



**Annual Report and  
Financial Statements**  
2022



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## 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 safely, returning it to the environment. In delivering these vital services, which underpin social and economic growth for present and future generations, we are collaborating with our Local Authority partners to transform Ireland’s ageing water and wastewater networks, under a single modern and efficient national utility.

## Highlights

Revenue

**€1,309m**

Capital expenditure

**€1,061m**

Surplus/profit before income tax\*

**€253m**

Average employee numbers

**1,231**

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

## Size and Scale of our Operations



Water



Wastewater

Litres treated daily

**1.72 bn**

**1.26 bn**

Pumping stations

**1,796**

**2,250**

Treatment plants

**716**

**1,057**

Km of network

**>64,000**

**>26,000**

# Strategic Report

## Chairman's report



**Tony Keohane**  
Chairman

### For the first time our capital expenditure on water and wastewater infrastructure exceeded €1bn.

This investment across each of the policy themes of Quality (€496.7m), Conservation (€186m) and Future Proofing (€377.1m) delivered important outputs and positive outcomes for customers and communities enhancing water quality, improving resilience and reducing the impact on our environment.

Safety is a core value at Uisce Éireann, and it is our goal that our activities shall not cause harm to anyone. However, I am sad to report that we had the first fatal incident in Uisce Éireann involving a contractor, on a contractor managed site, in January 2023. The investigation into the incident is ongoing with all relevant stakeholders. I remain committed to ensuring the safety culture continues to be enhanced through the Work Safe Home Safe initiatives that are designed to embed the safety value across our operations - putting safety at the heart of what we do.

### Uisce Éireann - A publicly owned, national, standalone, regulated utility

In December the Water Services (Amendment) Act 2022 came into effect and brought to life the Programme for Government commitment to retain the company, now named Uisce Éireann, in public ownership as a national, standalone, regulated utility and separate from the Ervia Group. This was an important milestone for our organisation and for the future of water services in Ireland.

A new non-executive Board of Uisce Éireann was appointed by the Minister for Housing, Local Government and Heritage with the consent of the Minister for Public Expenditure and Reform. Four members of the Ervia Board were reassigned to the Uisce Éireann Board so as to ensure continuity and the provision of appropriate experience. Significantly the Irish Congress of Trade Unions is now statutorily represented on the Board of Uisce Éireann.

Under this new regime there will be increased levels of accountability and transparency that are commensurate with the level of Exchequer funding of

Uisce Éireann. From 1 January 2023, Uisce Éireann is subject to a dual audit by both the Comptroller and Auditor General and its commercial statutory auditor under the Companies Acts and is also accountable to the Public Accounts Committee.

### Significant step forward in the transformation of the water sector

The conclusion of talks under the auspices of the Workplace Relations Commission and the publication of Framework for the Future Delivery of the Water Sector by the Department of Housing, Local Government and Heritage was a significant milestone for us in 2022. The Framework represents the next stage in the process whereby Uisce Éireann will assume full responsibility for the delivery of all public water services and provides for the voluntary transfer of Local Authority water services staff to Uisce Éireann. Fully integrating water services on a national basis will ensure the sustainable development of public water services in Ireland and that the benefits of significant capital investment in our public water systems are maximised.

## Housing for All

Uisce Éireann is 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. We remain fully committed to delivering on the specific actions assigned to us in the Government's Housing for All programme. These include the development of Experienced Based Accreditation Scheme and the publication of capacity registers. This year we witnessed an increase in demand for new connection enquiries and application services. We issued positive responses to 3,190 enquiries associated with 116,647 housing units and issued 4,473 connection offers associated with 36,989 housing units. Customers accepted 3,693 offers associated with 28,188 housing units. This year Uisce Éireann completed 4,258 connections to water services infrastructure associated with 25,347 housing units.

## Sustainability

Uisce Éireann is on a journey to become a low carbon, energy efficient, sustainable water utility. Our strategy and energy management programme take a business wide approach, including energy efficient design, innovation, energy retrofits, renewable energy, lighting and heating, energy audits and planning, process optimisation, staff awareness and training. We remain on track to meet our target of a 50% energy efficiency improvement by 2030.

## Gender Pay Gap

Driving a culture that attracts top talent and creating an environment that supports and delivers career progression and growth is fundamental to our purpose, vision and strategy. Creating a fully inclusive and representative workplace takes commitment and more importantly sustained action. We published the first Gender Pay

Gap report in December and the data tells us that there is a Gender Pay Gap in Uisce Éireann and we have more work to do when it comes to female representation. When we calculate the average hourly remuneration for all men in the organisation and the average hourly remuneration for all women in the organisation, there is a gap of 7.37% between the two averages.

There are a number of factors behind this pay gap. Firstly, there are more men in senior roles in the organisation, 67% of the upper pay quartile are male, and overall we have a greater proportion of men than women employed in Uisce Éireann which impacts the pipeline for leadership representation. In addition to that Uisce Éireann is predominantly a STEM organisation and traditionally has attracted more male than female candidates for vacancies at all levels. This impacts gender representation in the organisation. Our focus will be to encourage women to work with us and to also continue to develop and grow our female talent. Narrowing the gender pay gap will take time, for Uisce Éireann and the wider society, but we are committed to taking meaningful action to close the gender pay gap. The full Gender Pay Gap report is available on our website [www.water.ie](http://www.water.ie).

## Governance

The Ervia Board was a unitary board structure, which means that it had ultimate responsibility for the governance of Ervia and its subsidiaries. Appropriate committees were in place at the Ervia level in 2022 and they acted in respect of the entire Ervia Group. The Ervia Remuneration Committee was responsible for setting and reviewing performance targets. Despite a challenging environment particularly in relation to elevated energy prices Uisce Éireann performed well in 2022 improving management oversight of water treatment plants for a population of 3.1 million via the National Operations Management Centre. Further detail

on progress made this year on our key performance indicators is available on pages 16-19.

During 2022 the Ervia Board continued to prioritise 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 Chairman, 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 60-71.

## Conclusion

I would like to thank the Minister and officials in the Department of Housing, Local Government and Heritage and the officials at NewERA for their support throughout the year, which has seen a complex re-organisation process including revisions to Uisce Éireann's Constitution, new internal structures, pension arrangements as well as the movement of staff from Ervia to Uisce Éireann.

I extend my gratitude to Cathal Marley, the chairman of the Board in 2022, who together with the Board members and my colleagues on the Ervia Board provided their ongoing commitment, passion and effective governance of the business in 2022, and I thank them for their services. I welcome the appointment of the new non-executive Board members and look forward to working with them.

It is important to recognise and extend my appreciation to all our staff and partners for the contribution they make to delivering on our commitment to the communities we serve.

**Tony Keohane**  
Chairman

# Chief Executive Officer's Review



**Niall Gleeson**  
Chief Executive Officer

Niall Gleeson answers questions on Uisce Éireann’s operations including business performance in 2022, the impact of inflation, challenges and future priorities.

How we create value over the longer term is impacted by macro trends and developments in the wider economy. Sometimes these trends create uncertainty for us, our customers and wider stakeholders.

<b>We report on</b>	<b>Pages</b>
Value creation	<b>12-13</b>
Macro trends	<b>15</b>
Key risks and mitigating actions	<b>24-31</b>

## What are your highlights of 2022?

As we prepare this report, I am conscious that the war in Ukraine is now entering a second year. The impacts are far reaching and will continue to be felt for some time. This year has brought its challenges; volatile energy markets, supply chain disruption, inflationary pressures, and in the first half of the year we experienced COVID-19 restrictions, and yet, we continue to perform. You can read our operating review of the year on pages 39-45 and there is detail on our financial performance in 2022 on pages 32-36. We are fully committed to ensuring that Uisce Éireann continues to maintain a strong customer focus and we will continue to work to ensure that Uisce Éireann remains accountable and transparent, while providing value for money for taxpayers. We prioritise the critical role of our stakeholders and work closely with them to address their needs and expectations which you can read about on pages 20-22.





***We will continue to work to ensure that Uisce Éireann remains accountable and transparent, while providing value for money for taxpayers.***

<b>In 2022 we</b>	<b>Page</b>
Made significant progress in preparing for a phased transfer of the full responsibility for public water services from Local Authorities in 2023.	<b>39</b>
Launched the National Operations Management Centre based in Dublin which is now operational 24/7 monitoring over 966 alarms in our top 92 largest water treatment plants.	<b>40</b>
Managed the safe return to the office and introduced the hybrid working pilot.	<b>50</b>
Launched our new purpose, vision and THRIVE strategy.	<b>10</b>
Celebrated many great Diversity and Inclusion initiatives and our Time to Talk programme continues to deliver invaluable support.	<b>50</b>
Received a prestigious Green Award, together with our partners VESI Environmental and Kerry County Council for an innovative project to deliver sustainable, low energy wastewater treatment to the village of Lixnaw in Co Kerry.	<b>53</b>

**Is there anything in particular you would like to draw attention to?**

The safety of the public, our employees, contractors and Local Authority partners is at the heart of what we do. In January 2023 we were sadly notified of a fatality involving a contractor working on behalf of Uisce Éireann. I await the outcome of the investigations in to the incident to ensure that any lessons learned are fully actioned. Ensuring awareness of the risks and dangers associated with construction activities will continue to be a key focus, against the backdrop of this fatality and I will continue to prioritise safety in 2023, delivering on our Work Safe Home Safe safety culture initiatives.

I acknowledge the increase in the number of people on Boil Water Notices at the end of 2022 and recognise the hardship and inconvenience of living with Boil Water Notices. Uisce Éireann has a programme of work laid out to improve drinking water quality but it is a dynamic landscape with new issues

arising on an ongoing basis. At the end of 2022 there were 13 supplies subject to a Boil Water Notice that had been in place for more than 30 days. The majority of the impacted population were in 3 locations, Whitegate (9,482 people), Macroom (4,237 people) and Clogh/Castlecomer (3,195 people). The Boil Water Notice at Macroom was subsequently lifted in February 2023. Significant capital upgrades will be required to address issues at Whitegate and Clogh/Castlecomer fully. These supplies will come on and off Boil Water Notices, as required to protect public health, until the capital upgrades are complete. During the year we progressed initiatives to improve both the operation and monitoring of our water treatment plants and associated networks. These enhancements mean we are now seeing an increase in the overall number of Boil Water Notices. However, the majority of them are for short periods of time. Over 67% of the Boil Water Notices imposed in 2022 were dealt with and rescinded within 30 days.

## Chief Executive Officer’s Review (continued)

Last year we continued to work to improve water quality, removing 11 water supplies serving 130,034 people from the EPA’s Remedial Action List. This list is a record of the public water supplies known to be at risk and where the EPA is requiring Uisce Éireann to take corrective action. During the year the EPA added additional schemes to the list. Issues were identified at these supplies either as a result of an EPA audit or in some cases due to the enhanced monitoring of our water treatment plants. At the end of 2022 there were 58 ‘at risk’ schemes on the list, supplying a population of circa 480,000. Over 40% of that population relates to 2 supplies that were added to the list in 2022, Limerick city and the Barrow supply. By the end of 2023 we plan to have completed works at 7 schemes that together serve a population of circa 20,000 people. Furthermore, I expect that supplies to Limerick city and Kilkenny city, serving a population of over 130,000, will be remediated by 2024.

### How are the higher energy costs and elevated prices impacting Uisce Éireann?

The war in Ukraine and sanctions on the Russian economy have had a significant effect on the global economy and introduced further inflationary pressures to the economic recovery post COVID-19. These are very real and significant challenges which the water sector and the wider construction industry have had to deal with, impacting cost and availability of both materials and resources.

Uisce Éireann, as one of Ireland’s largest public sector energy consumers adopts a prudent approach to the procurement of electricity and strong financial cost control. This control and discipline means there is a constant focus on managing our expenditure. However, the elevated costs and price volatility in the electricity market led to a Commission for Regulation of

Utilities decision to allocate an additional 2023 opex allowance to address deficits caused by inflation and energy increases.

The Commission for Regulation of Utilities also granted Uisce Éireann access to previously ring-fenced funds for diversion to the broader capex budget and inflationary challenges. I am committed to securing value for money for the tax-payer and the efficient delivery of the capital investment plan.

### What are the main obstacles to progressing Uisce Éireann’s strategic objectives in 2023?

Lengthy planning decision-making timelines, and the uncertainty around when decisions will be made, make it very difficult to deliver strategic projects and provide certainty for the delivery of our investment plan and National Development Plan objectives. Issues with planning permission, land acquisition, and other statutory consents have led to delays. This is challenging for us and our stakeholders, including land-owners, decision makers, local communities and everyone relying on our investment programme to deliver national objectives, and environmental improvements where they are needed. I therefore welcomed the reforms to the planning process proposed in 2022 as part of the Planning and Development Bill and hope that we will see the impact of these changes in the near future, allowing us to move projects along faster.

The ongoing capital investment and leakage reduction initiatives will not be enough to provide the necessary resilience to ensure a secure reliable water supply of drinking water in the Greater Dublin Area, where there is little or no headroom available. 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.

The Greater Dublin Drainage Project is a once-in-a-generation project to provide adequate wastewater treatment capacity and ensure compliance with EU and national legislation. It will protect public health, the environment and support sustainable growth in the future. It is prioritised in the National Development Plan and its delivery is critical.

### What are your key priorities for the year ahead?

The number one priority, as we assume full responsibility for public water services in 2023, will be to ensure the transfer process for each Local Authority runs smoothly without risk to service or safety. We will also be focusing on:

- Delivering a Capital Expenditure Programme of €1.2 billion.
- Continuing to enhance customer service delivery through the Customer First programme.
- Managing ongoing inflationary pressures.
- Delivering on our THRIVE strategy and sustainability agenda.
- Broadening Diversity and Inclusion within Uisce Éireann and promoting gender equality at all levels in the organisation.

2022 was a challenging year and we delivered a strong performance. I want to take this opportunity to thank the Board members, my colleagues on the Executive team, Uisce Éireann staff and our delivery partners for their commitment and genuine desire to deliver for our customers and the wider environment. I look forward to another busy and successful year in 2023.



# 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

	<b>T</b>	<b>Transform Ireland's water infrastructure</b>	By delivering timely, essential, value for money water services	See more on Outputs and Outcomes on pages 16 to 19.
	<b>H</b>	<b>Harness a safe, diverse, inclusive culture</b>	Where our people are empowered and high performing	Read about our diversity and inclusivity initiatives on page 50.
	<b>R</b>	<b>Realise an integrated Uisce Éireann</b>	To deliver safe, affordable, customer focused water services for our country	Updates on water and wastewater services are available on pages 39-45.
	<b>I</b>	<b>Inspire confidence</b>	To become Ireland's trusted water services utility	For an overview of our approach to stakeholder engagement go to pages 20-22.
	<b>V</b>	<b>Value and enhance our environment</b>	By prioritising our water quality and resilience to become a sustainability exemplar	Our Sustainability report can be found on pages 46-53.
	<b>E</b>	<b>Ensure the essential funding</b>	To fulfill Ireland's national water services needs	Further information on funding the business is available on pages 32-36.

## 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



### Financial

We receive a regulated return on our assets.

Total Assets of **€6.4bn**



### Networks

The water and wastewater networks cover the length and breadth of the country.

**Over 90,000km** of public water and wastewater networks.



### People and partners

Working together and using our combined expertise allows us to sustain and grow our business.

**Close to 1,200** employees in **11** locations together with circa **3,000** staff in **31** Local Authorities and our delivery partners.



### Stakeholder

We consult with and actively seek the opinion of the communities we work in, our customers, regulators and Government.

- **€454m** capital contribution.
- **€961m** government subvention.



### Natural resources

We protect our rivers, lakes and seashore.

Supply **1.7bn** litres daily of clean, safe drinking water and treating the **1.26bn** litres of wastewater produced.

## Business activities



### Develop and fund future plans

- Strategic Funding Plan
- Revenue Price Control
- Investment priorities



### Continuously improving our offering

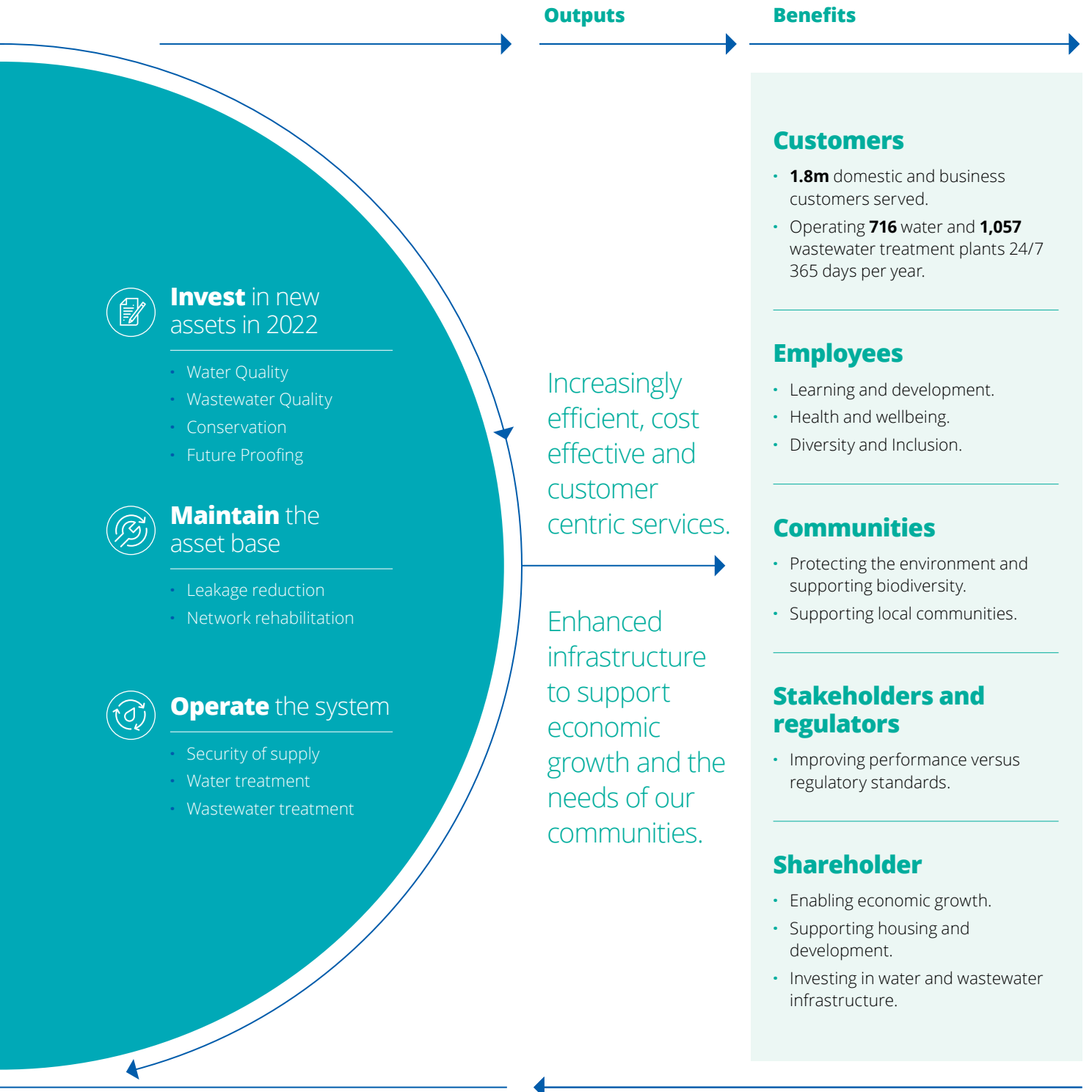
- New connections
- Innovative solutions
- Improve efficiency



### Serving our customers

- Putting our customers first
- Supporting economic growth

Working together our people and partners build, maintain and operate our water and wastewater networks to provide essential services to our customers, communities and the economy.










# Factors influencing value creation

	The challenge is to	This means we must	And we will create value by
 <p><b>Economic environment</b></p>	<p>Operate within the regulatory contract in the face of elevated price pressures, slowing levels of growth and increasing cost of debt.</p>	<p>Work closely with our partners and contractors to carefully control and manage the cost base.</p>	<p>Maintaining efficient and cost effective public water and wastewater services.</p>
 <p><b>Government policy</b></p>	<p>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.</p>	<p>Make significant investment in public water and wastewater infrastructure to serve the growing population and economy and to meet current and future environmental standards.</p>	<p>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.</p>
 <p><b>Sustainable future</b></p>	<p>Operate in a way that shows care for the environment, respect for resources.</p>	<p>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.</p>	<p>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.</p>
 <p><b>Customer</b></p>	<p>Deliver a customer experience that meets their needs.</p>	<p>Continue to engage with customers and stakeholders to ensure value add service.</p>	<p>Driving continuous improvement to reduce effort across the customer’s engagement, committing to delivering cost efficient customer operations.</p>

# Key performance indicators

## Water framework directive




-  **Water Services Policy Statement**
-  **Water Services Strategic Plan**
-  **Strategic Funding Plan**

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

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.

### Focussing on

### In 2022 we

 <p><b>Quality</b></p>	<ul style="list-style-type: none"> <li>• Removed 18,584 customers from Boil Water Notices that were in place for more than thirty days, with a further 18,287 on Boil Water Notices for greater than 30 days at year end.</li> <li>• Removed and replaced circa 10,801 lead services connections.</li> <li>• Over 187,000 tests included in the regulatory monitoring returns.</li> </ul>
 <p><b>Conservation</b></p>	<ul style="list-style-type: none"> <li>• Fixed leaks to make net savings of 29.81 megalitres of water per day (to the end of Q3 2022).</li> <li>• Repaired over 2,800 customer leaks under the first fix free scheme.</li> </ul>
 <p><b>Future proofing</b></p>	<ul style="list-style-type: none"> <li>• Upgraded or built 6 water treatment plants.</li> <li>• Upgraded or built 9 wastewater treatment plants.</li> <li>• Laid or rehabilitated 315km of watermain network.</li> <li>• Laid or rehabilitated 102km of sewer network.</li> </ul>

		Measure	Definition	Unit	2020	2021	2022
<b>Quality</b>							
Water	Drinking water	<b>Boil Water Notice (&gt; 30 days)</b>	Population remaining at year end on BWN that has been in place for > 30 days	No. remaining	1,042	908	18,287*
		<b>Schemes on EPA Remedial Action List (RAL)</b>	No. of schemes on live RAL	No. remaining	46	52	58
	Lead	<b>Lead</b>	Total lead services replaced	No.	3,025	5,876	10,801
Wastewater	UWWTD	<b>Priority areas for wastewater improvement</b>	No. of priority areas for wastewater improvement (starting point q1 2015)	No. remaining	113	97	91
		<b>Untreated agglomerations</b>	No. of agglomerations with no treatment or preliminary treatment only	No. remaining	34	33	29
<b>Conservation</b>							
Savings		<b>Leakage</b>	Net daily water savings**	l/day	51	35	29.81
<b>Future Proofing</b>							
Capacity & resilience		<b>Wastewater treatment plants</b>	New and upgraded total (quantity)	No.	7	8	9
		<b>Water treatment plants</b>	New and upgraded total (quantity)	No.	5	12	6
		<b>Wastewater network</b>	Length of sewer laid new/rehabilitated (total)	km	42	26	102
		<b>Water network</b>	Length of watermain laid new/rehabilitated (total)	km	178	241	315

\* At the end of 2022 there were 13 Boil Water Notices in place for more than 30 days. The majority of the impacted population were in three locations Whitegate (9,482), Macroom (4,237) and Clogh/Castlecomer (3,195). The Boil Water Notices at Macroom was lifted in February 2023, Over 67% of Boil Water Notices imposed in 2022 were rectified within 30 days.

\*\* Leakage metric is reported in arrears and Q3 data was the latest available figure at time of signing.

**Key performance indicators (continued)**

<b>Safety</b>	<b>What we measure</b>	<b>Why we measure it</b>										
<p>Total LTIFR – employees (&gt;1 day) #/100k hours</p> <table border="1"> <tr><td>2018</td><td>0.09</td></tr> <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> </table>	2018	0.09	2019	0.0	2020	0.0	2021	0.0	2022	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 &gt;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>
2018	0.09											
2019	0.0											
2020	0.0											
2021	0.0											
2022	0.0											
<b>Water saved</b>	<b>What we measure</b>	<b>Why we measure it</b>										
<p>Water saved by fixing leaks cumulative (megalitres per day)</p> <table border="1"> <tr><td>2018</td><td>198</td></tr> <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> </table>	2018	198	2019	356	2020	584	2021	806	2022	1,021	<p>This is a measure of the 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 network by reducing the quantity of water lost in the system.</p>
2018	198											
2019	356											
2020	584											
2021	806											
2022	1,021											
<b>Boil water notices (&gt;30 days)</b>	<b>What we measure</b>	<b>Why we measure it</b>										
<p># of customers remaining</p> <table border="1"> <tr><td>2018</td><td>423</td></tr> <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> </table>	2018	423	2019	14,117	2020	1,042	2021	908	2022	18,287	<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>
2018	423											
2019	14,117											
2020	1,042											
2021	908											
2022	18,287											

### Customer service

First contact resolution – metering and operations %



#### What we measure

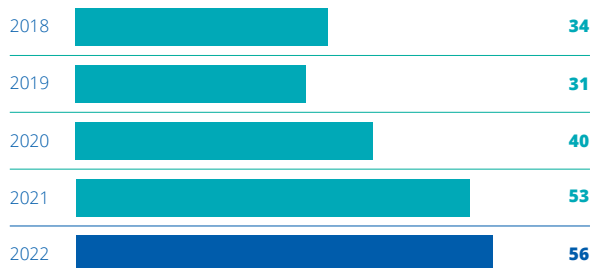
We review a sample of our customer contacts each month across a range of different call types. A selection of calls are surveyed independently to validate the scores.

#### Why we measure it

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.

### Sustainability

# sites with biodiversity measures implemented



#### What we measure

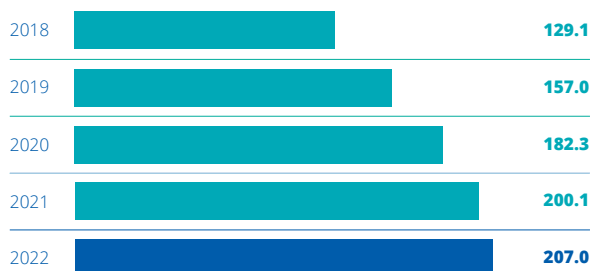
This measures site performance in supporting biodiversity both on site and in the surrounding landscape.

#### Why we measure it

This measure is used to advise on actions to be taken to enhance the site from a biodiversity perspective.

### Operating efficiencies

Cumulative OPEX efficiencies €m



#### What we measure

We measure operational efficiencies secured via the delivery of lean initiatives and continuous improvement.

#### Why we measure it

We drive efficiencies in how we deliver our services on an ongoing basis.

# Strategic stakeholder engagement

Successfully delivering on our mission to provide public water and wastewater services to the highest standards requires meaningful engagement by Uisce Éireann with a wide range of stakeholders. We prioritise the critical role of our stakeholders and work closely with them to address their needs and expectations.

Stakeholder engagement is the process whereby we actively engage with our customer 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. We also actively seek feedback from our stakeholders to understand how well we are meeting these expectations.

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. As a result of the measures imposed to tackle the spread of COVID-19, the use of remote and online channels for engagement became more important in recent years. Our website and online channels remained important sources of information and were expanded to include information and support to our customers and stakeholders.



Remote channels such as online platforms for meetings and webinars were integrated into our stakeholder engagement and consultations, and events and activities continued using the appropriate channels. Given the many benefits we have seen from online engagement it will continue to have a role in helping us to reach and listen to our stakeholders now that we have returned to face to face and in-person events and activities.

### Customers and communities

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.

### Shareholder and regulators

Uisce Éireann has ongoing engagement with the Minister for Housing, Local Government and Heritage and officials in the Department with regards to ensuring implementation of Government public water services policy.

Uisce Éireann has two primary regulators. 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 also engages with the HSE on an ongoing basis to ensure our drinking water and wastewater treatment processes do not impact on public health.

Other bodies including An Bord Pleanála, the Health and Safety Authority, the Information Commissioner, the Data Protection Commissioner and Inland Fisheries Ireland have responsibility for ensuring compliance with relevant legislation and we engage with these bodies through meetings, in writing and through formal statutory processes.

### Service delivery partners

Uisce Éireann have had a close working relationship with the Local Government Management Agency and its committees and steering groups to ensure effective delivery of water services nationally. In line with the Government's Policy Paper 'The Framework for Future Delivery of Water Services' Uisce Éireann will assume full accountability for all public water services on a phased basis during 2023. We will continue to have a close working relationship with Local Authorities and the LGMA as we progress and a new Master Co-Operation Agreement is being put in place between Uisce Éireann and the LGMA and CCMA (City and County Managers Association) to operationalise the provisions of the Framework across the Local Government sector.

Uisce Éireann engages closely at all times 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.

### Formal stakeholder representative groups

#### An Fóram Uisce (An Fóram)

An Fóram Uisce is the national water forum and facilitates public engagement on issues relating to water as an environmental, social and economic resource and the implementation of the Water Framework Directive and the River Basin Management Plan for Ireland 2018-2021. Uisce Éireann continued to develop its relationship with An Fóram through the Uisce Éireann Liaison Group in 2022 and regular meetings were held throughout the year.

#### The Water Advisory Body (WAB)

The Water Advisory Body was established in 2018 by the Minister for Housing, Planning and Local Government. It comprised five members representing the EPA, CRU, An Fóram Uisce, and two additional professional members. The WAB reported to the Joint Oireachtas Committee on Housing, Local Government and Heritage and published its reports every three months.

Uisce Éireann has appeared before the WAB and provided written reports to the Body as requested. Under the Water Services (Amendment) Act 2022, WAB will cease to have advisory and reporting functions and the dissolution of the WAB will take effect from 28 April 2023. The WAB has acknowledged and thanked Uisce Éireann for its positive and constructive engagement with their work since 2018.

#### Uisce Éireann National Stakeholder Forum

The Uisce Éireann National Stakeholder Forum meets up to four times annually to update key national stakeholders 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.

## Strategic stakeholder engagement (continued)

### Trade unions

Uisce Éireann engages fully with trade unions who represent our directly employed staff and those working in Local Authorities and we participate as required in formal industrial relations processes through the Workplace Relations Commission (WRC).

### Elected representatives

Uisce Éireann operates a dedicated Local Representative Support Desk (LRSD) for all Councillors and the Elected Representative Support Desk (ERSD) for all Oireachtas Members and MEPs. The service is operated through our contact centre and is available to all elected representatives to respond to their queries by phone or email and to communicate proactively on service disruptions, customer and project updates, press releases and all forms of public consultation.

### Media

Media is an important channel of communication with Uisce Éireann customers and stakeholders, particularly when there is disruption to service, issues with water quality or when infrastructure projects or upgrades impact a community. We work proactively to maintain strong and open relationships with local and national media.

### Business representative groups and supply chain

Uisce Éireann engages regularly with business representative groups such as IBEC, Chambers Ireland, ISME and SFA, and industry groups including IDA and Enterprise Ireland to discuss issues relevant to their members. With a multi-billion Euro capital investment in public water and wastewater infrastructure, Uisce Éireann also has a critical dependence on the construction industry and our supply chain.

Uisce Éireann continues to play its part in the national drive to provide homes for people, supporting employment and economic development, by working with developers to establish new connections to the water and wastewater networks. We recognise the importance of supporting Government Policy to deliver housing nationally and commit to working collaboratively to support this policy whilst adhering to our governance requirements.

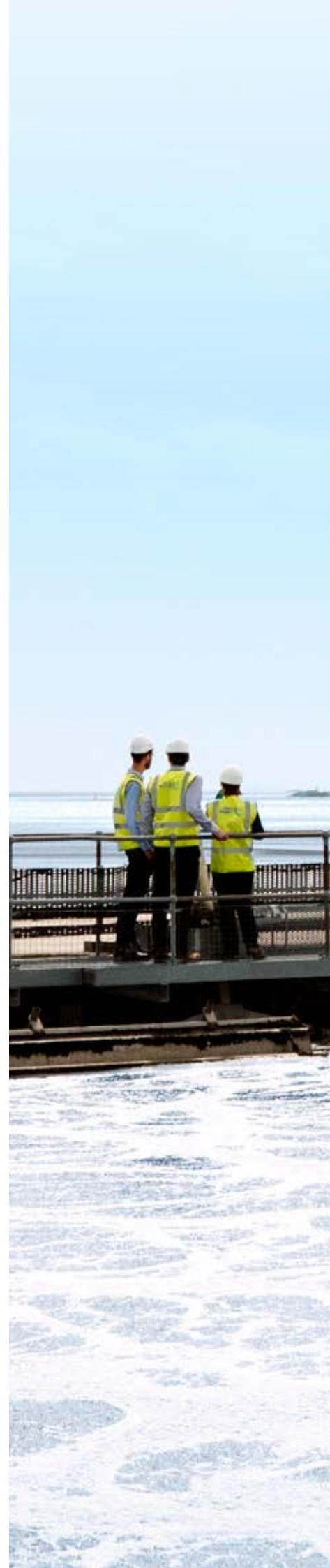
### Catchment management

Uisce Éireann is one of many stakeholders with responsibility for maintaining the health of our water bodies. We regularly engage with the farming community at a local level and through their national representative bodies on initiatives like water conservation and reduction of pesticide and wastewater effluent in drinking water.

We also engage regularly with other bodies including the National Federation of Group Water Schemes, the Local Authority Waters Programme (LAWPRO), the National Pesticides Action Group, Waterways Ireland, the Office of Public Works and the ESB.

### Continuously improving our stakeholder engagement

Effective stakeholder engagement is a priority for Uisce Éireann. As an organisation we are always seeking to identify ways to improve and build on the effectiveness of this engagement so that we can better understand stakeholder needs and expectations and build this into our evolving plans. We continue to seek feedback from our stakeholders on our performance and to identify areas for improvement. Uisce Éireann uses this feedback to develop a strategic approach to guide our future stakeholder engagement.







# Risk Management

## Our Risk Management Environment

The global risk landscape is becoming more complex and interconnected and as a result, the risk management environment for Uisce Éireann is ever-evolving. Embedding effective risk management practices across all our activities ensures awareness and understanding of the environment in which we operate. Effective risk management assists in achieving our short and long-term strategic objectives while protecting the interests of our shareholders, customers and the wider community.

Risk management also supports our forward planning to enable well informed and proactive risk-based decision making across our activities. We work to the principles of risk management as set out in Uisce Éireann’s Enterprise Risk Management Policy (ERM).

By their nature, our activities are long term thus many of our risks are enduring. These risks can develop and evolve over time, as their potential impact

or likelihood changes in response to internal and external events. At the same time new risks are constantly emerging and we proactively undertake horizon scanning to identify these potential risks.

The 2022 risk landscape continued to be demanding, however Uisce Éireann managed these challenges effectively and continues to do so. Potential risks, such as those arising from the conflict in Ukraine, the macroeconomic and

geopolitical environment, inflationary pressures and cyber security threats were assessed for impacts on Uisce Éireann and where possible mitigations were put in place. These risks will continue to be closely monitored and will be a key part of our resilience planning and approach throughout 2023.

## 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 2022, Uisce Éireann maintained an effective risk governance structure, including a comprehensive risk management process to manage, review, monitor and report on the principal risks and uncertainties that could impact our ability to deliver our strategic objectives.

Uisce Éireann's ERM Policy, Framework and processes are well established and are consistently applied across the organisation. The ERM policy sets out a clear and consistent approach to the management of risk.

Our ERM Framework supports the identification, assessment, and effective management of business risks both individually and in aggregation, using a

consistent scoring matrix. It also helps us to minimise the potential adverse impacts of uncertainty and maximise opportunities to safeguard the interests of our customers and shareholders.

We recognise that successful risk management is dependent on having an effective 'speak-up' risk culture, which incorporates the principles of our 'Doing the Right Thing' programme.

The Board has overall responsibility for risk management, and regularly reviews and challenges management's assessment of risk, together with the mitigation measures in place to manage the principal risks. The organisation's risk appetite is also set annually by the Board by determining the nature and extent of the risks we are willing to accept in pursuit of Uisce Éireann's 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.

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

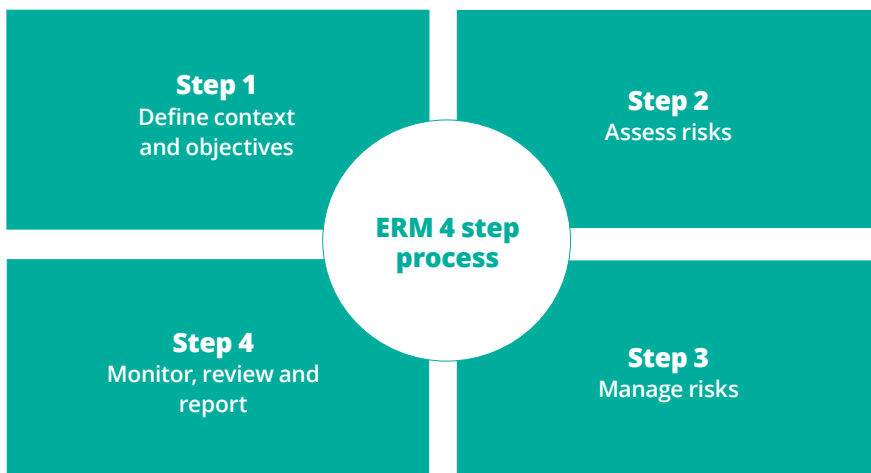


Figure 1.1. The four step ERM process

**Risk management (continued)**

**Principal Risks and Uncertainties**

The following are the principal risks, aligned to our THRIVE strategy (see page 10), that have the potential to impact on Uisce Éireann:

Principal Risk Themes	T	H	R	I	V	E
Health, Safety and Environment	●	●	●			
Security of supply and service delivery	●		●	●	●	●
Transformation of water services	●	●	●			
Technology, financial and economic	●		●	●		●
Climate change and biodiversity	●				●	
Delivering growth and infrastructure investment	●		●		●	●
Customer, reputation and stakeholder				●	●	
Our people		●	●			



Risk	Context	Key mitigations
<b>THRIVE</b>		
<b>Health, safety &amp; environment</b>		
<p><b>1</b> A significant safety incident resulting in serious injury/fatality to staff, LA 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. Uisce Éireann will assume the necessary control of water services operations and staff on a phased basis during 2023. On the effective date for each transferring Local Authority Water Services Area, Uisce Éireann will have employer responsibilities for all water services staff and plants.</p> <p>Varying safety practices and safety culture maturity across LAs, and a legacy aged asset base contribute to this risk.</p>	<ul style="list-style-type: none"> <li>• Implementation, promotion and maintaining certification of the Safety Management System (ISO 45001).</li> <li>• Strong governance, health &amp; safety performance monitoring and promoting a safety culture.</li> <li>• Use of Corrective Action/Preventative Action system to address systemic safety issues and taking risk-based asset-specific interventions where required.</li> <li>• Plan to incorporate and transform 31 Local Authority Water Services Area's Safety Management Systems into a single Uisce Éireann Safety Management System.</li> </ul>

Risk	Context	Key mitigations
<p><b>2</b> Failure to meet present and future water demand in the Greater Dublin Area because of 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 issues, 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. A single source, the river Liffey, supplies 85% of the water requirements for approximately 1.7 million people. In addition, our water supplies in the region have less than 2% headroom. Comparable cities such as Lisbon and Munich have two or more major sources of supply, with significantly more storage and headroom. 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>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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. A key concern is that the delivery of this long term strategic solution may experience delays in the statutory consent process, similar to other SID projects including the Greater Dublin Drainage project (refer to risk 5).</li> <li>• 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.</li> <li>• Ongoing monitoring of all water resource levels (rivers, lakes, boreholes, impounding reservoirs) with short term measures available to boost water available for use.</li> </ul>
<p><b>3</b> A significant failure to deliver safe, clean drinking water could lead to public health, economic, reputation, compliance, and prosecution risks.</p>	<p>While work continues across the aged asset base 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"> <li>• Our National Operations Management Centre is operating 24/7, monitoring alarm and water treatment performance at the critical water treatment plants.</li> <li>• Delivery of the Capital Investment Plan to upgrade assets and improve resilience.</li> <li>• Drinking Water Directive compliance implementation ongoing.</li> <li>• Extensive audits of plants and increased staff training.</li> <li>• Managing risk at Water Supply Zone level through Drinking Water Safety plans.</li> </ul>



**Risk management (continued)**

Risk	Context	Key mitigations
<p><b>Security of supply and service delivery (continued)</b> <span style="float: right;"><b>TRIVE</b></span></p>		
<p><b>4</b> 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"> <li>• Key programmes in place including - Find &amp; Fix programme, First Fix Programme, watermain replacement, metering, pressure/network management.</li> <li>• Targeted and continuing communications in relation to leakage.</li> <li>• Leakage Strategy, Leakage Management System, and Annual Leakage Management plan in place.</li> <li>• Scenario and resource planning underway as part of the Leakage Programme review.</li> </ul>
<p><b>5</b> 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.</p>	<ul style="list-style-type: none"> <li>• Asset upgrades as part of Capital Investment Plan (e.g. Ringsend).</li> <li>• Greater Dublin Drainage Project (GDD) is a key project for long term wastewater treatment and resilience in the Greater Dublin Area.</li> <li>• The capital maintenance programme is in place to replace or refurbish failed or failing assets and maintain existing levels of service.</li> <li>• Cross-functional forums ensure consistent wastewater reporting/messaging on priority plants to the EPA and other stakeholders.</li> <li>• Sampling and analysis is undertaken in accordance with legislative requirements.</li> <li>• Drainage Area Plans are under development in key agglomerations.</li> </ul>
<p><b>Transformation of water services</b> <span style="float: right;"><b>THR</b></span></p>		
<p><b>6</b> Failure to fully deliver all expected outcomes in the Uisce Éireann Transformation Programme.</p>	<p>Uisce Éireann as a stand-alone legal entity was established on 1st January 2023. The Water Sector Transformation Policy Paper provides for a national, publicly owned, regulated water services utility. Failure to fully deliver this would result in significant impacts to the delivery of improved standardised, operational and safety effectiveness in the provision of the required customer service levels.</p>	<ul style="list-style-type: none"> <li>• The Framework for the Future Delivery of Water Services by the Department of Housing, Local Government and Heritage (June 2022) sets out the next phase in the transformation of the water sector in Ireland.</li> <li>• Uisce Éireann will assume the necessary control of water services operations and staff on a phased basis during 2023.</li> <li>• Programme underway and progressing well to deliver on these commitments.</li> </ul>

Risk	Context	Key mitigations
<b>Technology, financial and economic</b> <span style="float: right;"></span>		
<b>7</b> A cyber-attack targeting systems impacting our infrastructure and the delivery of services.	Such an incident could result in potential business delivery disruption, public health or safety issues, reputational damage, and/or potential fines.	<ul style="list-style-type: none"> <li>Continued execution of the Cyber Security Strategy to further mature and strengthen our cyber security capability.</li> <li>Security Operations Centre operating 24/7 monitoring IT and Operating Technology assets.</li> <li>Ongoing engagement with the National Cyber Security Centre (NCSC) to proactively manage any threats.</li> <li>Company-wide cyber security awareness of potential threats training.</li> </ul>
<b>8</b> Supply Chain challenges or failure of a key supplier to support delivery of our services.	Macroeconomic and geopolitical environment resulting in potential supply chain challenges and increased costs.	<ul style="list-style-type: none"> <li>Contractor management strategy and early contractor engagement to advance programmes and encourage tender response and contract delivery.</li> <li>Ongoing review of Office of Government Procurement (OGP) guidance in managing tenders in light of significant price increases.</li> <li>Financial Health Ratings for all strategic suppliers.</li> <li>Contingency plans in place for key material supplies.</li> </ul>
<b>9</b> Potential impacts due to operating in an increasingly volatile global macroeconomic and geopolitical environment.	Increasing frequency of global shock events and rising inflation exacerbated by current macroeconomic and geopolitical environment could result in operational, capital delivery or financial challenges in delivering key services.	<ul style="list-style-type: none"> <li>Regulated Price Control model for capital and operational spend in place.</li> <li>Ongoing engagement with the DHLGH and the CRU relating to inflationary impacts.</li> <li>Supply chain management and contractor engagement strategies in place.</li> <li>Ongoing horizon scanning and contingency planning for disruptive events.</li> </ul>
<b>Climate change, biodiversity</b> <span style="float: right;"></span>		
<b>10</b> The potential for Uisce Éireann's activities to be impacted by climate change due to the increased frequency and intensity of extreme weather events.	While Uisce Éireann's operations and assets withstood the severe weather experienced in recent years, climate change can be expected to have many impacts on future water and wastewater services. An increased frequency and intensity of severe weather events is likely to continue. This will have an impact on the availability of and demand for clean water and the treatment of wastewater.	<ul style="list-style-type: none"> <li>Uisce Éireann is implementing a Climate Change Adaptation and Mitigation Strategy to minimise the consequences of climate change on Uisce Éireann, our customers and the environment.</li> <li>Comprehensive resilience plans and processes are in place.</li> <li>Climate resilience is an integral part of our asset design and planning.</li> </ul>

**Risk management (continued)**

Risk	Context	Key mitigations
<b>Climate change, biodiversity (continued)</b>		
<p><b>11</b> The potential for Uisce Éireann’s activities to have an adverse impact on biodiversity or the environment.</p>	<p>Not responding to key opportunities to address the climate and biodiversity emergency could result in failure of Uisce Éireann to generate required environmental and financial benefits.</p>	<ul style="list-style-type: none"> <li>• The implementation of our Biodiversity Action Plan (BAP) helps us to conserve, enhance and work with the natural environment.</li> <li>• Working with the Department of Agriculture, Food and Marine (DAFM) to plant native woodlands on appropriate Uisce Éireann sites, which enhances native biodiversity, sequesters carbon and provides source protection.</li> </ul>
<b>Delivering growth &amp; infrastructural investment</b>		
<p><b>12</b> 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>Availability of long-term multi-cycle funding is a key dependency. Uisce Éireann is actively monitoring key external exposures to CIP delivery including timely planning and statutory approvals, supply chain impacts, and rising inflation.</p>	<ul style="list-style-type: none"> <li>• Strategic Funding Plan 2020-2024 and Capital Investment Plan allowance.</li> <li>• Controls in place to monitor our CIP spend against budget.</li> <li>• Progressing and monitoring the delivery of the CRU approved outcomes and outputs.</li> <li>• Planning for next regulatory period Investment Plan is underway for submission to the CRU.</li> <li>• Key external engagement ongoing.</li> </ul>
<p><b>13</b> Failure to deliver sufficient capacity to meet the needs of future connecting customers and wider economic growth and development, and 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 growth in the economy.</p>	<ul style="list-style-type: none"> <li>• Delivering the Uisce Éireann CIP, specifically projects such as Major Urban Housing Development Sites, the Local Infrastructure Housing Activation Fund (LIHAF) and the small towns and villages growth programme.</li> <li>• Uisce Éireann is supporting the growth ambitions as set out in the National Development Plan and the Regional Economic Spatial Strategy.</li> <li>• 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.</li> <li>• Continuing to improve Uisce Éireann’s response timelines to connection enquiries and applications to support the development industry.</li> <li>• Delivering an ongoing programme of proactive communications and training.</li> </ul>



Risk	Context	Key mitigations
<b>Customer, reputation &amp; stakeholder</b> <span style="float: right;">I V</span>		
<p><b>14</b> Potential to adversely impact Uisce Éireann's brand and reputation as a result of a failure to deliver for our customers and stakeholders or to keep them fully informed on our work.</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"> <li>• 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.</li> <li>• A new Corporate Strategy has been developed and rolled out with a key focus on Customer Service, Stakeholder Engagement and Reputation.</li> <li>• Stakeholder engagement ongoing at key forums.</li> <li>• Comprehensive communication plans and processes, including public consultations on our key projects and local community and school programmes.</li> </ul>
<b>Our people</b> <span style="float: right;">H R</span>		
<p><b>15</b> A failure to drive clear appropriate organisational culture and people engagement which could potentially undermine the ability to deliver our business objectives in the transformation of water services.</p>	<p>Any significant organisational transformation must be managed appropriately to ensure that Uisce Éireann's resultant culture will ensure the organisation's success in the delivery of water services and will allow the retention and attraction of people and reduce the risk of organisational instability.</p>	<ul style="list-style-type: none"> <li>• 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) continue to be developed and introduced to ensure a positive work environment for all employees existing and new.</li> <li>• A collaborative project to further define and embed the Uisce Éireann Values and Behaviours is being undertaken.</li> <li>• Sustainable Employee Engagement is tracked and development actions are undertaken at an organisational level, in response to surveys and employee feedback.</li> </ul>

## Financial review



**Chris McCarthy**  
Chief Financial Officer

Uisce Éireann delivered a strong financial performance during 2022, particularly in the context of the ongoing challenges associated with record level energy costs and general inflationary pressures.

Surplus/profit generated by Uisce Éireann, together with necessary Government support in the form of capital contributions of €454m, was invested to fund critical infrastructure projects and enabled the successful delivery of a €1,061m capital investment programme in 2022. This allowed us deliver jobs, increase capacity for housing and development and support economic growth.

Uisce Éireann's capital investment activities continued to be a significant source of economic stimulus during 2022. In addition, our operating and maintenance programmes provided both direct and indirect employment and other economic benefits across the economy.

### Key Highlights 2022

Revenue

**€1,309m**

EBITDA

**€424m**

Surplus/profit before income tax

**€253m**

Capex

**€1,061m**

Total assets

**€6,391m**

Net debt

**€331m**

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

'Net debt' and 'cash' reporting, for all years presented in this Finance Review, has been adjusted for the changes outlined in note 1 of the Financial Statements.

## Key financial trends

### Revenue €m

2018		982
2019		1,122
2020		1,061
2021		1,191
2022		1,309

### Capex €m

2018		683
2019		863
2020		839
2021		851
2022		1,061

### EBITDA €m

2018		248
2019		380
2020		262
2021		382
2022		424

### Net assets €m

2018		1,477
2019		2,810
2020		3,399
2021		3,989
2022		4,678

## Summary income statement

	2022 €m's	2021 €m's
Revenue	1,309	1,191
Commercial revenue	348	298
Government subvention	961	893
Operating costs	(885)	(809)
<b>EBITDA</b>	<b>424</b>	382
Depreciation and amortisation	(167)	(152)
Finance costs	(4)	(3)
<b>Surplus/profit before income tax</b>	<b>253</b>	227

## Revenue

Revenue of €1,309m for the year to December 31st 2022, was €118m higher compared to 2021. Government subvention income of €961m in respect of domestic water billing was €68m higher than prior year. The total of Non-Domestic and New Connection revenues was €348m, which is €50m higher than 2021, due to higher non-domestic revenue of €23m and higher customer connection revenues of €26m.

## Depreciation

Depreciation and amortisation increased by €15m to €167m in 2022 due to the increased levels of capital investment by the Company.

## Surplus/profit before income tax

Surplus/profit before tax increased by €26m to €253m for 2022 due to:

- higher EBITDA of €42m,
- partially offset by higher depreciation charges of €15m, and
- higher finance costs of €1m.

## Financial review (continued)

### Operating costs summary

	<b>2022</b> <b>€m's</b>
Employee benefit expense	<b>(95)</b>
Local Authority SLA payroll and functional support overheads	<b>(222)</b>
Hired and contracted services	<b>(253)</b>
Materials, maintenance and plant hire	<b>(123)</b>
Rent, rates, utilities and insurance	<b>(116)</b>
Central transactional and support service costs	<b>(1)</b>
Impairment losses on financial assets	<b>(18)</b>
Other operating costs	<b>(56)</b>
<b>Total</b>	<b>(885)</b>

### Operating costs

Operating costs of €885m increased by €76m when compared to 2021. This increase is primarily due to unprecedented increases in global energy prices in late 2022, which resulted in higher contracted service costs for the operation of treatment plants. General inflationary pressures also resulted in increased materials, maintenance, plant

hire and payroll costs. The bad debt charge has returned to reflect a standard operating cycle, following COVID-19 disruption in recent years.

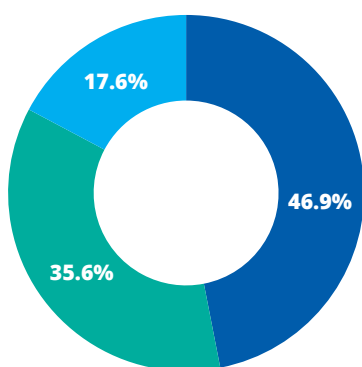
These increases were partly offset by the delivery of a further €7m in operating cost efficiencies. In addition, the Company managed a very successful electricity hedging strategy which delivered a total cost avoidance of €44m in 2022.

Following operational separation from Ervia in 2022, the central transactional and support services which Ervia previously recharged Uisce Éireann for, were incurred by Uisce Éireann in 2022. Ervia continued to provide governance services to Uisce Éireann up to the date of legal separation, 1 January 2023, therefore a limited portion (€1m) of these recharges continued in 2022.

### Summary balance sheet

	<b>2022</b> <b>€m's</b>	<b>2021</b> <b>€m's</b>
Infrastructure assets	<b>5,872</b>	4,953
Other assets	<b>519</b>	465
<b>Total assets</b>	<b>6,391</b>	5,418
Borrowings and other debt	<b>(645)</b>	(514)
Pension liability (IAS 19)	<b>(21)</b>	(37)
Other liabilities	<b>(1,048)</b>	(879)
<b>Total liabilities</b>	<b>(1,713)</b>	(1,430)
<b>Net assets</b>	<b>4,678</b>	3,989
<b>Net debt</b>	<b>(331)</b>	(188)

**CAPEX (%)**



- Quality
- Future Proofing
- Conservation

**Infrastructure Assets and Capital Expenditure**

2022 saw Uisce Éireann deliver the highest level of investment in water and wastewater services in its history, totalling €1,061m, compared to €851m in 2021.

**Net Debt and Cash Flows**

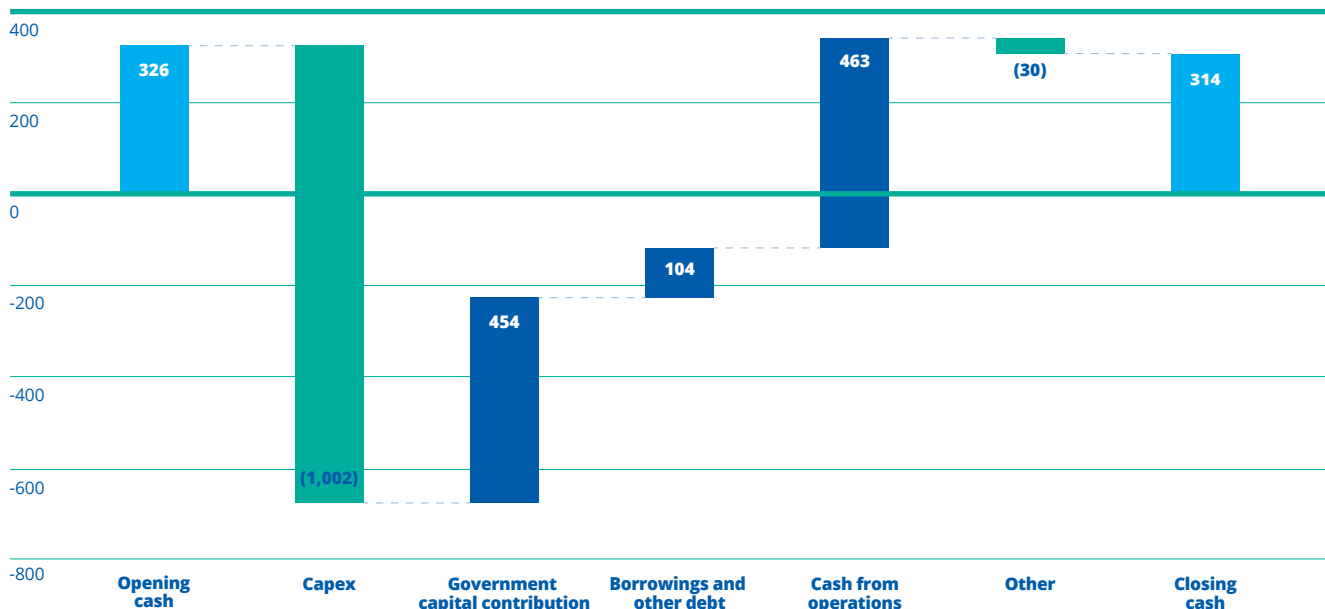
The net debt position at 31 December 2022 was €331m (total borrowings and other debt of €645m, less cash and cash equivalents of €314m), as compared to €188m in the prior year.

In 2022, water and wastewater capital investment funding requirements (€1,002m in cash outlay terms) were partially met by the capital contribution funding received from Government of €454m, resulting in a residual funding requirement of €548m. The net increase in borrowings and other debt of €104m, along with positive operating

cash flows of €463m, were utilised to meet this residual capital funding requirement. Other net cash outflows of €30m reduced cash at year end to €314m.

These other cashflows primarily relate to a €34m net cash movement in respect of third party collateral. Further to an IFRS agenda decision, which the Company adopted in 2022, third party collateral is presented as cash unless it is held on deposit terms of greater than 3 months, in which case it is presented as a financial asset (see note 1 of the Financial Statements). This €34m net cash movement can be analysed as €21m cash inflow due to increased collateral held at year end, offset by €55m being placed in longer term deposits at year end and thereby representing a cash outflow. The remaining other cash movement is €4m received in respect of net assets acquired from Local Authorities in 2014.

**How cash was used in 2022 (€m)**



## Financial review (continued)

### Capital Resources and Treasury Governance

#### Capital Resources

As at 31 December 2022 Uisce Éireann held;

- total drawn borrowings of €613m (excludes lease liabilities of €31m),
- undrawn Minister for Finance facilities of €408m, which are to be made available over the period 2023 to 2024, subject to the approval of the Minister for Finance, to finance non-domestic capital expenditure over that period,
- undrawn NTMA working capital facility of €350m, and
- €314m of cash and cash equivalents.

In June 2020, the Company entered into new €1,022m State loan facilities, provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, €112m of which was drawn down in 2022, bringing the total drawn down to €614m. The remaining available facilities of €408m, are to be made available over the period 2023 to 2024, subject to the approval of the Minister for Finance, to cover non-domestic capital expenditure over that period.

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 has obtained prior Ministerial agreement to utilise the facility. An additional €10m uncommitted overdraft facility is available to help manage daily banking requirements.

At December 31st 2022, the weighted average interest rate on the Company's portfolio of outstanding borrowings was 0.90% (2021: 0.54%) and the average maturity of its debt was 8.14 years (2021 9.17 years).

#### Treasury Governance

In 2022, to achieve operational separation from Ervia, the Uisce Éireann treasury function began operating on a standalone basis.

During 2022, the responsibility for treasury activity and its performance continued to rest with the Ervia Board, which exercised its responsibility through regular review. The Ervia Audit and Risk Committee continued to provide oversight of the risk and control environment on behalf of the Ervia Board, until legal separation on 1 January 2023.

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**  
Corporate Affairs Director



**Chris McCarthy**  
Chief Financial Officer



**Michael O'Sullivan**  
Director of Business Services



**Sean Laffey**  
Asset Management and  
Sustainability Director



**Brendan Murphy**  
Strategy and Regulation Director



**Brian Sheehan**  
Infrastructure Delivery Director



**Dawn O'Driscoll**  
People and Safety Director



**Noeleen McHenry**  
Chief Legal Officer



**Richard O'Sullivan**  
Company Secretary



# Operating review

## Major challenges and achievements in 2022

### Strong investment delivering for growth and housing

Good water infrastructure underpins economic growth and development. In 2022 Uisce Éireann delivered €1,061m in Capital Expenditure delivering water and wastewater projects and programmes across the country, prioritising the most urgent improvements in water quality, wastewater capacity and compliance, leakage reduction, and sustainability.

The 'Customer First' programme, which is a multi-year programme focussed on enhanced service delivery by putting our customers first, made good progress during the year. The programme implemented enhancements in areas such as broadening our outage notification service for business customers, improving our customer disconnection and reconnection processes, digitising the pre-connection enquiry process and streamlining the customer complaints and escalations processes. The programme will continue to focus on further process and service enhancements for our customers in 2023.

2022 saw continuing challenges to the delivery of water and wastewater infrastructure in Ireland. Global events continued to have wide impacts. The continuing effects of COVID-19, the war on Ukraine and Brexit fuelled inflation and impacted supply chains. Throughout the year Uisce Éireann continued to review and manage options with suppliers and stakeholders to maximise efficient delivery of outcomes and outputs.



### Significant step forward in the transformation of the water sector

The 'Framework for the Future Delivery of Water Services', published by the Department of Housing, Local Government and Heritage in June 2022, marked a significant step forward in the transformation of the water sector in Ireland. Over the course of the second half of 2022, a working group involving Uisce Éireann, the LGMA and CCMA progressed a Master Co-Operation Agreement to operationalise the provisions of the Framework and support the transition of responsibility for water services in each Local Authority. The Master Co-Operation Agreement will replace the Service Level Agreements with the Local Authority sector which have been in place since 2014. Uisce Éireann has established a Transformation Programme Team which is progressing the transition on a phased basis, with the primary focus on stability

of operations, service continuity and safety of both public health and staff. In November 2022, the Programme Team commenced a series of engagements to encourage as many Local Authority water services staff as possible to transfer to Uisce Éireann. All eligible staff, staff who work more than 50% of their time in water services, have the option to transfer to Uisce Éireann any time up to the end of 2026, when all staff working in water services will be employed directly by Uisce Éireann. We will build on the legacy of working and delivering for communities, bringing together the best of Local Authorities and Uisce Éireann's shared heritage and commitment to the water sector. We're now making a significant step forward in how we deliver water services recognising the importance of a single, national strategic approach supported by significant funding commitments and proven technical systems and expertise.

**Operating review (continued)**

**Progress against strategic objectives**

Uisce Éireann operates within a framework of national policies. The Water Services Policy Statement 2018 – 2025 sets out the priorities of Government regarding the provision of public water services under the three themes of Quality, Conservation and Future Proofing. We have used this framework as the basis for this operational review.

**QUALITY**

**Water quality**

Uisce Éireann takes significant steps to reduce the risks of drinking water quality events occurring. We have carried out extensive audits of our plants, significantly increased staff training and fast-tracked key initiatives to provide better real time oversight of the operation of our largest plants covering the majority of our customers. Our National Operations Management Centre based in Dublin is now operational 24/7 monitoring over 966 alarms in our top 92 largest water treatment plants. As we improve both the operation and monitoring of our water treatment plants and associated networks we are witnessing an increase in the overall number of Boil Water Notices (BWNs).

While we remain committed to ensuring that our customers have safe, clean drinking water, it is a significant challenge. In 2022 130,034 people in 11 water supplies were removed from the Remedial Action List (RAL). In January 2023 the EPA published its Drinking Water RAL update to December 2022. It now contains 58 water supply zones serving 481,309 people. This represents a net increase of 6 water supply zones supplying “at risk” water since year end 2021. We are working in partnership with Local Authorities to address issues with the supplies which remain on the list to bring them to a standard where the EPA determines that they can be removed.

Another priority is the removal of people on BWNs, and 67% of BWNs put in place in 2022 were removed in less than 30 days. However, despite removing 18,584 people from BWNs within 30 days, there were 13 boil water notices in place, impacting a population of 18,287, at year end. The BWNs in place at three large urban locations, Whitegate (9,482), Macroom (4,237), and Clogh/Castlecomer (3,195) account for the majority of the impacted population. The BWN at Macroom was lifted in February 2023 and the projected date for the removal of the remaining BWNs is subject to consultation and agreement with the HSE.

In collaboration with our Local Authority partners and commercial laboratories, we maintained the regulatory monitoring programme during 2022, completing over 187,000 individual tests. The results of this monitoring are published on the Uisce Éireann website for individual water supplies. Drinking water standards remain high with overall compliance at 99.31%.

We continued to roll out national work programmes, including:

- The delivery of reservoir cleaning and refurbishment, telemetry monitoring of critical operating parameters, safety programmes and water quality programmes.
- The upgrade of 15 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.



***The National Water Resources Plan is a 25-year strategy to ensure we have a safe, sustainable, secure and reliable drinking water supply for everyone.***



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 2022, 13 water treatment plants were rationalised.

In January 2021 the European Union adopted the recast Drinking Water Directive. Ireland had until January 2023 to transpose the Directive into Irish law. Throughout 2022 Uisce Éireann worked with the Department of Housing, Local Government and Heritage and key stakeholders on revised Drinking Water Regulations which will come into force from 2023 with an implementation period before compliance. 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.

Uisce Éireann is developing the first National Water Resources Plan (NWRP) for Ireland. The NWRP sets out how we will balance the supply and demand for drinking water over the short, medium and long term. It is a 25-year strategy to ensure we have a safe, sustainable, secure and reliable drinking water supply for everyone. It is made up of the NWRP Framework and four Regional Water Resources Plans (RWRP) which summarise the needs across the 535 individual water zones and identify the solutions to address these needs grouped by region.

The NWRP Framework was adopted in 2021 and was published along with the accompanying Strategic Environmental Assessment Statement and an Appropriate Assessment Determination. Each draft RWRP and associated environmental reports has their own public consultation phases.

The Eastern and Midlands (RWRP EM) consultation was completed in early 2022 and the RWRP EM was adopted in

September 2022. The South West (RWRP SW) consultation closed in August 2022 and the Plan is being finalised. The North West (RWRP NW) consultation commenced in November 2022 and the South East (RWRP SE) consultation is due to commence in early 2023.

### Wastewater quality

Uisce Éireann is responsible for the provision and development of public wastewater services which includes the collection, treatment and discharge of wastewater. We operate 1,057 wastewater treatment plants, 2,250 wastewater pumping stations and over 26,000km of foul/combined sewer network.

The investment in wastewater treatment and networks is aligned with commitments made in the River Basin Management Plan (RBMP) 2018–2021 to improve water quality. The River Basin Management Plan lists 255 agglomerations requiring attention. By the end of 2022, this number has been reduced to 107.

**Operating review (continued)**



The River Basin Management Plan 2022-2027 is due to be published by the Department of Housing Local Government and Heritage in early 2023. The Plan is required under the Water Framework Directive for the period 2022-2027. The draft Plan was published by the Minister in September 2021 and was subject to public consultations in 2022. Uisce Éireann worked throughout the year with the Department of Housing, Local Government and Heritage and other stakeholders on the Plan.

There were 10 agglomerations removed from the EPA's Priority Areas for Wastewater Improvement List in 2022. At the end of the year there were 91 agglomerations remaining on the list and there are plans in place or under development for the majority of these remaining sites.

Since 2014 the EPA has identified 50 towns and villages where raw sewage was collected and released untreated into the aquatic environment. The

number of untreated agglomerations has been reduced to 29 by the end of 2022.

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.

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.

In 2022, we also continued work with the other stakeholders, in particular Northern Irish Water, on the progression of the Shared Waters Enhancement & Loughs Legacy (SWELL) project. This major cross-border project was awarded €35m under the EU's INTERREG VA Programme in 2019 for the construction of new wastewater treatment works as well as upgrades to sewerage networks on both sides of the border to address wastewater pollution in Carlingford Lough and Lough Foyle. We foster an ongoing relationship with Northern Irish Water regarding customer service, technical and regulatory standards and we are members of Water UK,

**Ringsend Wastewater Treatment Plant upgrade**

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 2022 despite the general industry wide supply chain challenges. The Capacity Upgrade facility began accepting flows for treatment in late 2021 allowing works to proceed in 2022 on the upgrade of the 24 existing secondary treatment tanks to provide additional capacity and nutrient reduction. Uisce Éireann also continued to make good progress on the delivery of the new phosphorous recovery facility and on the expansion of the plant's sludge treatment facilities. Uisce Éireann is working to provide infrastructure to achieve compliance with the Urban Wastewater Treatment Directive for a population equivalent of 2.1 million by the end of 2023. When all the proposed works are complete in 2025, the Ringsend Wastewater Treatment Plant will be able to treat wastewater for up to 2.4 million population equivalent while meeting the required standards.

## CONSERVATION

Works to reduce leakage in 2022 included leakage detection and repair, mains rehabilitation, lead connection replacement, pressure management and district meter replacement. These works are being delivered with our Local Authority partners and contractors. In 2022 the Leakage Reduction Programme continued to operate under the

COVID-19 related health and safety guidelines for workers and customers. Awareness of the works was augmented by branded site works and signage for essential works. Under the programme, 2,876 First Fix repairs were completed, 10,801 lead connections were replaced, and 315km of new and rehabilitated water mains were laid in 2022. This resulted in an overall net reduction in leakage of 29.81 ML/d (12 month rolling average at September 2022). The national leakage rate has dropped from 46% in September 2018 to 36.9% in September 2022 (leakage metrics are reported in arrears and Q3 data were the latest available figures at time of signing).

The CRU published its Decision Paper on the Household Water Conservation Charge in 2019 but the introduction of the charge was delayed as a result of the COVID-19 pandemic. We will continue to work with the CRU and the Government on preparations for the introduction of the charge at a later date.

Uisce Éireann continues to closely monitor all water supply zones and water demand, especially during periods of extreme weather. Following a record-breaking dry spell during the summer, 50 of Uisce Éireann's 716 drinking water schemes were in drought nationally. A Water Conservation Order was put in place in West Cork on 30 August as many water supplies were critically low. During this period Uisce Éireann provided support in the form of tankering to reservoirs to maintain levels.

Any restrictions were clearly communicated and all attempts were made to minimise the impact on all customers. Uisce Éireann lifted the Water Conservation Order on 1 October following a return to normal rainfall levels and improving surface and ground water conditions.



***Uisce Éireann is working to provide infrastructure to achieve compliance with the Urban Wastewater Treatment Directive for a population equivalent of 2.1 million by the end of 2023.***

## Operating review (continued)

### FUTURE PROOFING

Since the start of 2014, 125 wastewater treatment plants have been constructed or upgraded, including 9 in 2022. A total of 102km of new or rehabilitated sewer network was laid during 2022.

Water capacity and resilience has been improved by constructing or upgrading a total of 70 water treatment plants since 2014, with 6 of these completed in 2022. A total of 315km of new or rehabilitated watermain was laid in 2022.

### Housing for All

Housing is a key priority for everyone and is linked to economic growth. We have grown our connection and developer services team to enable us to deliver a high-quality service to home builders

and developers. We publish water and wastewater capacity registers on our website to show developers and planners which areas have capacity for growth. In 2022 we launched new initiatives such as the self-lay in public roads programme and the Experience Based Accreditation scheme, to allow contractors pre-register as an experience based accredited contractor for self-lay projects in the public road. Accreditation will support a more efficient process for self-lay applications. We have piloted our Self Lay in the Public Road programme based on feedback from industry members, we have extended the criteria to allow a greater number of developments to participate on the programme. We have made our submission to the CRU to support the First Mover Initiative and look forward to the CRU's public consultation.

Uisce Éireann is committed to open communication and working together to proactively support the delivery of housing in Ireland. We are working to develop effective partnerships built on trust to meet the housing supply challenge and we are here to listen to our stakeholders and take action. We are proactively making this happen by hosting, presenting, or attending relevant conferences and events relating to housing to support our key stakeholders. We remain fully committed to delivering on the specific actions assigned to Uisce Éireann in the Government's Housing for All programme. All these initiatives are making a real impact. This year we witnessed an increase in demand for new connection enquiries and application services. We issued positive responses to 3,190 enquiries associated with 116,647 housing units and





4,473 connection offers associated with 36,989 housing units. Customers have accepted 3,693 offers associated with 28,188 housing units. During the year we completed 4,258 connections to water services infrastructure associated with 25,347 housing units.

The Climate Action Plan 2023 (CAP23) was launched by the Government on 21 December 2022. The supplementary Annex of Actions will be published early in 2023. CAP23 is the second annual update to Ireland's Climate Action 2019. This plan is the first to be prepared under the Climate Action and Low Carbon Development (Amendment) Act 2021, and following the introduction, in 2022, of economy-wide carbon budgets and sectoral emissions ceilings.

#### Water Supply Project, Eastern and Midlands Region

Further to the National Water Resources Plan and Regional Water Resources Plan, the Water Supply Project will provide a major new source of water to meet the supply requirements of the Eastern and Midlands Region in a sustainable manner to 2050 and beyond. A preliminary business case is being finalised for submission to DHLGH in

Q2 2023 as part of their assessment of the project under the Public Spending Code. Uisce Éireann is also progressing a Strategic Infrastructure Development planning application for submission to An Bord Pleanála including an Environmental Impact Assessment Report and Natura Impact Statement.

#### Greater Dublin Drainage Project

The Greater Dublin Drainage (GDD) project involves the development of a new regional wastewater treatment facility and associated infrastructure to serve the Greater Dublin Area, in particular, the population of north Dublin along with small parts of the surrounding counties of Kildare and Meath. A new regional plant is required to provide the additional treatment capacity needed once the country's largest wastewater treatment facility at Ringsend reaches its maximum upgraded capacity by the mid-2020s.

In addition, having adequate wastewater treatment capacity is vital to protect public health, safeguard the environment and facilitate sustainable social and economic growth.

On 20th June 2018, Uisce Éireann submitted an application for strategic infrastructure development to An Bord Pleanála for the GDD project.

An Bord Pleanála (ABP) granted planning permission for the project in November 2019. Judicial Review proceedings were taken against the ABP planning permission with the High Court determining in November 2020 that the planning permission for the GDD project should be quashed, on the basis of a single ground related to consultation between ABP and the EPA. The application was remitted back to ABP in April 2021.

ABP subsequently wrote to Uisce Éireann on 26th August 2022 providing Uisce Éireann the opportunity to update, where appropriate, the EIAR and NIS and any other information submitted. Uisce Éireann is currently preparing a response to this request. ABP will provide a decision on the remitted planning application in due course.

Uisce Éireann is also planning surveys for completion in 2023. These require a foreshore license, and an application was submitted in Q4 2022 to the Department of Housing, Local Government and Heritage. This application is subject to a period of public consultation which commenced in February 2023.

## Sustainability

At Uisce Éireann, we are passionate about improving the sustainability of water services and playing our part in building a more sustainable future. We are implementing policies and strategies to support sustainability aligned with the UN sustainable development goals, taking a proactive approach to sustainability across our water and wastewater assets. The UN Sustainable Development Goals (SDGs) have set an ambitious framework, with water having an individual goal - SDG 6: 'ensure availability and sustainable management of water and sanitation for all'.





### Uisce Éireann's Sustainability Objective:

Our key strategic Sustainability objective is to operate a sustainable efficient business delivering water services to the community in a manner that supports national policy and contributes to the protection of the environment. To stay ahead of challenges, we will continue to drive change within as we build a sustainable business fit for the future.

Our mission is to ensure that all our customers receive a safe, reliable and sustainable supply of drinking water and have their wastewater collected and safely returned to the environment. Our ability to take drinking water from the environment, and return treated wastewater requires a healthy and sustainable functioning ecosystem, fundamentally supported by a diversity of plant and animal life. Uisce Éireann, as guardians of Ireland's water and wastewater assets, with a dedicated sustainability team, are integrating and embedding sustainability and sustainable development into everything we do.

Together with our stakeholders, the SDGs will continue to serve as a blueprint for how we behave as a responsible water utility and to focus resources for delivering the most significant and positive impacts.

### Environmental Impact

As guardians of Ireland's public water and wastewater assets we have a responsibility to protect the environment in which we operate and to act responsibly through our activities. As outlined in our Water Services Strategic Plan, we are committed to protecting the environment in all our activities and support Ireland's social and economic growth through appropriate investment in water services.

### Climate Action

Uisce Éireann, as one of Ireland's largest public sector energy consumers, is improving the energy efficiency of water services. Our sustainable energy strategy takes a proactive approach, building on the work of Local Authorities. It takes a business wide approach including concept design, new projects, retrofits and our people. We are implementing Energy Efficient Design for all our new and existing assets in collaboration with SEAI. Our strategic agreement with SEAI helps to design for energy efficiency from concept, avoiding locking in inefficiencies whilst also helping to transform the industry

at a national level. Our approach helps embed energy efficiency, facilitating us to develop, maintain and sustain a culture of energy efficiency.

Energy efficiency improvement is a key mitigation measure of our climate change policy to help ensure water and wastewater services are resilient to climate change and developing a low greenhouse gas emitting water and wastewater service. We are implementing a business wide climate mitigation and adaptation strategy, aligned with the Water Sector Adaptation Plan under the National Adaptation Framework.

Our energy retrofits programme prioritises a project pipeline for energy efficiency projects. The programme has achieved almost 30 GWh in energy efficiency improvements to date.

The Sustainable Energy Authority of Ireland has validated a 34.5% improvement in our energy efficiency performance, from a 2009 baseline to the end of 2020. This equates to the electrical energy required to power 50,000 homes for a year. We remain on track to meet our target of 50% energy efficiency improvement by 2030.

## Sustainability (continued)

### Circular Economy

We are progressing a number of initiatives through the water treatment plant residual strategy taking a circular economy model for the management of sludges, as they provide a sustainable source of precious finite materials. The sludge provides an alternative/ complement to current raw materials being used. We view water sludge as a valuable resource particularly in the context of the circular economy model. This model is in direct contrast to the current linear model of 'take, make, consume, dispose', with landfill being the primary end point. We are progressing a number of potential sustainable options. Recovery/reuse of the sludge is the preferred long term sustainable option for Uisce Éireann. We have reached a key milestone with nearly 90% of our water sludge going to circular economy outlets.

### Biodiversity

The implementation of our low carbon approach and our Biodiversity Action Plan helps us to conserve, enhance and work with the natural environment. We are working with the Department of Agriculture, Food and Marine to plant native woodlands on appropriate Uisce Éireann sites, which enhances native biodiversity, sequesters carbon and provides source protection. The seven key objectives of the Biodiversity Action Plan are:

- Measures at all Uisce Éireann sites that will enhance and protect biodiversity.
- Raising awareness and provide educational supports in relation to biodiversity.
- Ensure "no net loss" of biodiversity when carrying out activities or delivering plans and projects across our sites.

- Implementing actions from the All Ireland Pollinator Plan.
- Promoting the use of nature-based solutions for water protection and wastewater treatment.
- Managing invasive alien species on Uisce Éireann sites.
- Collaborating with key internal and external stakeholders and the wider community, in protecting and enhancing biodiversity.

We are committed to protecting Ireland's terrestrial and aquatic ecosystems species in all our activities. By working responsibly, we can play our part to halt the decline of Ireland's rich biodiversity and set it on a pathway to recovery.



**We have achieved a 34.5% improvement in our energy efficiency performance to date, saving an equivalent electrical energy to power 50,000 homes for a year.**

## Social Impact

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 in 2022. 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.

## Safety

This year we achieved 6,194,108 person hours worked since the last employee lost time injury in December 2018. This highlights our commitment to delivering on the Work Safe Home Safe vision and the efforts made to ensure we put safety first.

A new Infrastructure Delivery Collaborative Forum was launched during the year, bringing key safety influencers from Uisce Éireann and our delivery partners together to lead on safety. The approach to the delivery of infrastructure is to promote both a positive and proactive behavioural based safety culture, making our Work Safe Home Safe belief that 'we all have a right to work and go home safely' a reality.

In 2022, we continued to monitor our health and safety performance and utilise our leading and lagging indicators to plan for and drive future safety performance. We identified 35 high potential incidents in 2022, resulting in a focus on improving safety across the water industry. We look forward to having an even greater impact in this area during 2023 when we work directly with our operational staff to report, investigate and ultimately prevent health and safety incidents.

## Time to Talk

Uisce Éireann aims to build a positive work environment, through our individual and collective actions and behaviours and to help to break the stigma associated with mental health in the workplace. The health and wellbeing of our people is a priority. In 2022 we continued to roll-out the mental health strategy 'Time to Talk', which aims to provide a structured approach to mental health initiatives.

It endeavours to promote knowledge and understanding of mental health and self-care methods, to reinforce connection with our existing and new wellbeing supports and to highlight the value of sharing experiences to build trust and confidence that it is positive and safe to talk about mental health. There are now 68 active Mental Health First Aiders across Uisce Éireann, Mental Health First Aiders from across the organisation held an information stand at each of our company days in Dublin, Cork, and Galway to provide information to all colleagues and to normalise the presence in our organisation. 2022 saw a large increase in the number of mental health first aid conversations which is testament to the great work of our network of mental health first aiders across the organisation building trust and confidence in the programme.

## Sustainability (continued)

Uisce Éireann successfully maintained the ISO 45001 certification for its safety management system and was recognised as an industry leader and winner of the Utilities category at the Health & Safety Excellence Awards 2022. We were also short listed for the overall Health & Safety Excellence 'Grand Prix' Award.

2022 also saw the start of a process safety journey. Key stakeholders joined the health and safety team to establish a Process Safety Vision aligned to the Work Safe Home Safe ambition that 'our activities and assets shall not cause harm to anyone'. Uisce Éireann will continue to deliver on the Work Safe Home Safe vision and framework for the new operating model in 2023.

### Our People

An employer of over 1,200 people, together with circa 3,000 staff in Local Authorities, Uisce Éireann recognises the importance of equality, diversity and inclusivity among our workforce.

#### iBelong

In 2022, iBelong programme continued to ensure a focus on diversity and inclusion in Uisce Éireann. iBelong is about making our workplace more diverse, inclusive and equal and enabling everyone to be their true self at work. The iBelong programme of work is overseen by our Diversity and Inclusion Council which is made up of employee representatives.

The employee led resources groups held numerous membership events, created connections between employees and engaged in discussions with leadership to help shape Uisce Éireann. One of the 2022 highlights was the Holiday Swap Policy led by the Ethnicity and Cultural Diversity Network. It is designed to enable employees to request to change the designated Company Holiday dates at Easter and Christmas to alternative

dates which align with their own cultural and religious observances and festivals.

Uisce Éireann joined many well-known private, semi-state, government bodies and departments to proudly become an official Dublin Pride Partner with a company wide acknowledgement and celebration of Pride Month. The iBelong Ability Network working group is in the early stages of looking at how a more inclusive working environment can be created from an ability and neurodiversity perspective.

Our commitment to diversity and inclusion is further underpinned by the continued adherence of the Diversity Charter Ireland and of the Business in the Community Elevate, Inclusive Workplace Pledge.

#### Gender Representation

In 2022 we published our first Gender Pay Gap report which is available here: [www.water.ie](http://www.water.ie). We also took a number of actions to bring us closer to achieving our commitment to diversity and inclusion through gender balance such as the introduction of a flexible hybrid working model. Creating a fully inclusive and representative workplace takes commitment and more importantly sustained action. What our Gender Pay Gap data tells us is that we still have more work to do when it comes to female representation in Uisce Éireann. Our focus going forward is to not only encourage women to work at Uisce Éireann but to also continue to develop and grow our female talent, and to take tangible and measured actions to support our colleagues in their career progression. We are also focused on continuing to challenge the societal norms through training and education and to play a proactive role in helping to break down the biases and roadblocks females face in the workplace.

#### Industry Outreach

Uisce Éireann continues to build a diverse workforce and a key part of this is investing in our early career's recruitment, specifically, Graduate Recruitment.

- 47% of our graduates were female, the highest intake of female graduates.
- Graduates from non-EEA countries accounted for 21% of successful applicants. This is increasing year on year.

### Our Customers and Communities

#### An Taisce Clean Coasts

From an operational perspective the wastewater system is not designed to deal with large amounts of sanitary waste. Smaller items that are flushed can escape through filters at water treatment plants and end up in rivers and on beaches. This type of waste is the third largest category of beach litter in Ireland and can pose a danger to wildlife. Every month Uisce Éireann clears nearly 2,000 blockages from the wastewater network.

Think Before You Flush is a national public awareness and behavioural change campaign delivered by An Taisce, in partnership with Uisce Éireann, through the Clean Coasts programme. As part of the campaign we work closely with businesses, schools and universities to deliver educational events and engage the local community.

In 2022 a number of bespoke social media campaigns were undertaken to raise awareness of this issue among the campaign's younger audience. These included the 'Break Up with Plastic' campaign, participation in the Future Beauty Show and the Ideal Home Show and a campaign in November to mark World Toilet Day.



***The ongoing success of the partnership was recognised during 2022 when it won the award for Best Grassroots Sponsorship at the prestigious Irish Sponsorship Awards.***

Market research shows that 40% of the public pour fats, oils and greases down the sink. Think Before You Pour is another element of the campaign, supported by celebrity chefs and influencers, to draw attention to the negative impacts of these on the wastewater system.

These campaigns have been successful, showing a 42% reduction in unsuitable items being flushed down the toilet and a 33% reduction in people pouring fats, oils and greases down the sink.

#### **Green-Schools sponsorship**

The Green-Schools programme is an important sponsorship for Uisce Éireann. The programme allows us to invest in tomorrow's water advocates today. The 2021-2022 academic year represented Uisce Éireann's ninth year sponsoring the Water Theme of the programme. The ongoing success of the partnership was recognised during 2022 when it won the award for Best Grassroots Sponsorship at the prestigious Irish Sponsorship Awards.

A total of 378,858 students, 31,241 staff, and 843 schools participated in the Water Theme this year.

Across Uisce Éireann staff from many functions continue to contribute to the Green-Schools programme which gives us a direct route to children, teachers, parents, future engineers, scientists and communicators. We are getting the opportunity to teach them about water – our most precious resource – and one which needs to be conserved, valued, treated and protected. We have an opportunity through this programme to instil a sense of protectiveness towards water.

Activities were themed around important topics such as conservation and valuing water resources, particularly ground water. Uisce Éireann played a key role by amplifying Green-Schools' online activities through our social media platforms.

**Sustainability (continued)**



The Green-Schools team, with the support of Uisce Éireann staff, delivered teacher training seminars, schools workshops and dedicated training for Water Ambassadors, as well as the annual Walks for Water and a number of events and competitions throughout the year.

The Water Poster competition was a great success again this year with over 1,700 poster entries and many wonderfully creative entries on the theme of ‘Ground Water – Our Hidden Treasure’. This year also saw the continued development of a video competition with many great entries.

Media and social media are important channels for the Green-Schools programme. Schools, classrooms, teachers and older students are becoming more vocal and engaged through social media channels. The various Water Theme initiatives are heavily promoted on a regular basis

through Green-Schools’ various social media accounts, including Twitter, Facebook, Instagram and YouTube, and shared by the Uisce Éireann social media team. The wide range of social media platforms used ensures that the Water Theme resources and information are available and accessible to a wide and growing audience. The Green Schools Water Theme also featured across traditional media, including on RTÉ’s youth news programme, News2Day for World Water Day.

The programme continues to deliver strong results for Uisce Éireann. During the academic year 2021-2022, a total of 74 schools were awarded their Green Flag for Water. The experience and innovation of the Green Schools and Uisce Éireann teams, along with the willingness and enthusiasm of the participating schools, has helped to drive the continued success of the partnership.

**Water Stewardship**

According to the World Economic Forum effective governance and management of freshwater supplies is one of the most fundamental public good challenges of our time. This is against a backdrop where less than 1% of the world’s freshwater is readily available for human consumption and a forecasted demand increase of 40% by 2030. Over 1.7 billion people are currently living in river basins where water use exceeds recharge. We have a responsibility to conserve and manage precious water resources and to protect the wider environment.

Uisce Éireann is taking proactive steps to ensure we have sufficient water for future generations and that our supplies are safe, secure, reliable and sustainable by supporting the business community through our award-winning Water Stewardship Programme. We provide world class support to



customers seeking to reduce their water use and strengthen their environmental credentials through verifiable action. This online training allows businesses to participate at a time that suits their busy schedules and will help their employees and customers make conscious decisions about water consumption that will benefit people and nature.

The innovative programme is the first of its kind globally. It is an international best practice certification accredited by the European Water Stewardship Standard. The initiative is being implemented with the endorsement of key business stakeholder groups such as Ibec, Enterprise Ireland, Chambers Ireland, Origin Green and SEAI. It has been made possible thanks to the funding from Uisce Éireann and the Lean & Green Skillnet with support from the Department of Further and Higher Education, Research, Innovation and Science and is a clear demonstration of Ireland's growing reputation and leadership actions on water stewardship and climate action.

The specialised training provides business owners with the knowledge and expertise to lower water consumption and reduce operating costs while protecting the environment. Small changes such as identifying water waste on site, setting a baseline for water use, raising awareness amongst staff and customers or upgrading to water efficient devices can help to save water and money.

Over 600 water stewards have been trained to date and over 1,500 new water conservation projects have been put in place by our business customers as a result of being on the programme - with 100% positive feedback from graduates.



## Green Award for Uisce Éireann project to deliver sustainable wastewater treatment for Co Kerry village

Uisce Éireann and partners VESI Environmental and Kerry County Council received a prestigious Green Award for an innovative project to deliver sustainable, low energy wastewater treatment to the village of Lixnaw in Co Kerry.

The project to develop an Integrated Constructed Wetland for the North Kerry village took top prize in the Green Technology category of the awards which celebrate green business and sustainability.

An Integrated Constructed Wetland (ICW) is a sustainable, natural wastewater treatment system that is designed to look and function in a similar way to a natural wetland. It is an environmentally friendly way to treat wastewater with reduced operational and maintenance costs, as well as biodiversity creation, while also reducing energy consumption and carbon emissions. As well as ensuring that wastewater from the village is treated in full compliance with wastewater discharge regulations, the project also adds biodiversity value to the area by providing a habitat for local wildlife while remaining sensitive to the surrounding landscape.

Integrated Constructed Wetlands run at about one tenth of the operational costs associated with a conventional wastewater treatment plant and they do not require the addition of chemicals to treat wastewater. Another big benefit of this technology is carbon sequestration; over the lifespan of this project, its carbon footprint will be negative as the amount of carbon sequestered will be far greater than that used in the build.







# Governance Report

## The Uisce Éireann Board



### Tony Keohane (Chairman)

**Appointment:** 1 January 2023

**Term:** 1.5 years

**Committees:** Remuneration Committee

**Career:**

Former Chairman of the Ervia Board, alumni of INSEAD, expert in strategic development of businesses and organisations, Ex-Chairman of Tesco Ireland, CEO of Tesco Ireland from February 2006 until July 2013. External Appointments: Chairman of Malone Group, Circol ELT, Deposit Return Scheme Ireland and JHL Legal Services, Board of Sam McCauley Chemists and An Bord Bia, strategic advisor in his own consultancy business.



### Niall Gleeson (CEO)

**Appointment:** 6 August 2019

**Term:** Coincides with appointment as CEO of Uisce Éireann)

**Committees:** Investment, Infrastructure and Sustainability Committee and Uisce Éireann Transformation Programme Committee

**Career:**

Brings a wealth of engineering experience, business expertise, and leadership and engagement of teams. Joined the organisation in August 2019 from Shanahan Engineering where he held the role of Senior Director, based in Hong Kong. Previously Managing Director of Veolia Ireland, which built and currently operates water and wastewater treatment plants on behalf of Uisce Éireann and other clients, and Managing Director of Alstom Ltd with responsibility for the maintenance on the Dublin Luas light rail system.

Holds a degree in engineering from DIT Bolton St. Dublin.



### Liz Joyce

**Appointment:** 1 January 2023

**Term:** 2 years

**Committees:** Uisce Éireann Transformation Programme Committee, Remuneration Committee

**Career:**

Former Ervia Board member, previously held senior executive roles in the Central Bank of Ireland, Pioneer Investments, Greenstar Ltd., Diageo and Concern International. Extensive experience in governance, leading change and engaging stakeholders in international and complex environments. External Appointments include Independent Director with the board of the Football Association of Ireland and previously held a range of non-executive roles including with Aware and Concern International. Practices as a Leadership/ Executive Coach and OD Advisor/ Consultant.



### Fred Barry

**Appointment:** 1 January 2023

**Term:** 1 year

**Committees:** Investment, Infrastructure and Sustainability Committee, Uisce Éireann Transformation Programme Committee

**Career:**

Former Ervia Board member and CEO of the National Roads Authority 2005-2015, Group Managing Director of various Jacobs companies. External Appointments include Chairman of the National Transport Authority, Non-Executive Director of the PM Group, Fellow of Engineers Ireland and of the Irish Academy of Engineering.



### Cathy Mannion

**Appointment:** 1 January 2023

**Term:** 5 years

**Committees:** Investment, Infrastructure and Sustainability Committee and Audit & Risk Committee

**Career:**

Background in economic regulation as it applies to aviation, water, electricity and gas. Currently 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.

Previously Commissioner for Aviation Regulation in Ireland, and the National Supervisory Authority for the economic regulation of air navigation services and worked in the Commission for Regulation of Utilities with responsibility for establishing the economic regulatory framework for water services and for developing and implementing energy markets policy.

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.

## The Uisce Éireann Board (continued)



### Chris Banks

**Appointment:** 1 January 2023

**Term:** 1.5 years

**Committees:** Investment, Infrastructure and Sustainability Committee, and Uisce Éireann Transformation Programme Committee

#### Career:

Former Ervia Board member and commercial director at Scottish Water from 2002–2014 during its formative period and business transformation within public sector ownership. Held responsibility for Procurement Asset Delivery partnerships, energy management, property and facilities, IT, fleet, non-regulated businesses in renewables, contracting and international consultancy, and overseeing market opening for water retail competition. Previously worked at board and senior management level in building products, minerals and shipping industries.

External Appointments include 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.



### Patricia King

**Appointment:** 1 January 2023

**Term:** 4 years

**Committees:** Uisce Éireann Transformation Programme Committee, Remuneration Committee

#### Career:

Former General Secretary of ICTU and a former vice-President of SIPTU having served as one of two vice-Presidents of Congress. A full time official with SIPTU for over 25 years, she was the first woman to serve as a national officer of the union when was appointed vice-President, in May 2010.

Has represented workers in all areas of the economy, in both the public and private sectors, was a lead negotiator in both the Croke Park and Haddington Road agreements, and 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).

Currently serves on the boards of the Apprenticeship Council, Court Services Board and the Climate Change Advisory Council and Housing Commission.



### Gerry Britchfield

**Appointment:** 1 January 2023

**Term:** 3 years

**Committees:** Audit & Risk Committee, Remuneration Committee

#### Career:

Senior member of the Coillte CGA executive team for 15 years from 2006 to 2021, including serving as Acting CEO, CFO and COO. Extensive commercial experience, including in Forestry, Renewable Energy and Manufacturing. Played a key role in Coillte's Transformation programme, which led to a step change in the trajectory of the business. Until recently provided strategic and business advisory services to a large privately owned Irish multinational.

Previously served as Chair of the Board of Trustees of the independent Coillte Pension Fund and as a Director of a number of Coillte Joint Venture companies and subsidiaries.

Fellow of Chartered Accountants Ireland, and holds an MBA from DCU.



### Eileen Maher

**Appointment:** 1 January 2023

**Term:** 4 years

**Committees:** Audit & Risk Committee, Remuneration Committee

#### Career:

Experienced strategic advisor and leader with 30 years' experience in the telecoms industry, the past 10 years as an independent consultant. Strong strategic, commercial, transformation, regulatory and legal experience.

Non-executive Director of Nama, Chair of Nama's Risk Committee and member of its Finance and Audit Committees, Member of the Broadcasting Authority of Ireland Compliance Committee, independent Chair of ComReg's Industry Engagement Forum and the Nuisance Communication Industry Taskforce former non-executive Director of Eirgrid and Director of Strategy and External Affairs in Vodafone Ireland with responsibility for all strategic initiatives such as large infrastructure projects, negotiating commercial joint ventures, partnerships, and acquisitions.

Holds a Bachelor of Commerce Degree and Master's in Business Studies from UCG.



### Michael Walsh

**Appointment:** 1 January 2023

**Term:** 5 years

**Committees:** Investment, Infrastructure and Sustainability Committee and Audit & Risk Committee

#### Career:

Currently a non-executive director of AerCap Holdings N.V., the industry leader in aviation leasing, which is listed on the New York Stock Exchange and a member of the Executive Committee of Limerick Civic Trust.

Previously served as a non-executive director, including chairman, of a number of companies which finance and lease aircraft and trains throughout the world. Over thirty years' experience as a non-executive director, senior executive and commercial lawyer in the aircraft leasing and financing industry. Served as Chief Legal Officer of Bord Gais Éireann from 2003 to 2005, and was a diplomat in the Irish Diplomatic Service from 1986 to 1989.

Barrister and a law graduate from University College Cork.

# 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 2022. Uisce Éireann (“the Company”) was incorporated in July 2013 pursuant to the Water Services Act 2013.

In 2018 the Government announced that Uisce Éireann would become a standalone, publicly owned, commercial, regulated utility and would no longer be a subsidiary of the Ervia Group. The operational separation of Uisce Éireann from the Ervia Group took effect from 01 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 01 January 2023 Uisce Éireann is no longer a subsidiary of Ervia. New share ownership arrangements took effect on 01 January 2023 with the shares in Uisce Éireann solely held by both the Minister for Public Expenditure and Reform and the Minister for Housing, Local Government and Heritage.

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 and Reform. A number 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. Up to the date of legal separation, the Board of Uisce Éireann was an Executive only board and a unitary board structure was in place in Ervia, which took ultimate responsibility for the governance of Ervia and its subsidiaries, including Uisce Éireann. Committees in place at the Ervia Group level acted in respect of the entire Group. From a governance perspective, prior to the legal separation of Uisce Éireann from the Ervia Group, Uisce Éireann matters were overseen by both the Uisce Éireann Board and the Ervia Board.

This report will refer to the activities and obligations of the Board of Uisce Éireann for the year ended 31 December 2022.

Uisce Éireann is obliged to comply with the Code of Practice for the Governance of State Bodies (“the Code”). The Board is responsible for ensuring compliance with the Code and that the Company has complied with the applicable provisions of the Code throughout the year under review. 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.

Uisce Éireann is subject to the provisions of the Companies Act 2014. For details of the principal legislation under which Uisce Éireann operates and to access the key documentation which underpins the corporate structure, refer to our website [www.water.ie](http://www.water.ie).

## 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 2022 to secure the Company’s material compliance with its relevant obligations.

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 within a framework of prudent and effective controls which enables risk to be assessed and managed, and satisfies itself, with reasonable assurance, that such controls are adequate to secure compliance with statutory and governance obligations.

The Governance Framework outlines the formal schedule of matters reserved for the Uisce Éireann Board and includes approval of the following:

### Schedule of matters reserved for the Board

- Safety policy.
- Annual budget.
- Multi-annual business plans.
- All contracts and expenditure with a value in excess of €20m.
- 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.

### Matters considered by the Board during 2022 include:

- Approval of 2021 Annual Report.
- Report and Financial Statements and the unaudited interim financial statements.
- Uisce Éireann Business and Financial Plan 2022-2026.
- Approval of 2023 Annual Budget.
- 2022 Balanced Scorecard.
- Approval of budgets for capital programmes and expenditure.
- Approval of Post Project review reports.
- Portfolio planning and investment prioritisation.
- Quarterly updates on critical assets.
- Updates on Water Supply Project and Abstraction legislation.
- Strategy Session.
- Consideration of Director's Compliance Policy Statement.
- Update on Directors duties.
- Approval of revised Constitution.
- Updates on Project 23 - the project to oversee the separation of Uisce Éireann from the Ervia Group and its establishment as a standalone entity. Updates included the Project 23 pension separation options and property separation strategy.
- 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.
- Quarterly water leakage performance reduction updates.

## 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](http://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; and

- 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 Directors' 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.

## The Board in 2022

During the period under review, the Directors of the Company were Cathal Marley (Chairman), Niall Gleeson, Eamon Gallen, Yvonne Harris, Brendan Murphy, Dawn O'Driscoll and Maria O'Dwyer. The Board was comprised of Executive Members only.

As noted above, 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 and Reform through the Public Appointment Service. See profiles on pages 56-59 for details of the current Board membership.

Richard O'Sullivan was appointed Secretary of the Company with effect from 01 October 2022. The former Secretary, Liam O' Riordan, retired with effect from that date.

### Board composition, appointment and re-election

Prior to the separation of Uisce Éireann from the Ervia Group, the Board's composition was a matter for Ervia subject to the approval of the Minister for Housing, Local Government and Heritage. Following the separation, the Board's composition is a matter for the Minister for Housing, Local

Government and Heritage. Decisions regarding the appointment and re-appointment of Board members are made by the Minister in accordance with the Guidelines on Appointments to State Boards as published by the Department of Public Expenditure and Reform.

The Board has a blend of skills and experience and the necessary competence to support effective decision making.



## The Board in 2022 (continued)

### 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. Board Members have access to training programmes and their ongoing development needs are kept under review.

### Independence

As noted, prior to the separation of Uisce Éireann from the Ervia Group, the Board was comprised of Executive only members while the Board of the parent company, Ervia, was comprised of independent Non-Executive Members. The Executive Board members were subject to rules on independence as outlined in the Company's Code of Conduct under which Board members were required to declare any interest or relationship which could interfere

with the exercise of their independent judgement, in both their capacity as Directors and employees of Uisce Éireann.

Following legal separation, the Board of Uisce Éireann is now comprised of 9 independent Non-Executive Members and 1 Executive Director. Board members must declare any interest or relationship which could interfere with the exercise of their independent judgement. A declaration of any conflicts of interest is a standing item on the agenda for all Board and Committee meetings.

### Directors' remuneration, expenses and attendance

During 2022, the Directors of Uisce Éireann were not entitled to receive fees. The remuneration of the CEO of Uisce Éireann for 2022 is outlined in note 3 of the financial statements. A schedule of the attendance at the Board meetings for 2022 is outlined below.

Directors to 31 December 2022	Meeting attendance (attended/eligible)	Fees as Uisce Éireann Director for 2022	Expenses as Irish Water Director 2022
Cathal Marley (Chairman)	16/16	Nil	Nil
Eamon Gallen	16/16	Nil	Nil
Niall Gleeson	16/16	Nil	Nil
Yvonne Harris	14/16	Nil	Nil
Brendan Murphy	14/16	Nil	Nil
Dawn O'Driscoll	15/16	Nil	Nil
Maria O'Dwyer	16/16	Nil	Nil

The newly appointed Independent Non-Executive Board members are entitled to receive fees with effect from 01 January 2023, on a scale as determined by the Minister for Housing, Local Government and Heritage.

### Board committees

Prior to the legal separation of Uisce Éireann from Ervia, from a governance perspective, Uisce Éireann matters were overseen by both the Uisce Éireann Board and the Ervia Board and by the committees established at Ervia Group level.

During 2022, Ervia had appropriate committees in place which acted in respect of the entire Ervia Group. For

the financial year ending 31 December 2022, the Board of Ervia was assisted in discharging its obligations through the delegation of certain roles and responsibilities to the Audit and Risk Committee, the Investment/Infrastructure Committee, the Remuneration Committee and the Project 23 Committee.

The Committees assisted the Ervia Board by giving detailed consideration to business, operational and financial

issues across the Ervia Group. The report of the Audit and Risk Committee can be found on page 72. The Ervia Remuneration Committee, tasked with the consideration of balanced scorecards and the performance of Uisce Éireann in 2022, met 7 times during the year. The Ervia Investment/Infrastructure Committee, tasked with the consideration of capital projects and related strategies, met 11 times during the year. The Ervia Project 23 Committee,

## Report of the board (continued)

### The Board in 2022 (continued)

tasked with the consideration of matters in connection with the legal separation of Uisce Éireann from the Ervia Group, met 5 times during the year. Following the legal separation of Uisce Éireann from the Ervia Group, the company has established 4 Board Committees; the Audit and Risk Committee, the Investment, Infrastructure and Sustainability Committee, the Uisce Éireann Transformation Programme Committee and the Remuneration Committee.

#### Board effectiveness

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.

#### Relations with shareholders

Prior to the legal separation of Uisce Éireann from the Ervia Group, Ervia held one 'A' share in the Company. The Minister for Housing, Local Government and Heritage and the Minister for Finance held 325 'B' shares each. Following the enactment of the Water Service (Amendment) Act 2022, these shares were cancelled. One ordinary share of €1.00 issued to the Minister for Housing, Local Government and Heritage and 99 ordinary shares of €1.00 to the Minister for Public Expenditure and Reform.

There is active and ongoing consultation between Uisce Éireann and its parent Department, the Department of Housing, Local Government and Heritage (DHLGH).

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

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 and termination benefits) for the financial year for each band of €25,000 from €50,000 upwards are set out below.

	2022	2021
€50,000-€75,000	468	316
€75,001-€100,000	274	185
€100,001-€125,000	171	124
€125,001-€150,000	44	28
€150,001-€175,000	28	13
€175,000 and above	28	11

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.

Following the Government's announcement that Uisce Éireann separate from Ervia and become a standalone, publicly owned, regulated utility; a significant work programme was completed in 2021 to achieve operational separation as of January 2022. 355 employees subsequently transferred from Ervia to Uisce Éireann which has increased the number of employees across each band.

#### 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.

	2022 €'000	2021 €'000
Legal advice	59	165
Financial advice	399	170
Public relations/marketing	3	0
Human Resources	435	88
Business improvement/ change	695	195
Engineering	109	156
Other	311	182
<b>Total</b>	<b>2,012</b>	957
Consultancy capitalised	148	96
Income statement	1,864	861
<b>Total</b>	<b>2,012</b>	957

## 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.

	2022 €'000	2021 €'000
Legal Fees & Costs	1,034	1,758
Settlements	1,855	1,962
<b>Total</b>	<b>2,889</b>	<b>3,720</b>
No. of legal cases	47	46

Note 1: This disclosure note excludes payments made following claims under policies of insurance taken out by Uisce Éireann.

Note 2: The number of cases relate to cases initiated by Uisce Éireann itself or legal proceedings taken against it and excludes insurance proceedings.

## Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2022 €'000	2021 €'000
<i>Domestic</i>		
- Board	-	-
- Employees	1,669	478
<i>International</i>		
- Board	-	-
- Employees	13	1
<b>Total</b>	<b>1,682</b>	<b>479</b>

Travel and subsistence expenditure by Uisce Éireann Directors in 2022 was €nil (2021: €nil). Travel and subsistence expenditure incurred by Uisce Éireann Directors is deemed to be incurred in their capacity as employees.

## Hospitality

The income statement includes the following hospitality expenditure:

	2022 €'000	2021 €'000
Staff hospitality	49	2
Client hospitality	5	-
<b>Total</b>	<b>54</b>	<b>2</b>

Since operational separation on the 01 January 2022 all hospitality costs are incurred directly by Uisce Éireann. In 2021 and previous years, group-wide social events were incurred by Ervia and as such were included in the Code of Practice disclosures of Ervia Group's annual report.

## 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, 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 2022, there were no protected disclosures reported.

### 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 2022.

## Report of the board (continued)

## Transparency (continued) Statement on the System of Internal Controls

### Prompt payments

A policy is in place within the Company to ensure compliance with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations 2012-2016. The Company is a signatory to the Prompt Payment Code as launched by the Government in 2015 and pursuant to its provisions, undertakes to pay suppliers on time, to give clear guidance to suppliers on payment procedures and to encourage the adoption of the code by suppliers within their own supply chains.

### 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](http://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.

### Gender balance, diversity and inclusion

An overview of the Company's commitment to the promotion of gender balance, diversity and inclusion throughout 2022 is outlined on page 50.

### Scope of Responsibility

The Board acknowledges its responsibility under Section 1.9 of the Business and Financial Reporting Requirements Section 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) Act 2022 facilitated the legal separation of Uisce Éireann from the Ervia Group on 1 January 2023.

Throughout the period of operational separation, the new operational structures in Uisce Éireann remained subject to the overall governance of the Ervia Board. From a governance perspective, Uisce Éireann matters were overseen by both the Uisce Éireann Board and the Ervia Board during 2022.

### 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 and Reform has been in place in

Uisce Éireann for the year ended 31 December 2022 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

Throughout 2022, prior to the legal separation of Uisce Éireann from the Ervia Group, a unitary Board structure was adopted by Ervia which took ultimate responsibility for the governance of Ervia and its subsidiaries including Uisce Éireann. Committees at the Ervia Group level including the Ervia Group Audit and Risk Committee acted in respect of the entire Ervia Group. The Group Audit and Risk Committee provided the necessary oversight of Uisce Éireann's risk and control environment throughout 2022, on behalf of the Ervia Board.

Following legal separation, Uisce Éireann established 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 reviews the overall integrity of the risk management system including the effectiveness of the Risk and Internal Audit functions.

### 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 of Defence" 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.

### Risk Management

Uisce Éireann also has an embedded 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 Enterprise Risk Management reports to the Strategy and Regulation Director and attends all 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 are undertaken.
- Embeds an appropriate risk management culture.

During 2022 the Ervia Board considered the risk appetite for Uisce Éireann as part of its strategy setting session.

### Integrated Assurance Forum

Uisce Éireann has established the Integrated Assurance Forum and supporting processes (IAF) which reports to the Chief Executive Officer. The IAF meets quarterly to consider control effectiveness assessments from across the business and to confirm all assurance activities and required sign-offs are co-ordinated and evidenced in a structured manner. This culminates with the IAF, at year-end, providing assurance to the Board on the effectiveness of the controls. The IAF process, along with numerous other governance, risk and control activities across Uisce Éireann, supports the Board in signing-off on the Statement on the System of Internal Control, addressing the Board's responsibility under the Code to ensure effective systems of internal control are maintained and operated.

In particular the Integrated Assurance Forum:

- Considers self-assessment of effectiveness of internal controls from each Directorate.
- Receives reporting on independent continuous controls monitoring.
- Ensures that action plans are in place to implement any required recommendations.

### 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;
- 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;

## Report of the board (continued)

### Statement on the System of Internal Controls (continued)

- 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;
- 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;
- Appropriate segregation of duties and documentation of processes and controls that are focused on preventing and detecting fraud;
- A comprehensive budgeting system with an annual budget and quarterly forecasts which are reviewed and agreed by 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;
- Internal policies requiring all employees to act with integrity and maintain the highest ethical standards. These policies include the Code of 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;
- Systematic reviews of internal financial and operational controls by Internal Audit and Risk Management. In these reviews, emphasis is focused on areas of greater risk as identified by risk assessment;
- 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, monthly performance reporting, supported by assurance activities of Risk, Internal and External Audit.

There were no material issues highlighted in our internal control environment through 2022.

#### Ongoing Monitoring and Review

Uisce Éireann has a robust framework to review the adequacy and monitor the effectiveness of internal controls covering financial, operational and compliance as well as 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

Robust and effective systems are in place to ensure that the requirements of the Public Spending Code (PSC) have been broadly met. Progress is to be made in some specific areas to further strengthen processes and provide a framework for investment and expenditure approvals that complies with the requirements of the PSC. The Water Services Sector Specific Guidelines finalised by DHLGH in July 2022, has provided clarity on how certain requirements of the PSC apply to Uisce Éireann. Significant progress on the implementation of these guidelines has been made throughout 2022. As outlined above Uisce Éireann will continue to progress a programme of work in 2023 to further strengthen processes in this area.

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.

The Expenditure and Contract Approval Policy is aligned with the principles including the value for money criteria in the updated Public Spending Code. During 2022, Uisce Éireann was subject to the governance requirements outlined in PD02 and PD03 for the Ervia Group. Upon legal separation, PD02 and PD03 were reviewed and updated to ensure both policies reflected the appropriate structures within Uisce Éireann and are effective from 01 January 2023.

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 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.

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. In accordance with the Ervia Group Governance Structure which applied throughout 2022, prior to the date of legal separation of Uisce Éireann from Ervia, capital expenditure greater than €10m required the approval of the Uisce Éireann Board and the Ervia Board. From January 2023, all infrastructure capital expenditure greater than €20m requires the approval of the Uisce Éireann 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. Prior to legal separation, the Ervia Group Investment, Infrastructure Committee and the Ervia Board also considered the post project reviews and financial close out reports for capital projects.

Following legal separation, Uisce Éireann established the Investment/ Infrastructure and Sustainability Committee which carries out the responsibilities the Ervia Group Investment, Infrastructure Committee formerly carried out on behalf of Uisce Éireann only.

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 2022 and will ensure a similar review is performed for 2023. A detailed review was performed by the ARC, which reported on its findings to the Board.

## Internal Control Reporting

During 2022, Uisce Éireann continued to implement the required systems, processes and procedures necessary to ensure robust internal controls through applying Ervia's policies and internal control framework.

Uisce Éireann continues to manage an ageing infrastructure which includes a large number of assets that require significant investment.

Throughout 2022, Uisce Éireann worked with its Local Authority partners under Service Level Agreements to deliver water services. Therefore, as part of its control framework in 2022, it should be noted that Uisce Éireann continued to rely on a range of controls operated by

## Report of the board (continued)

### Statement on the System of Internal Controls (continued)

Local Authorities on its behalf. These controls and associated processes and procedures continue to evolve and develop.

Plans to transform public water services to a modern single public utility continued to progress throughout 2022. Engagement under the auspices of the Workplace Relations Commission with a number of parties including Uisce Éireann, Local Authority management, the DHLGH and various trade unions who represent Local Authority Water Services staff, took place throughout 2022 culminating in the publication of the Framework for the Future Delivery of Water Services on 24 June 2022 by the DHLGH. The Framework outlines a broad pathway for the full integration of national water services and the voluntary transfer of Local Authority water services staff to Uisce Éireann. Under the Framework, Uisce Éireann assumes direct management of all water services staff during 2023, working in cooperation with Local Authorities. Significant progress has been made by Uisce Éireann to deliver on the ambition outlined in the Framework. This programme is a key strategic priority for the company as a whole and will fundamentally improve how water services are delivered on a standard, consistent basis across the country to all our customers, ensuring the benefits of the full integration of all water services as part of Uisce Éireann are realised as quickly and effectively as possible.

### 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 6-8.

#### Results for the year

The results for the year are outlined in the Financial Review on pages 32-36. 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 2022, including information on future developments are contained in the Operating Review on page 39.

#### 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 (2021: 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 in the Report on Risk Management on pages 24-31. Refer to note 21 for full analysis of the Company's financial risk management objectives, policies and exposures.

#### Research and development

Uisce Éireann is currently involved in a number of innovative projects which include:

- Enhancing existing wastewater treatment plants through aerobic granular sludge addition.
- Development of pilot sludge treatment reed beds for use in treating and de-watering water sludge containing aluminium sulphate.
- Kaumera production and applications.
- Customer reconnect.
- Alluvial aquifers as a potential water source and treatment technology.

These projects are funded by the Water Services Innovation Fund administered by the Commission for Regulation of Utilities and will deliver benefits for our customers, the environment and the economy.

#### Key performance indicators

The Directors monitor performance using a suite of key performance indicators. These are considered in detail on pages 17-19.



## 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 2022. Directors are free from any business or other relationships that could materially affect, or could appear to affect, the exercise of their independent judgement.

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 4 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 the 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/support and/or tariffs charged by Uisce Éireann. Accordingly the Director's 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.

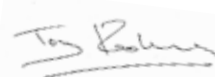
## Independent auditor

In accordance with Section 17(3) of the Water Services Act 2013, fees payable to Deloitte Ireland LLP to audit the financial statements of Uisce Éireann for the year 2022 have been approved by the Minister for Housing, Local Government and Heritage with the consent of the Minister for Environment, Climate and Communications and the Minister for Public Expenditure and Reform. Following receipt of ministerial consent, Deloitte Ireland LLP was originally appointed as auditor to the Ervia Group, including Uisce Éireann, in

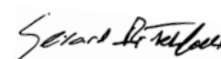
August 2014. Ministerial consent was received on 25 March 2019 to appoint Deloitte Ireland LLP as external auditor to the Ervia Group, including Uisce Éireann, for the years 2019, 2020 and 2021, following completion of a tender process. Ministerial consent was received on 24 November 2021 on the audit fees payable to Deloitte Ireland LLP for the financial years 2022 and 2023.

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. Uisce Éireann is to be accountable to the Public Accounts Committee from 1 January 2023.

For and on behalf of Uisce Éireann:



**Tony Keohane**  
Chairman



**Gerry Britchfield**  
Board Member

# Audit and Risk Committee Report



**Gerry Britchfield**  
Committee Chairman

Prior to the legal separation of Uisce Éireann from the Ervia Group, in accordance with the unitary board structure in place in Ervia during 2022, the Audit and Risk Committee was established at the Ervia Group level and acted in respect of Ervia and its subsidiaries including Uisce Éireann.

Following the legal separation of Uisce Éireann from the Ervia Group, Uisce Éireann established its own Audit and Risk Committee in January 2023.

Part 1 of this report will refer to the Committee and its activities up to the date of legal separation and Part 2 will refer to the new Committee, established in January 2023.

## Part 1. The Committee in 2022

During 2022, the Ervia Audit and Risk Committee was comprised of 5 Independent Non-Executive Ervia Board Members – Keith Harris (Chairman), Sean Hogan, Geraldine Kelly, Fiona Egan and Finbarr Kennelly. Members of the Committee were appointed by the Ervia Board in consultation with the Chairman of the Committee. The Committee was independent from the management of the Ervia Group. The Committee met 5 times during 2022. There was full attendance by each Committee Member at the meetings they were eligible to attend during 2022.

The table below provides an overview of the work of the Committee performed during 2022 on behalf of the Ervia Board, in respect of Uisce Éireann.

<p><b>Financial Reporting</b></p>	<ul style="list-style-type: none"> <li>• Recommended the issuance of the Uisce Éireann Annual Report and Financial Statements to the Uisce Éireann Board.</li> <li>• Considered the appropriateness of accounting estimates and judgements applied in preparing the financial statements.</li> <li>• Discussed the Uisce Éireann accounting policies and matters impacting financial reporting e.g. inflation.</li> <li>• Reviewed the loan covenant compliance statements for Uisce Éireann.</li> <li>• Considered the external auditor’s management letter points in respect of Uisce Éireann.</li> </ul>
<p><b>Risk Management</b></p>	<ul style="list-style-type: none"> <li>• Recommended approval of Enterprise Risk Management Policy for Uisce Éireann to the Ervia Board.</li> <li>• Considered risk exposures for Uisce Éireann, including trending and emerging risks.</li> <li>• Discussed the Business Continuity and Crisis Management processes for Uisce Éireann.</li> </ul>
<p><b>Internal Controls</b></p>	<ul style="list-style-type: none"> <li>• Considered the quarterly Integrated Assurance Forum reports for Uisce Éireann.</li> <li>• Reviewed the Statement on the System of Internal Control.</li> </ul>
<p><b>Internal Audit</b></p>	<ul style="list-style-type: none"> <li>• Approved the 2023 Internal Audit plan for Uisce Éireann.</li> <li>• Considered the quarterly Internal Audit Reports for Uisce Éireann.</li> <li>• Reviewed the External Quality Assessment Report.</li> <li>• Evaluated the effectiveness of the Internal Audit function.</li> </ul>

<p><b>External Audit</b></p>	<ul style="list-style-type: none"> <li>• Discussed the External Audit Plan for the 2022 year end.</li> <li>• Considered the auditors reports and briefings in respect of the audit of Uisce Éireann for the 2021 year end.</li> <li>• Assessed the external auditor's effectiveness. The evaluation focused on such areas as the robustness of the audit process, audit team, communications and governance. Overall the review was satisfactory. During the year the external auditors were given the opportunity to meet privately with the Committee with no members of management present.</li> <li>• Monitored the independence and objectivity of the external auditor. Audit and non-audit service fees are set out in Note 3 of the Financial Statements. There were no instances during 2022 where the external auditor was engaged to provide services which were deemed to give rise to a conflict of interest.</li> <li>• Considered updates on the external audit tender.</li> </ul>
<p><b>Other matters</b></p>	<ul style="list-style-type: none"> <li>• Recommended approval of suite of ethics related policies in preparation of legal separation to the Ervia Board.</li> <li>• Promoted integrity initiatives across the company through support of the 'Doing the Right Thing' campaign – the internal ethics related project.</li> <li>• Considered the Ervia Chairman's Report under Section 1.9 of the Business and Financial Reporting appendix of the Code of Practice for the Governance of State Bodies in respect of Uisce Éireann.</li> </ul>

Throughout 2022, the Committee dedicated significant time to fulfilling its key oversight responsibilities. It engaged regularly with senior management, internal audit, risk management and the statutory auditor. In addition, in order to discharge its duties effectively, it pursued a full agenda of reviews in its meetings throughout the year. In fulfilling his key oversight responsibilities the Chairman of the Committee met separately with senior management, internal audit, risk management and the statutory auditor on a regular basis.

During 2022, the Committee completed an annual review of its own effectiveness. The review was conducted internally through the completion of self-evaluation questionnaires and the overall review was satisfactory.

**Part 2 : Uisce Éireann Audit and Risk Committee established following the legal separation of Uisce Éireann from the Ervia Group**

As noted above, following the legal separation of Uisce Éireann from the Ervia Group, Uisce Éireann established an Audit and Risk Committee in January 2023.

**Committee Membership**

The Committee comprises 4 independent Non-Executive Uisce Éireann Board Members. The members of the Committee are Gerry Britchfield (Chairman), Cathy Mannion, Eileen Maher and Michael Walsh. The members of the Committee are appointed by the Uisce Éireann Board in consultation with the Chairman of the Committee.

The Committee is independent from the management of the Company.

**Role and Responsibilities of the Committee**

The role of the Committee is to support the Uisce Éireann Board in relation to its responsibilities for the following matters:

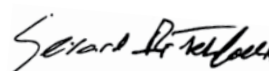
- Financial reporting,
- Risk management,
- Internal Controls,
- Internal audit,
- External audit.

Other related activities, including policies and procedures on protected disclosures, anti-fraud and anti-bribery and anti-corruption. The Chairman of the Committee reports to the Uisce Éireann Board on the matters addressed at each Committee meeting.

The Committee's Terms of Reference set out the Committee's roles and responsibilities in detail and are available on Uisce Éireann's website ([www.water.ie](http://www.water.ie)). These are reviewed annually.

On behalf of the Committee, I would like to acknowledge the work of the Ervia Audit and Risk Committee in respect of Uisce Éireann during 2022. The Committee Members and I look forward to working as a Committee on behalf of the Board as Uisce Éireann operates as a standalone public utility.

On behalf of the Uisce Éireann Audit and Risk Committee:



**Gerry Britchfield**  
Committee Chairman





# Financial Statements

# 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 2022 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 a summary of significant accounting policies 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.

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.

## Report on other legal and regulatory requirements

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.

### 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 report of the board is consistent with the financial statements and the report of the board has been prepared in accordance with the Companies Act 2014.

### Matters on which we are required to report by exception

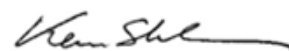
Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the board.

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.

Under the Code of Practice for the Governance of State Bodies (August 2016) (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 Group'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

Date: 31 March 2023

## Income statement

for the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Revenue	2	1,308,758	1,191,081
Operating costs	3	(866,407)	(799,258)
Impairment losses on financial assets	3	(18,209)	(9,479)
<b>Operating profit before depreciation and amortisation (EBITDA)</b>		<b>424,142</b>	<b>382,344</b>
Depreciation and amortisation	5	(167,148)	(152,278)
<b>Operating profit</b>		<b>256,994</b>	<b>230,066</b>
Finance costs	6	(4,320)	(3,427)
<b>Profit before income tax</b>		<b>252,674</b>	<b>226,639</b>
Income tax	7	(32,090)	(27,148)
<b>Profit for the year</b>		<b>220,584</b>	<b>199,491</b>



## Statement of other comprehensive income

for the year ended 31 December 2022

	<b>2022</b>	<b>2021</b>
	<b>€'000</b>	<b>€'000</b>
<b>Profit for the year</b>	<b>220,584</b>	199,491
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to the income statement:</b>		
Defined benefit actuarial gains	16	17,165
Deferred tax relating to defined benefit obligations	7	(2,146)
<b>Total other comprehensive income for the year</b>	<b>15,019</b>	7,101
<b>Total comprehensive income for the year</b>	<b>235,603</b>	206,592

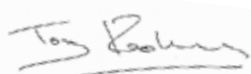
# Balance sheet

as at 31 December 2022

	Notes	31-Dec-22 €'000	31-Dec-21 €'000 <i>Restated<sup>1</sup></i>	01-Jan-21 €'000 <i>Restated<sup>1</sup></i>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8	5,808,817	4,884,842	4,159,995
Intangible assets	10	62,981	68,050	99,988
Trade and other receivables	11	290	4,252	8,609
<b>Total non-current assets</b>		<b>5,872,088</b>	4,957,144	4,268,592
<b>Current assets</b>				
Trade and other receivables	11	150,135	135,159	101,808
Cash and cash equivalents - available for company use	1 / 12	310,286	288,039	193,374
Financial assets - financial security held on term deposit	13	55,000	-	-
Cash and cash equivalents - third party balances	1 / 13	3,534	37,784	17,925
Current tax assets	7	-	151	-
<b>Total current assets</b>		<b>518,955</b>	461,133	313,107
<b>Total assets</b>		<b>6,391,043</b>	5,418,277	4,581,699
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital and share premium	23	(324,000)	(324,000)	(324,000)
Capital contribution	23	(3,392,174)	(2,938,466)	(2,555,466)
Retained earnings		(961,823)	(726,220)	(519,628)
<b>Total equity</b>		<b>(4,677,997)</b>	(3,988,686)	(3,399,094)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings and other debt	15	(640,176)	(510,820)	(382,495)
Retirement benefit obligations	16	(20,642)	(36,650)	(43,313)
Deferred revenue	17	(157,904)	(136,114)	(95,547)
Grants	18	(2,579)	(2,572)	(2,397)
Provisions	19	(43,548)	(47,915)	(64,159)
Trade and other payables	20	(9,245)	(13,614)	(21,413)
Deferred tax liabilities	7	(142,464)	(108,270)	(79,957)
<b>Total non-current liabilities</b>		<b>(1,016,558)</b>	(855,955)	(689,281)
<b>Current liabilities</b>				
Borrowings and other debt	15	(4,329)	(2,811)	(2,286)
Deferred revenue	17	(154,566)	(113,685)	(95,810)
Grants	18	(70)	(70)	(34)
Provisions	19	(55,684)	(35,839)	(33,386)
Trade and other payables	20	(481,839)	(421,231)	(361,808)
<b>Total current liabilities</b>		<b>(696,488)</b>	(573,636)	(493,324)
<b>Total liabilities</b>		<b>(1,713,046)</b>	(1,429,591)	(1,182,605)
<b>Total equity and liabilities</b>		<b>(6,391,043)</b>	(5,418,277)	(4,581,699)

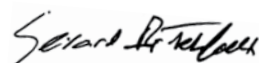
<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

For and on behalf of the Board:



**Tony Keohane**

Chairman



**Gerry Britchfield**

Director

30 March 2023

Date of approval

## Statement of changes in equity

for the year ended 31 December 2022

		Share capital and share premium €'000	Capital contribution €'000	Retained earnings €'000	Total €'000
<b>At 1 January 2021</b>		(324,000)	(2,555,466)	(519,628)	(3,399,094)
Profit for the year		-	-	(199,491)	(199,491)
Other comprehensive income for the year		-	-	(7,101)	(7,101)
<b>Total comprehensive income for the year</b>		-	-	(206,592)	(206,592)
Cash capital contribution	23	-	(383,000)	-	(383,000)
<b>At 31 December 2021</b>		(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)
<b>Total comprehensive income for the year</b>		-	-	(235,603)	(235,603)
Cash capital contribution	23	-	(454,000)	-	(454,000)
Office lease obligation assumed	23	-	292	-	292
<b>At 31 December 2022</b>		(324,000)	(3,392,174)	(961,823)	(4,677,997)

# Statement of cash flows

for the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000 <i>Restated<sup>1</sup></i>
<b>Net cash from operating activities</b>	14	<b>462,669</b>	360,555
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(975,767)	(767,723)
Payments for intangible assets		(26,631)	(9,045)
Receipts for net assets acquired from Local Authorities		3,968	1,000
Movement in third party cash balances held as collateral	13	(34,250)	19,859
Grants received	18	87	281
<b>Net cash used in investing activities</b>		<b>(1,032,593)</b>	(755,628)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		111,880	205,060
Repayments of borrowings		-	(75,000)
Repayment of lease liabilities	9	(7,959)	(3,463)
Capital contributions received	23	454,000	383,000
<b>Net cash from financing activities</b>		<b>557,921</b>	509,597
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(12,003)</b>	114,524
Cash and cash equivalents at 1 January		325,823	211,299
<b>Cash and cash equivalents at 31 December</b>		<b>313,820</b>	325,823
<b>Presented on the Balance Sheet as:</b>			
Cash and cash equivalents - available for company use	12	310,286	288,039
Cash and cash equivalents - third party balances	13	3,534	37,784
		<b>313,820</b>	325,823

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

# Notes to the financial statements

1	Statement of Accounting Policies
2	Revenue
3	Operating Costs (excluding depreciation and amortisation)
4	Employee Benefits
5	Depreciation and Amortisation
6	Finance Costs
7	Tax
8	Property, Plant and Equipment
9	Lease Assets and Liabilities
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12	Cash and Cash Equivalents (available for company use)
13	Financial Securities
14	Cash Generated from Operations
15	Borrowings and Other Debt
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17	Deferred Revenue
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24	Related Parties
25	Companies Act Payroll Disclosures
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## Notes to the financial statements (continued)

### 1. Statement of accounting policies

#### Basis of preparation

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

During 2022 and as at 31 December 2022, Ervia held 100% of the voting shares of the Company, however these shares carried no economic rights to obtain benefit from the activities of the Company (‘A’ shares). The Minister for Finance and the Minister for Housing, Local Government and Heritage held 100% of the economic rights to obtain benefit from the activities of the Company (‘B’ shares). Accordingly, the 2022 financial statements of Uisce Éireann are not consolidated with the results of the Ervia Group. On 1 January 2023, in accordance with the Water Services (Amendment) Act 2022, the Company legally separated from Ervia. Refer to note 26 for subsequent event disclosures in respect of legal separation.

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 2022, 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 below.

#### 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 2023 was agreed and approved in Q4 2022 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 2023, 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. 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 approval of Uisce Éireann’s Business & Finance Plan 2022-2026.

In June 2020 the Company entered into new €1,022m State loan facilities, provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, €613m of which has now been drawn. The remaining facilities of €408m, are to be made available over the period 2023 to 2024, subject to the approval of the Minister for Finance, to cover non-domestic capital expenditure over that period. In 2021, the Company entered into a new €350m working capital facility with the NTMA, which was the final phase of the replacement of Uisce Éireann’s commercial borrowings with state funding. Uisce Éireann has committed to ensuring that the NTMA working capital facility remains undrawn on 31 December of each calendar year, unless Uisce Éireann has obtained prior Ministerial agreement to utilise the facility. The Company also has a €10m uncommitted overdraft facility to help manage its daily banking requirements.

## 1. Statement of accounting policies

(continued)

Following consideration of the facts set out above, and while noting the Company's net current liability position which is €178m at 31 December 2022 (2021: €113m), 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. When completing the going concern assessment, the Directors have considered the subsequent events, as detailed in note 26.

### New IFRS accounting standards effective for the year ended 31 December 2022.

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 16 - Property, Plant and Equipment - proceeds before intended use
- Amendments to IFRS 3 - Business Combinations - reference to the Conceptual Framework
- Amendments to IAS 37 - Provisions, Contingent Liabilities, Contingent Assets Onerous Contracts - cost of fulfilling a contract
- Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41 - annual improvements 2018-2020

### Change in accounting policy in respect of Demand Deposits with Restrictions on Use, which had material impact

In April 2022, the IFRS Interpretations Committee published a final agenda decision on Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 Statement of Cash Flows) ("Demand Deposits"), clarifying the definition of cash and cash equivalents and stating that cash amounts which are restricted by obligation to a third party meets the definition of cash under IAS 7 Statement of Cash Flows.

Prior to this decision, the Company had presented monies received from third parties for financial security purposes and held in Uisce Éireann bank accounts/deposits as "Restricted Deposits". A corresponding liability was separately recognised to repay the monies received. As the monies were previously deemed non cash by the Company, no related flows were presented in the Company's Statement of Cash Flows. This presentation was based on there being contractual restrictions on the Company's ability to use these funds.

In 2022, following this clarification, the Company has made a change in accounting policy (retrospective application) and has presented all monies collected from third parties, and that are accessible by the Company within 3 months, as cash and cash equivalents. The following Balance Sheet captions are presented to distinguish where contractual restrictions on use apply;

- Cash and cash equivalents - available for company use
- Cash and cash equivalents - third party balances

Retrospective application of this clarification has required the prior periods to be restated as follows:

	Restricted deposits	Cash and cash equivalents - third party balances
31 December 2021, as previously reported	37,784	-
Adjustment	(37,784)	37,784
31 December 2021, as restated	-	37,784
1 January 2021 as previously reported	17,925	-
Adjustment	(17,925)	17,925
1 January 2021, as restated	-	17,925

Refer to notes 12 and 13 for further details.

## Notes to the financial statements (continued)

### 1. Statement of accounting policies

(continued)

#### 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 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 1 Presentation of Financial Statements:
  - Classification of Liabilities as Current or Non-current (and Deferral of Effective Date); and
  - Non-current Liabilities with Covenants
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 Insurance Contracts
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

It is anticipated that application of the remaining IFRS amendments and annual improvements, in issue at 31 December 2022, but not yet effective, will not have a significant impact on the Company's financial statements.

#### Significant Accounting Policies

##### 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), decommissioning or restoration 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.

###### 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 and adjusted if appropriate.

###### Borrowing costs

Borrowing costs are capitalised as a cost of an asset if they are directly attributable to the acquisition, construction or production of a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of interest ceases when the asset is commissioned or where active development has been interrupted for an extended period.



## 1. Statement of accounting policies

(continued)

### 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.

#### 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.

#### Borrowing costs

Refer to accounting policy a) above.

### c) Impairment of Assets

#### Assets that are not subject to amortisation

Intangible assets, with an indefinite useful life or which are not yet ready for use, and goodwill are tested annually for impairment.

#### Assets that are subject to depreciation/amortisation

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any indication of impairment. If an indication of impairment exists, then the asset's recoverable amount is estimated.

#### Recognition of an impairment loss

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). An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

#### Reversal of an impairment loss

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

A reversal of an impairment loss for a CGU shall be allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. The reversal is recognised immediately in the income statement. Using the asset's revised carrying amount, depreciation/amortisation is provided on a straight-line basis over the estimated remaining useful life.

### 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.

## Notes to the financial statements (continued)

### 1. Statement of accounting policies

(continued)

Revenue principally comprises the sales values derived from the following;

#### Supply of water and waste water 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 waste water services supplied to customers between the date of the last meter reading and the reporting date is recognised in revenue.

#### Supply of water and waste water services to domestic customers - Government subvention revenue

The Government, acting in its capacity as Government, purchases from the Company a certain volume of water at the market price on behalf of customers and in line with the allowed revenue set by the Regulator. 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.

#### New connections revenue

The Company receives contributions from customers in respect of the cost of connecting them to the water 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.

#### e) Leases

##### The Company as Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. 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.

To assess the right to control an asset, the Company considers the following:

- does the contract contain an identifiable asset
- does the Company have the right to obtain substantially all of the economic benefits of the asset
- does the Company have the right to operate the asset throughout the period of the contract.

The lease liability (presented within 'Borrowings and other debt') is initially measured at the net present value of the lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets (presented within 'Property, plant and equipment') are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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 Company had no such leases during the reporting and comparative periods.

## 1. Statement of accounting policies

(continued)

### 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.

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 scheme net of the fair value of the scheme's assets.

#### Defined benefit pension scheme accounted for as a Group Plan

The Ervia Group operated a defined benefit pension scheme. A number of the Company's employees participated in that scheme. The scheme was accounted for as a Group Plan in accordance with IAS 19 (Revised 2011) Employee Benefits and therefore the total net pension liability (or asset) associated with the scheme was recognised in the financial statements of Ervia Group and not in the financial statements of the Company – refer to the Ervia Group Annual Report for full disclosure in respect of the scheme.

#### 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 expenses incurred are recognised in the income statement on a systematic basis in the same years in which the expenses are incurred. 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.

### 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.

## Notes to the financial statements (continued)

### 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. 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 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) Net 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.

#### k) 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.

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.

## 1. Statement of accounting policies

(continued)

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.

### l) Foreign Currency

These financial statements are presented in euro, which is the functional and presentation currency of the Company.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into the functional currency at rates ruling at the reporting date. The resulting foreign currency gain or loss arising on translation is recognised in the income statement. Non-monetary assets and liabilities in a foreign currency that are measured at historical cost are translated using the exchange rate at the date of the transaction, and are not subsequently retranslated.

### m) Operating Profit

Operating profit is stated before net finance costs and taxation.

### n) Non-GAAP Measures

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 to provide useful performance and financing information to management, stockholders and external stakeholders.

## 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 are assessed in the preparation of these financial statements. The Company has considered the implications of climate change on its operations and activities and due consideration has 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.

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.

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.

#### (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 2022, €107.5 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 (2021: €94.9 million).

## Notes to the financial statements (continued)

### 1. Statement of accounting policies

(continued)

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 2022 and post year end, have concluded it is appropriate to continue to recognise these costs in 'assets under construction' on the balance sheet.

#### (b) Revenue recognition - portfolio approach and probability assessment

The Company has applied the practical expedient offered by IFRS 15, the 'portfolio approach', whereby the Company applies IFRS 15 to a portfolio of contracts with similar characteristics. The Company has applied its judgement in identifying appropriate portfolios of customers such that it reasonably expects that the effects on the financial statements of applying IFRS 15 to the portfolio would not differ materially from applying IFRS 15 to the individual contracts within that portfolio.

IFRS 15 specifies that revenue should only be recognised if it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. Following detailed assessment, the Company has determined that there is no readily identifiable group of customers where, at the point of billing, collection of revenue is assessed as 'not probable'.

#### (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 2022, the aggregate of the Company's property, plant and equipment (PP&E) and intangible assets was €5,871.8 million (2021: €4,952.9 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. Reviewed the carrying amounts of PP&E and intangible assets at the reporting date to determine whether there is any indicator of impairment;
2. Tested for impairment intangible assets under development of €17.4 million as at 31 December 2022 (2021: €8.8 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. 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 (2022: €167.1 million and 2021: €152.3 million) which are primarily calculated to write down the cost of PP&E and intangible assets over their expected useful economic lives (UELS).

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.

## 1. Statement of accounting policies

(continued)

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

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) 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 and the withdrawal of COVID-19 supports 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 €4.9 million and €18.1 million. Following due consideration, the Company has concluded that €13.2 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 scheme liabilities are detailed in note 16.

### (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.

The Company's "other" provisions are primarily made up of legal claims, wayleaves provisions and contractor claims. Provisions associated with the water and wastewater infrastructure assets which were transferred to the Company from the Local Authorities on 1 January 2014 are included here. Refer to note 19 for further detail on the 2022 reassessment process. Provisions relating to longer term capital projects are also included here, refer to note 19 for further detail.

## Notes to the financial statements (continued)

### 1. Statement of accounting policies

(continued)

The 2022 reassessment process in respect of "other liabilities" has also included due consideration of the impacts of COVID-19 and inflation. Based on a review of all the relevant factors, including claims received, Office of Government Procurement Guidance and previous claims experience (including COVID-19 claims experience), the Company has made its best estimate based on the information available. The required liability may change in the future due to new developments and as additional information becomes available.

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

	2022 €'000	2021 €'000
Government subvention revenue	961,000	893,000
Non-domestic revenue	221,814	198,480
New connections revenue	125,944	99,601
<b>Total</b>	<b>1,308,758</b>	<b>1,191,081</b>

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.

### 3. Operating Costs

		2022 €'000	2021 €'000
Employee benefit expense	4	(94,980)	(60,622)
Local Authority Service Level Agreement payroll and functional support overheads	24	(221,842)	(219,854)
Hired and contracted services		(252,847)	(202,631)
Materials, maintenance and plant hire		(122,833)	(113,723)
Rent, rates, utilities and insurance		(116,424)	(121,039)
Central transactional and support service costs	24	(1,259)	(49,320)
Other operating costs		(60,227)	(36,608)
Release in respect of liabilities reassessment		4,005	11,899
Cloud computing transition adjustment	10	-	(7,360)
<b>Operating costs (before impairment losses on financial assets)</b>		<b>(866,407)</b>	<b>(799,258)</b>
Impairment losses on financial assets	11	(18,209)	(9,479)
<b>Total</b>		<b>(884,616)</b>	<b>(808,737)</b>



### 3. Operating Costs

(continued)

Operating costs are stated after charging:

#### (a) Auditor's remuneration<sup>1</sup>

	2022 €'000	2021 €'000
Audit of entity financial statements	(228)	(202)
Other assurance services	(6)	-
Tax advisory services	-	-
Other non-audit services	(9)	-
<b>Total</b>	<b>(243)</b>	<b>(202)</b>

<sup>1</sup> amounts exclude irrecoverable VAT

Certain other assurance services and tax advisory services, which in 2021 and previous years were presented in the Ervia Auditor's Remuneration disclosure, are now presented in Uisce Éireann's Auditor's Remuneration disclosure for 2022 and future years.

#### (b) Directors' remuneration

	2022 €'000	2021 €'000
Directors - fees	-	-
Directors - emoluments	(1,522)	(998)
Directors - defined benefit pension contributions	(143)	(118)
Directors - defined contribution pension contributions	(51)	(19)
<b>Total</b>	<b>(1,716)</b>	<b>(1,135)</b>

A new Uisce Éireann Board was established on 1 January 2023 following legal separation from Ervia. The disclosure above represents the remuneration of the directors in place during 2022. In accordance with the Articles of Association of the Company, the directors are not entitled to receive fees. The number of directors to whom defined benefit pension contributions accrued was 5 (2021: 5) and the number of directors to whom defined contribution pension contributions accrued was 2 (2021: 2).

Remuneration of the directors for 2022 and 2021, 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 in the respective years. Following operational separation in 2022, the majority of the Company's directors provided their services solely to Uisce Éireann in 2022, rather than to the three Ervia entities as was the case in 2021. This has increased the cost apportionment to the Company and therefore has resulted in an increase in directors' remuneration reported for 2022 compared to 2021, as set out above. The table below sets out a like for like comparison of Directors' remuneration, by applying the 2021 apportionment rate to both years.

#### For information, Directors' remuneration applying the 2021 apportionment to both years;

	2022 €'000	2021 €'000
Directors - fees	-	-
Directors - emoluments	(1,124)	(998)
Directors - defined benefit pension contributions	(106)	(118)
Directors - defined contribution pension contributions	(38)	(19)
<b>Total</b>	<b>(1,268)</b>	<b>(1,135)</b>

## Notes to the financial statements (continued)

### 3. Operating Costs

(continued)

#### (c) Chief Executive Officer (CEO) salary and benefits

	2022 €'000	2021 €'000
Basic salary	(225)	(200)
Other short-term employee benefits	(24)	(15)
Post-employment benefits - pension contributions	(27)	(24)
<b>Total</b>	<b>(276)</b>	<b>(239)</b>

### 4. Employee Benefits

#### (a) Aggregate employee benefits

	2022 €'000	2021 €'000
Staff short-term benefits	(100,779)	(64,617)
Post-employment benefits - defined benefit scheme	(7,464)	(6,271)
Post-employment benefits - defined contribution scheme	(6,551)	(4,060)
Social insurance costs	(10,775)	(6,890)
	<b>(125,569)</b>	<b>(81,838)</b>
Capitalised payroll	30,589	21,216
<b>Employee benefit expense charged to the income statement</b>	<b>(94,980)</b>	<b>(60,622)</b>

#### (b) Staff short-term benefits

	2022 €'000	2021 €'000
Wages and salaries	(96,183)	(61,787)
Overtime	(101)	(59)
Allowances	(1,655)	(1,347)
Other <sup>1</sup>	(2,840)	(1,424)
<b>Total</b>	<b>(100,779)</b>	<b>(64,617)</b>

<sup>1</sup> Other short-term employee benefits primarily include permanent life insurance benefits and taxable travel allowances.

Refer to note 25 for the Company's payroll disclosures as required by Companies Act 2014.

The average number of employees providing services to the Company for the year was 1,231 (2021: 823). Following the Government's announcement that Uisce Éireann become a standalone, publicly owned, regulated utility; a significant work programme was completed in 2021 to achieve operational separation from Ervia. 355 employees subsequently transferred from Ervia to Uisce Éireann during 2022.

## 5. Depreciation and Amortisation

		<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Depreciation of property, plant and equipment	8	<b>(126,989)</b>	(103,230)
Depreciation of right-of-use assets (income statement)	9	<b>(5,960)</b>	(3,593)
Amortisation of intangible assets	10	<b>(29,706)</b>	(41,757)
Impairment charge	8	<b>(4,573)</b>	(4,030)
Cloud computing transition adjustment	10	-	262
Grant amortisation	18	<b>80</b>	70
<b>Total</b>		<b>(167,148)</b>	(152,278)

## 6. Finance Costs

		<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Interest and finance costs		<b>(4,228)</b>	(4,458)
Interest capitalised		<b>880</b>	1,636
Lease liability finance charge (income statement)	9	<b>(512)</b>	(277)
Net interest on the net defined benefit liability	16	<b>(460)</b>	(328)
<b>Total</b>		<b>(4,320)</b>	(3,427)

## Notes to the financial statements (continued)

### 7. Tax

#### Income tax

	2022 €'000	2021 €'000
Current tax credit	-	151
Deferred tax expense	(32,090)	(27,299)
<b>Total income tax</b>	<b>(32,090)</b>	<b>(27,148)</b>

#### Reconciliation of effective tax rate

Profit before tax	252,674	226,639
Taxed at 12.5% (2021: 12.5%)	(31,584)	(28,330)
Depreciation on capital expenditure that is not deductible for tax purposes	(1,156)	(594)
Other expenses not deductible for tax purposes	(203)	(224)
Income not taxable	508	893
Income taxable at higher rates	(85)	(61)
Adjustments in respect of previous financial years	430	1,168
<b>Total income tax expense</b>	<b>(32,090)</b>	<b>(27,148)</b>

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

#### Current tax assets and liabilities

	2022 €'000	2021 €'000
<b>Current tax asset</b>	-	151

#### Deferred tax assets and liabilities

	Pension obligations €'000	Tax losses forward €'000	Accelerated tax depreciation €'000	Other €'000	Total €'000
<b>At 1 January 2021</b>	2,893	54,068	(137,056)	138	(79,957)
Recognised in income statement	148	24,648	(52,000)	(95)	(27,299)
Recognised in equity	(1,014)	-	-	-	(1,014)
<b>At 31 December 2021</b>	2,027	78,716	(189,056)	43	(108,270)
Recognised in income statement	1,109	23,767	(56,741)	(225)	(32,090)
Recognised in equity	(2,146)	-	-	42	(2,104)
<b>At 31 December 2022</b>	<b>990</b>	<b>102,483</b>	<b>(245,797)</b>	<b>(140)</b>	<b>(142,464)</b>

## 8. Property, Plant and Equipment

	31-Dec-22 €'000	31-Dec-21 €'000
Property, plant and equipment - owned assets	5,778,338	4,873,978
Property, plant and equipment - right-of-use assets	30,479	10,864
<b>Property, plant and equipment - as presented on the balance sheet</b>	<b>5,808,817</b>	<b>4,884,842</b>

### Property, plant and equipment - owned assets

	Infrastructure assets €'000	Operational assets €'000	Non- network assets €'000	Assets under construction €'000	Total €'000
<b>Cost</b>					
<b>At 1 January 2021</b>	1,848,575	1,290,814	140,555	1,207,950	4,487,894
Additions	-	-	216	833,730	833,946
Disposals	-	-	(152)	-	(152)
Transfers	520,939	514,210	61,420	(1,096,569)	-
<b>At 31 December 2021</b>	<b>2,369,514</b>	<b>1,805,024</b>	<b>202,039</b>	<b>945,111</b>	<b>5,321,688</b>
Additions	-	-	-	1,035,630	1,035,630
Disposals	-	-	(18)	-	(18)
Transfers	476,049	274,095	43,249	(793,393)	-
<b>At 31 December 2022</b>	<b>2,845,563</b>	<b>2,079,119</b>	<b>245,270</b>	<b>1,187,348</b>	<b>6,357,300</b>
<b>Accumulated depreciation and impairment losses</b>					
<b>At 1 January 2021</b>	(109,322)	(172,974)	(58,223)	-	(340,519)
Depreciation charge	(25,832)	(58,514)	(18,884)	-	(103,230)
Impairment charge	-	-	-	(4,030)	(4,030)
Disposals	-	-	69	-	69
<b>At 31 December 2021</b>	<b>(135,154)</b>	<b>(231,488)</b>	<b>(77,038)</b>	<b>(4,030)</b>	<b>(447,710)</b>
Depreciation charge	(34,427)	(69,080)	(23,482)	-	(126,989)
Impairment charge	-	-	-	(4,279)	(4,279)
Disposals	-	-	16	-	16
<b>At 31 December 2022</b>	<b>(169,581)</b>	<b>(300,568)</b>	<b>(100,504)</b>	<b>(8,309)</b>	<b>(578,962)</b>
<b>Carrying amounts</b>					
At 31 December 2021	2,234,360	1,573,536	125,001	941,081	4,873,978
<b>At 31 December 2022</b>	<b>2,675,982</b>	<b>1,778,551</b>	<b>144,766</b>	<b>1,179,039</b>	<b>5,778,338</b>

The impairment charge of €4.3 million in 2022 (2021: €4.0 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.

## Notes to the financial statements (continued)

### 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
<b>Cost</b>		
At 1 January 2021	19,309	19,309
Additions	2,252	2,252
<b>At 31 December 2021</b>	<b>21,561</b>	<b>21,561</b>
Lease assumed under common control transaction <sup>1</sup>	<b>14,878</b>	<b>14,878</b>
Lease taken on from a related party <sup>2</sup>	<b>12,982</b>	<b>12,982</b>
Additions	<b>1,156</b>	<b>1,156</b>
<b>At 31 December 2022</b>	<b>50,577</b>	<b>50,577</b>
<b>Accumulated depreciation and impairment losses</b>		
At 1 January 2021	(6,689)	(6,689)
Depreciation charge	(4,008)	(4,008)
Disposals	-	-
<b>At 31 December 2021</b>	<b>(10,697)</b>	<b>(10,697)</b>
Lease depreciation assumed under common control transaction <sup>1</sup>	<b>(3,026)</b>	<b>(3,026)</b>
Depreciation charge <sup>3</sup>	<b>(6,375)</b>	<b>(6,375)</b>
<b>At 31 December 2022</b>	<b>(20,098)</b>	<b>(20,098)</b>
<b>Carrying amounts</b>		
At 31 December 2021	10,864	10,864
<b>At 31 December 2022</b>	<b>30,479</b>	<b>30,479</b>
<b>Lease liabilities</b>		
At 1 January 2021		(13,222)
Additions		(2,253)
Interest expense		(277)
Lease payments <sup>4</sup>		3,740
<b>At 31 December 2021<sup>5</sup></b>		<b>(12,012)</b>
Additions		<b>(26,953)</b>
Interest expense		<b>(517)</b>
Lease payments <sup>4</sup>		<b>8,476</b>
<b>At 31 December 2022<sup>5</sup></b>		<b>(31,006)</b>

## 9. Lease Assets and Liabilities

(continued)

### Analysed as follows:

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b>
Non-current	(26,677)	(9,201)
Current	(4,329)	(2,811)
<b>Total</b>	<b>(31,006)</b>	<b>(12,012)</b>

<sup>1</sup> As part of legal separation from Ervia, in 2022 the Company assumed office lease obligations from Ervia. Refer to note 24 for further detail.

<sup>2</sup> During the year the Company entered into an office lease arrangement with a related party. Refer to note 24 for further detail.

<sup>3</sup> During the year, the Company capitalised €0.415 million in depreciation of right-of-use assets (2021: €0.415 million) and capitalised €0.005 million of lease liability financing charges (2021: nil).

<sup>4</sup> Lease payments includes payments for the principal portion of the lease liability, presented as financing activities of €8.0 million (2021: €3.5 million) in the statement of cash flows.

<sup>5</sup> 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

	<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Expenses relating to short-term leases	(7,349)	(6,732)
<b>Total</b>	<b>(7,349)</b>	<b>(6,732)</b>

## Notes to the financial statements (continued)

### 10. Intangible Assets

	Software development €'000	Software under development €'000	Total €'000
<b>Cost</b>			
<b>At 1 January 2021</b>	274,067	7,849	281,916
Additions (incl internally developed)	-	16,917	16,917
Transfers	15,972	(15,972)	-
Cloud computing transaction adjustment	(7,360)	-	(7,360)
<b>At 31 December 2021</b>	282,679	8,794	291,473
Additions (incl internally developed)	-	24,931	24,931
Transfers	16,326	(16,326)	-
<b>At 31 December 2022</b>	299,005	17,399	316,404
<b>Accumulated amortisation and impairment losses</b>			
<b>At 1 January 2021</b>	(181,928)	-	(181,928)
Amortisation charge	(41,757)	-	(41,757)
Cloud computing transaction adjustment	262	-	262
<b>At 31 December 2021</b>	(223,423)	-	(223,423)
Impairment charge	-	(294)	(294)
Amortisation charge	(29,706)	-	(29,706)
<b>At 31 December 2022</b>	(253,129)	(294)	(253,423)
<b>Carrying amounts</b>			
At 31 December 2021	59,256	8,794	68,050
<b>At 31 December 2022</b>	45,876	17,105	62,981

In April 2021 the IFRS Interpretations Committee published a final agenda decision clarifying how to recognise certain configuration and customisation expenditures related to cloud computing arrangements. Costs that do not meet the capitalisation criteria should be expensed as incurred. In 2021, the Company changed its accounting policy to align with the agenda decision and previously capitalised costs that no longer qualify for capitalisation were expensed in the current period (retrospective application not applied as the amount was not material). A net cloud computing transition adjustment of €7.1 million is presented above, with corresponding income statement impacts presented in notes 3 and 5 and a cashflow statement (non-cash) adjustment presented in note 14.



## 11. Trade and Other Receivables

	31-Dec-22 €'000	31-Dec-21 €'000
Trade receivables	35,368	31,620
Unbilled consumption	48,946	46,659
Restricted cash balances held by Local Authorities	-	2,193
Amounts due from related parties	27,053	30,535
Customer refund programme receivable from Government	12,973	13,013
Other receivables	3,140	3,106
<b>Sub-total</b>	<b>127,480</b>	<b>127,126</b>
Prepayments	22,945	12,285
<b>Total</b>	<b>150,425</b>	<b>139,411</b>
Non-current	290	4,252
Current	150,135	135,159
<b>Total</b>	<b>150,425</b>	<b>139,411</b>

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 and restricted cash balances held by Local Authorities.

### 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 overall process to harmonise non-domestic tariffs. 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 now 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 and other related parties. The Company actively engages with the Local Authorities on a regular basis and the Company believes it has minimal credit risk arising from its transactions with Local Authorities.

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.

The maximum exposure of trade and other receivables to credit risk at the reporting date is as set out below. Prepayments are excluded as no credit risk arises.

## Notes to the financial statements (continued)

## 11. Trade and other receivables

(continued)

	31-Dec-22 €'000	31-Dec-21 €'000
Trade receivables	35,368	31,620
Unbilled consumption	48,946	46,659
Restricted cash balances held by Local Authorities	-	2,193
Amounts due from related parties	27,053	30,535
Customer refund programme receivable from Government	12,973	13,013
Other receivables	3,140	3,106
<b>Total</b>	<b>127,480</b>	<b>127,126</b>

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

	Gross carrying amount 31-Dec-22 €'000	Allowance for expected credit losses 31-Dec-22 €'000	Net receivable 31-Dec-22 €'000	Gross carrying amount 31-Dec-21 €'000	Allowance for expected credit losses 31-Dec-21 €'000	Net receivable 31-Dec-21 €'000
Not past due	110,658	(13,730)	96,928	115,182	(16,735)	98,447
1-365 days overdue	67,844	(40,308)	27,536	59,586	(34,027)	25,559
>1 year	84,939	(81,923)	3,016	83,496	(80,376)	3,120
<b>Total</b>	<b>263,441</b>	<b>(135,961)</b>	<b>127,480</b>	<b>258,264</b>	<b>(131,138)</b>	<b>127,126</b>

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

	2022 €'000	2021 €'000
At 1 January	(131,138)	(130,000)
Impairment losses on financial assets	(18,210)	(9,479)
Allowance utilised	13,387	8,341
<b>At 31 December</b>	<b>(135,961)</b>	<b>(131,138)</b>

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 period since the migration of non-domestic billing processes is relatively short, thus and as noted previously, the Company is continuing to develop and enhance its 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. There has been limited quantum of non-domestic debtor write offs to date. Owing to these factors, 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 64% of its gross non-domestic trade receivables being provided for at 31 December 2022 (2021: 63%). The charge for expected credit losses in respect of non-domestic receivables, recognised by the Company in 2021, represents 8% of non-domestic revenue recognised in 2022 (2021: 5%). Refer to note 1 for an assessment of the critical judgements and estimates applied.

## 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 includes 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.

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>	<b>01-Jan-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>
Cash on hand	11,591	6,895	3,678
Short-term deposits	298,695	281,144	189,696
<b>Total</b>	<b>310,286</b>	<b>288,039</b>	<b>193,374</b>

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

## 13. Financial Securities

Financial securities are held as collateral by the Company in respect of third party construction contracts for the duration of the construction project and are released following completion of the project and a 12 month defects liability period. 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

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>	<b>01-Jan-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>
Long-term deposits	55,000	-	-
<b>Total</b>	<b>55,000</b>	<b>-</b>	<b>-</b>

### Cash and cash equivalents - third party balances

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>	<b>01-Jan-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>
Cash on hand	3,534	4,784	17,925
Short-term deposits	-	33,000	-
<b>Total</b>	<b>3,534</b>	<b>37,784</b>	<b>17,925</b>

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

**Notes to the financial statements (continued)****14. Cash Generated from Operations**

		<b>2022</b>	<b>2021</b>
		<b>€'000</b>	<b>€'000</b>
<b>Cash flows from operating activities</b>			
Profit for the year		220,584	199,491
Adjustments for:			
Depreciation and amortisation	5	167,148	152,278
Cloud computing transition adjustment	10	-	7,360
Finance costs	6	4,320	3,427
Retirement benefit cost		681	1,056
Income tax expense	7	32,090	27,148
		<b>424,823</b>	390,760
Working capital changes:			
Change in trade and other receivables		<b>(15,927)</b>	(29,410)
Change in trade and other payables		<b>5,417</b>	(41,204)
Change in deferred revenue		<b>62,605</b>	58,442
Change in provisions		<b>(9,717)</b>	(13,780)
<b>Cash from operating activities before exceptional items</b>		<b>467,201</b>	364,808
Exceptional items - customer refunds and associated processing costs	19	<b>(4)</b>	(11)
Exceptional items - grant income received	19	<b>40</b>	59
<b>Cash from operating activities</b>		<b>467,237</b>	364,856
Interest paid		<b>(4,719)</b>	(4,301)
Income tax received		<b>151</b>	-
<b>Net cash from operating activities</b>		<b>462,669</b>	360,555

## 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.

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b>
Facilities from Government	<b>(613,499)</b>	(501,619)
Lease liabilities	<b>(31,006)</b>	(12,012)
<b>Total</b>	<b>(644,505)</b>	(513,631)

### Analysed as follows:

Non-current	<b>(640,176)</b>	(510,820)
Current	<b>(4,329)</b>	(2,811)
<b>Total</b>	<b>(644,505)</b>	(513,631)

Less than one year	<b>(4,329)</b>	(2,811)
Between one and five years	<b>(11,036)</b>	(9,131)
More than five years	<b>(629,140)</b>	(501,689)
<b>Total</b>	<b>(644,505)</b>	(513,631)

All borrowings are repayable other than by instalment.

### Net debt

		<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>	<b>01-Jan-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>
Total borrowings and other debt		<b>(644,505)</b>	(513,631)	(384,781)
Less cash and cash equivalents - available for company use	12	<b>310,286</b>	288,039	193,374
Less cash and cash equivalents - third party balances	13	<b>3,534</b>	37,784	17,925
<b>Net debt</b>		<b>(330,685)</b>	(187,808)	(173,482)

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

## Notes to the financial statements (continued)

### 15. Borrowings and Other Debt

(continued)

#### Changes in liabilities arising from financing activities

		Loans from financial institutions €'000	Facilities from Government €'000	Lease liabilities €'000	Total €'000
<b>At 1 January 2021</b>		-	(371,559)	(13,222)	(384,781)
Proceeds		(75,000)	(130,060)	-	(205,060)
Repayment		75,000	-	-	75,000
Repayment of lease liabilities	9	-	-	3,463	3,463
Non-cash		-	-	(2,253)	(2,253)
<b>At 31 December 2021</b>		-	(501,619)	(12,012)	(513,631)
Proceeds		-	(111,880)	-	(111,880)
Repayment		-	-	-	-
Repayment of lease liabilities	9	-	-	7,959	7,959
Non-cash		-	-	(26,953)	(26,953)
<b>At 31 December 2022</b>		-	(613,499)	(31,006)	(644,505)

### 16. Retirement Benefit Obligations

The Company operates a defined benefit scheme and a defined contribution scheme. In addition, certain employees who began providing service to the Company during 2022, continued to participate in the Ervia defined benefit pension scheme until legal separation from Ervia on 1 January 2023 (see note 26).

#### (a) Uisce Éireann defined benefit pension scheme

The Company operates a contributory defined benefit scheme 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. The Uisce Éireann defined benefit scheme was established on 27 January 2017. The scheme provides retirement benefits based on final pensionable salary and net pensionable salary in respect of pensionable service, together with a "wrap around element" which broadly maintains the final salary linkage in respect of pensionable service completed in either the Local Government Superannuation Scheme or any Superannuation Scheme applicable to Civil Servants.

The defined benefit scheme is administered by a Board of Trustees which comprises member and employer representatives. The Board of Trustees is responsible for the management and governance of the scheme including compliance with all relevant laws and regulations. The assets of the scheme are held separately from those of the Company in trustee administered funds. The latest valuation of the defined benefit scheme 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.

## 16. Retirement Benefit Obligations

(continued)

The scheme exposes 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 scheme holds 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.

### Salary inflation

As a final salary scheme there is an exposure to higher 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.

### Inflation

The scheme's 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). Higher than assumed inflation will lead to higher liabilities. About a fifth of the fund is invested in inflation linked bonds as a match to such real liabilities.

### Life expectancy risk

The majority of the scheme's 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.

	31-Dec-22 €'000	31-Dec-21 €'000
<b>Investments quoted in active markets:</b>		
<b>Equities</b>	<b>19,284</b>	19,567
• developed markets	<b>19,284</b>	19,567
<b>Bonds</b>	<b>5,338</b>	6,583
• inflation linked	<b>5,338</b>	6,583
Cash	<b>947</b>	-
<b>Unquoted investments:</b>		
Property/forestry	<b>697</b>	698
<b>Fair value of plan assets</b>	<b>26,266</b>	26,848
Defined benefit obligation	<b>(46,908)</b>	(63,498)
<b>Net defined benefit obligation</b>	<b>(20,642)</b>	(36,650)

## Notes to the financial statements (continued)

## 16. Retirement Benefit Obligations

(continued)

## Investment strategy

The Company and Trustees have agreed an initial investment strategy that is growth orientated (75% growth / 25% liability matching).

## Movement in net defined benefit liability

	Defined benefit liability		Fair value of plan assets		Net defined benefit obligation	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000	2022 €'000	2021 €'000
<b>At 1 January</b>	<b>(63,498)</b>	(61,436)	<b>26,848</b>	18,123	<b>(36,650)</b>	(43,313)
<b>Income Statement:</b>						
Current service cost	<b>(5,063)</b>	(5,118)	-	-	<b>(5,063)</b>	(5,118)
Interest on liabilities and assets	<b>(855)</b>	(491)	<b>395</b>	163	<b>(460)</b>	(328)
	<b>(5,918)</b>	(5,609)	<b>395</b>	163	<b>(5,523)</b>	(5,446)
<b>Other Comprehensive Income:</b>						
Return on plan assets excl. interest income	-	-	<b>(5,818)</b>	4,085	<b>(5,818)</b>	4,085
Experience gains/(losses) on liabilities	<b>(4,373)</b>	1,679	-	-	<b>(4,373)</b>	1,679
Changes in actuarial assumptions	<b>27,348</b>	2,351	-	-	<b>27,348</b>	2,351
Changes in demographic assumptions	<b>8</b>	-	-	-	<b>8</b>	-
	<b>22,983</b>	4,030	<b>(5,818)</b>	4,085	<b>17,165</b>	8,115
Contributions by employers	-	-	<b>4,366</b>	3,994	<b>4,366</b>	3,994
Contributions by members	<b>(737)</b>	(675)	<b>737</b>	675	-	-
Benefits paid	<b>262</b>	192	<b>(262)</b>	(192)	-	-
	<b>(475)</b>	(483)	<b>4,841</b>	4,477	<b>4,366</b>	3,994
<b>At 31 December</b>	<b>(46,908)</b>	(63,498)	<b>26,266</b>	26,848	<b>(20,642)</b>	(36,650)

The weighted average duration of the defined benefit obligation at 31 December 2022 was approximately 26 years (2021: 29 years). The Company expects to contribute €4.2 million to its pension plan in 2023.

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	<b>3.65%</b>	1.35%
Inflation assumption	<b>2.50%</b>	1.90%
Rate of increase in salaries*	<b>3.00%</b>	2.40%
Rate of increase in pensions payment	<b>2.50%</b>	1.90%

\*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:

		2022	2021
Retiring today	Females	24.8	24.6
	Males	23.0	22.9
Retiring in 25 years	Females	27.0	26.9
	Males	25.1	25.1

### 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 obligation. The following table analyses the estimated impact on scheme liabilities resulting from changes to key actuarial assumptions.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.25%	Decrease by 6.0%/increase by 6.5%
Price inflation	Increase/decrease by 0.25%	Increase by 6.2%/decrease by 5.8%
Salary	Increase/decrease by 0.25%	Increase by 6.0%/decrease by 5.8%
Mortality	Increase/decrease by one year	Increase by 2.3%/decrease by 2.4%

### (b) Defined benefit pension scheme accounted for as a Group Plan

The Ervia Group operated a defined benefit pension scheme. A number of the Company's employees participate in that scheme. The scheme was accounted for as a Group Plan in accordance with IAS 19. Ervia, as the sponsoring employer for the scheme, recognised the net defined benefit cost, while the Company recognises only the cost of contributions payable for the year in respect of the Company's employees.

There was no contractual agreement or stated policy in place for charging the Company's net defined benefit cost. The funding contribution rate was calculated every 3 years, by the pension scheme's actuary, for the Ervia Group as a whole. The Company's contribution amount was determined by applying the Ervia Group contribution rate to the salaries of the participating Uisce Éireann employees. Refer to the Ervia Group Annual Report for full disclosure in respect of the scheme. See note 26 for subsequent event disclosure in relation to the recognition of defined benefit obligations assumed by Uisce Éireann on legal separation from Ervia.

The cost of these contributions is set out below and is included in the Company's employee benefit expense (note 4) and are identified as a related party transaction in note 24.

	2022 €'000	2021 €'000
Pension costs	(2,401)	(1,153)

### (c) 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

	2022 €'000	2021 €'000
<b>At 1 January</b>	<b>(249,799)</b>	(191,357)
Received	(188,615)	(158,043)
Credited to the income statement	125,944	99,601
<b>At 31 December</b>	<b>(312,470)</b>	(249,799)

Analysed as follows:

	31-Dec-22 €'000	31-Dec-21 €'000
Non-current	(157,904)	(136,114)
Current	(154,566)	(113,685)
<b>Total</b>	<b>(312,470)</b>	(249,799)

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 connection works (performance obligation) are completed.

### 18. Grants

	2022 €'000	2021 €'000
<b>At 1 January</b>	<b>(2,642)</b>	(2,431)
Received	(87)	(281)
Amortised	80	70
<b>At 31 December</b>	<b>(2,649)</b>	(2,642)

Analysed as follows:

	31-Dec-22 €'000	31-Dec-21 €'000
Non-current	(2,579)	(2,572)
Current	(70)	(70)
<b>Total</b>	<b>(2,649)</b>	(2,642)

These amounts relate to grant funding from the EU Interreg Source-to-Tap and Swell projects for cross border projects. A number of conditions relating to these grant funding 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 adhered to. The Company does not expect such circumstances to arise and there were no repayments of grants in the current or prior year.

## 19. Provisions, Contingencies and Capital Commitments

### Provisions

	Customer refund provision €'000	Self-insured claims €'000	Other provisions €'000	Total €'000
<b>At 1 January 2022</b>	(13,446)	(29,929)	(40,379)	(83,754)
Provisions made	-	(8,051)	(1,594)	(9,645)
Transfer from trade and other payables	-	-	(25,200)	(25,200)
Provisions released	-	3,215	6,367	9,582
Provisions utilised	4	3,119	6,662	9,785
<b>At 31 December 2022</b>	<b>(13,442)</b>	<b>(31,646)</b>	<b>(54,144)</b>	<b>(99,232)</b>

### Analysed as follows:

	31-Dec-22 €'000	31-Dec-21 €'000
Non-current	(43,548)	(47,915)
Current	(55,684)	(35,839)
<b>Total</b>	<b>(99,232)</b>	<b>(83,754)</b>

### 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 2022, the Company continued to recognise a liability of €13.4 million (2021: €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 (2021: €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 2022, cash in hand of €0.4 million (2021: €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.

### 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 2022. 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 2024.

### Other provisions

Other provisions are primarily made up of legal claims, wayleaves provisions and contractor claims. Longer term capital accruals of €25.2 million were transferred from trade and other payables to provisions as these relate to longer term projects where the timing of payment is uncertain. The remainder of these provisions are associated with the water and wastewater infrastructure assets which were transferred to the Company from the Local Authorities on 1 January 2014. 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 potential liabilities and capture them as a provision, if they met the recognition criteria of IAS 37. During the year, a detailed assessment was conducted to bring up to date the Company's best estimate of the expenditure required to settle these obligations. In assessing the likely outcome, the Company based its assessment on experience since transfer from the Local Authorities and other factors that are believed to be reasonable in the circumstances (including legal advice). Following this assessment, during 2022 the Company released €4.0 million (2021: €11.9 million) in respect of liabilities assumed on the establishment of Uisce Éireann.

## Notes to the financial statements (continued)

### 19. Provisions, Contingencies and Capital Commitments

(continued)

#### 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

	2022 €'000	2021 €'000
Capital expenditure that has been contracted for but has not been provided for	755,047	559,081

### 20. Trade and Other Payables

	31-Dec-22 €'000	31-Dec-21 €'000
Trade payables	(50,881)	(22,913)
Accrued expenses	(318,011)	(307,490)
Amounts due to related parties	24 (35,317)	(37,863)
Other payables	(57,748)	(37,477)
Taxation and social insurance creditors	(29,127)	(29,102)
<b>Total</b>	<b>(491,084)</b>	<b>(434,845)</b>

#### Analysed as follows:

Non-current	(9,245)	(13,614)
Current	(481,839)	(421,231)
<b>Total</b>	<b>(491,084)</b>	<b>(434,845)</b>

#### Taxation and social insurance creditors

PAYE/social insurance	(2,995)	(3,572)
VAT	(26,132)	(25,530)
<b>Total</b>	<b>(29,127)</b>	<b>(29,102)</b>

## 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 such as trade receivables and payables because their carrying amounts are a reasonable approximation of fair value.

### At amortised cost

	<b>31-Dec-22</b> <b>€'000</b>	<b>31-Dec-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>	<b>01-Jan-21</b> <b>€'000</b> <i>Restated<sup>1</sup></i>
<b>Financial assets</b>			
Trade and other receivables <sup>2</sup>	<b>127,480</b>	127,126	107,081
Cash and cash equivalents - available for company use <sup>3</sup>	<b>310,286</b>	288,039	193,374
Cash and cash equivalents - third party balances <sup>3</sup>	<b>3,534</b>	37,784	17,925
Financial assets - financial security held on term deposit	<b>55,000</b>	-	-
	<b>496,300</b>	452,949	318,380
<b>Financial liabilities</b>			
Borrowings and other debt <sup>4</sup>	<b>(644,505)</b>	(513,631)	(384,781)
Trade and other payables <sup>5</sup>	<b>(143,946)</b>	(98,253)	(127,195)
	<b>(788,451)</b>	(611,884)	(511,976)
<b>Net financial liabilities</b>	<b>(292,151)</b>	(158,935)	(193,596)

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

<sup>2</sup> Prepayments have been excluded as these are not classified as a financial asset

<sup>3</sup> Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Company has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at 31 December 2022, €11.8 million of cash (2021: €7.8 million) is offset against €0.2 million of bank overdrafts (2021: €0.5 million), and a net position of €11.6 million is presented in 'cash on hand' in note 12 (2021 (restated<sup>1</sup>): €6.9 million).

<sup>4</sup> The fair value of borrowings and other debt as at 31 December 2022 was €547.6 million (2021: €511.5 million).

<sup>5</sup> 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.

## Notes to the financial statements (continued)

### 21. Financial Risk Management and Financial Assets/Liabilities

(continued)

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

	31-Dec-22 €'000	31-Dec-21 €'000 <i>Restated<sup>1</sup></i>	01-Jan-21 €'000 <i>Restated<sup>1</sup></i>
Trade and other receivables (excluding prepayments)	127,480	127,126	107,081
Cash and cash equivalents - available for company use	310,286	288,039	193,374
Cash and cash equivalents - third party balances	3,534	37,784	17,925
Financial assets - financial security held on term deposit	55,000	-	-
<b>Total</b>	<b>496,300</b>	<b>452,949</b>	<b>318,380</b>

<sup>1</sup> The comparative information has been restated as a result of a change in accounting policy in respect of demand deposits as discussed in Note 1.

#### (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

€613.5 million of €1,021.6 million State loan facilities, provided by the Minister for Finance for capital expenditure attributed to the non-domestic sector, has now been drawn (€111.8 million drawn during 2022). The remaining available facilities of €408.1 million, are to be made available over the period 2023 to 2024, subject to the approval of the Minister for Finance, to cover non-domestic capital expenditure over that period.

In 2021, the Company entered into a new 5 year €350.0 million working capital facility with the NTMA, which was the final phase of the replacement of commercial debt facilities with State funding. Uisce Éireann has committed to ensuring that the NTMA working capital facility remains undrawn at 31 December each calendar year, unless prior Ministerial agreement to utilise the facility is obtained.

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.

## 21. Financial Risk Management and Financial Assets/Liabilities

(continued)

	31-Dec-22	31-Dec-21
Weighted average interest rate on the Company's portfolio of outstanding borrowings	0.90%	0.54%
Average maturity of debt	8.14 years	9.17 years
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>€'000</b>	<b>€'000</b>
Total borrowings (excluding lease liabilities)	(613,499)	(501,619)
Undrawn committed Government facilities	(350,000)	(350,000)
Undrawn committed bank facilities (excluding overdraft facility)	-	-
Statutory borrowing limit	(2,000,000)	(2,000,000)

### (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
<b>At 31 December 2022</b>						
Borrowings and other debt	(644,505)	(695,921)	(9,948)	(10,088)	(23,421)	(652,464)
Trade and other payables	(143,946)	(143,946)	(134,701)	(9,245)	-	-
<b>Total</b>	<b>(788,451)</b>	<b>(839,867)</b>	<b>(144,649)</b>	<b>(19,333)</b>	<b>(23,421)</b>	<b>(652,464)</b>
<b>At 31 December 2021</b>						
Borrowings and other debt	(513,631)	(539,063)	(5,551)	(6,116)	(13,995)	(513,401)
Trade and other payables	(98,253)	(98,253)	(84,639)	(13,614)	-	-
<b>Total</b>	<b>(611,884)</b>	<b>(637,316)</b>	<b>(90,190)</b>	<b>(19,730)</b>	<b>(13,995)</b>	<b>(513,401)</b>

### (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 2022 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.

## Notes to the financial statements (continued)

### 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 2022.

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. 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.



## 23. Equity

### (a) Share capital

	31-Dec-22 €'000	31-Dec-21 €'000
Authorised:		
50,000,000 "A" shares at €0.01 each	500	500
50,000,000 "B" shares at €0.01 each	500	500
<b>Total</b>	<b>1,000</b>	<b>1,000</b>
	31-Dec-22 €	31-Dec-21 €
Issued, called up and fully paid:		
1 "A" share at €0.01 each	0.01	0.01
650 "B" shares at €0.01 each	6.50	6.50
<b>Total</b>	<b>6.51</b>	<b>6.51</b>

### Share premium

	2022 €'000	2021 €'000
At 1 January	(324,000)	(324,000)
At 31 December	(324,000)	(324,000)

At 31 December 2022, Ervia held the one "A" share, the Minister for Housing, Local Government and Heritage held 325 "B" shares and the Minister for Finance held 325 "B" shares.

An "A" share gives the holder the right to exercise a vote at any general meeting of the Company. As the sole holder of the 1 issued "A" share Ervia had full voting control. The "A" share does not confer on the holders thereof any entitlement to any participation in the profits or assets of the Company save for the return of the subscription value in the case of liquidation.

"B" shares give the holder no power of control or direction over the Company. These shares give the holder the right to be notified and attend but not vote at any general meeting of the Company. These shares do carry the right to receive whatever dividends or distributions (if any) may be determined by the Board and do convey 'Ministerial Consents' and have protective rights. In the case of liquidation after the subscription value is repaid to the A shareholder(s) the balance of the net proceeds are distributable to the holders of the "B" shares pro rata to the number of "B" shares held by each.

See note 26 for subsequent event disclosures in relation to share transactions on legal separation.

### (b) Capital contribution

	2022 €'000	2021 €'000
At 1 January	(2,938,466)	(2,555,466)
Cash capital contribution	(i) (454,000)	(383,000)
Office lease obligation assumed	(ii) 292	-
<b>At 31 December</b>	<b>(3,392,174)</b>	<b>(2,938,466)</b>

(i) In each year, the Company received a non-refundable cash capital contribution from the Government as set out above.

(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 2022 the Company assumed office lease obligations from Ervia (see note 24 for further details).

## Notes to the financial statements (continued)

### 24. Related Parties

Uisce Éireann (‘the Company’) is a designated activity company. At 31 December 2022, Ervia held 100% of the voting shares (“A” shares) in the Company, but with no economic rights attributable to that interest. The Minister for Finance and the Minister for Housing, Local Government and Heritage each held 325 Water Economic Rights (“B” shares) shares which carried no voting rights but carried all the economic rights to obtain benefit from the activities of the Company.

IFRS 10 states “an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee”. Ervia’s share ownership in the Company does not satisfy the conditions of control as required by IFRS 10, and therefore in order to comply with the requirements of IFRS, the financial statements of Uisce Éireann are not consolidated with the results of the Ervia Group. The Company is deemed to be a related party of the Ervia Group for 2022 and 2021.

As described in note 1, in accordance with the Water Services (Amendment) Act 2022, the Company legally separated from Ervia on 1 January 2023.

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

	<b>31-Dec-22</b> <b>€’000</b>	<b>31-Dec-21</b> <b>€’000</b>
Payable to Ervia Group entities	-	(4,849)
Payable to Local Authorities	<b>(35,317)</b>	(33,014)
<b>Amounts due to related parties</b>	<b>(35,317)</b>	(37,863)
Receivable from Local Authorities	<b>27,053</b>	30,535
Restricted cash balances held by Local Authorities	-	2,193
<b>Amounts receivable from related parties</b>	<b>27,053</b>	32,728

#### Transactions with Ervia Group

##### (a) Central transactional and support services

During 2021, 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.

	<b>2022</b> <b>€’000</b>	<b>2021</b> <b>€’000</b>
Operating costs incurred by Ervia Parent and recharged to Uisce Éireann	<b>1,259</b>	49,320

Basis for the apportionment of Ervia Parent operating costs:

- Operating costs incurred by the Ervia Parent in the provision of services to Uisce Éireann and Gas Networks Ireland (and its subsidiaries) were recovered on a costs recoupment basis.
- Operating costs incurred in the provision of such services were recharged to Uisce Éireann and Gas Networks Ireland based on a cost causation basis, reflective of the underlying cost driver associated with each of the cost centres within Ervia Parent. For example, the relevant cost driver for the Finance Services - Accounts Payable cost centre was identified as the “number of invoices processed”. Therefore the costs of the Accounts Payable cost centre were recharged to Uisce Éireann and Gas Networks Ireland based on the relative proportion of number of invoices processed.
- The identified cost drivers for each individual cost centre were reviewed annually to ensure that operating costs were recharged in line with the underlying levels of activity.

## 24. Related Parties

(continued)

- Operating costs directly attributable to Uisce Éireann were either charged directly to Uisce Éireann, or were recharged in full to Uisce Éireann.
- The overarching objective of the apportionment of operating costs was to ensure operating costs were recharged to Uisce Éireann and Gas Networks Ireland based on a fair and transparent methodology, reflective of the underlying cost drivers.

### (b) Capital expenditure costs incurred by Ervia Group and recharged to Uisce Éireann

	2022 €'000	2021 €'000
Capital expenditure costs recharged by Ervia Group	-	(11,764)

Prior to operational separation, the Company transacted with the Ervia Group in respect of joint utility, centrally delivered and business delivered projects including the payroll costs incurred by the Major Projects area. The directly attributable Uisce Éireann costs were recharged on a monthly basis with no overhead or margin applied by the Ervia Group.

### (c) Pension costs

	2022 €'000	2021 €'000
Pension costs	(2,401)	(1,153)

As detailed in note 16, the Ervia Group operates a defined benefit pension scheme. A number of the Company's employees participated in that scheme. 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 cost of these contributions in respect of the Company's employees are included in the Company's employee benefit expense (note 4). See note 26 for subsequent event disclosure in relation to the recognition of defined benefit obligations assumed by Uisce Éireann on legal separation from Ervia.

### d) Transactions arising from Legal Separation from Ervia

	2022 €'000	2021 €'000
Right-of-use assets assumed (asset less depreciation assumed)	11,852	-
Lease liabilities assumed	(12,185)	-
Common control transaction recognised in equity (net)	292	-
Deferred tax asset recognised (note 7)	42	-

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 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.

### (e) Lease agreement with Gas Networks Ireland

	2022 €'000	2021 €'000
Right-of-use assets assumed	12,982	-
Lease liabilities assumed	(12,982)	-

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

### 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.

## Notes to the financial statements (continued)

### 24. Related Parties

(continued)

#### (a) Service level agreement

	2022 €'000	2021 €'000
Operating expenditure (payroll, functional support overheads)	(221,842)	(219,854)
Operating expenditure (general overheads)	(3,634)	(3,103)
Capital expenditure	(64,811)	(53,824)
Procurement recharges	(28,494)	(27,742)
	(318,781)	(304,523)

A service level agreement between the Company and each Local Authority was signed 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.

Each Local Authority continues to operate and maintain the water assets on behalf of the Company in return for the agreed fees set out in the service level agreement. 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.

A Licence to use the water assets was granted by each Local Authority to the Company as part of the service level agreement in place between the Company and each Local Authority. The Licence is a 12 month 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).

#### (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 service level agreement 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. Balances outstanding in respect of this transaction are included in the table above.

#### 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.

		2022 €'000	2021 €'000
Government subvention income	2	961,000	893,000
Capital contribution	23	454,000	383,000
Grant income received - domestic water customer refund programme	14	40	59
Minister for Finance facility	15	111,880	130,060

The Company also has a working capital facility with the NTMA, which was undrawn at year end, throughout the year and in prior years.

## 24. Related Parties

(continued)

### 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.

### Key management compensation

Key management is assessed to consist of the Board, the CEO and the direct reports of the CEO. The compensation costs of key management are apportioned between the Company and the other entities within the Ervia Group based on services provided.

The basis of apportionment in 2021 reflects the governance structures in place prior to operational separation. Key management for 2021 was assessed to consist of the following; the Ervia Board, the Ervia CEO and his direct reports. Key management compensation costs was apportioned to the Company based on services provided.

Key management of Uisce Éireann for 2022 is assessed to have consisted of the following; the Ervia Board (including the Ervia CEO), the Uisce Éireann CEO and his direct reports. Following operational separation in 2022, the majority of the Company's key management provided their services solely to Uisce Éireann. This has increased this cost apportionment to the Company for 2022 and therefore has resulted in an increase in key management compensation reported under IFRS for 2022 compared to 2021 (first table below). The second table below sets out a like for like comparison of key management compensation, by applying the 2021 apportionment rate to both years.

	<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Short-term employee benefits	<b>(2,607)</b>	(1,115)
Post-employment benefits	<b>(341)</b>	(107)
<b>Total</b>	<b>(2,948)</b>	(1,222)

### For information, applying the 2021 IFRS apportionment to both years;

	<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Short-term benefits	<b>(1,066)</b>	(1,115)
Post-employment benefits	<b>(139)</b>	(107)
<b>Total</b>	<b>(1,205)</b>	(1,222)

### Directors

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

## Notes to the financial statements (continued)

### 25. Companies Act Payroll Disclosures

Following operational separation in 2021, employees of Ervia were redeployed to Gas Networks Ireland and Uisce Éireann. In accordance with IAS 19, the related payroll and other employee benefit costs of these individuals are 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). The employee benefit disclosures for Uisce Éireann, as required by the Companies Act, are set out below.

#### (i) Aggregate employee benefits

	<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Staff short-term benefits	<b>(72,765)</b>	(65,959)
Retirement benefit costs	<b>(11,036)</b>	(10,428)
Social insurance costs	<b>(7,807)</b>	(7,027)
	<b>(91,608)</b>	(83,414)
Capitalised payroll	<b>22,543</b>	21,265
<b>Employee benefit expense charged to the income statement</b>	<b>(69,065)</b>	(62,149)

#### (ii) Staff short-term benefits

	<b>2022</b> <b>€'000</b>	<b>2021</b> <b>€'000</b>
Wages and salaries	<b>(70,222)</b>	(63,111)
Overtime	<b>(88)</b>	(59)
Allowances	<b>(1,311)</b>	(1,357)
Other <sup>1</sup>	<b>(1,144)</b>	(1,431)
<b>Total</b>	<b>(72,765)</b>	(65,958)

<sup>1</sup> Other short-term employee benefits primarily include permanent life insurance benefits and taxable travel allowances.

The average number of employees with a contract of employment with the Company for the year was 893 (2021: 834). The employees that transferred to Uisce Éireann as part of operational separation remained contracted to their original entity and this will only change at the point of legal separation on 1st January 2023.

## 26. Subsequent Events

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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.

As described in note 1, in accordance with the Water Services (Amendment) Act 2022, the Company legally separated from Ervia on 1 January 2023. The following transactions occurred in 2023 in respect of legal separation and do not require adjustment to the 2022 Financial Statements but are disclosed here due to their nature or materiality;

- All shares in issue on 1 January 2023 were cancelled for no consideration and new shares were issued immediately to the Minister for Public Expenditure and Reform and the Minister for Housing, Local Government and Heritage, in accordance with the provisions of the Water Services (Amendment) Act 2022. There was no material accounting impact of this transaction and on cancellation of these shares, the Share Premium remained in equity and is deemed an undistributable capital reserve.
- The Company was required to assume defined benefit obligations previously held by Ervia. Ervia previously operated a defined benefit scheme, that included certain qualifying Uisce Éireann employees. The defined benefit scheme was previously accounted for as a Group Plan in accordance with IAS 19 and therefore Ervia, as the sponsoring employer for the plan, recognised the full net defined benefit pension liability, including the liability attributable to employees providing services to Uisce Éireann.

To facilitate the legal separation of Ervia and Uisce Éireann, a “mirror” defined benefit scheme was established within Uisce Éireann for the transfer of the relevant employees, for future service only, with past service being retained by the Ervia Defined Benefit Scheme. A pension liability was therefore recognised by Uisce Éireann on legal separation, to maintain the final salary link of the relevant employees.

A cash compensation adjustment of €12.2 million was received from Ervia on 8th February 2023. 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.

## 27. Approval of Financial Statements

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The Directors approved the financial statements on 30 March 2023.

## Directors and other information

### Directors

Tony Keohane (*Chairman*)

Niall Gleeson (*CEO*)

Liz Joyce

Fred Barry

Cathy Mannion

Chris Banks

Patricia King

Gerry Britchfield

Eileen Maher

Michael Walsh

### Secretary

Richard O'Sullivan

### Registered Office

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### Solicitors

#### McCann Fitzgerald

Riverside One  
Sir John Rogerson's Quay  
Dublin 2

#### A & L Goodbody

IFSC  
North Wall Quay  
Dublin 1

### Bankers

#### Allied Irish Bank

40–41 Westmoreland Street  
Dublin 2

### Auditor

#### Deloitte Ireland LLP

Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

### Company Number

530363





