a 5 stage approval process, aligned with the requirements of the Public Spending Code and the Sector Specific Guidelines.

Report of the board (continued)

Statement on the System of Internal Controls (continued)

The capital commitments process for Uisce Éireann operates on the basis that the company requests the relevant Ministerial consents in advance for an overall envelope of capital commitments to be entered into during the following financial year. Separately, Ministerial consents are requested by Uisce Éireann in advance of committing to any individual capital project costing €50m or greater. Ministerial consents are submitted to the parent Department (the DHLGH) and other relevant government departments involved in the consenting process for the specific application. In parallel with the submission of Ministerial consents to the DHLGH, the Ministerial consent requests are submitted to NewERA who provide project specific financial and commercial advice to DHLGH, in advance of the granting of Ministerial consent by DHLGH.

Capital investments including contracts with a value in excess of €1m are presented to the Expenditure Approval Committee ('EAC') including its sub-committees for detailed review and approval. All infrastructure capital expenditure greater than €20m requires the approval of the Board. Capital expenditure for non-infrastructure investment greater than €10m requires the approval of the Board.

The Board is kept apprised of the status of capital projects and programmes as they progress including updates on implementation against plan, time scales and quality. Budget and variance reporting is also presented to the Board. All projects have specific objectives against which they are measured. Tenders and subsequent contracts include strict delivery requirements as well as KPIs which are used to measure performance throughout the course of the contract. Post project reviews and financial close reports are presented to the EAC, the Investment, Infrastructure

and Sustainability Committee and the Uisce Éireann Board for evaluation depending on the value of the project or programme.

Project close out meetings and annual programme reviews facilitate a key 'lessons learned' approach which are then assessed, tracked and implemented as part of existing and future projects across the organisation as appropriate.

Review of Effectiveness

Uisce Éireann has procedures to monitor the effectiveness of its system of internal control.

The Board has reviewed the effectiveness of the system of internal control up to the date of approval of the Financial Statements, covering financial, operational and compliance controls and risk management systems for 2023 and will ensure a similar review is performed for 2024. A detailed review was performed by the ARC, which reported on its findings to the Board.

Internal Control Reporting

During 2023, Uisce Éireann continued to implement the required systems, processes and procedures necessary to ensure robust internal controls through applying policies and internal control framework.

Transfer of accountability for Water Services Functions

As stated in the Operating Review on page 41, in 2023 a Master Co-operation Agreement (MCA) came into operation with 30 of the 31 Local Authorities (MCA with Louth County Council became operational in early 2024) which provides for Uisce Éireann to have full accountability for Water Services Functions and for Uisce Éireann to have the necessary Management and Direction of Local Authority Water Services Staff. In preparation

for this, controls and processes were established to ensure that Uisce Éireann was in a position to assume its new responsibilities when the MCA became operational. Operation of the MCA has brought 3,000 staff under Uisce Éireann direct Management and Direction since August 2023. Controls and processes will continue to evolve and mature as services are standardised.

The MCA also provides that Uisce Éireann and each Local Authority will enter into a Support Services Agreement (SSA), setting out the support services which the Local Authority has agreed to provide Uisce Éireann in support of the delivery of Water Services Functions and the period over which these will transition to Uisce Éireann. Again, during the transitional phase, the controls and processes around these areas will continue to evolve and mature within Uisce Éireann.

Prior to the operation of each MCA (and SSA for support services), there is/was continued reliance on a range of controls operated by Local Authorities pursuant to the Service Level Agreement. These controls along with associated processes and procedures also will continue to evolve and mature.

While the Local Authorities retain statutory responsibility in respect of non-water services such as flood measures for example, Uisce Éireann has agreed pursuant to the MCA to provide support to the Local Authorities for critical non-water services areas for a period of 24 months from the coming into operation of the MCA in that Local Authority. The critical non-water services required by each Local Authority from Uisce Éireann are detailed in the SSA. Controls and processes have been put in place in order to deliver the critical non-water services to the Local Authorities and these controls and process will continue to evolve and mature.

Enforcement Actions

Drinking water and wastewater compliance issues exist as identified in the EPA's Annual 2022 Drinking Water Report and the 2022 Annual Urban Wastewater Report, and as evidenced by enforcement actions taken by the EPA and the IFI. Delays in delivering compliance are due to a combination of reasons including for example, aging of the infrastructure managed by Uisce Éireann, the scale of works and investment required, delays in delivering capital works due to delays in the planning and other statutory processes, Covid, Inflation, the supply chain and resource availability. Regular meetings are held between Uisce Éireann and the EPA and between Uisce Éireann and the IFI to discuss progress and concerns.

Processing of New Connections Work Orders

An issue in relation to the monitoring and progression of connections work orders on Uisce Éireann systems was identified in Q2 2023. While the connections work may have been completed in prior years, in some instances work orders were not progressed to the appropriate status on Uisce Éireann systems and therefore unable to be recognised. This has had an impact on the reported revenue for the current period of €9.9m of the total revenue uplift for the period. The root cause has been established and new and enhanced mitigating controls have now been documented and implemented to improve controls in this area and in the area where connections have been potentially completed by others. Further enhancement and automation of the controls is also being progressed in 2024.

Procurement

During 2023, expenditure was incurred on one instance where procurement procedures were not fully complied with. Steps have been taken to ensure that corrective actions are in put in place.

Category	Activity detail	Corrective action Taken	Estimated value
Services	Hiring of Safety Resources.	Increased mandatory training on procurement policy.	€58,974

Suspected Fraud

In March 2021 Ervia and Uisce Éireann were informed by a Local Authority of an alleged fraud which had taken place locally by a former Local Authority employee relating to the provision of water services. The alleged fraud is the subject of an ongoing investigation by the Garda National Economic Crime Bureau (GNECB), and the Uisce Éireann Head of Internal Audit continues to provide extensive assistance the GNECB. This matter will take a number of years to reach a full legal conclusion. In the meantime, regular updates will be provided to the Board Audit & Risk Committee.

Notwithstanding the matters noted above, the Board is satisfied with the overall control environment for Uisce Éireann and that effective systems of internal control are maintained and operated.

Conclusion

Principal activities and Company overview

The principal activities and an overview of the Company are provided in the Chief Executive Officer's Review on pages 8-10.

Results for the year

The results for the year are outlined in the Financial Review on pages 34-38. The policy direction from the shareholder is that Uisce Éireann should not pay a dividend, rather any surplus generated from its operations should be reinvested in water infrastructure.

Business review and future developments

Commentaries on performance in the year ended 31 December 2023, including information on future developments are contained in the Operating Review on pages 41-46.

Accounting records

The Directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at Colvill House, 24/26 Talbot Street, Dublin 1.

Political donations

There were no political donations made during the financial year by the Company (2022: Nil).

Principal risks and uncertainties

The regulated and operational complexity of our business exposes the Company to a number of risks. Understanding the risks and potential opportunities will enable the Company to make informed decisions and ultimately create value for our stakeholders. An outline of the principal risks faced by the Company is discussed

Report of the board

(continued)

Conclusion (continued)

in the Report on Risk Management on pages 24-33. Refer to note 21 for full analysis of the Company's financial risk management objectives, policies and exposures.

Research and development

In 2023 the Innovation team set out a new vision to catalyse a culture of innovation throughout the water sector across 6 strategic themes that focus on meeting our key sustainability targets. At the end of 2023 there was over 100 initiatives in progress through cross functional, Irish, EU and UK collaborations. The initiatives vary from research to pilot programmes and projects that are scaling and delivering measurable outcomes. Examples include:

- Heat recovery from wastewater / District Heat.
- Aquapea to reduced leakage on domestic services.
- Vortec Power Aerator, energy efficient wastewater retrofit.

Our innovation initiatives are funded directly through our CAPEX and OPEX budgets, with the more transformational projects funded through the dedicated CRU administered Water Services Innovation Fund.

Key performance indicators

The Directors monitor performance using a suite of key performance indicators. These are considered in detail on pages 18-21.

Directors and Secretary and their interests

The Directors had no beneficial interests in the Company at any time during the financial year or at 31 December 2023.

Directors disclose any interest and recuse themselves from Board discussions and decisions where they are conflicted or have a direct or

indirect interest as required by the Code. In accordance with Section 1.4 of the Business and Financial Reporting Requirements annexed to the Code, the remuneration of the CEO for the period is outlined in note 3 of the financial statements.

Companies Act 2014

Uisce Éireann is exempt from the obligation to use the words 'Designated Activity Company' describing the company type in its name pursuant to section 151 of the Companies Act 2014.

Statement on relevant audit information

In accordance with Section 330 of the Companies Act 2014, the Directors confirm that, in so far as they are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Going concern

The Directors have a reasonable expectation that the Company will continue to meet its liabilities as and when they fall due and continue in operational existence for the foreseeable future. The Company's forecasts and projections show that Uisce Éireann is expected to meet its liabilities as and when they fall due through a combination of State funding and tariffs charged by Uisce Éireann. Accordingly, the Directors continue to adopt the going concern basis in preparing the Company's financial statements.

Refer to note 1 of the Financial Statements for the Company's detailed going concern disclosure.

Subsequent events

There are no significant events affecting the Company which have taken place since the end of the financial year, other than as described in note 26 of the financial statements.

Independent auditor

The commencement of the Water Services (Amendment) Act 2022 introduced revised accountability and auditing arrangements for Uisce Éireann. From 1 January 2023, Uisce Éireann is subject to a dual audit by both the Comptroller and Auditor General (C&AG) and its commercial statutory auditor under the Companies Acts.

In accordance with Section 17C (4) of the Water Services Act 2013 (as amended), fees payable to Deloitte Ireland LLP to audit the financial statements of Uisce Éireann for the year 2023 are subject to approval of the Minister for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure, NDP Delivery and Reform.

Following completion of a competitive tender process and consultation with the Minister, Deloitte Ireland LLP were appointed as commercial statutory auditor to Uisce Éireann, for the years 2024, 2025 and 2026.

In accordance with Section 17B(5) of the Water Services Act 2013 (as amended), fees payable to the C&AG to audit the financial statements of Uisce Éireann for the year 2023 are subject to the approval of the Minister for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure, NDP Delivery and Reform.

For and on behalf of Uisce Éireann:

Tony Keohane
Chairperson

Gerard Britchfield
Board Member

Audit and Risk Committee Report

On behalf of the Uisce Éireann Audit and Risk Committee, I am pleased to present the Committee's Report for the year ended 31 December 2023.

The Uisce Éireann Audit and Risk Committee held its first meeting in February 2023, following the legal separation of Uisce Éireann from Ervia at the end of 2022. The purpose of the report is to provide an insight into the workings of the Audit and Risk Committee over the last 12 months.



Gerry Britchfield
Committee Chairperson

Committee Membership

The Committee comprises 4 independent Non-Executive Uisce Éireann Board Members. The members of the Committee are Gerard Britchfield (Chairperson), Cathy Mannion, Eileen Maher and Michael Walsh. The members bring experience and expertise from a range of industries and backgrounds, which is vital in supporting effective governance.

The members of the Committee are appointed by the Uisce Éireann Board in consultation with the Chairperson of the Committee. The Committee is independent from the management of the Company.

Role and Responsibilities of the Committee

The role of the Committee, as set out in the Terms of Reference, is to support the Uisce Éireann Board in relation to its responsibilities for the following matters:

- Financial reporting,
- Risk management,
- Internal Controls,
- Internal audit,
- External audit.

The Committee also undertakes other related activities including Corporate Sustainability Reporting Obligations, policies and procedures on protected disclosures, anti-fraud and anti-bribery and anti-corruption.

The Chairperson of the Committee reports to the Uisce Éireann Board on the matters addressed at each Committee meeting.

Activities of the Audit and Risk Committee

Throughout 2023, the Committee dedicated significant time to fulfilling its key oversight responsibilities, meeting 8 times during the year. Regular attendees at Committee meetings, at the invitation of the Committee, include the CEO, the Chief Financial Officer, the Chief Legal Officer, the Company Secretary, the Strategy, Resilience and Regulation Director, the Head of Internal Audit, the Head of Financial Control and Planning, the Head of Financial Governance and Compliance, the Head of Enterprise Risk Management and representatives from the external auditors. When required, other key executives and senior management are invited to attend to present and provide deeper insight on various topics as are required by the Committee to discharge its duties.

Audit and Risk Committee Report

(continued)

The Committee engaged regularly with senior management, internal audit, risk management and the statutory auditors. Uisce Éireann is now subject to a dual audit by both the Comptroller and Auditor General (C&AG) and its commercial statutory auditor under the Companies Acts, Deloitte. The Committee met separately with representatives from both the Office of the C&AG and Deloitte during the year. In addition, in order to discharge its duties effectively, it pursued a full agenda of reviews in its meetings throughout the year.

A summary of the activities undertaken by the Committee in 2023 is outlined below.

Duty	Activities carried out in 2023
Financial reporting	<ul style="list-style-type: none"> • Reviewed the Uisce Éireann Annual Report and Financial Statements, before recommending their approval to the Board. • Considered the appropriateness of accounting estimates and judgements applied in preparing the financial statements including the appropriateness of adopting the going concern basis of preparing the financial statements. • Reviewed the Uisce Éireann accounting policies and matters impacting financial reporting. • Reviewed Uisce Éireann unaudited accounts for the six months ended 30 June. • Carried out an assessment of the effectiveness of the external auditor (Deloitte), including monitoring the compliance with ethical and professional guidance on independence, qualifications, expertise and resourcing. • Considered the external auditor's management letter points. • Considered audit plans from both Deloitte and the C&AG. • Met with Deloitte and the C&AG, separate from management. • Reviewed the terms of external audit engagement from Deloitte and the C&AG. • Recommended 2 choices to the Board for the appointment of external auditor, with a preferred choice for one, following completion of the external audit tender process for the years 2024, 2025 and 2026. • Approved limits on the award of contracts to the external audit for non-audit work. • Recommended approval of audit fees.
Risk management	<ul style="list-style-type: none"> • Discussed risk exposures for Uisce Éireann, including trending and emerging risks, mitigating controls and target risk ratings. • Considered a comprehensive program of Deep Dive items throughout the year which focused on key risks exposures for Uisce Éireann. • Evaluated the Risk Appetite, in advance of its approval by the Board. • Considered Uisce Éireann's compliance readiness for the Network and Information Systems 2 Directive and the Critical Entities Resilience Directive. • Reviewed amendments to the Enterprise Risk Management Policy. • Approved appointment of new Head of Enterprise Risk Management.

Duty	Activities carried out in 2023
Internal controls	<ul style="list-style-type: none"> • Considered the quarterly Integrated Assurance Forum reports for Uisce Éireann, including any instances of potential control enhancements. • Reviewed the Statement on the System of Internal Control and all associated control and governance reports, prior to consideration by the Board. • Discussed the mid-year and year-end Directors Compliance Matrix, in advance of Board approval. • Considered interim and year-end Procurement Compliance Reporting.
Internal audit	<ul style="list-style-type: none"> • Approved the 2024 Internal Audit plan for Uisce Éireann. • Reviewed the Internal Audit Charter. • Discussed the findings of the quarterly Internal Audit Reports for Uisce Éireann. • Considered updates on the implementation progress of Internal Audit recommendations. • Reviewed the External Quality Assessment Report. • Received reports on confidential reporting. • Evaluated the effectiveness of the Internal Audit function.
Other matters	<ul style="list-style-type: none"> • Discussed Uisce Éireann's Corporate Sustainability Reporting Obligations under the Corporate Sustainability Reporting Directive. Committee members undertook training on the Directive, as part of a Board training session. • Considered Protected Disclosures Report in advance of issuance to the Department of Public Expenditure, NDP Delivery and Reform and publication on the Uisce Éireann website. • Reviewed the suite of ethics related policies namely the Anti-Fraud Policy, the Ant-Bribery and Anti-Corruption Policy and the Protected Disclosures Policy. • Promoted integrity initiatives across the company through support of the 'Doing the Right Thing' campaign – the internal ethics related project. • Conducted review of its own performance, in accordance with the Code of Practice for the Governance of State Bodies. • Approved amendments to the Committee Terms of Reference, prior to Board approval. • Considered the Chairperson's Report under Section 1.9 of the Business and Financial Reporting appendix of the Code of Practice for the Governance of State Bodies, prior to Board approval and submission to the Minister for Housing, Local Government and Heritage.

Conclusion

Looking ahead to 2024, the Committee's key priorities will include maintaining oversight of the integrity of financial reporting, internal control processes and sustaining a strong culture of risk management across Uisce Éireann. The Committee will continue to support preparations for the new reporting obligations under the Corporate Sustainability Reporting Directive.

I would like to thank my fellow Committee Members for their commitment to achieving a full Programme of Work in 2023, particularly as a newly established Committee. I look forward to working with them and the Uisce Éireann team in 2024 as we continue to provide oversight of the governance, financial, audit, internal controls and risk management arrangements in place in Uisce Éireann.

Gerard Britchfield

Audit and Risk Committee Chairperson

Financial Statements

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Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Uisce Éireann

Opinion on the financial statements

I have audited the financial statements of Uisce Éireann for the year ended 31 December 2023 as required under the provisions of Section 17B (4) of the Water Services Act 2013. The financial statements comprise the income statement, the statement of other comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows, and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of Uisce Éireann at 31 December 2023 and of its income and expenditure for 2023, and
- have been properly prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the provisions of the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Uisce Éireann and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

- the appropriateness of the use by the directors of the going concern basis of accounting and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

Uisce Éireann has presented certain other information with the financial statements. This comprises the annual report including the report of the Board incorporating the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General
25 April 2024

Responsibilities of the directors

As detailed in the directors' report, the directors are responsible for

- the preparation of annual financial statements in the form prescribed under section 17 of Water Services Act 2013
- ensuring that the financial statements give a true and fair view in accordance with the financial reporting framework set out in note 1 of the financial statements and otherwise comply with the Companies Act 2014
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under 17B(4) of Water Services Act 2013 to audit the financial statements of Uisce Éireann and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

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

- I identify and assess the risks of material misstatement of the financial statements 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 my 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.
- I 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.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I 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 Uisce Éireann's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Uisce Éireann to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UISCE ÉIREANN

Report on the audit of the financial statements

Opinion on the financial statements of Uisce Éireann ("the company")

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Income Statement;
- the Statement of Other Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 27, including material accounting policy information as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UISCE ÉIREANN

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our 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 our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

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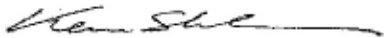
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UISCE ÉIREANN

Under the Code of Practice for the Governance of State Bodies (August 2016) (as amended) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate

Governance Statement in the Report of the Board does not reflect the company's compliance with paragraph 1.9(iv) of the Code of Practice or if it's not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Sheehan
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

25 April 2024

Income Statement

for the year ended 31 December 2023

	Notes	2023 €'000	2022 €'000
Continuing operations			
Revenue	2	1,560,314	1,308,758
Operating costs	3	(983,624)	(866,406)
Impairment of trade receivables	3	(16,449)	(18,210)
Operating profit before depreciation and amortisation (EBITDA) and exceptional items		560,241	424,142
Exceptional item - grant income for new connection customer refunds	24	2,075	-
Exceptional item - grant expense for new connection customer refunds	24	(2,075)	-
Exceptional item - net grant income/(expense)	24	-	-
Depreciation and amortisation	5	(177,537)	(167,148)
Operating profit		382,704	256,994
Finance income	6	4,119	203
Finance costs	6	(8,263)	(4,523)
Net finance costs		(4,144)	(4,320)
Profit before income tax		378,560	252,674
Income tax	7	(49,289)	(32,090)
Profit for the year		329,271	220,584

Statement of Other Comprehensive Income

for the year ended 31 December 2023

		2023 €'000	2022 €'000
Continuing operations			
Profit for the year		329,271	220,584
Other comprehensive income			
Items which will not be reclassified subsequently to the income statement:			
Defined benefit actuarial (losses)/gains	16	(9,683)	17,165
Deferred tax relating to defined benefit obligations	7	1,210	(2,146)
Total other comprehensive (loss)/income for the year		(8,473)	15,019
Total comprehensive income for the year		320,798	235,603

Balance Sheet

as at 31 December 2023

	Notes (i)	31-Dec-23 €'000	31-Dec-22 €'000 restated
Assets			
Non-current assets			
Property, plant and equipment	8	6,890,917	5,808,817
Intangible assets	10	78,166	62,981
Trade and other receivables	11	-	290
Total non-current assets		6,969,083	5,872,088
Current assets			
Trade and other receivables	11	164,135	150,135
Cash and cash equivalents - available for company use	12	289,352	310,286
Cash and cash equivalents - third party balances	13	6,322	3,534
Financial assets - financial security held on term deposit	13	72,250	55,000
Total current assets		532,059	518,955
Total assets		7,501,142	6,391,043
Equity and liabilities			
Equity			
Share capital and share premium	23	(324,000)	(324,000)
Capital contribution	23	(3,972,067)	(3,392,174)
Retained earnings		(1,282,621)	(961,823)
Total equity		(5,578,688)	(4,677,997)
Liabilities			
Non-current liabilities			
Borrowings and other debt	15	(826,539)	(640,176)
Retirement benefit obligations	16	(32,348)	(20,642)
Deferred revenue	17	(75,473)	(157,904)
Grants	18	(9,101)	(2,579)
Provisions	19	(91,323)	(43,548)
Trade and other payables	20	(65,197)	(55,892)
Deferred tax liabilities	7	(190,438)	(142,464)
Total non-current liabilities		(1,290,419)	(1,063,205)
Current liabilities			
Borrowings and other debt	15	(3,534)	(4,329)
Deferred revenue	17	(184,075)	(154,566)
Grants	18	(350)	(70)
Provisions	19	(25,495)	(55,684)
Trade and other payables	20	(418,581)	(435,192)
Total current liabilities		(632,035)	(649,841)
Total liabilities		(1,922,454)	(1,713,046)
Total equity and liabilities		(7,501,142)	(6,391,043)

For and on behalf of the Board:

Tony Keohane, Chairperson
Gerard Britchfield, Director

Date of Approval, 23 April 2024

(i) The current/non-current presentation of the comparative information for trade and other payables has been restated following assessment in 2023 of the expected settlement dates for certain liabilities (see note 1 for further detail).

Statement of Changes in Equity

for the year ended 31 December 2023

	Notes	Share capital and share premium €'000	Capital contribution €'000	Retained earnings €'000	Total €'000
At 1 January 2022		(324,000)	(2,938,466)	(726,220)	(3,988,686)
Profit for the year		-	-	(220,584)	(220,584)
Other comprehensive income for the year		-	-	(15,019)	(15,019)
Total comprehensive income for the year		-	-	(235,603)	(235,603)
Cash capital contribution	23	-	(454,000)	-	(454,000)
Office lease obligation assumed	24	-	292	-	292
At 31 December 2022		(324,000)	(3,392,174)	(961,823)	(4,677,997)
Profit for the year		-	-	(329,271)	(329,271)
Other comprehensive loss for the year		-	-	8,473	8,473
Total comprehensive income for the year		-	-	(320,798)	(320,798)
Cash capital contribution	23	-	(580,630)	-	(580,630)
Retirement benefit obligation assumed	24	-	737	-	737
At 31 December 2023		(324,000)	(3,972,067)	(1,282,621)	(5,578,688)

Statement of Cash Flows

for the year ended 31 December 2023

	Notes	2023 €'000	2022 €'000
Net cash from operating activities	14	510,080	462,669
Cash flows from investing activities			
Payments for property, plant and equipment		(1,269,727)	(975,767)
Payments for intangible assets		(39,326)	(26,631)
Receipts for amounts owed from Local Authorities	24	982	3,968
Payments for assets acquired from Local Authorities	24	(7,365)	-
Movement in third party cash balances held as collateral	13	3,696	(34,250)
Movement in grants	18	7,131	87
Net cash used in investing activities		(1,304,609)	(1,032,593)
Cash flows from financing activities			
Proceeds from borrowings	15	231,000	111,880
Repayments of borrowings	15	(30,000)	-
Repayment of lease liabilities	9	(5,247)	(7,959)
Cash capital contributions received	23	580,630	454,000
Net cash from financing activities		776,383	557,921
Net decrease in cash and cash equivalents		(18,146)	(12,003)
Cash and cash equivalents at 1 January		313,820	325,823
Cash and cash equivalents at 31 December		295,674	313,820
Presented on the Balance Sheet as:			
Cash and cash equivalents - available for company use	12	289,352	310,286
Cash and cash equivalents - third party balances	13	6,322	3,534
		295,674	313,820

Notes to the financial statements

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2	Revenue
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26	Subsequent Events
27	Approval of Financial Statements

1. Statement of Accounting Policies

Basis of preparation

Uisce Éireann ('the Company') is a designated activity company, limited by shares, and incorporated in Ireland on 17 July 2013. The Company registration number is 530363.

In 2018 the Government announced that the Company would become a standalone, publicly owned, regulated utility. As disclosed in the 2022 Annual Report, operational separation was achieved as of 1 January 2022. The legislation required to legally separate Uisce Éireann from the Ervia Group was enacted in December 2022. The Water Services (Amendment) Act 2022 amended the Water Services Act 2013 so as to facilitate the legal separation of Uisce Éireann from the Ervia Group and to change the name of the Company from Irish Water to Uisce Éireann. With effect from 1 January 2023 Uisce Éireann is no longer a subsidiary of Ervia. New share ownership arrangements took effect on 1 January 2023 with the shares in Uisce Éireann solely held by both the Minister for Public Expenditure, National Development Plan Delivery and Reform (99 shares) and the Minister for Housing, Local Government and Heritage (one share). The new share ownership arrangements are set out in note 23.

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) agenda decisions, as endorsed by the EU, and effective for accounting periods beginning on or after 1 January 2023, and the Companies Acts 2014. The financial statements are presented in Euro, rounded to the nearest thousand and are prepared on a historical cost basis.

These policies have been consistently applied to all years presented in these financial statements with the exception of adoption of new standards (as set out below). In the process of applying these accounting policies, judgements and estimates are necessarily used which affect the amounts recognised in the financial statements. Details of the most significant accounting judgements and estimates applied are set out in the final section of this note under "Critical Accounting Judgements and Estimates".

Going concern

The Directors believe that the Company is well placed to manage its risks successfully. The Company's objectives, policies and process for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk are set out in note 21 to the financial statements.

The Company's forecasts and projections show that Uisce Éireann is expected to meet its liabilities as they fall due through a combination of State funding and tariffs charged by Uisce Éireann. The revised framework for the Company's long-term funding model is outlined in the Water Services Act 2017. Uisce Éireann's state funding for 2024 was agreed and approved in Q4 2023 as part of the Government budgetary process. The Directors believe that the Government has demonstrated its commitment to the continued funding of Uisce Éireann, including beyond 2024, through the enactment of the Water Services (Amendment) Act 2022 in December 2022 which reflects Government's commitment to retain Uisce Éireann in public ownership as a national, standalone and regulated utility. In addition, the Framework for the Future Delivery of Water Services, published by the Department of Housing, Local Government & Heritage in June 2022, signifies the next stage in the process whereby Uisce Éireann will assume full responsibility for the delivery of all public water services. Engagement between the Department of Housing, Local Government & Heritage and the Uisce Éireann Transformation (UÉT) programme, which is responsible for the delivery of the full integration of water services into Uisce Éireann and the implementation of the policies set out in the Framework, demonstrates its commitment to the continued funding of Uisce Éireann. Government's commitment to ongoing funding for capital investment is evidenced by inclusion of Uisce Éireann's capital investment programme in Project Ireland 2040, in the National Development Plan 2021-2030 and ongoing engagement on the Uisce Éireann Strategic Funding Plan (2025-2029).

In June 2020 the Company entered into new State loan facilities, provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, €814m of which has now been drawn. The remaining facility of €184m, is to be made available in 2024, subject to the approval of the Minister for Finance, to cover non-domestic capital expenditure in 2024. In 2021, the Company entered into a €350m working capital facility with the NTMA. Uisce Éireann has committed to ensuring that the NTMA working capital facility remains undrawn on 31 December each calendar year, unless Uisce Éireann has obtained prior

Notes to the financial statements

(continued)

1. Statement of Accounting Policies

(continued)

Ministerial agreement to utilise the facility. The Company also has a €10m overdraft facility to help manage its daily banking requirements.

Following consideration of the facts set out above, and while noting the Company's net current liability position which is €100m at 31 December 2023 (2022: €131m), the Directors have concluded that they have a reasonable expectation that the Company will continue to meet its liabilities as they fall due for the foreseeable future and consequently the financial statements are prepared on a going concern basis. The Directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern over the period of assessment. The period of assessment used by the Directors is twelve months from the date of approval of these annual financial statements.

New IFRS accounting standards effective for the year ended 31 December 2023

The Company has adopted the following amendments to standards, which have had no material impact on the Company's results or financial statement disclosures:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (i)
- Amendments to IAS 12 International Tax Reform — Pillar Two Model Rules
- IFRS 17 Insurance Contracts and amendments
- Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 — Comparative Information

(i) Under this amendment to IAS 12, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. The Company's policy to date has always been consistent with this amendment, therefore this amendment did not impact the Company's reported results and financial position.

New IFRS accounting standards and interpretations not yet adopted

The following new accounting standards and amendments to existing standards have been issued but are not yet effective for this accounting period or have not yet been endorsed by the EU:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current — Deferral of Effective Date
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

It is anticipated that application of the remaining IFRS amendments and annual improvements, in issue at 31 December 2023, but not yet effective, will not have a significant impact on the Company's financial statements.

1. Statement of Accounting Policies

(continued)

Representation of comparative information - restatement

Trade and other payables

The current/non-current presentation of the comparative information for trade and other payables has been restated following assessment in 2023 of the expected settlement dates for certain liabilities (see also note 20).

	31 Dec 2022, as previously reported	Restatement	31 Dec 2022, as restated
Non-current	(9,245)	(46,647)	(55,892)
Current	(481,839)	46,647	(435,192)
Total	(491,084)	-	(491,084)

Operating expenses note

Comparative amounts for other operating costs have been represented in these financial statements to align with current year presentation and provide more detailed analysis. Release in respect of reassessed liabilities is now included in other operating costs while IT operational costs and telecommunications are now shown as an individual line of expenditure (see also note 3).

	31 Dec 2022, as previously reported	Restatement	31 Dec 2022, as restated
Release in respect of liabilities reassessment	4,005	(4,005)	-
IT operational and telecommunications costs	-	(31,155)	(31,155)
Other operating costs	(60,227)	35,160	(25,067)
Total	(56,222)	-	(56,222)

Staff short-term costs note

Comparative amounts for staff short-term costs have been represented in these financial statements to align with current year presentation and provide more detailed analysis (see also note 4).

	31 Dec 2022, as previously reported	Restatement	31 Dec 2022, as restated
Allowances	(1,655)	(1,692)	(3,347)
Permanent health insurance	-	(1,148)	(1,148)
Other	(2,840)	2,840	-
Total	(4,495)	-	(4,495)

Material Accounting Policy Information

a) Property, plant and equipment

Recognition

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes direct costs (including directly attributable labour and overhead costs), and interest incurred in financing the construction of the asset when construction takes a substantial period of time to complete. Assets under construction represent the cost of purchasing, constructing and installing property, plant and equipment ahead of their productive use.

Subsequent expenditure

Subsequent expenditure, for example, the cost of replacing a component of an item of property, plant and equipment, is recognised in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Notes to the financial statements

(continued)

1. Statement of Accounting Policies

(continued)

Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use.

The charge for depreciation is primarily calculated to write down the cost of property, plant and equipment, less estimated residual value, on a straight-line basis over their expected useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Major asset classifications and their estimated useful lives are:

Infrastructure assets (including boundary boxes, reservoirs, water & waste pipelines and service connections)	40-100 years
Operational assets (including meters, pumps, and electrical & mechanical systems)	12-70 years
Non-network assets (including fixtures & fittings, vehicles and computer equipment)	3-15 years

Depreciation is not charged on land or assets under construction. Depreciation method, useful lives (including production hours) and residual values are reviewed at each reporting date (including consideration of any potential impacts due to climate change and sustainability) and adjusted if appropriate.

b) Intangible assets

Software and software under development

Software costs include both internally developed and externally purchased assets.

Internally developed software refers to costs directly associated with the production of identifiable and unique software products which are controlled by the Company. These costs are recognised as intangible assets as it is considered probable that these products will generate economic benefits exceeding the recognised costs. These costs are capitalised only if the criteria set out in IAS 38 are met. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring into use the specific assets, provided the costs meet the criteria in IAS 38 for capitalising. Software-as-a-Service (SaaS) arrangements are expensed as operating costs unless the arrangement meets the capitalisation criteria under IAS 38.

Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis in the income statement over their estimated useful lives, from the date that they are available for use. Amortisation is not charged on development assets that are not yet available for use. Software is amortised, on a straight-line basis, over their estimated useful lives of up to seven years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

c) Impairment of assets

Property, plant and equipment and intangible assets which are not yet ready for use are tested annually for impairment. Assets in use are assessed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is then assessed.

If an indication of impairment exists, impairment is assessed. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs) - refer to judgements and estimates section for further detail. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount or if it is determined no longer probable that an asset will be delivered by the project. Impairment losses are recognised in the income statement.

1. Statement of Accounting Policies

(continued)

d) Revenue

Revenue is measured based on the consideration which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when or as the performance obligations, as set out in the contract, are satisfied. If it is considered that the criteria for revenue recognition are not met for a transaction, revenue recognition would be delayed until such time as collectability is considered probable.

A number of the Company's sources of revenue are dependent on being approved by the industry regulator, the Commission for Regulation of Utilities (CRU). Certain circumstances may result in the regulatory "allowed" revenue being over or under recovered in the year. Any over or under recovery may be included, within certain parameters, in the calculation of the following years' regulatory revenue. No adjustment is made for over or under recoveries in the year that they arise.

Revenue principally comprises the sales values derived from the following:

Supply of water and wastewater services to domestic customers – Government subvention revenue

The Government, acting in its capacity as Government, purchases from the Company a certain volume of water and wastewater on behalf of domestic customers and at a transaction price determined in line with the allowed revenue set by the CRU. This revenue is recognised by the Company on a systematic basis to reflect the timing of the sale of goods to the Government. All subvention revenue is billed and collected within the reporting period.

Supply of water and wastewater services to non-domestic customers

Revenue billed is dependent on the volume supplied. Where services have been provided, but for which no invoice has been raised at the reporting date, an estimate of value of water and wastewater services supplied to customers between the date of the last meter reading and the reporting date is recognised in revenue.

New connections revenue

The Company receives contributions from customers in respect of the cost of connecting them to the network. Where such contributions are billed in advance, they are recognised in deferred revenue and are released to revenue as the performance obligation is satisfied (i.e. confirmation that connection to water and wastewater services is available for use).

e) Leases

At the inception of a lease contract the Company assesses whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an asset for a period of time in exchange for consideration, it is recognised as a lease.

Where the Company is a lessee, a right-of-use asset (presented within 'Property, plant and equipment') and a corresponding liability (presented within 'Borrowings and other debt') are recognised at the date at which the leased asset is available for use by the Company.

For short-term (lease term less than 12 months) and low value leases (value of the asset when new is less than \$5,000), the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

The lease term is assessed as the non-cancellable period of a lease, together with any periods covered by extension / termination options that are reasonably certain to exercise. The lease term is reassessed when there is a significant event or a significant change in circumstances and revised where appropriate.

f) Retirement benefit obligations

Defined benefit pension scheme

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme, which is detailed below.

Notes to the financial statements

(continued)

1. Statement of Accounting Policies

(continued)

Post-employment benefit plans include not only formal arrangements but also informal practices that give rise to constructive obligations and therefore the accounting treatment is the same regardless of whether an obligation is legal or constructive.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial reviews being carried out at each reporting date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the income statement and presented in other comprehensive income.

Past service cost is recognised immediately. The current service cost and gains and losses on settlements and curtailments are charged to operating costs, or to provisions in the instances where the associated costs were provided for initially as part of the recognition of a restructuring provision. The pension net interest cost is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation of the schemes net of the fair value of the schemes' assets.

Defined contribution pension schemes

A defined contribution scheme is a post-employment scheme under which an entity pays fixed contributions into a separate entity from which no legal or constructive obligation to pay further amounts arises. The contributions payable under the defined contribution schemes are charged to the income statement in the periods during which services are rendered by employees.

g) Grants

A grant is recognised as a liability initially on the balance sheet when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for the cost of an asset are amortised to the income statement on a systematic basis over the useful life of the asset to match the depreciation charge. Grants that compensate the Company for expenses incurred are recognised in the income statement on a systematic basis in the same years in which the expenses are incurred.

Grant accounting is applied to refund programmes (such as the refund of domestic charges and the Temporary Time-Limited Waiver in respect of Development Contributions) which are funded by Government acting in their capacity as government and presented as exceptional items (see "presentation of exceptional items" below). Following validation of the connections refund claim, the grant income and the related grant expense is recognised separately in the income statement. The relevant contribution is then refunded and the government funding is provided thereafter.

h) Provisions and contingent liabilities

The Company evaluates its exposures to contingent liabilities relating to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or Government regulation. A provision is recognised when it is probable that an obligation exists for which a reliable estimate can be made after careful analysis of the individual matter. Analysis includes assessing the likelihood that a pending claim will succeed or a liability will arise, the point of recognition for the associated liability and the potential timing of settlement.

Matters that either are possible obligations or do not meet the recognition criteria for a provision are recognised as contingent liabilities, unless the possibility of transferring economic benefits is remote.

Provisions determined may change in the future due to new developments and as additional information becomes available. Reflecting the inherent uncertainty in this evaluation process actual costs may be different from the estimated provision. Details of provisions and contingent liabilities are disclosed in note 19.

i) Financial assets and liabilities

Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest rate method.

1. Statement of Accounting Policies

(continued)

Trade and other receivables

Trade and other receivables are initially recognised at the transaction price receivable and are subsequently carried at this value, as there is no significant financing component, less an appropriate allowance for expected credit losses. Impairment losses are provided for using a lifetime expected credit loss model, with the expected impairment being recognised as an expense in operating costs and presented as 'Impairment of trade receivables'. The expected credit loss amount is calculated by applying expected loss rates, based on actual historical cash collection performance, to the aged debt profile with future macro-economic factors and factors specific to the debtors taken into consideration.

Cash and cash equivalents

Cash includes cash on hand and demand deposits which are accessible by the Company within 3 months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Where the conditions and intention for offset exists, cash balances are combined with overdraft balances and this combined balance is presented on the balance sheet.

Where there are contractual restrictions on the Company's ability to use the cash (e.g. third party monies received as financial security and held in accounts accessible within 3 months), these funds are presented as "Cash and cash equivalents - third party balances". Cash held, where there is no restriction on use, is presented as "Cash and cash equivalents - available for company use".

Financial assets - financial security held on term deposit

Financial securities held on deposit terms greater than 3 months at the date of acquisition are presented as "Financial assets - financial security held on term deposit" as they do not meet the definition of cash and cash equivalents, as the deposits are not accessible by the Company within 3 months. These are third party monies, held under financial security arrangements which place contractual restrictions on the Company's ability to use these monies.

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount plus any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest rate method.

j) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the income statement, using the effective interest rate method.

k) Finance costs

Finance costs comprise interest payable on borrowings, financing charge on provisions (recognised following assessment if material), impairment losses recognised on financial assets (other than trade receivables) and net pension interest costs. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest rate method. The pension net interest cost is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

l) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

(continued)

1. Statement of Accounting Policies

(continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying temporary differences can be deducted.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the intention is to settle on a net basis or to realise the asset and settle the liability simultaneously.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

m) Non-GAAP measures

Operating profit is stated before net finance costs and taxation.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation. Net debt is defined as total borrowings and other debt less cash and cash equivalents. The Company uses these non-GAAP measures and presentation to provide useful performance and financing information to management, stockholders and external stakeholders.

n) Presentation of exceptional items

As permitted by IAS 1 Presentation of Financial Statements, the Company has disclosed additional information in respect of exceptional items on the face of the income statement, to aid understanding of the Company's financial performance. An item is treated as exceptional if it is considered unusual by nature and scale and of such significance that separate disclosure is required for the financial statements to be properly understood.

Critical Accounting Judgements and Estimates

In the process of applying these accounting policies, the Company is required to make certain estimates, assumptions and judgements that it believes are reasonable based on the information available. These estimates, assumptions and judgements affect the amounts of assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting periods presented. Changes to these estimates could have a material effect on the financial statements.

These estimates, assumptions and judgements are assessed in the preparation of these financial statements. The environment in which the Company operates will be subject to climate change impacts, and this will influence how water and wastewater services will be delivered in the future. The Company will continue to develop its assessment of climate change impacts on its assets and liabilities and the potential implications of climate change on its infrastructure and operations. The impact of climate change has been considered in the preparation of these financial statements and no changes in judgement or estimate have been identified in this process (see below for further disclosure where relevant). Due consideration has also been given to relevant macro-economic factors, including inflation. The Company has provided additional information in respect of each of the impacted judgements and estimates as set out below. On an ongoing basis, the Company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ from these estimates, the effect of which, is recognised in the period in which the facts that give rise to the revision become known.

(i) Significant judgements in applying the Company's accounting policies

The following are the significant judgements apart from those involving estimates (which are dealt with separately below) that the Company has made in the process of applying these accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1. Statement of Accounting Policies

(continued)

(a) Classification of costs between operating expenditure and capital expenditure

The classification of expenditure as capital or operating expenditure can require significant judgements, particularly in instances where projects include elements of both enhancement (capital) and maintenance (operating) activities. The Company has appropriate policies, controls and procedures in place to mitigate against the risks of ineligible expenditure being capitalised.

Costs associated with projects that are in the early stages of planning are capitalised where the Company is satisfied that it is probable that the necessary consents will be received and the projects will be developed to achieve the successful delivery of an asset such that future returns will flow to the Company.

The duration of the planning phase of certain strategic projects is particularly long due to the various legislative and judicial challenges these projects have encountered. The scale of these projects are so significant that the construction phase will also be of significant duration, and thereby these assets are expected to remain in 'assets under construction' for a significant period of time. At 31 December 2023, €115.7 million is recognised in assets under construction in respect of such projects, namely the Water Supply Project Eastern and Midlands Region and the Greater Dublin Drainage Project (2022: €107.5 million). The Company reviews these projects on a regular basis to determine whether events or circumstances have arisen that may indicate that the carrying amount of the asset may not be recoverable, at which point the asset would be assessed for derecognition. These reviews, during 2023 and post year end, have concluded it is appropriate to continue to recognise these costs in 'assets under construction' on the balance sheet.

(ii) Estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

(a) Infrastructure assets and the assets we use in our business

As of 31 December 2023, the aggregate of the Company's property, plant and equipment and intangible assets was €6,969.1 million (2022: €5,871.8 million), which accounted for the majority of the Company's assets. Therefore the estimates and assumptions made in determining the carrying value are critical to the financial statements because the recoverability of the amounts, or lack thereof, could significantly affect the Company's future financial results and position.

Impairment

The Company operates under a regulated framework, administered by the Commission for Regulation of Utilities (CRU). The Company therefore recovers the costs of efficient capital spend on PP&E and intangible assets through regulated revenues based on its approved Regulatory Asset Base (RAB). In compliance with, and supplemental to, the requirements of IAS 36 Impairment of Assets, the Company carried out the following reviews during the year:

1. PP&E and intangible assets are assessed at the reporting date to determine whether there is any indication of impairment;
2. Tested for impairment of intangible assets under development of €32.3 million as at 31 December 2023 (2022: €17.1 million); and
3. Compared the RAB value with the aggregate of the carrying amounts of PP&E and intangible assets.

The Company has concluded that an impairment charge is not required at a CGU level, though note that some impairments have been recognised at an individual project level. The key assumption concerning the future used by the Company in reaching this conclusion is that the Company will continue to generate regulated revenues based on its existing RAB.

The Company, having considered the relevant requirements of IAS 1 Presentation of Financial Statements, has concluded that it is impractical to disclose the impact of variation in this assumption as it is not possible to evaluate the impact of unknown potential revenue generation restrictions that could arise in the future relating to its existing RAB.

Depreciation and useful lives

The Company recognises depreciation and amortisation charges annually (2023: €176.0 million and 2022: €162.7 million) which are primarily calculated to write down the cost of PP&E and intangible assets over their expected useful economic lives (UELs).

Notes to the financial statements

(continued)

1. Statement of Accounting Policies

(continued)

In the case of property, plant and equipment in particular, the determination of estimated UELs of assets requires significant judgements, that are based on experience, expectations about the future and other factors. The estimated UELs for major asset classifications are set out in these accounting policies. The Company reviews assets' UELs annually and any required changes are adjusted prospectively. This review includes consideration of Government policies and plans in the area of climate action and greenhouse gas emissions targets. The Company has concluded that the existing asset lives continue to be the best estimate of the assets' UELs.

Due to the significance of asset investment by the Company, variations between actual and estimated UELs could have a material impact on future results, either positively or negatively. Historically, no changes in UELs have been identified by the Company that have had a material impact on operating results.

(b) Unbilled revenue (non-domestic)

The Company raises bills and recognises revenue in accordance with its right to receive revenue in line with the Company's accounting policy. For water and wastewater customers, the revenue recognised depends on the amount due for the services provided between the date of the last meter read and year end. Meters are read on a cyclical basis and the Company recognises revenue for unbilled values based on estimated amounts from the last billing date to the end of the year. The estimated value since the last bill, takes into account the average daily rate or similar information for comparable customers by the number of days between last billing date and the reporting period end.

(c) Impairment of trade receivables and allowance for expected credit losses

An allowance for expected credit losses in respect of trade and other receivables is recognised in accordance with the Company's accounting policy i.e. estimated using an aged debt matrix based on the number of days the debt is past due and applying the Company's historical credit loss experience, adjusted for forward looking economic conditions at the balance sheet date.

The full extent of the financial impact on trade and other receivables as a result of the challenging macro-economic environment remains unknown. This necessarily increases the level of estimation uncertainty on the measurement of expected credit losses at the balance sheet date, particularly with regard to estimating the impacts of the forward looking economic outlook on the collection of the Company's trade and other receivables at the balance sheet date.

The Company has considered a broad range of factors in assessing the requirement to increase historic credit loss rates to incorporate the impact of the forward looking economic outlook. The factors considered included macro-economic forecasts and scenario analysis, and impact assessments on customers through historic and forward looking customer cash collection analysis.

Based on a review of the above factors, the Company has assessed that a reasonable range for additional expected credit losses due to the future economic outlook would be in the range of between €4.8 million and €17.8 million. Following due consideration, the Company has concluded that €12.9 million represents the best estimate based on the information available. Nonetheless, procedures and controls in respect of debt collection remain focused on full recovery of amount invoiced.

(d) Retirement benefit obligations

The Company's projected pension benefit cash outflows underpinning its defined benefit obligation are discounted at a rate set by reference to market yields at the end of the reporting period, on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. Significant judgement is also required when deriving the yield curve at longer terms as the number of long dated high quality corporate bonds is sparse for longer durations. Sensitivities regarding the principal assumptions used to measure the schemes' liabilities are detailed in note 16.

1. Statement of accounting policies

(continued)

(e) Provisions and other liabilities

The assessments of the financial outcome of uncertain commercial and legal positions involves estimation uncertainty and requires the use of judgement, estimation and assumptions. The amounts recognised as a provision are the Company's best estimate of the expenditure required to settle present obligations at the reporting date. In assessing the likely outcome, the Company bases its assessment on available facts, historical experience, advice from legal advisors and other experts and additional relevant factors that are believed to be reasonable in the circumstances. A revised estimate is established at each reporting date to ensure that the amounts provided/accrued correspond to the best estimate of the costs eventually to be borne by the Company and the timing of settlement. See note 19 for further details.

Given the nature of these provisions and liabilities, and the estimation uncertainty involved, further sensitivity analysis on these amounts is not deemed practicable.

2. Revenue

	2023 €'000	2022 €'000
Government subvention revenue	1,068,000	961,000
Non-domestic revenue	245,469	221,814
New connections revenue	246,845	125,944
Total	1,560,314	1,308,758

Refer to note 1 for details of the Company's revenue accounting policy and detailed analysis of each revenue stream. The critical accounting judgements and estimates in respect of revenue recognition are also set out in the relevant section of note 1. The uplift in new connections revenue is driven by growth in the housing market and a review on all new connection activities.

3. Operating Costs

	Notes	2023 €'000	2022 €'000
Employee costs	4	(114,907)	(94,980)
Local authority agreement costs	24	(223,042)	(221,842)
Hired and contracted services		(287,495)	(252,847)
Materials, maintenance and plant hire		(129,892)	(122,833)
Rent, rates, utilities and insurance		(147,614)	(116,424)
Ervia central transactional and support service costs	24	-	(1,259)
IT operational costs and telecommunications		(42,620)	(31,155)
Asset derecognition	8 / 10	(3,435)	-
Other operating costs		(34,619)	(25,066)
Operating costs (before impairment of trade receivables)		(983,624)	(866,406)
Impairment of trade receivables	11	(16,449)	(18,210)
Total		(1,000,073)	(884,616)

Comparative amounts for other operating costs have been adjusted to include releases in respect of liabilities following reassessment so that presentation is directly comparable with the amounts shown in respect of the current year.

Notes to the financial statements

(continued)

3. Operating Costs

(continued)

Operating costs are stated after charging:

(a) Commercial Statutory Auditor

(i)	2023 €'000	2022 €'000
Audit of entity financial statements	(267)	(228)
Other assurance services	(6)	(6)
Tax advisory services	-	-
Other non-audit services	(8)	(9)
Total	(281)	(243)

(i) Amounts exclude irrecoverable VAT

(b) Comptroller & Auditor General

	2023 €'000	2022 €'000
Audit of entity financial statements	(38)	-
Total	(38)	-

(c) Directors' remuneration

	2023 €'000	2022 €'000
Non-executive directors - emoluments	(142)	-
Executive directors - emoluments	(249)	(1,522)
Executive directors - defined benefit pension contributions	-	(143)
Executive directors - defined contribution pension contributions	(27)	(51)
Total	(418)	(1,716)

The disclosure above represents the remuneration of the directors in place during the respective years. A new Uisce Éireann Board was established on 1 January 2023 following legal separation from Ervia. The Company's CEO is the only executive member of the new Uisce Éireann Board. Prior to legal separation from Ervia, the directors of the Company were members of the Company's Management team. In accordance with the Articles of Association of the Company, these directors were not entitled to receive fees. Remuneration of the directors for 2022, as presented above represents an apportionment of total remuneration earned in their capacity as salaried employees of Ervia and Uisce Éireann, based on services provided to the Company.

The number of directors to whom defined benefit pension contributions accrued was nil (2022: 5) and the number of directors to whom defined contribution pension contributions accrued was 1 (2022: 2).

(d) Chief Executive Officer (CEO) remuneration

	2023 €'000	2022 €'000
Basic salary	(225)	(225)
Other short-term employee costs	(24)	(24)
Post-employment benefits - pension contributions	(27)	(27)
Total	(276)	(276)

As a result of a Government direction in 2011, the CEO does not have access to the payment of a performance related award, and therefore no such payments have been paid to the CEO.

4. Employee Costs

(a) Aggregate employee costs

	2023 €'000	2022 €'000
Staff short-term costs	(122,638)	(100,779)
Post-employment defined benefit scheme	(7,616)	(7,464)
Post-employment defined contribution scheme	(7,769)	(6,551)
Social insurance costs	(13,107)	(10,775)
Termination costs	-	-
	(151,130)	(125,569)
Capitalised payroll	36,223	30,589
Employee costs charged to the income statement	(114,907)	(94,980)

(b) Staff short-term costs

	2023 €'000	2022 €'000
Wages and salaries	(106,700)	(87,008)
Performance related award paid	(10,570)	(9,175)
Overtime	(254)	(101)
Allowances	(3,446)	(3,347)
Permanent health insurance	(1,296)	(1,148)
Framework for Future Delivery of Water Services incentive payment costs	(372)	-
Total	(122,638)	(100,779)

The average number of employees providing services to the Company for the year was 1,478 (2022: 1,231). Refer to note 25 for the Company's payroll disclosures as required by Companies Act 2014.

5. Depreciation and Amortisation

	Notes	2023 €'000	2022 €'000
Depreciation of property, plant and equipment	8	(149,109)	(126,989)
Depreciation of right-of-use assets (income statement)	9	(4,400)	(5,960)
Amortisation of intangible assets	10	(22,530)	(29,706)
Impairment charge	8	(1,827)	(4,573)
Grant amortisation	18	329	80
Total		(177,537)	(167,148)

Notes to the financial statements

(continued)

6. Net Finance Costs

	Notes	2023 €'000	2022 €'000
Finance income			
Interest income on deposits		4,119	203
Total finance income		4,119	203
Finance costs			
Interest and other charges on borrowings		(8,740)	(4,431)
Interest capitalised		1,688	880
Lease liability finance charge (income statement)	9	(376)	(512)
Net interest on the net defined benefit liability	16	(835)	(460)
Total finance costs		(8,263)	(4,523)
Net finance costs		(4,144)	(4,320)

7. Tax

Income tax

	2023 €'000	2022 €'000
Current tax credit	-	-
Deferred tax expense	(49,289)	(32,090)
Total income tax	(49,289)	(32,090)
Reconciliation of effective tax rate		
Profit before tax	378,560	252,674
Taxed at 12.5% (2022: 12.5%)	(47,320)	(31,584)
Depreciation on capital expenditure that is not deductible for tax purposes	(1,406)	(1,156)
Other expenses not deductible for tax purposes	(139)	(203)
Income not taxable/taxable deductions	222	508
Income taxable at higher rates	(589)	(85)
Adjustments in respect of previous financial years	(57)	430
Total income tax expense	(49,289)	(32,090)

Refer to the statement of other comprehensive income for details of the tax impacts therein.

7. Tax

(continued)

Deferred tax assets and liabilities

	Notes	Pension obligations €'000	Tax losses forward €'000	Accelerated tax depreciation €'000	Right-of-use assets €'000	Lease liabilities €'000	Other €'000	Total €'000
At 1 January 2022		2,027	78,716	(189,056)	(1,358)	1,501	(100)	(108,270)
Recognised in income statement		1,109	23,767	(56,741)	(2,452)	2,333	(106)	(32,090)
Recognised in other comprehensive income		(2,146)	-	-	-	-	-	(2,146)
Recognised in equity	24	-	-	-	-	42	-	42
At 31 December 2022		990	102,483	(245,797)	(3,810)	3,876	(206)	(142,464)
Recognised in income statement		388	16,795	(66,548)	1,873	(1,929)	132	(49,289)
Recognised in other comprehensive income		1,210	-	-	-	-	-	1,210
Recognised in equity	24	105	-	-	-	-	-	105
At 31 December 2023		2,693	119,278	(312,345)	(1,937)	1,947	(74)	(190,438)

Pillar Two model rules

The Company's assessment of the Pillar Two Model Rules is ongoing. The potential impact, if any, on future reporting periods is not known or cannot be reasonably estimated at the reporting date.

8. Property, Plant and Equipment

	Notes	31-Dec-23 €'000	31-Dec-22 €'000
Property, plant and equipment - owned assets		6,875,419	5,778,338
Property, plant and equipment - right-of-use assets	9	15,498	30,479
Property, plant and equipment - as presented on the balance sheet		6,890,917	5,808,817

Notes to the financial statements*(continued)***8. Property, Plant and Equipment****(continued)**

Property, plant and equipment - owned assets

	Infrastructure assets €'000	Operational assets €'000	Non- network assets €'000	Assets under construction €'000	Total €'000
Cost					
At 1 January 2022	2,369,514	1,805,024	202,039	945,111	5,321,688
Additions	-	-	-	1,035,630	1,035,630
Disposals	-	-	(18)	-	(18)
Transfers	476,049	274,095	43,249	(793,393)	-
At 31 December 2022	2,845,563	2,079,119	245,270	1,187,348	6,357,300
Additions	-	-	-	1,249,506	1,249,506
Disposals	-	-	(241)	-	(241)
Derecognition charge	-	-	-	(1,435)	(1,435)
Transfers	653,609	489,634	49,261	(1,192,504)	-
At 31 December 2023	3,499,172	2,568,753	294,290	1,242,915	7,605,130
Accumulated depreciation and impairment losses					
At 1 January 2022	(135,154)	(231,488)	(77,038)	(4,030)	(447,710)
Depreciation charge	(34,427)	(69,080)	(23,482)	-	(126,989)
Impairment charge	-	-	-	(4,279)	(4,279)
Disposals	-	-	16	-	16
At 31 December 2022	(169,581)	(300,568)	(100,504)	(8,309)	(578,962)
Depreciation charge	(43,471)	(79,205)	(26,433)	-	(149,109)
Impairment charge	-	-	-	(1,827)	(1,827)
Disposals	-	-	187	-	187
At 31 December 2023	(213,052)	(379,773)	(126,750)	(10,136)	(729,711)
Carrying amounts					
At 31 December 2022	2,675,982	1,778,551	144,766	1,179,039	5,778,338
At 31 December 2023	3,286,120	2,188,980	167,540	1,232,779	6,875,419

The impairment charge of €1.8 million in 2023 (2022: €4.3 million) relates to infrastructure development projects, previously included within the Company's capital investment plan, which it has been determined will no longer proceed due to alternative solutions having been identified. The derecognition charge of €1.4 million in 2023 relates to projects which have been derecognised as the project did not result in a capital asset.

9. Lease Assets and Liabilities

The Company as Lessee

The Company has entered into various leasing arrangements which generally relate to the rental of land and buildings. There are no significant or unusual restrictions imposed by the terms of these leases. All lease arrangements are at an arm's length basis.

(a) Amounts recognised on the balance sheet

Right-of-use assets

		Land and buildings €'000	Total €'000
Cost			
At 1 January 2022		21,561	21,561
Lease assumed under common control transaction	(i)	14,878	14,878
Lease taken on from a related party	(ii)	12,982	12,982
Additions		1,156	1,156
At 31 December 2022		50,577	50,577
Additions		799	799
Disposals		(10,985)	(10,985)
At 31 December 2023		40,391	40,391
Accumulated depreciation and impairment losses			
At 1 January 2022		(10,697)	(10,697)
Lease depreciation charge assumed under common control transaction		(3,026)	(3,026)
Depreciation charge	(iii)	(6,375)	(6,375)
At 31 December 2022		(20,098)	(20,098)
Depreciation charge	(iii)	(4,795)	(4,795)
At 31 December 2023		(24,893)	(24,893)
Carrying amounts			
At 31 December 2022		30,479	30,479
At 31 December 2023		15,498	15,498
Lease liabilities			
At 1 January 2022			(12,012)
Additions			(26,953)
Interest expense	(iii)		(517)
Lease payments	(iv)		8,476
At 31 December 2022	(v)		(31,006)
Additions			(799)
Disposals			10,844
Interest expense	(iii)		(377)
Lease payments	(iv)		5,764
At 31 December 2023	(v)		(15,574)

Notes to the financial statements*(continued)***9. Lease Assets and Liabilities****(continued)****Analysed as follows:**

	31-Dec-23 €'000	31-Dec-22 €'000
Non-current	(12,041)	(26,677)
Current	(3,533)	(4,329)
Total	(15,574)	(31,006)

(i) As part of legal separation from Ervia, in 2022 the Company assumed office lease obligations from Ervia. Refer to note 24 for further detail.

(ii) During 2022, the Company entered into an office lease arrangement with a related party. Refer to note 24 for further detail.

(iii) During the year, the Company capitalised €0.414 million in depreciation of right-of-use assets (2022: €0.415 million) and capitalised €0.001 million of lease liability financing charges (2022: €0.005 million).

(iv) Lease payments includes payments for the principal portion of the lease liability, presented as financing activities of €5.2 million (2022: €8.0 million) in the statement of cash flows.

(v) The Company does not face significant liquidity risk with regard to its lease liabilities. Refer to note 15 for a maturity analysis of lease liabilities.

(b) Other amounts recognised in the income statement

	2023 €'000	2022 €'000
Expenses relating to short-term leases	8,094	7,349
Total	8,094	7,349

10. Intangible Assets

	Software €'000	Software under development €'000	Total €'000
Cost			
At 1 January 2022	282,679	8,794	291,473
Additions (incl internally developed)	-	24,931	24,931
Transfers	16,326	(16,326)	-
At 31 December 2022	299,005	17,399	316,404
Additions (incl internally developed)	-	39,715	39,715
Derecognition charge	-	(2,000)	(2,000)
Transfers	22,542	(22,542)	-
At 31 December 2023	321,547	32,572	354,119
Accumulated amortisation and impairment losses			
At 1 January 2022	(223,423)	-	(223,423)
Impairment charge	-	(294)	(294)
Amortisation charge	(29,706)	-	(29,706)
At 31 December 2022	(253,129)	(294)	(253,423)
Amortisation charge	(22,530)	-	(22,530)
At 31 December 2023	(275,659)	(294)	(275,953)
Carrying amounts			
At 31 December 2022	45,876	17,105	62,981
At 31 December 2023	45,888	32,278	78,166

The derecognition charge of €2.0 million in 2023 relates to software projects which have been derecognised as the project did not result in a capital asset.

Notes to the financial statements

(continued)

11. Trade and Other Receivables

	Notes	31-Dec-23 €'000	31-Dec-22 €'000
Trade receivables		31,354	35,368
Unbilled consumption		54,239	48,946
Amounts due from related parties	24	27,189	27,053
Customer refund programme receivables from Government	24	12,956	12,973
Connections refund programme receivables from Government	24	404	-
Other receivables		5,095	3,140
Sub-total		131,237	127,480
Prepayments		32,898	22,945
Total		164,135	150,425
Non-current		-	290
Current		164,135	150,135
Total		164,135	150,425

Trade and other receivables are stated net of expected credit losses and are classified in the financial statements as current or non-current in accordance with their expected realisation. Refer to note 1 for an assessment of the critical judgements and estimates applied. Refer to note 24 for further detail in respect of balances with related parties. The maximum exposure of trade and other receivables to credit risk at the reporting date is as set out above (excluding prepayments, as no credit risk arises).

Impairment of trade receivables and allowance for expected credit losses

There is no material concentration of credit risk as the Company's trade receivables consist of amounts due from a large number of non-domestic customers, spread across diverse industries.

The credit terms for non-domestic customers varies by Local Authority region, ranging up to 45 days. The Company has been restricted from changing these credit terms, but will work to align these as part of the ongoing engagement initiatives with the Regulator. The credit risk on trade receivables is managed through the proactive monitoring and management of trade receivable balances. Following the migration of the non-domestic debtors from 31 Local Authorities in 2017, the Company has full visibility and control on all aspects of the credit and collection activity. The Company's credit collection team, actively manages accounts in arrears through customer follow up. The Company is continuing to develop and enhance its credit risk management practices.

The Company has a number of other receivable balances due from Local Authorities, the Government and other related parties. The Company actively engages with the Local Authorities on a regular basis. The Company believes it has minimal credit risk arising from its operational transactions with Local Authorities and the Government.

The Company writes off a trade receivable where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery e.g. when the debtor has been placed into liquidation or has entered into bankruptcy proceedings. This process is subject to robust internal governance as noted below. None of the trade receivables that have been written off are subject to enforcement activities.

11. Trade and Other Receivables

(continued)

The ageing of trade and other receivables is set out below. The Company had no receivables that were past due and not impaired.

	Gross carrying amount 31-Dec-23 €'000	Allowance for expected credit losses 31-Dec-23 €'000	Net receivable 31-Dec-23 €'000	Gross carrying amount 31-Dec-22 €'000	Allowance for expected credit losses 31-Dec-22 €'000	Net receivable 31-Dec-22 €'000
Not past due	109,999	(14,606)	95,393	110,658	(13,730)	96,928
1-365 days overdue	70,537	(38,584)	31,953	67,844	(40,308)	27,536
>1 year	82,402	(78,511)	3,891	84,939	(81,923)	3,016
Total	262,938	(131,701)	131,237	263,441	(135,961)	127,480

The following table shows the movement in the allowance for expected credit losses for trade receivables:

	2023 €'000	2022 €'000
At 1 January	(135,961)	(131,138)
Impairment of trade receivables	(16,449)	(18,210)
Allowance utilised	20,709	13,387
At 31 December	(131,701)	(135,961)

Prior to 2017, and in line with the agreed Service Level Agreements, the Local Authorities, acting as agents for the Company, billed and collected non-domestic trade receivables on the Company's behalf. In 2017, the Company completed the migration of non-domestic billing processes of the 31 Local Authorities, thus bringing all aspects of water services management for billing and revenues under the Company.

The Company has developed a robust set of credit risk management practices. The Company's policy is to write off debt only when the customer is no longer using our service and the Company has fully exhausted all enforcement activities. This process is subject to review and approval by the Company's Credit Committee and adherence to internal governance procedures. Trade receivables recognised upon asset acquisition from the Local Authorities on 1 January 2014, were recognised at fair value at that date and therefore the full original value invoiced by the Local Authority is not reflected in the gross debtor value presented above. The Company's policy is to pursue payment of the original value invoiced by the Local Authority, in accordance with the processes and governance applicable to all trade receivables.

Application of the Company's accounting policy for recognising expected credit losses on trade receivables has resulted in an allowance for expected credit losses of 60% of its gross non-domestic trade receivables being provided for at 31 December 2023 (2022: 64%). The charge for expected credit losses in respect of non-domestic receivables, recognised by the Company in 2023, represents 7% of non-domestic revenue recognised in 2023 (2022: 8%). Refer to note 1 for an assessment of the critical judgements and estimates applied.

Notes to the financial statements

(continued)

12. Cash and Cash Equivalents - Available for Company Use

Cash and cash equivalents, presented as available for company use, primarily comprise cash balances and short-term bank deposits with an original maturity of less than three months and there are no contractual restrictions on the use of these funds. The carrying amount of these assets approximates their fair value. Refer to note 21 for treasury credit risk disclosures.

Cash and cash equivalents include contributions received in advance from customers for new connections (see note 17). These contributions are retained in cash and cash equivalents to fund the associated new connection activities. There are no contractual restrictions on the use of these funds.

	31-Dec-23 €'000	31-Dec-22 €'000
Cash in bank	9,640	11,591
Short-term deposits	279,712	298,695
Total	289,352	310,286

13. Financial Securities

The Company enters Self-Lay Connection Agreements which provide for the vesting in Uisce Éireann of water and wastewater services infrastructure installed by a customer following quality assurance of the self-lay works and connection to the Uisce Éireann network(s). To mitigate the risk of asset defects and risk exposure where sub standard work has been performed, a refundable financial security is received by the Company and held as collateral for the duration of the construction project and is released following completion of the project and a 12 month defects liability period. This security is calculated in accordance with the Connection Charging Policy. There are contractual restrictions on the Company's ability to use these monies.

Financial securities held on deposit terms greater than 3 months at the date of acquisition are presented as "Financial assets". The remainder are held in bank accounts that are accessible by the Company and therefore are presented as "Cash and cash equivalents - third party balances".

Financial assets - financial security held on term deposit

	31-Dec-23 €'000	31-Dec-22 €'000
Long-term deposits	72,250	55,000
Total	72,250	55,000

Cash and cash equivalents - third party balances

	31-Dec-23 €'000	31-Dec-22 €'000
Cash in bank	6,322	3,534
Total	6,322	3,534

14. Cash Generated from Operations

	Notes	2023 €'000	2022 €'000
Cash flows from operating activities			
Profit for the year		329,271	220,584
Adjustments for:			
Depreciation and amortisation	5	177,537	167,148
Asset derecognition charge	8 / 10	3,435	-
Net finance costs	6	4,144	4,320
Retirement benefit cost		346	681
Income tax expense	7	49,289	32,090
		564,022	424,823
Working capital changes:			
Change in trade and other receivables		(15,672)	(15,927)
Change in trade and other payables		20,693	5,417
Change in deferred revenue		(52,892)	62,605
Change in provisions		(624)	(9,717)
Cash from operating activities before exceptional items		515,527	467,201
<i>Exceptional items</i>			
Connection refunds cash issued	24	(2,075)	-
Connection refunds cash received	24	1,670	-
Domestic customer refunds and associated processing costs	24	(4)	(4)
Domestic customer refunds cash received	24	16	40
Cash from operating activities		515,134	467,237
Interest paid		(5,054)	(4,719)
Income tax received		-	151
Net cash from operating activities		510,080	462,669

Notes to the financial statements

(continued)

15. Borrowings and Other Debt

This note provides information about the contractual terms of the Company's interest-bearing borrowings and other debt. For more information about the Company's exposure to interest rate risk and liquidity risk, see note 21.

	Notes	31-Dec-23 €'000	31-Dec-22 €'000
Facilities from Government		(814,499)	(613,499)
Lease liabilities		(15,574)	(31,006)
Total		(830,073)	(644,505)
Analysed as follows:			
Non-current		(826,539)	(640,176)
Current		(3,534)	(4,329)
Total		(830,073)	(644,505)
Less than one year		(3,534)	(4,329)
Between one and five years		(5,723)	(11,036)
More than five years		(820,816)	(629,140)
Total		(830,073)	(644,505)

Net debt

		31-Dec-23 €'000	31-Dec-22 €'000
Total borrowings and other debt		(830,073)	(644,505)
Less cash and cash equivalents - available for company use	12	289,352	310,286
Less cash and cash equivalents - third party balances	13	6,322	3,534
Net debt		(534,399)	(330,685)

Changes in liabilities arising from financing activities

		Facilities from Government €'000	Lease liabilities €'000	Total €'000
At 1 January 2022		(501,619)	(12,012)	(513,631)
Proceeds		(111,880)	-	(111,880)
Repayment of lease liabilities	9	-	7,959	7,959
Non-cash		-	(26,953)	(26,953)
At 31 December 2022		(613,499)	(31,006)	(644,505)
Proceeds		(231,000)	-	(231,000)
Repayment		30,000	-	30,000
Repayment of lease liabilities	9	-	5,247	5,247
Non-cash		-	10,185	10,185
At 31 December 2023		(814,499)	(15,574)	(830,073)

16. Retirement Benefit Obligations

The Company operates two defined benefit schemes and a defined contribution scheme.

(a) Uisce Éireann defined benefit pension schemes

The Company operates a contributory defined benefit scheme (“Uisce Éireann Defined Benefit Superannuation Fund”) as required under sections 19 and 27 of the Water Services (No. 2) Act 2013 in relation to employees of the Company, who were previously employed by either the Local Authorities or by the Department of Housing, Local Government and Heritage. This Scheme was established on 27 January 2017. The Company also operates a contributory defined benefit scheme (“Uisce Éireann (ex-Ervia) Superannuation Scheme”) in respect of employees who participated in the Ervia defined benefit pension scheme until legal separation from Ervia. On 1 January 2023, Uisce Éireann assumed the retirement benefit obligation in respect of the future service cost of relevant employees who transferred to Uisce Éireann from Ervia on legal separation. This scheme was established on 1 January 2023. Both schemes provide retirement benefits based on final pensionable salary and net pensionable salary in respect of future pensionable service, together with a “wrap around element” which maintains the final salary linkage in respect of prior pensionable service completed before joining Uisce Éireann.

The defined benefit schemes are administered by a Board of Trustees which comprises member and employer representatives. The respective Board of Trustees are responsible for the management and governance of the schemes including compliance with all relevant laws and regulations. The assets of the schemes are held separately from those of the Company in trustee administered funds. The latest valuation of the Uisce Éireann Defined Benefit Superannuation Fund was carried out as at 1 April 2022 by a qualified actuary. The next actuarial valuation is due with an effective date of 1 April 2025. The latest valuation of the Uisce Éireann (ex-Ervia) Superannuation Scheme was carried out as at 1 April 2023 by a qualified actuary. The next actuarial valuation is due with an effective date of 1 April 2026.

The schemes expose the Company to a number of risks, the most significant of which are as follows:

Asset volatility

The liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this could create a larger deficit. The schemes hold a significant proportion of growth assets (equities) which, though expected to outperform corporate bonds in the long-term, create additional volatility and risk in the short-term.

Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be partially offset by an increase in the value of any bond holdings held by the schemes.

Salary inflation

As a final salary scheme there is an exposure to increased benefits arising as a result of higher salary increases than allowed for in the assumptions. The assumptions used to project final salary incorporate an age-related component in addition to a flat basic rate as an allowance for the effect of increments and promotions. The wraparound component of the benefit design (i.e. the linkage of pensionable service completed with a prior body) means that the accrued liabilities are particularly sensitive to higher than assumed salary growth.

Notes to the financial statements

(continued)

16. Retirement Benefit Obligations

(continued)

Inflation

The schemes' defined benefit obligations are linked to inflation (for active members, benefits are linked to salary increases while for deferred members, preserved benefits are linked on a discretionary basis to post retirement pension increases awarded or to statutory revaluation). Higher than assumed inflation will lead to higher liabilities. About a quarter of the fund is invested in inflation linked bonds as a match to such real liabilities.

Life expectancy risk

The majority of the schemes' obligations are to provide benefits for the life of the member (and their dependants), so increases in life expectancy will result in an increase in the liabilities.

	Uisce Éireann Defined Benefit Superannuation Fund		Uisce Éireann (ex-Ervia) Superannuation Scheme		Total Combined	
	31-Dec-23 €'000	31-Dec-22 €'000	31-Dec-23 €'000	31-Dec-22 €'000	31-Dec-23 €'000	31-Dec-22 €'000
Investments quoted in active markets:						
Equities	24,448	19,284	11,929	-	36,377	19,284
- <i>developed markets</i>	24,448	19,284	11,929	-	36,377	19,284
Bonds	9,212	5,338	3,354	-	12,566	5,338
- <i>inflation linked</i>	9,212	5,338	3,354	-	12,566	5,338
Cash	794	947	385	-	1,179	947
Unquoted investments:						
Property/forestry	1,550	697	706	-	2,256	697
Fair value of plan assets	36,004	26,266	16,374	-	52,378	26,266
Defined benefit obligation	(64,658)	(46,908)	(20,068)	-	(84,726)	(46,908)
Net defined benefit obligation	(28,654)	(20,642)	(3,694)	-	(32,348)	(20,642)

Investment strategy

The Company and Trustees have agreed an initial investment strategy that is growth orientated (Uisce Éireann Defined Benefit Superannuation Fund: 75% growth / 25% liability matching; Uisce Éireann (ex-Ervia) Superannuation Scheme: 80% growth / 20% liability matching).

16. Retirement Benefit Obligations

(continued)

Uisce Éireann Defined Benefit Superannuation Fund
Movement in net defined benefit liability

	Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
	2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
At 1 January	(46,908)	(63,498)	26,266	26,848	(20,642)	(36,650)
Income Statement:						
Current service cost	(4,248)	(5,063)	-	-	(4,248)	(5,063)
Interest on liabilities and assets	(1,703)	(855)	1,060	395	(643)	(460)
	(5,951)	(5,918)	1,060	395	(4,891)	(5,523)
Other Comprehensive Income:						
Return on plan assets excl. interest income	-	-	3,117	(5,818)	3,117	(5,818)
Experience losses on liabilities	(8,091)	(4,373)	-	-	(8,091)	(4,373)
Changes in actuarial assumptions	(3,102)	27,348	-	-	(3,102)	27,348
Changes in demographic assumptions	-	8	-	-	-	8
	(11,193)	22,983	3,117	(5,818)	(8,076)	17,165
Contributions by employer	-	-	4,954	4,366	4,954	4,366
Contributions by members	(860)	(737)	860	737	-	-
Benefits paid	254	262	(253)	(262)	1	-
	(606)	(475)	5,561	4,841	4,955	4,366
At 31 December	(64,658)	(46,908)	36,004	26,266	(28,654)	(20,642)

The weighted average duration of the Uisce Éireann Defined Benefit Superannuation Fund defined benefit obligation at 31 December 2023 was approximately 26 years (2022: 26 years). The Company expects to contribute €6.6 million to its pension plan in 2024.

Notes to the financial statements*(continued)***16. Retirement Benefit Obligations****(continued)****Uisce Éireann (ex-Ervia) Superannuation Scheme****Movement in net defined benefit liability**

		Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
		2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
Retirement benefit obligation assumed	24	(13,045)	-	12,202	-	(843)	-
Income Statement:							
Current service cost		(3,368)	-	-	-	(3,368)	-
Interest on liabilities and assets		(476)	-	284	-	(192)	-
		(3,844)	-	284	-	(3,560)	-
Other Comprehensive Income:							
Return on plan assets excl. interest income		-	-	511	-	511	-
Experience losses on liabilities		(529)	-	-	-	(529)	-
Changes in actuarial assumptions		(1,688)	-	-	-	(1,688)	-
Changes in demographic assumptions		99	-	-	-	99	-
		(2,118)	-	511	-	(1,607)	-
Contributions by employer		-	-	2,316	-	2,316	-
Contributions by members		(1,065)	-	1,065	-	-	-
Benefits paid		4	-	(4)	-	-	-
		(1,061)	-	3,377	-	2,316	-
At 31 December		(20,068)	-	16,374	-	(3,694)	-

The weighted average duration of the Uisce Éireann (ex-Ervia) Superannuation Scheme defined benefit obligation at 31 December 2023 was approximately 27 years. The Company expects to contribute €2.6 million to its pension plan in 2024.

The principal actuarial assumptions used for the Uisce Éireann Defined Benefit Superannuation Fund (for 2022 and 2023) and Uisce Éireann (ex-Ervia) Superannuation Scheme (as of 31 December 2023) were as follows:

	2023	2022
Discount rate	3.30%	3.65%
Inflation assumption	2.35%	2.50%
Rate of increase in salaries*	2.85%	3.00%
Rate of increase in pensions payment	2.35%	2.50%

*Plus salary scale to allow for promotional increases

16. Retirement Benefit Obligations

(continued)

The average future life expectancy factored into the valuation, based on retirement at 65 years of age, for current and future retirees is as follows:

Mortality

		Uisce Éireann Defined Benefit Superannuation Fund		Uisce Éireann (ex-Ervia) Superannuation Scheme
		2023	2022	2023
Life expectancy future retirees				
Retiring today	Females	24.9	24.8	24.8
	Males	23.1	23.0	22.9
Retiring in 25 years	Females	27.1	27.0	26.9
	Males	25.2	25.1	25.0

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial and demographic assumptions adopted in calculating the actuarial value of the Company's defined benefit obligations. The following table analyses the estimated impact on scheme liabilities resulting from changes to key actuarial assumptions.

Assumption	Change in assumption	Impact on Uisce Éireann Defined Benefit Superannuation Fund liabilities	Impact on Uisce Éireann (ex-Ervia) Superannuation Scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease by 6.0%/increase by 6.5%	Decrease by 6.2%/ increase by 6.8%
Price inflation	Increase/decrease by 0.25%	Increase by 6.5%/decrease by 6.8%	Increase by 6.7%/ decrease by 6.2%
Salary	Increase/decrease by 0.25%	Increase by 6.7%/decrease by 6.5%	Increase by 15.8%/ decrease by 15.3%
Mortality	Increase/decrease by one year	Increase by 2.4%/decrease by 2.4%	Increase by 2.3%/ decrease by 2.3%

(b) Defined contribution pension scheme

The Company makes contributions to the Uisce Éireann Defined Contribution Scheme on behalf of its employees. These costs are charged to the income statement and are disclosed in note 4.

Notes to the financial statements

(continued)

17. Deferred Revenue

	2023 €'000	2022 €'000
At 1 January	(312,470)	(249,799)
Received	(193,923)	(188,615)
Credited to the income statement	246,845	125,944
At 31 December	(259,548)	(312,470)

Analysed as follows:

	31-Dec-23 €'000	31-Dec-22 €'000
Non-current	(75,473)	(157,904)
Current	(184,075)	(154,566)
Total	(259,548)	(312,470)

Customer new connection contributions, which are received in advance, are recorded initially as deferred revenue. These contributions are then released to the income statement as revenue as the performance obligation is satisfied (i.e. confirmation that connection to water and wastewater services is available for use). The uplift in new connections revenue released from deferred revenue was driven by growth in the housing market and a review on all new connection activities.

18. Grants

	2023 €'000	2022 €'000
At 1 January	(2,649)	(2,642)
Received	(8,056)	(87)
Amortised	329	80
Deferred grants derecognised	925	-
At 31 December	(9,451)	(2,649)

Analysed as follows:

	31-Dec-23 €'000	31-Dec-22 €'000
Non-current	(9,101)	(2,579)
Current	(350)	(70)
Total	(9,451)	(2,649)

These amounts relate to grant funding from the Sustainable Energy Authority of Ireland, EU Interreg Swell project and the European Investment Bank Elena project. A number of conditions relating to these grant fundings remain in progress at year end. There are no unfulfilled conditions attached to grants recognised in the income statement. In certain circumstances grants may become repayable if the conditions laid down in the grant agreements are not achieved. The Company expects such circumstances to arise in 2024 on one project, therefore the amount assessed as repayable has been charged in 2023 against the related unamortised deferred credit. There were no repayments of grants in the current or prior year.

19. Provisions, Contingencies and Capital Commitments

Provisions

	Capital provisions €'000	Self-insured claims €'000	Legal provisions €'000	Customer refund provision €'000	Other provisions €'000	Total €'000
At 1 January 2023	(31,767)	(31,646)	(21,347)	(13,442)	(1,030)	(99,232)
Provisions made	-	(7,860)	(1,482)	-	(1,975)	(11,317)
Transfer from trade and other payables	(18,215)	-	-	-	-	(18,215)
Provisions released	-	4,509	2,952	-	20	7,481
Provisions utilised	612	3,446	403	4	-	4,465
At 31 December 2023	(49,370)	(31,551)	(19,474)	(13,438)	(2,985)	(116,818)

Analysed as follows:

	31-Dec-23 €'000	31-Dec-22 €'000
Non-current	(91,323)	(43,548)
Current	(25,495)	(55,684)
Total	(116,818)	(99,232)

Capital provisions

Capital provisions primarily relates to liabilities associated with longer term projects. During 2023, capital accruals of €18.2 million (2022: €25.2 million) were transferred from trade and other payables to provisions as these relate to longer term capital projects where the timing of payment is uncertain.

Self-insured claims

The Company is self-insured in respect of certain injury and damage claims. The year-end provision is for the estimated costs of incidents that have occurred up to 31 December 2023. Payments are made as the cases are settled. The charge is included in the income statement under operating costs. The nature of these claims is such that a settlement date is uncertain but the Company expects the claims to be substantially settled by 2025. A revised estimate is established at each reporting date (or regularly) to ensure that the provision recognised reflects the best estimate of the costs eventually to be borne by the Company, applying latest available claims experience.

Legal provisions

Legal provisions represent the Company's best estimate of the expenditure required to settle present obligations associated with unresolved legal cases at the reporting date. In assessing the likely outcome of each case, the Company bases its assessment on advice received from legal experts. A revised estimate is established at each reporting date to ensure that the legal provision recognised reflects the best estimate of the costs eventually to be borne by the Company and the timing of settlement.

Notes to the financial statements

(continued)

19. Provisions, Contingencies and Capital Commitments

(continued)

Customer refund provision

Pursuant to section 22 of the Water Services Act 2017, Uisce Éireann was required to refund to customers €171.7 million in cash which had been previously collected from domestic customers. This customer refund programme was funded by the Government, through a government grant with the sole condition that the funding be used to refund domestic customers and to discharge the associated administration.

At 31 December 2023, the Company continued to recognise a liability of €13.4 million (2022: €13.4 million) for refunds due to domestic customers, where either refund cheques issued have not been presented for encashment, or where the customers have not notified the Company of their updated contact details. A corresponding asset of €13.0 million (2022: €13.0 million) (note 11) was also recognised, which represented the amounts receivable from the Government to meet the Company's unfunded liabilities under the customer refund programme. At 31 December 2023, cash in bank of €0.4 million (2022: €0.4 million) was held by the Company in respect of the customer refund programme. Cashflows in respect of the programme are presented in note 14 as "exceptional items" consistent with previous years.

Other provisions

Other provisions include lease dilapidation provisions, contractor retention claims and other present obligations identified at the reporting date.

The Company has no asset decommissioning obligations recognised at the reporting date. It is the Company's policy to capitalise any such obligations as part of the asset to which they relate.

Contingencies

There are no other material contingent liabilities that the Company is aware of that require disclosure. As part of the due diligence process to agree the assets and liabilities to be transferred from each Local Authority to the Company, an exercise was conducted to identify all contingent liabilities and disclose them in the financial statements, if they met the disclosure criteria of IAS 37.

The Company is subject to various litigation, claims and contract disputes in the ordinary course of operations. While any such proceedings has an element of uncertainty, we do not expect the ultimate resolution of these proceedings to have a material adverse effect on our results from operations, operating cash flows or net asset financial position.

Capital commitments

	2023 €'000	2022 €'000
Capital expenditure that has been contracted for but has not been provided for	795,024	755,047

20. Trade and Other Payables

	Notes	31-Dec-23 €'000	31-Dec-22 €'000 restated
Trade payables		(62,635)	(50,881)
Accrued expenses		(308,996)	(318,011)
Amounts due to related parties	24	(24,164)	(35,317)
Customer deposits self lay	(i)	(77,493)	(56,433)
Other payables		(1,081)	(1,315)
Taxation and social insurance creditors		(9,409)	(29,127)
Total		(483,778)	(491,084)
Analysed as follows:			
Non-current		(65,197)	(55,892)
Current		(418,581)	(435,192)
Total		(483,778)	(491,084)
Taxation and social insurance creditors			
PAYE/social insurance		(3,703)	(2,995)
VAT and withholding tax		(5,706)	(26,132)
Total		(9,409)	(29,127)

(i) The current/non-current presentation of the comparative information for trade and other payables has been restated following assessment in 2023 of the expected settlement dates for certain liabilities (see note 1 for further detail).

Notes to the financial statements

(continued)

21. Financial Risk Management and Financial Assets/Liabilities

The carrying values of the financial assets and liabilities of the Company can be analysed as set out below. The Company has not disclosed the fair values for financial instruments where their carrying amounts are a reasonable approximation of fair value. The carrying values of the Company's cash and cash equivalents, trade and other receivables (net), trade and other payables, and other current liabilities approximate their fair values because of the short-term nature of these instruments.

At amortised cost

	Notes	31-Dec-23 €'000	31-Dec-22 €'000
Financial assets			
Trade and other receivables	(i)	131,237	127,480
Cash and cash equivalents - available for company use		289,352	310,286
Cash and cash equivalents - third party balances		6,322	3,534
Financial assets - financial security held on term deposit		72,250	55,000
		499,161	496,300
Financial liabilities			
Borrowings and other debt	(ii)	(830,073)	(644,505)
Trade and other payables	(iii)	(165,373)	(143,946)
		(995,446)	(788,451)
Net financial liabilities		(496,285)	(292,151)

(i) Prepayments have been excluded as these are not classified as a financial asset.

(ii) The fair value of borrowings and other debt as at 31 December 2023 was €739.2 million (2022: €547.6 million).

(iii) Accrued expenses and taxation liabilities have been excluded as these are not classified as financial liabilities.

Financial Risk Management

Financial risk management policies have been established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. These financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, develops a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is defined as the total loss that the Company would sustain on its business and market transactions if a counterparty defaulted and failed to perform its contractual obligations. It includes credit exposures arising from trading relationships with customers. The objective of credit risk management is to manage and control credit risk exposures within acceptable parameters, while optimising the return.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Dec-23 €'000	31-Dec-22 €'000
Trade and other receivables (excluding prepayments)	131,237	127,480
Cash and cash equivalents - available for company use	289,352	310,286
Cash and cash equivalents - third party balances	6,322	3,534
Financial assets - financial security held on term deposit	72,250	55,000
Total	499,161	496,300

21. Financial Risk Management and Financial Assets/Liabilities

(continued)

(i) (a) Treasury related credit risk

The Company's Treasury function manages treasury related credit risk through the use of counterparty credit limits which take account of, among other relevant factors, published credit ratings. It is the Company's policy that cash is mainly placed on deposit with institutions who maintain an investment grade credit rating. Treasury regularly evaluates and measures its treasury counterparty exposures.

(i) (b) Trade related credit risk

Refer to note 11 for an analysis of the Company's exposure to trade related credit risk.

(ii) Funding and liquidity risk

The Company's approach to managing funding and liquidity risk is to ensure, as far as possible, that it has adequate resources to meet its liabilities when due, under both normal and stressed conditions.

Treasury develops and maintains relationships with financial institutions in order to develop their understanding of the business and to build their long-term commitment to the Company. All banking and treasury services are sourced at competitive prices.

Treasury is responsible for ensuring the Company has access to sufficient liquidity to ensure that the Company is able to settle obligations arising through its day-to-day operations, maturing debt obligations and capital investment outlays. Cash pooling is carried out and account balances netted where possible to minimise idle cash and interest expense.

(ii) (a) Cash surpluses

Cash surpluses are used primarily to reduce the level of debt. Cash surpluses are held in Euro and largely invested in deposit accounts.

(ii) (b) Funding

€814.5 million of State loan facilities, provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, has now been drawn (€201.0 million drawn during 2023). A further €184.1 million, is to be made available in 2024, subject to the approval of the Minister for Finance, to cover non-domestic capital expenditure over that period.

Uisce Éireann has retained a €10.0 million banking overdraft facility for its daily banking requirements. The Company's borrowings comprise solely of facilities drawn from Government, at fixed interest rates

	31-Dec-23	31-Dec-22
Weighted average interest rate on the Company's portfolio of outstanding borrowings	1.53%	0.90%
Average maturity of debt	8.09 years	8.14 years
	31-Dec-23	31-Dec-22
	€'000	€'000
Total borrowings (excluding lease liabilities)	(814,499)	(613,499)
Undrawn committed Government working capital facility (NTMA)	(350,000)	(350,000)
Undrawn committed bank facilities (excluding overdraft facility)	-	-
Statutory borrowing limit	(2,000,000)	(2,000,000)

Notes to the financial statements

(continued)

21. Financial Risk Management and Financial Assets/Liabilities

(continued)

(ii) (c) Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including the undiscounted interest payment associated with borrowings and other debt.

	Carrying amount €'000	Contractual cash flows €'000	< 1 year €'000	1-2 years €'000	2-5 years €'000	> 5 years €'000
At 31 December 2023						
Borrowings and other debt	(830,074)	(946,393)	(9,900)	(15,948)	(40,372)	(880,173)
Trade and other payables	(165,373)	(165,373)	(109,340)	(27,953)	(28,080)	-
Total	(995,447)	(1,111,766)	(119,240)	(43,901)	(68,452)	(880,173)
At 31 December 2022						
Borrowings and other debt	(644,505)	(695,921)	(9,948)	(10,088)	(23,421)	(652,464)
Trade and other payables	(143,946)	(143,946)	(97,300)	(12,274)	(34,372)	-
Total	(788,451)	(839,867)	(107,248)	(22,362)	(57,793)	(652,464)

(iii) Market risk

Market risk is the possibility that changes in market factors will adversely affect the value of the Company's financial assets, liabilities or expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Treasury is responsible for managing market risk with respect to currency exchange rates and interest rates for the Company.

(iii) (a) Exchange rate risk

The Company is exposed to certain trade-related foreign currency risk which is not significant and therefore the impact on the Company's results is minimal.

(iii) (b) Interest rate risk

Interest rate risk derives from changes in interest rates which affect the market value of financial assets and liabilities of the Company and the level of finance charges. As described in the liquidity risk section of this note, as at 31 December 2023 all of the Company's borrowings are long-term and at fixed interest rates, thus the Company is no longer exposed to cash flow interest rate risk on its borrowings.

22. Fair Value Measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities. In estimating the fair value of an asset or a liability, the Company uses market observable data to the extent that it is available.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers in 2023.

The fair value of borrowings measured at amortised cost is estimated by discounting the future cash flows to net present values using market rates prevailing at the reporting date - Fair value hierarchy: level 2.

The carrying values of the Company's cash and cash equivalents, trade and other receivables (net), trade and other payables, and other current liabilities approximate their fair values because of the short-term nature of these instruments.

There were no financial instruments that are measured at amortised cost but for which fair value disclosures are required, classified as Level 3 either in current year or in prior year.

Notes to the financial statements

(continued)

23. Equity

(a) Share capital

	31-Dec-23 €'000		31-Dec-22 €'000		01-Jan-22 €'000
<i>Authorised:</i>		<i>Authorised:</i>		<i>Authorised:</i>	
1,000,000 ordinary shares at €1.00 each	1,000	50,000,000 "A" shares at €0.01 each	500	50,000,000 "A" shares at €0.01 each	500
		50,000,000 "B" shares at €0.01 each	500	50,000,000 "B" shares at €0.01 each	500
		1,000,000 ordinary shares at €1.00 each	1,000		
Total	1,000	Total	2,000	Total	1,000
	31-Dec-23 €		31-Dec-22 €		01-Jan-22 €
<i>Issued, called up and fully paid:</i>		<i>Issued, called up and fully paid:</i>		<i>Issued, called up and fully paid:</i>	
1 ordinary share	1.00	1 "A" share at €0.01 each	0.01	1 "A" share at €0.01 each	0.01
99 ordinary shares	99.00	650 "B" shares at €0.01 each	6.50	650 "B" shares at €0.01 each	6.50
Total	100.00	Total	6.51	Total	6.51
	31-Dec-23 €'000		31-Dec-22 €'000		01-Jan-22 €'000
Share premium		Share premium		Share premium	
At 1 January	(324,000)	At 1 January	(324,000)	At 1 January	(324,000)
Issue of shares	-	Issue of shares	-	Issue of shares	-
At 31 December	(324,000)	At 31 December	(324,000)	At 31 December	(324,000)

Prior to the legal separation of Uisce Éireann from Ervia pursuant to the Water Services Amendment Act 2022 (the Act), the authorised share capital of Uisce Éireann was €1,000,000 comprised of 50,000,000 "A" Shares of €0.01 each and 50,000,000 "B" Shares of €0.01 each. At this point, the issued share capital was one "A" share held by Ervia, 325 "B" shares held by the Minister for Housing, Local Government and Heritage and 325 "B" shares held by the Minister for Finance.

On 31 December 2022, to facilitate the legislative intent of the Act, in conjunction with the Department of Housing, Local Government and Heritage, the authorised share capital structure was altered by an amendment to the Uisce Éireann Constitution. This amendment increased the authorised share capital by €1,000,000 with the creation of 1,000,000 new ordinary shares of €1.00 each.

On the following day, 1 January 2023, in accordance with the Act, Uisce Éireann issued, for no consideration, one ordinary share to the Minister for Housing, Local Government and Heritage and 99 ordinary shares to the Minister for Public Expenditure, NDP Delivery and Reform. Simultaneously and in accordance with the Act, the A and B shares which were issued to Ervia, the Minister for Housing, Local Government and Heritage and the Minister for Finance were cancelled for no consideration and transferred to a non-distributable capital redemption account on the balance sheet. On the same day, the associated authorised share capital was removed from the Uisce Éireann Constitution thus reducing the enduring authorised share capital to €1,000,000 comprised of 1,000,000 of €1 each.

23. Equity

(continued)

(b) Capital contribution

	2023 €'000	2022 €'000
At 1 January	(3,392,174)	(2,938,466)
Cash capital contribution	(i) (580,630)	(454,000)
Net obligations assumed on separation from Ervia	(ii) 737	292
At 31 December	(3,972,067)	(3,392,174)

(i) In each year, the Company received a non-refundable cash capital contribution from the Government as set out above. This funding mechanism is outlined in the Company's published Strategic Funding Plan.

(ii) Further to the Government's policy to separate Uisce Éireann from Ervia, as announced in 2018, the Company was required to assume certain liabilities previously held by Ervia. During 2023 the Company assumed pension obligations from Ervia (see note 16 and 24 for further details).

24. Related Parties

Uisce Éireann ('the Company') is a designated activity company. As described in note 1, in accordance with the Water Services (Amendment) Act 2022, the Company legally separated from Ervia on 1 January 2023. New share ownership arrangements took effect on 1 January 2023 with the shares in Uisce Éireann solely held by both the Minister for Public Expenditure, National Development Plan Delivery and Reform (99 shares) and the Minister for Housing, Local Government and Heritage (one share). Refer to note 23 for further detail in respect of share capital changes arising from legal separation from Ervia.

The related party balances, in respect of the transactions detailed in the relevant sections below, are as follows:

	31-Dec-23 €'000	31-Dec-22 €'000
Payable to Local Authorities	(24,164)	(35,317)
Amounts due to related parties	(24,164)	(35,317)
Receivable from Local Authorities	27,189	27,053
Receivable from the Government	13,360	12,973
Amounts receivable from related parties	40,549	40,026

Transactions with Local Authorities

In common with many other entities, the Company deals in the normal course of business with Local Authorities. In accordance with IFRS, details of such transactions are not included here. However, the Company has disclosed detail in respect of the following significant transactions with Local Authorities.

(a) Agreements with Local Authorities

	2023 €'000	2022 €'000
Operating expenditure (payroll, functional support overheads)	(223,042)	(221,842)
Operating expenditure (general overheads)	(8,260)	(3,634)
Capital expenditure	(59,824)	(64,811)
Procurement recharges	(28,373)	(28,494)
	(319,499)	(318,781)

Notes to the financial statements

(continued)

24. Related Parties

(continued)

A service level agreement (“SLA”) between the Company and each Local Authority was signed in 2013 on the basis that the Company would own the water assets from 1 January 2014. The service level agreement between the Company and each individual Local Authority is an outsourcing agreement for up to a 12 year period ending in 2026.

Under the SLA, each Local Authority operated and maintained the water assets on behalf of the Company in return for the agreed fees set out in the SLA performance targets and service levels are agreed in an Annual Service Plan between each Local Authority and the Company in accordance with the service level agreement.

During the course of 2023, the Company and each Local Authority signed a new Master Co-Operation Agreement (“MCA”) which provided for: (i) the early termination of the SLA; (ii) for the Company to have full accountability for water services; and (iii) for the Company to take over management and direction of Local Authority Water Services workers who spend more than 50% of their time working on water services. Support services would continue to be provided by the Local Authority. These changes took effect in Q4 2023 for 30 of the 31 Local Authorities, with the final one taking effect in early 2024.

A Licence to use the water assets that have not yet transferred to the Company but are listed to do so was granted by each Local Authority to the Company as part of the SLA and MCA. The Licence is a mutual licence enabling both the Company and the Local Authorities to carry out their contractual and statutory functions as if a statutory transfer of the water assets had taken place as anticipated (the “Licence”). In return for the Licence, the Company gave the Local Authorities an indemnity for any loss suffered by the Local Authorities as a result of their continuing to legally own the assets. The Licence relates to physical assets (e.g. pipelines, plant and equipment) and does not relate to contracts or entitlements (irrespective of whether they are attaching to such assets). The Licence will continue until the remaining water services assets are transferred to the Company.

(b) Working capital arrangements

The Company has provided the Local Authorities with working capital advances to cover payments which are made by the Local Authorities each month and subsequently recharged to the Company under the agreements at (a) above. Such payments are in respect of salaries, central management charges and a limited amount of goods and services.

(c) Asset acquisition

The water and wastewater infrastructure assets transferred from the Local Authorities to the Company on 1 January 2014. No consideration was paid by the Company for the assets acquired. The Local Authorities were compensated for certain financial assets (including receivables) or charged for certain financial liabilities transferred. Refer to the Statement of Cash Flows for details of receipts and payments made during the year for assets acquired from Local Authorities. Balances outstanding in respect of this transaction are included in the table above.

	2023 €'000	2022 €'000
Receipts for amounts owed from Local Authorities	982	3,968
Payments for assets acquired from Local Authorities	(7,365)	-

24. Related Parties

(continued)

Transactions with Government

In common with many other entities, the Company deals in the normal course of business with the Government. In accordance with IFRS, details of such transactions are not included here. However, the Company has disclosed detail in respect of the following significant transactions with the Government.

	Notes	2023 €'000	2022 €'000
Government subvention income	2	1,068,000	961,000
Capital contribution	23	580,630	454,000
Minister for Finance facility	15	231,000	111,880

In addition;

- The Company has facilities in place with the Minister for Finance - see note 21 for details.
- The Company also has a working capital facility with the NTMA, which was utilised during the year with €30m drawn in March and fully repaid in April. This facility was undrawn at year end and in prior years.

Refund programmes - exceptional items

Connections refund programme

Following Government announcement in 2023 of the Temporary Time-Limited Waiver in respect of Development Contributions, Uisce Éireann is required to provide a refund for Standard Connection Charges for new residential developments where certain criteria is met. This refund programme is funded by the Government acting in its capacity as government and therefore grant accounting is applied. See note 11 for details of receivables recognised in respect of this scheme.

	Note	2023 €'000	2022 €'000
Grant income received - new connection refund programme	14	1,670	-

	2023 €'000	2022 €'000
Grant income for new connection customer refunds	2,075	-
Grant expense for new connection customer refunds	(2,075)	-
Net income statement impact for new connection customer refunds	-	-

Domestic refund programme

Pursuant to section 22 of the Water Services Act 2017, Uisce Éireann was required to refund to customers €171.7 million in cash which had been previously collected from domestic customers. This customer refund programme was funded by the Government, through a government grant with the sole condition that the funding be used to refund domestic customers and to discharge the associated administration. See notes 11 and 19 for details of receivables and provisions recognised in respect of this scheme.

	Note	2023 €'000	2022 €'000
Grant income received - domestic water customer refund programme	14	16	40

Government bodies

In common with many other entities, the Company deals in the normal course of business with other Government sponsored bodies, such as, the Electricity Supply Board, the Health Service Executive and with certain Irish banks which are partially owned by the Irish Government. All transactions are on normal commercial terms. The Company had no material concentration of borrowings or deposits with any such banks during the year, at the reporting date, or for the comparative period end.

Notes to the financial statements

(continued)

24. Related Parties

(continued)

Key management compensation

Key management for 2023 is assessed to consist of the Board, the CEO and the direct reports of the CEO (therefore a full time equivalent of 10 for 2023). Key management for 2022 was assessed to consist of the Ervia Board, the Ervia CEO, the Uisce Éireann CEO and the direct reports of the Uisce Éireann CEO, therefore the compensation costs of key management for 2022 were apportioned between the Company and the other entities within the Ervia Group based on services provided (resulting in a full time equivalent of 10.43).

	2023 €'000	2022 €'000
Short-term costs	(2,550)	(2,607)
Post-employment costs	(331)	(341)
Total	(2,881)	(2,948)

Directors

The directors had no beneficial interests in the Company at any time during the year or at the reporting date.

Transactions with Ervia Group

As described in note 1, in accordance with the Water Services (Amendment) Act 2022, the Company legally separated from Ervia on 1 January 2023 and as a result Ervia, Ervia Group and Gas Networks Ireland are no longer deemed a related party.

(a) Central transactional and support services

Prior to operational separation, Ervia provided strategic, governance, risk management, capital delivery management and transactional and support services to Uisce Éireann and Gas Networks Ireland, through the Group Centre, Major Projects area and Business Services. The Business Services organisation was designed to provide transactional and support services in the areas of Finance, Procurement, Facilities, Insurance, Project Support, HR and IT. Up to the date of legal separation, being 1 January 2023, Ervia continued to provide governance services to Uisce Éireann. Provision of the other central services was unwound in 2022 as operational separation from Ervia was established.

	2022 €'000
Operating costs incurred by Ervia and recharged to Uisce Éireann	(1,259)

(b) Pension costs

As detailed in note 16, the Ervia Group operated a defined benefit pension scheme. A number of the Company's employees participated in that scheme. Prior to legal separation, the scheme was accounted for as a Group Plan in accordance with IAS 19. Ervia, as the sponsoring employer for the plan, recognised the net defined benefit cost, while the Company recognised only the cost of contributions payable for the year in respect of the Company's employees. The 2022 cost of these contributions in respect of the Company's employees are included in the Company's employee benefit expense (note 4). This defined benefit obligation was assumed by Uisce Éireann on legal separation from Ervia (note 16 and note 23).

	2022 €'000
Pension costs	(2,401)

(c) Transactions arising from legal separation from Ervia

Further to the Government's policy to separate Uisce Éireann from Ervia, as announced in 2018, the Company was required to assume certain liabilities previously held by Ervia.

24. Related Parties

(continued)

On legal separation from Ervia, Uisce Éireann assumed the retirement benefit obligation, determined in accordance with actuarial calculations on date of separation, in respect of the future service cost of employees who participated in the Ervia defined benefit pension scheme until legal separation from Ervia. A cash compensation adjustment of €12.2 million was received from Ervia on 8 February 2023, and paid into the Uisce Éireann (ex-Ervia) Superannuation Scheme following the relevant Ministerial approval. This cash compensation adjustment was determined based on an equitable apportionment of the overall actuarial funding deficit between Ervia and Uisce Éireann, based on the active membership of the scheme prior to legal separation. The excess liability over asset is presented in equity as a capital contribution.

During 2022 the Company assumed office lease obligations from Ervia. These lease assets and liabilities are presented in note 9, and the excess liability over asset is presented in equity as a capital contribution.

	Notes	2023 €'000	2022 €'000
Pension obligation assumed on 1 January 2023	16	(13,045)	-
Cash compensation received for pension obligation assumed	16	12,202	-
Right-of-use assets assumed (asset less depreciation assumed)	9	-	11,852
Lease liabilities assumed	9	-	(12,185)
Common control transaction recognised in equity (net)	23	737	292
Deferred tax asset recognised	7	105	42

(d) Lease agreement with Gas Networks Ireland

During 2022 the Company entered into an office lease agreement with Gas Networks Ireland.

	2022 €'000
Right-of-use assets assumed	12,982
Lease liabilities assumed	(12,982)

25. Companies Act Payroll Disclosures

Following operational separation in 2022, employees of Ervia were redeployed to Gas Networks Ireland and Uisce Éireann. In accordance with IAS 19, the payroll and other employee costs of these individuals were reported and disclosed by the entity where the employees' services are rendered (note 4).

However, section 317 of the Companies Act 2014, requires disclosure in the entity's financial statements of the number of employees and payroll costs in respect of where the contract of employment exists rather than where services are rendered (being the IAS 19 requirement). Disclosures of particulars of Uisce Éireann staff for 2022, as required by the Companies Act, are set out below.

Following legal separation on 1 January 2023, all employees rendering service to Uisce Éireann had their contracts of employment with Uisce Éireann, therefore this additional Companies Act disclosure is not required for financial year 2023.

Notes to the financial statements

(continued)

25. Companies Act Payroll Disclosures

(continued)

(a) Aggregate employee costs

	2022 €'000
Staff short-term costs	(72,765)
Retirement benefit costs	(11,036)
Social insurance costs	(7,807)
	(91,608)
Capitalised payroll	22,543
Employee costs charged to the income statement	(69,065)

(b) Staff short-term costs

	2022 €'000
Wages and salaries	(70,222)
Overtime	(88)
Allowances	(1,311)
Other	(i) (1,144)
Total	(72,765)

(i) Other short-term employee costs primarily include permanent life insurance benefits and taxable travel allowances.

The average number of employees with a contract of employment with the Company for 2022 was 893.

26. Subsequent Events

There have been no events between the reporting date and the date on which the financial statements were approved by the Directors, which would require adjustment to these financial statements or any additional disclosure.

27. Approval of Financial Statements

The Directors approved the financial statements on 23 April 2024.

Directors and other information

Directors	Tony Keohane (<i>Chairperson</i>)
	Niall Gleeson (<i>CEO</i>)
	Chris Banks
	Gerard Britchfield
	Liz Joyce
	Patricia King
	Eileen Maher
	Cathy Mannion
	Michael Nolan (appointed 20 January 2024)

Michael Walsh

Secretary	Richard O'Sullivan
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Registered Office	Colvill House 24/26 Talbot Street Dublin 1
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Solicitors	McCann Fitzgerald LLP Riverside One Sir John Rogerson's Quay Dublin 2	A & L Goodbody LLP IFSC North Wall Quay Dublin 1	Mason Hayes & Curran South Bank House, Barrow Street, Dublin 4	Arthur Cox LLP 10 Earlsfort Terrace, Dublin 2
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Bankers	Allied Irish Bank 40–41 Westmoreland Street Dublin 2
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Auditors	Deloitte Ireland LLP Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01PF72
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Company Number	530363
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