

**LOUGHS AGENCY**

**ANNUAL REPORT**

Covering the Period 1 January 2021 to 31 December 2021

**LOUGHS AGENCY**  
*Annual Report and Accounts*  
**for the period ended 31 December 2021**

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

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## **CHIEF EXECUTIVE'S OVERVIEW**

As I write the introduction to this Annual Report, there are signs that we are beginning to emerge from the worst impacts of COVID-19. While the pandemic is not yet over, I am hopeful that this will be a more normal year for our staff and stakeholders. This Annual Report reflects how we have navigated the challenges we have faced during this period, but also highlights our outstanding achievements and ambitious plans for the future.

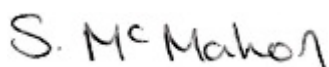
This was another year in which the lives and the work of our staff and the communities that we serve were affected by COVID-19. Our response to the changing and changeable nature of working has included an unprecedented level of financial, digital, practical and wellbeing support for our staff and the forging and strengthening of partnerships and collaborations across the island of Ireland and the world in terms of our EU programmes.

One of the key challenges moving forward is climate change, a changing climate is becoming more evident and the issues caused by climate change will have a profound effect on the lives of everyone for many years or even decades. Loughs Agency as a key environmental organisation in Northern Ireland and Ireland are committed to taking action to address the causes of climate change across its catchments.

This Annual Report features highlights of the year and examples of projects, initiatives and collaborations - some completed this year, others underway or just launching. Our achievements would not have been possible without the expertise, commitment, professionalism, hard work and passion of our staff. I would like to thank them for making Loughs Agency such an outstanding place to work.

2021 has seen the end of a lengthy term for a number of Board Members, I would like to take this opportunity to thank them for their hard work, dedication and commitment in helping build a strong and prosperous Agency.

I would also like to welcome to the Board our new Members, along with re-elected Member Heather Mackey on her appointment as Chair, the first female chair of Loughs Agency. I am grateful and excited to have these new Members join the Board and bring their unique talents, expertise and perspectives to the work of the Agency in order to continue to deliver our Vision.



Sharon McMahon

**Chief Executive Officer**

## **WHO WE ARE**

Loughs Agency is an agency of the Foyle, Carlingford and Irish Lights Commission (FCILC), established as one of the North South Implementation Bodies under the Good Friday/Belfast Agreement, constituted under the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British Irish Agreement Acts 1999 and 2002.

The Board of Loughs Agency reports to the North South Ministerial Council (NSMC) and its government Sponsor Departments – the Department of Agriculture, Environment and Rural Affairs (DAERA) in the North, and the Department of the Environment, Climate and Communications (DECC) in the South. The Agency is funded on a 50/50 basis by DAERA in Northern Ireland and DECC in Ireland.

Our Headquarters are based in Derry~Londonderry, with a Regional Office in Carlingford, Co Louth and an operational depot in Omagh.

### **The Agency's Vision is:**

“Through partnership and science, protecting and developing our fisheries and natural resources”.

### **Our mission is to:**

“Sustainably manage, promote and develop the fisheries and resources of the Foyle and Carlingford areas”.

The Agency has responsibility for 4,070km<sup>2</sup> of catchment in the Foyle area and 480km<sup>2</sup> in Carlingford, with responsibility for the 2 sea loughs and an area extending 12 miles out to sea from Lough Foyle, which stretches to Downhill in Northern Ireland, and Malin Head in Donegal. Loughs Agency has been delivering transboundary fisheries management in these waters since the establishment of its predecessor in 1952, the Foyle Fisheries Commission, with the remit of overseeing the management and protection of Atlantic salmon and the inland fisheries of the Foyle catchment.

Loughs Agency aims to provide sustainable social, economic and environmental benefits through the effective conservation, management, promotion and development of the fisheries and marine resources of the Foyle and Carlingford Areas.

### **The Agency's statutory functions are:**

- Promotion of development of Lough Foyle and Carlingford Lough for commercial and recreational purposes in respect of marine, fishery and aquaculture matters.
- Management, conservation, protection, improvement and development of the inland fisheries of the Foyle and Carlingford Areas.
- Development and licensing of Aquaculture and Shellfisheries.
- Development of Marine Tourism.

The high level Strategic Priorities identified in our [Strategic Direction for a New Decade 2020-30](#), enabling Loughs Agency to fulfil its statutory remit are:

- Our Remit: Raising the Standards
- Making Connections
- Just Transition
- Organisational Excellence

#### **Our Goals are to:**

- Sustainably deliver our conservation and protection statutory remit.
- Making connections through effective engagement and communication.
- Understanding and strategically promoting Just Transition.
- Valuing all staff, inspire our workforce and improve performance through innovation.

#### **EQUALITY, DIVERSITY, GENDER**

Loughs Agency is committed to creating and sustaining a positive and inclusive working environment for our employees. Our aim is to ensure that employees are equally valued and respected and that our organisation is representative of all members of society. We define diversity as valuing everyone as an individual – we value our employees, job applicants, students, associates and visitors as people. This is reflected within our values and behaviours and our leadership habits that:

- We treat everyone well and with empathy.
- We lead with integrity and authenticity.

#### **Commitment to Equality, Diversity and Inclusion**

We believe that everyone stands to benefit when we embrace and value the diversity of thoughts, ideas and ways of working that people from different backgrounds, experiences and identities bring. It helps our employees to grow and learn, enables them to realise their potential, improves decision-making, boosts engagement and innovation, and enables us to better meet the needs of our diverse customer base.

To this end, we have made the following commitments:

- To create an environment in which individual differences and the contribution of all team members are recognised and valued.
- To not tolerate any form of unacceptable behaviour, harassment, discrimination, bullying (including cyber bullying) or victimisation in any area of employment or in the provision of our services to our customers.
- To provide guidance and training to the Board, employees and contractors on diversity, inclusion and equality of opportunity.
- To encourage anyone who feels they have been subject to or witnessed discrimination to raise their concerns with their Line Manager or Trade Union representative.
- To make every person aware of their personal responsibility for implementing and promoting equal opportunities in their day to day dealings with people and encourage employees to treat everyone with dignity and respect.

- To regularly review all our employment practices, policies and procedures to ensure compliance with the requirements of this statement.
- To monitor the effectiveness of our commitment to diversity and inclusion and the supporting policies and procedures and share with the consultative bodies at least annually.

We require all members of staff to recognise these commitments and act in accordance with them. In addition, we will comply with all relevant legislation and good practice.

No individual will be unjustly discriminated against. This includes, but is not limited to, discrimination because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

### **Dealing with Discrimination**

Unacceptable behaviour, harassment, discrimination, bullying (including cyber bullying) or victimisation of any individual is perceived as contradictory to our aspirations for a supportive working environment and will not be tolerated. Any allegations of such behaviour will be investigated, and ultimately disciplined, in accordance with the Dignity at Work Policy and Procedure.

### **Responsibility**

- The Board has overall responsibility for ensuring that we operate within a framework of equality of opportunity.
- The Senior Management Team has overall management responsibility, delegated to all managers throughout the organisation.
- All employees have a duty to support and uphold the principles of our commitment to equality, diversity and inclusion and its supporting policies and procedures.
- Responsibility for the review of this statement lies with the Director of Corporate Services.

This statement is reviewed regularly and if necessary, revised in the light of legislative or organisational changes. It is made available to the public through Loughs Agency's website and other means.

## **BOARD MEMBERS**

The FCILC Board comprises of 12 Members appointed by the NSMC. The Board exercises the functions of the Body in relation to the Foyle and Carlingford Areas through Loughs Agency. From 1<sup>st</sup> January 2021 to 12<sup>th</sup> December 2021 the Board was made up of 3 female and 8 male Board Members. From 1<sup>st</sup> April 2021 4 of these Board Members were inactive due to the ongoing political situation in Northern Ireland.

On 14<sup>th</sup> October 2021 the NSMC appointed 5 new Board Members to the Board of Loughs Agency to take up their appointment from 13<sup>th</sup> December 2021. On the same date Heather Mackey was appointed Loughs Agency Chair, for the period 13<sup>th</sup> December 2021 to 12<sup>th</sup> December 2026.

From 13<sup>th</sup> December 2021 the Board comprised of 3 female and 7 male Board Members. There are currently 2 vacancies on the Board, a Vice Chair and one Board Member.

## **Governance**

The roles and responsibilities of Loughs Agency's Board are set out in the Financial Memorandum for the Agency, matters specifically considered by the Board include:

- Declaration of Interests;
- Setting Board Strategy, in agreement with the NSMC;
- Reports from Committees;
- Financial Reports / Management Accounts;
- Performance Reports, and;
- Reserved Matters.

Under the obligations set out in its Code of Conduct, the Board has corporate responsibility for ensuring that the Agency fulfils the aims and objectives set by its Sponsor Departments; DAERA and DECC, which are approved by the NSMC, and for promoting the efficient, economic and effective use of staff and other resources by the Agency.

## **The Board**

The Board of Loughs Agency:

- establishes the overall strategic direction of the Agency within the policy and resources framework determined by the NSMC, relevant Ministers and Sponsor Departments;
- constructively challenges the Agency's Senior Management Team in their planning, target setting and delivery of performance;
- ensures that Sponsor Departments are kept informed of any changes which are likely to impact on the strategic direction of the Agency, or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Agency operates within the limits of its



statutory authority and any delegated authority agreed with Sponsor Departments, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by the NSMC, the Finance Departments and Sponsor Departments;

- ensures that it receives and reviews regular financial information concerning the management of the Agency; is informed in a timely manner of any concerns regarding the activities of the Agency; and provides positive assurance to Sponsor Departments that appropriate action has been taken on such concerns;
- demonstrates high standards of corporate governance at all times, including using the independent Audit and Risk Committee to assist the Board in addressing key financial and other risks facing the Agency.

There were 4 Board Meetings held in 2021. Due to the ongoing political situation in Northern Ireland the Agency was unable to achieve a quorum for 2 of its 6 required Board meetings during 2021.

Details of Board membership and attendance at meetings held during 2021 are as follows:

<b>Board Member</b>	<b>Position</b>	<b>Attendance</b>
Laurence Arbuckle ( <i>Board Chair until 12<sup>th</sup> December 2021</i> )	Chair	4
Andrew Duncan ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Vice Chair	3
Phil Mahon ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	4
Michael McCormick ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	3
Terry McWilliams	Member	0
Allan Ewart ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	0
Alastair Patterson ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	0
Ian McCrea ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	1
Fiona Walsh ( <i>second term commenced 13<sup>th</sup> December 2021</i> )	Member	3
Heather Mackey ( <i>Board Chair from 13<sup>th</sup> December 2021</i> )	Member	4
Patrick Gibbons ( <i>term ended on 12<sup>th</sup> December 2021</i> )	Member	4
Danny Kennedy ( <i>appointed 30<sup>th</sup> July 2021</i> )	Member	2
Frances Lucy ( <i>appointed 13<sup>th</sup> December 2021</i> )	Member	
Declan Little ( <i>appointed 13<sup>th</sup> December 2021</i> )	Member	
Niall Greene ( <i>appointed 13<sup>th</sup> December 2021</i> )	Member	
Jack Keyes ( <i>appointed 13<sup>th</sup> December 2021</i> )	Member	
Conor Corr ( <i>appointed 13<sup>th</sup> December 2021</i> )	Member	

## Board Meetings

No.	Date
125	23 <sup>rd</sup> February 2021
126	15 <sup>th</sup> June 2021
127	21 <sup>st</sup> October 2021
128	8 <sup>th</sup> December 2021

Minutes of the above meetings are available on the Agency's website: [www.loughs-agency.org](http://www.loughs-agency.org)

## AUDIT AND RISK COMMITTEE

The FCILC Board established an Audit and Risk Committee to support them in their responsibilities for issues of risk, control and governance and associated assurance.

The Audit and Risk Committee advises the Accounting Officer and the Board on:

- the strategic processes for risk, control and governance and the Statement of Internal Control;
- the accounting policies and the Annual Report and Accounts of the Agency;
- the planned activity and results of both Internal and External Audit;
- adequacy of management response to issues identified by Internal and External audit reports;
- assurances relating to the management of risk and corporate governance requirements for the Agency;
- consider anti-fraud policies, whistleblowing processes and arrangement for special investigations;
- receive any relevant reports from the Comptroller and Auditor General's, and other organisations;
- consider the findings of any relevant internal and external reviews which have significant implications for the Agency.

There was 1 Audit and Risk Committee Meeting held in 2021. Due to the ongoing political situation in Northern Ireland the Agency was unable to achieve a quorum for 3 of its 4 required Audit and Risk Committee meetings during 2021. At the 127<sup>th</sup> Board Meeting on 15<sup>th</sup> June 2021 Phil Mahon was appointed to the Audit and Risk Committee.

Chair of the Audit and Risk Committee Patrick Gibbons resigned on 14<sup>th</sup> October 2021.

Details of Audit and Risk Committee membership and attendance at meetings held during 2021 are as follows:

<b>Board Member</b>	<b>Position</b>	<b>Attendance</b>
Patrick Gibbons ( <i>resigned 14<sup>th</sup> October 2021</i> )	Chair	1
Fiona Walsh	Member	1
Allan Ewart	Member	0
Alastair Patterson	Member	0
Phil Mahon ( <i>appointed 15<sup>th</sup> June 2021</i> )	Member	1
Andrew Walker	Co-Opted Member	1

### **Audit and Risk Committee Meetings**

<b>Date</b>
15 <sup>th</sup> September 2021

### **NORTH SOUTH MINISTERIAL COUNCIL**

There were no Aquaculture and Marine Sectoral Meetings of the North South Ministerial Council held in 2021.

## CORPORATE GOVERNANCE

The Corporate Services Directorate is a key enabler for the delivery of the Agency's strategic goals. The Agency continued to meet its Corporate Governance responsibilities throughout 2021. This was evidenced through regular updates provided to the Board and Audit and Risk Committee, complying with risk management processes and ensuring an effective system of internal control.

The Agency monitored its expenditure against approved budgets and reported to its Sponsor Departments on a regular basis. Regular Governance and Accountability meetings with Sponsor Departments as well as day to day engagement, continued throughout 2021 to ensure ongoing compliance with the Code of Practice for the Governance of State Bodies and Oversight Agreement (DECC) and the Sponsorship Manual (DAERA).

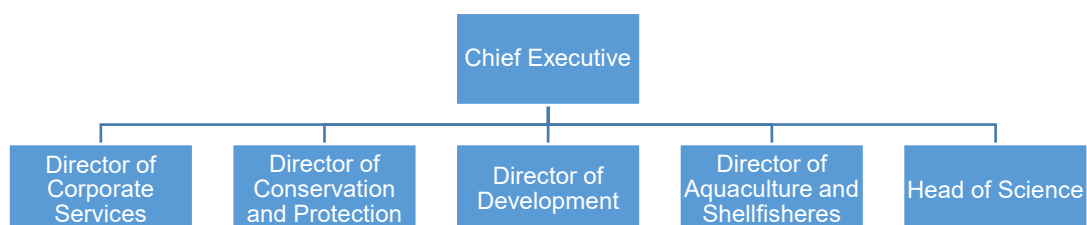
### Internal Audit

Internal Audit is an important part of the overall Corporate Governance of the Agency. The Internal Audit tests systems, associated procedures and controls and reports upon their effectiveness. In 2021 the Agency received a satisfactory rating.

## STAFFING

The Agency operates within a 4 Directorate structure (Development, Aquaculture & Shellfisheries, Conservation & Protection and Corporate Services) a Science section, with a current approved permanent core staffing compliment of 53.

### Senior Management Organisational Chart as at 31<sup>st</sup> December 2021



## STAFF DEVELOPMENT

The Agency recognises the importance of staff development and the delivery of appropriate continuous personal development initiatives for all staff. Throughout the year, the Agency addressed the training and development needs of staff, focusing on knowledge and skills retention and motivation appropriate to the achievements of the Agency's objectives and individuals' needs.

## COMPLAINTS HANDLING

The Agency has a complaints handling procedure. The procedure can be found [here](#). There were no complaints received in 2021.

## **RESPONSE TO COVID-19**

Throughout the COVID-19 pandemic Loughs Agency remained committed to providing a safe and healthy environment for employees, stakeholders and members of the public while ensuring business continuity.

Our offices and Riverwatch Visitor Centre remained closed to the public and all administration, technical and professional staff continued to work from home in line with government advice throughout 2021.

The Senior Management Team continued to review its COVID-19 response plan, including a range of secure working practices.

The Agency's Fisheries Protection and Scientific staff continued to deliver the Agency's statutory remit throughout 2021, in line with government guidelines in both jurisdictions.

It is hoped that the Agency can return to the office environment during 2022 following the easing of government restrictions. Due to the success of home working the Agency's Senior Management Team will consider a hybrid model of working, which facilitates a blend of home and office working with ongoing monitoring and adherence to public health guidance.

## KEY ACHIEVEMENTS FOR 2021

### Fisheries Protection

Despite issues relating to COVID-19, enforcement operations remained at full capacity throughout 2021. The protection crews continued to carry out shore and boat patrols across the Foyle and Carlingford Areas. These patrols led to a number of seizures of illegal fishing equipment.

The Agency is grateful for the continued support from the Police Service of Northern Ireland and An Garda Síochána.

### *Seizures*

	2017	2018	2019	2020	2021
Boats and Cars	3	1	2	7	4
Net	78	41	31	37	40
Other	17	7	8	7	17
Fishing Rods	46	42	48	55	43
Salmonid	27	17	14	75	43
Other Fish	4	27	215	15	120
Bags of Oysters	4	8	1	2	0

### *Pollution Incidents*

Throughout 2021 Loughs Agency dealt with water pollution related issues, mostly due to civil construction and agricultural slurry. In addition, Agency staff responded to oil spills, sewage discharges, unauthorised landfill sites and issues arising from the management of green energy projects. One of the more serious incidents was a major fish kill on the Aghlisk River in May 2021.

Over the year the Agency investigated 482 incidents.

	2017	2018	2019	2020	2021
Non Agriculture Waste Discharge	14	13	11	24	23
Agriculture	87	57	82	107	81
Chemical	4	4	8	4	6
No Pollution Found	79	64	60	33	286
Oil	4	14	17	18	7
Other	41	24	54	68	37
Sewage	23	12	17	26	36
Fallen Animals	4	3	2	1	6

### Scientific Fisheries Monitoring

The Agency continued to invest in development of its Fish Counter Programme to ensure its 4 statutory fish counters on the Rivers Finn, Roe, Mourne and Faughan met the domestic legislative requirements and international agreement standards, allowing the Agency to make robust returns to the International Council for the Exploration of the Seas and the North Atlantic Salmon Conservation Organisation.

The collection of key and statutory data including the information for Status Reports was completed successfully during 2021.

The smolt traps were successfully tested and deployed on the Rivers Roe and Faughan, allowing evaluation of the 2021 smolt run and enabling the SeaMonitor Project to tag smolts.

In 2021 the following data was derived from the legislative cited fish counters:

- The River Finn failed to meet its conservation limit.
- Using the data from the University of Glasgow’s work on the weir at Sion Mills the River Mourne met its conservation limit and management target.
- The River Faughan met its conservation limit and management target.
- The River Roe met its conservation limit and management target.

	Conservation Limit	% Compliance	Management Target	% Compliance	2021 Count
River Finn	4,328	56	5,410	45	2,409
River Mourne	6,287	51	7,859	41	3,197
River Roe	1,466	301	1,833	240	4,415
River Faughan	640	371	800	297	2,373

Given the failure of the River Finn to meet its conservation limit in 2020 a Declaration was made in early 2021, in pursuance of Article 3 of the Foyle Area (Control of Fishing) Regulations 2010, Section 13(1) of the Foyle Fisheries Act 1952 and Section 13 (1) of the Foyle Fisheries Act (Northern Ireland) 1952.

This Declaration suspended netting in the River Foyle, Lough Foyle and seaward of Lough Foyle, and restricted angling in the River Finn to angling on a catch and release basis only for the entire 2021 season.

*Fish Count Summary 2017 – 2021*

	2017	2018	2019	2020	2021
River Finn	1,985	3,955	4,247	2,302	2,409
River Mourne	912	1,214	2,820	3,915	3,197
River Roe	2,371	4,305	1,573	3,696	4,415
River Faughan	1,763	1,046	3,976	6,300	2,373

*Artificial Intelligence*

Loughs Agency has made significant progress in development of technology-based enhancements in its scientific monitoring programme across fish species, habitats, water quality and climate change initiatives.

The use of Artificial intelligence (AI) within Loughs Agency’s fish counter programme helps reduce the time and effort required in validating fish count data with their respective video files. Video validation is time consuming and laborious, so in using

machine learning Loughs Agency can automate the entire process from data collection to scientific reporting.

The Agency ran a pilot programme in 2020 with successful outcomes, which included the identification of species and the development of a reporting portal for AI accuracy and video collation from VAKI counter data processed from the River Faughan fish counter site. In 2021 the project moved forward and is envisaged to expand the current machine learning by incorporating Loughs Agency's resistivity counters overhead video validation footage for analysis and data processing. Ultimately the project's end goal for future seasons would be to use AI across the entire Loughs Agency counting catchment as validation and data analysis of its fish counters and its generated scientific data.

### *Water Quality Programme*

During 2021 the Agency continued to implement its Continuous Freshwater Monitoring and Telemetry Programme to enable real-time recording of water quality characteristics.

EXO Sondes are a premium water quality monitoring system with a dynamic range of digital smart sensors for multi-parameter applications and feature-rich software for managing water quality data. The latest model from Sondes and new weather stations have been deployed since January 2012 in the Rivers Roe, Finn and Mourne.

Two additional Sondes were deployed in September 2021 in the Camowen and Clanrye Rivers.

### *Eel Passes*

In 2021 the Agency installed eel passes on the Rivers Roe and Strule. The Agency now has four eel passes on the Rivers Roe, Faughan, Strule and Finn, enabling the safe upstream passage of eels in our river systems.

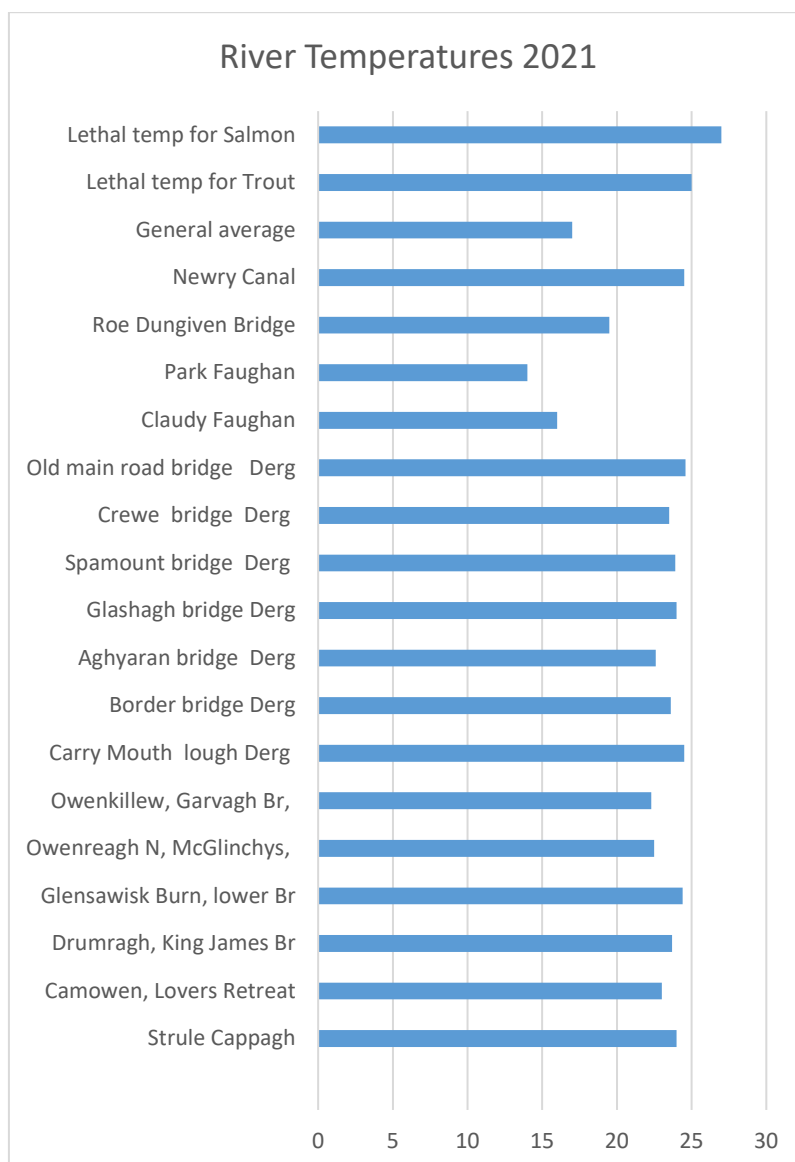
### *In River Temperature*

The biggest challenge to the Agency's wild fisheries in 2021 came from the long, hot spell of weather in late July.

Salmon require cold, clean, oxygenated water to survive. For salmon, water that is too warm can be lethal. Higher temperatures increase the demand for oxygen and decrease its supply. As temperatures rise, toxicity of the water may also increase as toxic substances become more soluble. In addition, warmer water temperatures can harm salmon's immune system and makes salmon an easy target for diseases.

During the period of extreme weather conditions Fishery Officers measured the water temperature in the rivers, the results are displayed below against lethal temperatures. The lethal temperatures are derived for clean water, and where dissolved oxygen is compromised, they can be much lower. The Rivers Roe and Faughan were not as badly affected, this was most likely because of the inflow of natural ground water from sand and gravel deposits which helped maintain the river temperatures.





### Mourne Beg Restoration

On 13<sup>th</sup> November 2020 a section of approximately 4.5 hectares of peat bog adjacent to a wind farm development site slipped into a feeder stream and subsequently into the Mourne Beg River.

Following the event two Inter-Agency Working Groups were formed, one for enforcement and one for restoration. During 2021 the groups met regularly to review the incident as it developed. The purpose / objective of the groups was primarily to allow the sharing of scientific data and information in so far as possible, including but not limited to that which identifies the habitats and species affected, as well as the extent of the impact on such habitats and species, and the most appropriate way to attain restoration for the habitats and species. The groups, chaired by Loughs Agency include the following:

- Donegal County Council (Planning Enforcement, Environment Section and Engineers).
- Environmental Protection Agency Ireland (Biologists and Liability Directive Staff).

- National Parks and Wildlife Service.
- Northern Ireland Environment Agency (Environmental Liability Directive, Water Quality and Natural Designations Section).
- Derry and Strabane District Council.
- Northern Ireland Water (Water Treatment staff).

Following additional funding from both Sponsor Departments the Agency commenced restoration works on the Mourne Beg River during 2021 following the completion of a number of surveys. For restoration purposes the team working on the Mourne Beg River has split the river into seven separate zones and an action plan has been drawn up for each zone.

Proposed work for each zone will vary depending on the level of intervention required. For example, zone one located at Croagh Bridge which extends approximately 550m downstream of the bridge included a mix of hard and soft engineering techniques to remediate spawning gravels affected by peat pollution and to protect the river from potential livestock poaching, whilst enhancing the riparian environment with biodiverse plant life. Fencing, tree planting, rock revetments, gravel cleaning and horseshoe groins will be included as part of the remediation plan for each zone.

### Angling and Fisheries Development

#### *TREES - Tree planting for River Enhancement through Environmental Solutions*

During 2021 the Agency commenced the first year of a three-year innovative nature-based approach to proactively enhance and support fisheries management. Working in partnership with Woodland Trust, this is a proactive approach to address issues that could potentially have catastrophic effects on fisheries, which will embrace partnership working with landowners, farmers, and other like-minded organisations.

The project targeted four specific areas in 2021 and has established an approach that will be continued in the coming two years in other areas of the Foyle and Carlingford catchments.

### Habitat and Reinstatement Schemes

Loughs Agency staff have undertaken significant habitat works during the year, these have included riparian fencing, tree-planting, and the development of instream salmonid habitat structures. The Agency has also undertaken erosion control schemes to protect juvenile salmonid habitat. For example:

#### *Owenkillew*

Flood waters had stripped the 160m riverbank area of vegetation, and trees became unstable resulting in subsidence and suspended solids entering the river at Beltrim Estate in Gortin, Co Tyrone. Loughs Agency reinforced the bank by driving vertical larch timber poles into the edge of the river and fixing layers of horizontal poles to protect the base of the riverbank. Brash was installed behind the poles to help catch silt and debris and naturalise the bank. The area behind the revetment was planted with native broadleaf trees including hazel, oak, alder and willow.

### *Camowen*

A section of the river, known as Bertie Anderson's, suffered bank slippage due to a combination of public and livestock access over the years. The subsidence resulted in silt entering the river, impacting downstream spawning beds and a narrowing of the channel.

Soft engineering works were completed by installing 60m of root wads to help stabilise the bank. The locally sourced wads will help to catch and reduce silt in the river and revegetate the bank. 40m of vertical larch timber piles were also driven into the edge of the river along with horizontal poles to protect the base of the river bank. Brash was placed behind to help catch silt and debris.

### *River Finn*

Each winter, Loughs Agency Fishery Officers survey the River Finn for salmon redds and in recent years have noticed a decline in several sites. Habitat surveys also identified shifts in large volumes of gravel at several locations along the river. The gravel has been washed downstream in some areas, stripping it of spawning habitat.

Clean glacier gravel has been installed in the river at two stretches near Annick Bridge. The location of the sites are within close proximity to holding pools where returning adults lie before spawning. Gravel banked by flood waters near Ivy Bridge was re-distributed, creating 2 new spawning beds.

### Angling Development

The development of recreational angling continues to be a focus for the Agency. The Agency commenced a review of its permit waters during 2021. This review will focus on the quality of the angling experience on the Rivers Foyle and Finn, as well as the Greenbraes. Any recommendations will be included in the Angling and Fisheries Development Strategy.

### Managing the Lough Foyle Native Oyster Fishery

#### *Native Oyster Spawning Assessment*

The native oyster spawning assessment took place between June and September 2021. Weekly samples were taken to determine gonad maturation within the oyster stock, variations in bivalve larval abundance and the prevailing environmental conditions within 5 oyster beds. Water temperature trends are a driver of spawning success and the trends in 2021 showed that it was an adequate summer spawning season. Larval quantities peaked in mid-summer which could signify a late settlement took place within the fishery. There was limited evidence of a new spatfall on the beds during the autumn stock assessment which would be in keeping with the trends observed during this spawning assessment. Evidence of any late settlement in October and November similar to 2014 will be investigated in the 2022 spring stock assessment.

#### *Native Oyster Stock Assessment*

Native oyster stock assessments were conducted from June-July (post fishery) and August-September (pre fishery) 2021. The 2018 cohort was very strongly represented once again and these 3-year-old oysters have begun to recruit into the fishery at 80mm,

although a small minority will be lower than the desired market weight still. Biomass estimates were at record highs of over 1,000 tonnes for each survey and this increase in biomass will transfer into a more productive fishery over the next few seasons.

There was no unusually high mortality observed during either survey. Total biomass of the stock was estimated at 1,233 tonnes biomass in spring 2021. In autumn 2021 there were a total of 1665 tonnes of biomass reported. There were an estimated 224 tonnes in spring and 318 tonnes in autumn over 80mm which will offer a substantial fishing opportunity and an estimated 587 tonnes in spring and 775 tonnes in autumn of oysters above 70mm in size which indicates strong potential for the 2022/23 fishery. Numbers of slipper limpets and feral Pacific oysters remain low and not of significant levels.

Year	Survey	Total Biomass	Total (predicted) Fishable Biomass Spring >70mm	Total Fishable Biomass Autumn >80mm
2017	Spring	438	248	
	Autumn	684		315
2018	Spring	509	372	
	Autumn	724		269
2019	Spring	504	329	
	Autumn	479		116
2020	Spring	378	66	
	Autumn	1,055		69
2021	Spring	1,233	587	
	Autumn	1,665		318

#### *Native Oyster Fishery*

The 2021/22 fishing schedule was increased in line with prevailing improvements in stock biomass, with the fishery opening on 5<sup>th</sup> October 2021. The fishery opened 2 days per week for 11 weeks. In total 38 licences were sold for the 2021/22 season. 30 of the registered licences have been used, however 8 of the boats have not fished so far this season. At the end of 2021, there was a total of 104,066kg of native oysters removed from the Lough.

Season	Number of Licences sold	Number of Days Fished	Total Landings (t)
2017/18	55	17	205
2018/19	79	14	119
2019/20	40	32	48
2020/21	39	38	42
2021/22	38	38	104*

\*as at December 2021

On 8<sup>th</sup> November 2021 it was reported by vendors that there were increased levels of mortalities in the landings. Samples were collected and sent to Marine Institute's Laboratory, the results highlighted that there was a slight increase in the levels of *Bonamia*. Regular sampling previously reported that *Bonamia* levels were at 40%, these levels are in line with previous sampling with no increase. The extra sampling at the end

of the year indicated that bacteria levels increased to 46%. Bacteria and mortality levels will continue to be monitored throughout 2022.

#### *Native Oyster Habitat Enhancement Project*

A tender was awarded in September 2021 for the delivery of shell cultch material to Lough Foyle for use in a native oyster enhancement project in Lough Foyle. This shell material will be weathered at a site on the shores of Lough Foyle for 6 months before being relayed on the seabed in 2022 to increase the quantity of suitable oyster habitats and encourage increased settlement of spat oysters in the coming years. The limitation of good quality shell habitats has been identified as a bottleneck for increasing production within the fishery for many years and this will be the first large scale project to address this issue.

#### Loughs Agency Accommodation

During 2021 the Agency continued to invest in its operational facilities. The construction of a replacement regional office in Omagh continued. Work is expected to finalise in quarter one of 2022 with a handover date planned for March 2022.

Phase one of development works at Loughs Agency Headquarters was completed in 2021.

The Agency agreed a long term lease (20 years) for a regional office in Carlingford in quarter one of 2021, with redevelopment works commencing in quarter four. It is anticipated that refurbishment works will complete in quarter four 2022.

#### Just Transition

During 2021 the Agency evaluated the requirements for an Agency wide Climate Action Plan which will ensure that the Agency is in a position to implement a plan which will produce strategic, meaningful actions. A Climate Action Plan will be fully developed in 2022. Throughout the year the Agency continued to integrate technology into our business processes, by doing so, we can ensure we have the knowledge needed to maintain our assets by using digital technologies which will decrease our carbon footprint.

#### Governance and Accountability

The Agency monitored its expenditure against approved budgets and reported to its Sponsor Departments on a regular basis. Regular Governance and Accountability meetings with Sponsor Departments, and day to day engagement, monitored ongoing compliance with the Code of Practice for the Governance of State Bodies and Oversight Agreement (DECC) and the Sponsorship Manual (DAERA).

#### *Internal Audit*

Internal Audit is an important part of the overall Corporate Governance of the Agency. The Internal Audit tests systems, associated procedures and controls and reports upon their effectiveness. In 2021 the Agency received a satisfactory rating.

## Environmental Education and Outreach

Our education and outreach programmes have been severely hampered by the COVID-19 pandemic. All our innovative and highly interactive education and engagement activities were curtailed until the latter part of the year.

### *Salmon Ambassadors*

The Salmon Ambassadors Programme was delivered to 8 schools across the Foyle and Carlingford catchments in 2021. Due to COVID-19 restrictions Salmon Ambassadors was delivered online using pre-recorded Google Classroom lessons.

Three modular lessons covering content on salmon life cycles, migrations, threats, and conservation were created and supplemented with activity packs. The Salmon Ambassadors Team set up a live hatchery system and sent update videos to the schools. In addition to the online lessons a “Virtual Field Trip” video was produced which showcased salmon habitats in the Foyle and Carlingford areas.

A video entitled “Salmon Station” was also created which showcased all the children’s work. The Salmon Ambassadors Web Conference was held on 9<sup>th</sup> June 2021 via Zoom, hosted by Barra Best. 7 of the 8 schools participated in the conference and presented on what they learned on the programme.

## External Partnership Projects

### *Binevenagh & Coastal Lowlands Landscape Partnership Programme (Year 1)*

2021 saw the commencement of the Binevenagh and Coastal Lowlands Landscape Partnership Programme, which is funded by the National Lottery Heritage Programme and includes contributions from the Agency and a range of partners. This project will be delivered over a five-year period, with 13 specific projects. Loughs Agency scientific and enhancement advice are key to the successful delivery of some of these projects, which will complement the efforts of the Agency in conserving, protecting, and enhancing the local area, part of the River Roe catchment.

### *Transnational River Access and Recreation*

Since 2019 Loughs Agency has been a project partner of a river-based cooperation project with Donegal County Council and several LEADER funded Local Action Groups in Northern Ireland and Ireland. 2021 saw the completion of a series of small interventions that enhanced access to the rivers and Lough Foyle, making it easier for visitors and local users alike to enjoy outdoor activity and beautiful natural environment.

## Strategic Engagements

### *Interagency Round Table Discussions*

Round table discussions were convened by Loughs Agency in July 2021 for Lough Foyle with an event planned for Carlingford 2022, in the context of our Strategic Direction 2020-2030. These discussions were set in the context of our commitment to strategically engage with a range of agencies in the environmental, North/South and regional territorial cross border spaces, in order to optimise potential for collaborative

working to benefit both Carlingford Lough and Lough Foyle and its systems, habitats and heritage.

The round table also highlighted the Agency's commitment to raising the profile of the organisation with key stakeholders, in order to communicate the full range of work which the Agency delivers and to raise awareness of potential areas for collaboration.

The objectives of the event included:

- Loughs Agency's Strategic Direction, context, and examples of the Agency's current strategic initiatives;
- Understanding the relationship of stakeholders to Lough Foyle and Carlingford Lough, the role they have and how a collaborative approach can help their organisation deliver on its objectives;
- Understanding the priorities of stakeholders;
- Identifying potential areas for further exploration in more detail and identify pathways for this.

## Strategic Reviews

### *Review of Legislation*

Due to a number of changes in the environment in which we operate, the Agency identified the necessity for a number of legislative and regulatory changes to be introduced in the Foyle and Carlingford areas, to ensure the statutory framework in which we operate is contemporary and fit for purpose moving forward.

The review set out the changes that are required in primary and secondary legislation to move the Agency's enforcement programme forward in a satisfactory manner. The initial Foyle Fisheries Acts in 1952 were focused on two principal objectives, the detection and prosecution of salmon poachers and the management of the commercial salmon fisheries. In time, the role of the Agency has changed, for example with the suspension of commercial salmon fisheries, the salmon management focus turned to recreational angling. In addition, Loughs Agency has been given the additional responsibilities in shellfisheries and control of riverbed materials. The Agency has also begun to acknowledge the value of coarse and other fisheries.

Discussions will take place during 2022 to identify and agree the next steps in the process to facilitate changes to the legislation.

### *Review of Communications*

In January 2021, Loughs Agency commissioned a communications review to effectively evaluate our engagement output over recent years.

The review was a full and in-depth process which involved engagement across all levels of Loughs Agency to ascertain thoughts and experiences on internal and external communications to date and areas that could be improved.

As a parallel process, an external company liaised with key external stakeholders associated with Loughs Agency to fully understand their experiences of engagement

with our organisation. There was also a full desktop research exercise on our recorded media output and activity.

The communications review completed in April 2021 following five months of extensive engagement. All findings and recommendations were implemented with immediate effect following Board approval.

#### *Review of Angling and Fisheries Development*

During 2021 this review continued to engage and consult with anglers, angling clubs, associations and governing bodies in the Foyle and Carlingford catchments. The engagement process included an online questionnaire and a number of meetings with clubs and associations, capturing a wide range of views and opinions across the angling community. Engagement was very informative and will help to shape the future direction of angling and fisheries development in the Foyle and Carlingford areas. A Draft Angling and Fisheries Development Strategy was developed based on the feedback from our stakeholders and staff. Implementation Plans will be developed in 2022 to help with the effective delivery of the Strategy.

#### *Review of Marine Tourism*

In exercising our statutory remit for the development of marine tourism, the Agency undertook a strategic review of the function.

The review will conclude in 2022. The findings and recommendations will be presented to the Board with a clearly defined Marine Tourism Strategy for the Agency and associated Action Plan will be developed and rolled out in the second half of 2022.

#### *Review of Science*

The Agency's newly appointed Head of Science took up post on 1st April 2021. An in-depth review of the science function was completed in 2021. The Review of Science considered the existing Science Function at Loughs Agency from both a strategic and an operational viewpoint. The Review of Science:

- Objectively reviewed existing Science Strategic Plan 2016-2021;
- Reviewed current work areas delivered by the science function;
- Identified potential knowledge gaps / opportunities for additional work;
- Reviewed communication of scientific information generated by the Agency and made recommendations to improve communication and connectivity of science in the Agency as the cornerstone of the function;
- Conducted functional review through questionnaires both bottom up and top down approach;
- Made recommendations for new science strategy / plan / function which align to Strategic Direction.

Upon completion of the Review of Science, a Science Strategy and a Science Implementation Plan will be developed in 2022.



## **EXTERNALLY FUNDED PROGRAMMES**

2021 saw the Agency continue to deliver EU-funded programmes as Lead Partner of SeaMonitor and as a partner in the CatchmentCARE and SWELL projects.

### **SeaMonitor – €4.7m EU-funded under the European Regional Development Fund and match-funded by Government Departments North and South.**

SeaMonitor is a unique marine Research Project, the first of its kind in Europe, studying the seas around Ireland, Western Scotland and Northern Ireland. The Project aims to address three Programme Output Indicators and deliver the INTERREG VA objective of developing cross-border capacity for the monitoring and management of marine protected areas and species.

This Project has a partnership of nine, comprising of funded partners located in Northern Ireland, Ireland, Scotland, and non-funded partners located in Canada and the USA. The Project is led by Loughs Agency and supported by another eight leading marine research institutions, using innovative marine species tracking technology to better understand and protect vulnerable marine life in our oceans. The Project Partners are Queens University Belfast, University of Glasgow, University College Cork, Galway-Mayo Institute of Technology, Marine Institute, Agri-Food and Biosciences Institute (AFBI), Ocean Tracking Network Dalhousie University Canada and Davis University College California.

2021 saw the SeaMonitor Project resume activities as planned with the successful deployment of the main North Channel array and all coastal arrays. Salmon tagging was also successfully undertaken by the Agency in the Rivers Roe and Faughan. The Foyle Salmon Marine Management Plan Working Group continued to meet throughout the year, with a draft framework and structure agreed.

The second data harvests from arrays were completed in October 2021. Basking shark and skate tagging commenced, seal tagging was completed, and data analysis and modelling is underway.

### **CatchmentCARE – €13,792,432 EU-funded under the European Regional Development Fund and match-funded by Government Departments North and South.**

CatchmentCARE (Community Actions for Resilient Eco-systems) is an EU-funded Project that aims to improve freshwater quality in cross-border river basins across three cross-border catchments. The aims of the project will be achieved through the development of three water quality improvement projects in the River Finn, River Blackwater and Arney River catchments, and installation of 50 boreholes across the region.

Local authorities, Donegal County Council (Lead Partner), Armagh City, Banbridge & Craigavon Borough Council, working with academia in Ulster University, as well as Loughs Agency, AFBI, British Geological Survey, Geological Survey Ireland and Inland

Fisheries Ireland, bring a rich and diverse skill-set from which to bring the CatchmentCARE Project forward.

During 2021 works were completed on the Elatagh River. These works included the installation of approx. 3.4km of fencing to create a riparian buffer zone, installation of several instream measures including pinning of woody material, rubble mats, gravel regrading, and also the provision of off-line drinking solutions, stiles and uni-gates. During a site visit towards the end of 2021, an area of the river which was experiencing significant erosion was identified and it was agreed that additional erosion control measures would be implemented here using soft engineering measures. These works will be carried out in 2022. Redd surveys conducted by Loughs Agency's Fisheries Officers on the Elatagh River revealed an increase in the number of redds recorded, compared to historical records, which is a great indication that the works package is successfully addressing the issues at the site.

**SWELL – €35m EU-funded under the European Regional Development Fund and match-funded by Government Departments North and South.**

The SWELL (Shared Waters Enhancement and Loughs Legacy) Project represents a cross-border partnership comprising NI Water, Irish Water, AFBI, Loughs Agency and East Border Region, working collaboratively to improve water quality within the shared waters of Carlingford Lough and Lough Foyle.

The partnership will utilise best practice, innovation and knowledge sharing to effectively achieve the outputs and results of the INTERREG VA Programme. Through engineering excellence, strategic catchment investigation and modelling, SWELL will deliver sustainable upgrades to wastewater assets on both sides of the border, and will make a positive contribution towards 'Good Ecological Status' under the EU Water Framework Directive.

During 2021 Loughs Agency assisted AFBI with the post-improvement works surveys for the catchment models in the Foyle and Carlingford catchments (marine and freshwater). These surveys commenced in September 2021 and are designed to show changes to the marine and freshwater environments as a result of the improved wastewater treatment works constructed by the SWELL Project. The results from the post improvement works survey will be compared to baselines established in the pre improvement works survey which was completed in 2019-2020.

Loughs Agency has also assisted AFBI with the collection of rainfall and flow data during extreme rainfall events as part of the Rainfall Reactive Survey. This data will help inform how the model reacts during periods of extreme rainfall. The model can then be used to predict how the wastewater treatment plants and discharges will perform during intense rainfall conditions.

## **REMUNERATION REPORT**

### **Remuneration Policy**

The Remuneration Policy addresses remuneration on an organisation-wide basis and is one of the key components of the HR Strategy, both of which fully support the overall business strategy. The main functions of the Remuneration Policy, are to:

- support Loughs Agency's strategy by helping to build a competitive and innovative business that attracts, retains and motivates employees;
- promote the achievement of strategic objectives within the Agency's risk appetite;
- promote / support positive outcomes across the economic and social context in which the Agency operates; and
- promote an ethical culture and responsible corporate citizenship.

### **Remuneration Philosophy and Key Principles**

#### **Remuneration Philosophy**

The Agency's remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. We endeavour to encourage entrepreneurship by creating a working environment that motivates staff so that all employees can positively contribute to the strategy, vision, goals and values of the Agency. Our philosophy strives to set our employees' total remuneration package at a competitive level. We believe the long term success of the Agency is directly linked to the calibre of employees that we employ and the working environment that we create. It is, therefore, imperative that we make a concerted attempt to align the best interests of our employees with that of our other stakeholders.

#### **Key Remuneration Principles**

The Agency's Remuneration Policy is based on the following principles:

- The Remuneration Policy is aligned to the overall business strategy, objectives and values of the Agency, without being detrimental to the interests of its stakeholders.
- The Remuneration Policy, procedures and practises are consistent with, and supportive of, effective risk management.
- Salaried employees are rewarded on a total rewards basis, which includes fixed, variable, short and long term rewards applicable to the position.
- The fixed (guaranteed) component of the reward includes a base salary aligned with the Northern Ireland Civil Service (NICS) rates.
- Total remuneration may include other allowances applicable to the position.

## **Remuneration Policy Areas**

### **Scope**

The Remuneration Policy is applicable to all permanent employees of the Agency.

### **Remuneration Structure**

The Agency's remuneration structure relating to salaried employees (including Directors) comprises the following categories/elements:

- guaranteed remuneration package (fixed and aligned to NICS pay grades and scales);
- variable remuneration (applicable only to Inspectors and Fishery Officers and dependant on the amount of unsocial hours worked);
- on call allowance (applicable to those on call for incidents relating to environmental pollution and illegal fishing response, building security and IT infrastructure – fixed and aligned to NICS on call allowance).

The fixed remuneration is guaranteed and paid irrespective of the Agency's performance, while the variable remuneration is not guaranteed, and directly linked to an individual recording a certain amount of unsocial hours in a specified time period.

### **Remuneration of Staff**

#### **Permanent Staff**

Staff appointments are made in accordance with the Agency's Recruitment and Selection Policy. This Policy requires appointments to be made on merit on the basis of fair and open competition. Staff may be able to retire before state pension age with no diminution of earlier pension benefits, depending on the terms of their pension. Information relating to notice periods is contained in an individual's contract.

#### **Minimum Pay Levels**

Minimum pay levels are dependent on the grade at which individual starts and are aligned to the NICS pay scales (*Northern Ireland*) and the Inland Fisheries Ireland pay scales (*Ireland*).

#### **Progression**

At initial appointment, staff are normally placed on the bottom point of the appropriate scale relevant to the position. Thereafter, there is annual incremental progression up the scale until the maximum of the scale is reached. This commonly happens in August of each year for staff in Northern Ireland, and on the anniversary of the employee's appointment for staff in Ireland.

#### **Performance Pay**

There is no performance pay, related scheme or equivalent for staff.

#### **Temporary Staff**

The Agency can appoint temporary staff in one of two ways.

- By open recruitment, in which case the appointment is made in accordance with the Agency's Recruitment and Selection Policy. In this case minimum pay levels are dependent on the grade at which an individual starts and are aligned to the NICS pay scales (*Northern Ireland*) and the Inland Fisheries Ireland pay scales (*Ireland*).
- By the use of a recruitment agency. As a public body the Agency is obliged to use an assigned Agency from the Agency Worker User Protocol, depending on job role. The recruitment agency will be tasked with advertising the vacancy, sourcing suitable candidates, screening CV's, meeting candidates to determine suitability and for supplying the CV's of the most suitable candidates to Loughs Agency. Workers obtained using this method are employed by the recruitment agency, therefore the contract lies between them.

An open recruitment competition will be carried out as the preferred option, however a recruitment agency would be the chosen method in the event of an urgent requirement.

### **Total Reward Package**

All staff have access to the North South Pension Scheme (NSPS). CEO (or equivalent), Directors and permanent staff posts have contracts with varying hours. The hours contracted are dependent on the nature of the work that they do, and any special arrangements made for individuals to facilitate a good work life balance. All staff have access to Maternity Leave, Paternity Leave and Adoption Leave. Flexible working is available, however each case is assessed individually against the business needs and may be awarded at the discretion of the Agency.

All staff, upon appointment will be granted a 25 day leave entitlement, plus a further 12 statutory and public holidays as recognised by the sector. Temporary staff have their holiday allocation pro-rated for the year if applicable.

### **Service Contracts**

Loughs Agency appointments are made on merit on the basis of fair and open competition. Unless otherwise stated, the officials covered by this report hold appointments, which are open ended. Early termination, other than for misconduct, would result in the individual being entitled to receive compensation.

## Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the most Senior Management of the Agency.

Remuneration including salary and pension entitlements of Senior Management Staff

STERLING	2021		2020	
Senior Management / Directors	Gross	Benefits in Kind	Gross	Benefits in Kind
	£	£	£	£
Designated Officer	68,728	-	65,505	-
Director of Development	56,142	-	55,034	-
Director of Conservation and Protection	56,888	-	55,764	-
Director of Aquaculture and Shellfisheries	66,351	-	66,692	-
Interim Director of Corporate Services	57,412	-	54,572	-
Head of Science appointed 1 April 2021	40,133	-	-	-
	<b>345,654</b>	<b>-</b>	<b>297,567</b>	<b>-</b>
	<b>2021</b>		<b>2020</b>	
	£		£	
Highest Paid Director's salary at 31 Dec*	67,403		68,786	
% change in Highest Paid Director salary**	(2%)		7.8%	
Median Total Remuneration (all staff)	29,307		28,730	
Ratio Highest Paid Director Midpoint to Median Salary	2.2		2.4	
Ratio Highest Paid Director Midpoint to 25 <sup>th</sup> Percentile Salary	2.4		2.4	
Ratio Highest Paid Director Midpoint to 75 <sup>th</sup> Percentile Salary	1.7		1.9	
Average Salary (all staff)	33,039		32,180	
% change in average salary from previous year (all staff)	2.7%		0.8%	

(31 December stg to euro rate 2021: 1.19008 / 2020: 1.11231, average rate 2021: 1.16333 / 2020: 1.12397).

\*Directors' salaries gross include total pay received between 1<sup>st</sup> January 2021 and 31<sup>st</sup> December 2021 whereas the highest paid Director rate is based on highest salary paid to any one Director on accounting date 31<sup>st</sup> December 2021, which will not be the same, as a result of pay awards and annual increments within the year.

\*\*% change is affected by the closing exchange rate from one year to another. Actual increment in the base currency salary paid, which in this case is euro, is more accurate.

EURO	2021		2020	
	Gross	Benefits in Kind	Gross	Benefits in Kind
Senior Management / Directors	€	€	€	€
Designated Officer	79,953	-	73,626	-
Director of Development	65,312	-	61,857	-
Director of Conservation and Protection	66,180	-	62,677	-
Director of Aquaculture and Shellfisheries	77,188	-	74,960	-
Interim Director of Corporate Services	66,789	-	61,337	-
Head of Science appointed 1 April 2021	46,688	-	-	-
	<b>402,110</b>	<b>-</b>	<b>334,457</b>	<b>-</b>
	<b>2021</b>		<b>2020</b>	
	€		€	
Highest Paid Director's salary at 31 Dec*	80,215		76,511	
% change in Highest Paid Director salary**	1.3%		2%	
Median Total Remuneration (all staff)	34,094		32,292	
Ratio Highest Paid Director Midpoint to Median Salary	2.2		2.4	
Ratio Highest Paid Director Midpoint to 25 <sup>th</sup> Percentile Salary	2.4		2.4	
Ratio Highest Paid Director Midpoint to 75 <sup>th</sup> Percentile Salary	1.7		1.9	
Average Salary*** (all staff)	38,435		36,169	

\*Directors' salaries gross include total pay received between 1<sup>st</sup> January 2021 and 31<sup>st</sup> December 2021 whereas the highest paid Director rate is based on highest salary paid to any one Director on accounting date 31<sup>st</sup> December 2021, which will not be the same, as a result of pay awards and annual increments within the year.

\*\*% change is affected by the closing exchange rate from one year to another. Actual increment in the base currency salary paid, which in this case is euro, is more accurate.

\*\*\*Average salary in euro is the sterling average salary converted at average rate for the year.

**Salary**

Salary includes gross salary and an 'on call' allowance for two of the Directors. No other 'emoluments' are payable to Directors.

**Bonuses**

The Agency does not pay bonuses to any members of Senior Management or any members of staff.

**Benefits in Kind**

The monetary value of benefits in kind covers any benefit provided by the employer and treated by HM Revenue and Customs as a taxable emolument. None of the Senior Management Team had benefits in kind in 2021 or 2020.

**Fair Pay (Audited Information)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisations workforce.

The banded remuneration of the highest paid Director in the Agency in the financial year 2021 was £61,742 to £67,403 / €73,478 to €80,215 (2020 was £59,932 to £73,069 / €66,663 to €81,275). The ratio in 2021 was 2.2 times (2020 was 2.4 times). The median remuneration of the workforce was 2021 £29,307 / €34,094 (2020 £28,730 / €32,292).

No employees received remuneration in excess of the highest paid Director in either year.

Remuneration ranged from £19,815 to £67,403 / €23,581 to €80,215 (2020 £19,425 to £68,786 / €21,607 to €76,511).

Total remuneration includes gross salary. These calculations have been based on the North/South Implementation Bodies Guidance 2017 and are calculated on the basis of annualised full-time equivalent remuneration of all staff as at the reporting date.



**Pension Benefits**  
**Pension Entitlements**

STERLING									
Senior Manager	Accrued pension at pension age as at 31/12/2021 and related lump sum		Real increase in pension and related lump sum at pension age		CETV at 31/12/20	CETV at 31/12/2021	Real increase in CETV	Value of accrued pension benefits 2020	Value of accrued pension benefits 2021
	Pension	Lump Sum	Pension	Lump Sum					
Designated Officer**	£20,000	£38,000	£2,000	£2,000	£338,000	£382,000	£44,000	£42,000	£42,000
Director of Development**	£14,000	£16,000	£2,000	£0	£170,000	£191,000	£21,000	£21,000	£40,000
Director of Conservation & Protection*	£24,000	£72,000	£1,000	£4,000	£529,000	£542,000	£13,000	£23,000	£24,000
Director of Aquaculture & Shellfisheries**	£25,000	£46,000	£5,000	£10,000	£301,000	£393,000	£92,000	£65,000	£110,000
Interim Director of Corporate Services**	£9,000	£4,000	£1,000	£0	£80,000	£96,000	£16,000	£40,000	£20,000
Head of Science**	£8,000	£6,000	£1,000	£0	£66,000	£76,000	£10,000	£21,000	£20,000

The above table was provided by the North South Pension scheme independent actuary, Deloitte Total Reward and Benefits Limited.

The Cash Equivalent Transfer Values (“CETVs”) are not guaranteed and are for illustrative purposes only. CETVs have been calculated based on estimated projected pension benefits as at 31 December 2020 and 31 December 2021.

For members over Normal Retirement Age there are no available CETV factors published. In such circumstances an estimated factor has been calculated using extrapolation.

For Alpha benefits, the accrued pension figures assume the salary provided by the Body is equal to Actual Pensionable Earnings over the year to 31 March 2021.

\*Final salary only benefits

\*\*Final salary and alpha benefits.

EURO									
	Accrued pension at pension age as at 31/12/2021 and related lump sum		Real increase in pension and related lump sum at pension age		CETV at 31/12/20	CETV at 31/12/21	Real increase in CETV	Value of accrued pension benefits 2020	Value of accrued pension benefits 2021
	Pension	Lump Sum	Pension	Lump Sum					
<b>Senior Manager</b>									
<b>Designated Officer</b>	€23,802	€45,223	€2,380	€2,380	€402,247	€454,611	€52,364	€49,983	€49,983
<b>Director of Development</b>	€16,661	€19,041	€2,380	€0	€202,314	€227,305	€24,991	€44,492	€47,603
<b>Director of Conservation &amp; Protection</b>	€28,562	€85,686	€1,190	€4,760	€629,552	€645,023	€15,471	€27,372	€28,562
<b>Director of Aquaculture &amp; Shellfisheries</b>	€29,752	€54,744	€5,950	€11,901	€358,214	€467,701	€109,487	€77,355	€130,909
<b>Interim Director of Corporate Services</b>	€10,711	€4,760	€1,190	€0	€95,206	€114,248	€19,042	€47,603	€23,802
<b>Head of Science</b>	€9,521	€7,140	€1,190	€0	€78,545	€90,446	€11,901	€24,992	€23,802

### **Accrued pension at pension age as at 31 December 2021 and related lump sum**

The accrued pension at pension age as at 31 December 2021 and related lump sum is the value of the annual pension and lump sum the person is entitled to on retirement, based on service to that date.

### **The real increase in pension and related lump sum at pension age**

The real increase in pension and lump sum is the increase over and above inflation, as measured by Consumer Price Index. For 2020/21, a +1.7% adjustment (19/20, +2.4%) was made for Northern members and +0.9% (19/20 +0.9%) was applied to Southern members.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Agency's pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

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

### **Value of accrued pension benefits**

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

### **Pension Arrangements**

Loughs Agency employees are members of the North South Pension Scheme (NSPS). The NSPS was established by the North/South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. Funding is provided to the Agency by the Department of Agriculture, Environment and Rural Affairs in the North and the Department of the Environment, Climate and Communications in the South. The scheme is administered by an external administrator.

The NSPS consists of a number of sections with different benefit structures.

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

The Core Alpha section is a Career Averaged Revalued Earnings (CARE) pension arrangement or scheme with benefits modelled on the Alpha Section of the Principal Civil Service Pension Scheme in Northern Ireland. The Scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal retirement age is a member's State pension age in the relevant jurisdiction. In the UK the State pension age is currently 66. The UK Government is planning further increases, which will raise the State pension age from 66 to 67 between 2026 and 2028 and from 67 to 68 between 2044 and 2046.

In Ireland, the State pension age is currently 66. An increase to age 67 in 2021 and to 68 in 2028 was planned, however the legislative provision which provided for these increases was repealed. As normal pension age for Alpha (CARE) benefits is linked to the Southern State Pension Age, this change affects when Southern alpha members are eligible to receive Scheme benefits.

Pensions in payment (and deferment) increase in line with general price inflation.

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

The valuation used for FRS 102 disclosures at 31 December 2021 has been carried out by a qualified independent actuary (Deloitte). The results this year have been prepared by carrying out a full valuation of the Scheme's liabilities incorporating market conditions and scheme data at 31 December 2021.

## **Board Members remuneration including social security costs (Audited Information)**

Board Member	2021	2020	2021	2020
	£Stg	£Stg	€	€
Mr Laurence Arbuckle	8,736	350	10,163	393
Mr Andrew Duncan	8,621	9,427	10,029	10,595
Mr Michael McCormick	6,748	7,381	7,850	8,296
Mrs Phil Mahon	5,248	5,556	6,105	6,245
Mr Terry McWilliams	1,419	5,476	1,651	6,156
Mr Allan Ewart	1,389	5,556	1,616	6,245
Mr Ian McCrea	1,389	5,556	1,616	6,245
Mr Alastair Patterson	1,389	5,556	1,616	6,245
Mrs Fiona Walsh	7,111	7,381	8,272	8,296
Mr Patrick Gibbons	6,748	7,381	7,850	8,296
Ms Heather Mackey	7,313	7,381	8,507	8,296
Mr Danny Kennedy	2,413	-	2,807	-
Mr Conor Corr	267	-	311	-
Mr Jack Keyes	335	-	390	-
Mr Niall Greene	335	-	390	-
Professor Frances Lucy*	-	-	-	-
Dr Declan Little*	-	-	-	-
	59,461	67,001	69,173	75,308

Board Members' salaries are not pensionable.

\*The "One Person One Salary Principle" applies to those public servants who fall within the terms of the Letter to Personnel E109/247/74 of 17<sup>th</sup> October 2011 issued by the Irish Government's Department of Public Expenditure and Reform. This means that such personnel do not receive fees for their membership on Boards.

### **Salary Bands for all Employees**

Number of employees (full time equivalents) whose emoluments for the twelve months ending 31 December 2021 fell within the following bands:

Salary Bands (£)	2021	2020
	No of employees	No of employees
Less than 20,000	1	1
20,000 – 29,999	24	25
30,000 – 39,999	15	17
40,000 – 49,999	2	1
50,000 – 59,999	4	3
60,000 – 69,999	2	2
	48	49

## APPENDIX 1 – OUTTURN AGAINST TARGETS

### PRIORITIES, OBJECTIVES AND TARGETS FOR 2021

#### Strategic Priority 1

**To ensure that the priorities and values of Loughs Agency’s Strategic Plan are progressed in the course of the Agency’s business, with particular reference to staff, core operations and our relationships.**

Corporate Priority 1 aims to build the capacity of the Agency to work strategically, efficiently and responsively to the policy and stakeholder environment it operates in, and to build the relationships and communications necessary for the Agency to discharge its functions to maximum impact.

Business Objective	Key Activities	Delivery Targets	Delivery Outcome	Responsible Director/s	Update
1.1 Complete Strategic Reviews: <ul style="list-style-type: none"> <li>• Legislation.</li> <li>• Angling and Fisheries Development.</li> <li>• Marine Tourism.</li> <li>• Science.</li> <li>• Communications.</li> </ul>	Engagement with all relevant stakeholders.  Consultation exercises.  Reports drafted and presented to Board and Sponsor Departments.	All engagement exercises completed by 31 March 2021.  Public consultation exercises completed by 1 June 2021.  Reports finalised by 30 June 2021.	Reviews are carryover objectives from 2020.  On completion of all reviews, reports, findings and recommendations will be presented for consideration to the Board and Sponsor Departments.  Reviews will inform future legislative development, policy and management decisions, Business Plans and project development.	All Directors and Head of Science	<b>Legislation:</b> Review complete.  <b>Angling and Fisheries Development:</b> Review complete.  <b>Marine Tourism:</b> Initial Review complete.  <b>Review of Science:</b> Review complete.  <b>Communications:</b> Review complete.
1.2 Develop Organisational Capacity and Capability.	Review of organisational structures.	Approval from Sponsor Departments to initiate full organisational review. Q3.	An organisation resourced and structured to deliver a high quality statutory remit.	Chief Executive Officer	Not complete. This will continue to be included on our Corporate Risk Register as an ongoing risk. It will be carried over as an objective on the

	Review of operational HR function.	Best practice HR structures, processes and procedures in place. Q4.			<p>2022 Business Plan. In line with other North South Bodies it is hoped that the review will have commenced before the next Corporate Planning period.</p> <p>Discussions at an informal level have taken place with Sponsor Department officials.</p> <p>Papers regarding Head Count and Resources will be submitted to Sponsor Departments.</p> <p>Paper to Sponsor Departments to be prepared to seek permission to draft ToR for a full organisational review.</p> <p>Approval to draft a ToR will then require NSMC approval.</p> <p>Review of operational HR Function has commenced.</p>
1.3 Develop a Strategy for Stakeholder Engagement.	A Communication and Engagement Strategy is developed and implemented following completion of Review of Communication.	<p>Communication Strategy developed and Action Plan initiated.</p> <p>Key personnel trained.</p>	Ongoing proactive stakeholder engagement and communication is the cornerstone of fisheries and scientific policy and decision-making processes.	Director of Corporate Services	Communication and Engagement Strategy complete.

<p>1.4 Asset needs:</p> <ul style="list-style-type: none"> <li>• Omagh Office.</li> <li>• Carlingford Office.</li> <li>• HQ Refurbishment.</li> <li>• Fleet update.</li> <li>• IT Infrastructure.</li> </ul>	<p>Omagh Office fit out completed.</p> <p>Secure lease agreement and fit out Carlingford Office.</p> <p>Review existing fleet and replace where required.</p> <p>Review IT infrastructure and update as required.</p>	<p>Both offices complete and fully operational by June 2021.</p> <p>Review complete Q1 with orders placed Q2-4.</p> <p>Review complete Q1.</p>	<p>Provide accommodation which is of good quality and environmentally friendly in terms of energy and water usage, with more efficient use of space resulting in a reduction of office accommodation portfolio and a consequent reduction in accommodation costs.</p> <p>Provide a fit for purpose fleet of vehicles that enables the Agency to undertake its statutory duties.</p> <p>Ensure the Agency is equipped with appropriate IT infrastructure.</p>	<p>Director of Corporate Services</p>	<p><b>Omagh Office:</b> Handover date not yet complete, handover date not agreed.</p> <p><b>Carlingford Office:</b> Planning application submitted.</p> <p><b>HQ Refurbishment:</b> Complete.</p> <p><b>Fleet Update:</b> Complete.</p> <p><b>IT infrastructure:</b> Complete.</p>
<p>1.5 Review and revision of Health and Safety.</p>	<p>Review and update system of Health and Safety Management.</p>	<p>A revised Health and Safety Statement in place.</p> <p>Revised and updated policies and training programme approved by SMT.</p> <p>Staff engagement and communication sessions on revised policies completed.</p>	<p>A robust system of Health and Safety management and training programme is embedded in the culture of the Agency.</p>	<p>Health &amp; Safety Committee</p>	<p>Partially Complete. The Agency has appointed a new Health and Safety Managed Service. The new service is currently carrying out a full review of the Health and Safety management system. To date a number of recommendations have been implemented. Given the scale of the task it is expected that this project will not complete until mid-2022.</p>
<p>1.6 Prepare for post-EU Exit transition by maintaining a watching brief, identifying challenges and opportunities.</p>	<p>Conduct an analysis of potential challenges and opportunities which could</p>	<p>Analysis detailing challenges and opportunities prepared by</p>	<p>The Agency is recognised as a possible conduit to deliver cross border environmental and</p>	<p>CEO and all Directors</p>	<p>Round table strategic interagency discussion with senior leaders took place on 2<sup>nd</sup> July 2021 to</p>



	<p>impact on the work of the Agency.</p>	<p>end of Q1 and reviewed quarterly.</p> <p>Engagement with relevant Government Departments and other Public Bodies on opportunities which will allow the Agency to deliver relevant themed programmes in the cross border region. Q4</p>	<p>fisheries management programmes post BREXIT.</p>		<p>explore potential opportunities for enhanced strategic interagency co-operation to create synergies in the future conservation, protection and stewardship of Lough Foyle as a unique shared cross-border environmental resource located in the North West City Region. Round table discussion led to a number of networking opportunities with regards to Climate Strategy.</p>
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## Strategic Priority 2

**Continue to maintain, develop and promote an accurate scientific evidence base providing data and information to support and inform the Agency’s core and statutory operations, while also promoting its role as a steward of key scientific knowledge.**

The Agency is only as strong as the legislation it has supporting it and the resources it has to enforce its legislation.

We will work with our Sponsor Departments to ensure that the Agency has a suite of fisheries and environmental legislation to deliver the statutory remit of the Agency.

Business Objective	Key Activities	Delivery Targets	Outcome	Responsible Director/s	Update
2.1 Development of a Science Strategy.	Review current scientific activities based on Agency’s remit and function.	Review completed and recommendations presented to the Board. Q2.  Strategy developed and delivery plan in place and approved by Board. Q3  Delivery plan implementation commenced Q4.	Strategy in place to act in the context of an overarching guide for scientific programme in relation to Agency remit and function.	Head of Science	Partially Complete. Due to the delay in recruitment of Head of Science this objective has been delayed.  Review of Science has completed and will be presented to the Board with recommendations in Q2 2022.  Strategy development will be formulated from the conclusions of the Review of Science by Q2 2022.
2.2 Ongoing upgrade and maintenance of fish counters.	Relevant activities to ensure upgrade and maintenance. Continued upgrade of fish counters and related technology.	Assurances provided as to full range of upgrade and maintenance requirements across all fish counters managed by the Agency. Q1/2.	Data quality is optimised through ensuring all fish counting equipment is operating to best effect and upgraded where required. This will allow the Agency the ability to make evidence-based policy decisions.	Director of Conservation & Protection	2021 counter budget fully committed, however due to COVID-19 restrictions some projects will not complete until Q1 2022.

		Upgrade and maintenance initiated. Q4.			
2.3 Investigate potential need for development of Finn Counter Station.	Prepare and evaluate options paper for location and planning for Finn counter.	Options paper on planning presented to Board Q2/3.	Approval to proceed to prepare Business Case by Sponsor Departments.  Additional bid for capital funding submitted and secured to Departments.	Director of Conservation & Protection and Director of Corporate Services	Investigation complete. Flood risk analysis has indicated that the garage area is above 1:100 flood plain.
2.4 Habitat surveys in line with abundance of juvenile fish.	Analysis of levels of juvenile fish.  Carry out habitat surveys and report on / analyse findings.  Complete Asian clam survey River Foyle.	Produce overview of levels of juvenile fish across systems for which the Agency has responsibility. Q1/2.  Agree and identify schedule of prioritised surveys. Q1/2.  Complete survey on River Foyle Q1. Analyse and interpret findings Q3. Report on findings of surveys Q4.	Habitat survey information informs further Conservation and Protection work.	Director of Conservation & Protection    Head of Science	2021 juvenile electrofishing and habitat surveys complete and the data collated.  Survey complete.  Analysis, interpretation and report to be completed Q1 2022.
2.5 Utilise court awarded settlement for additional surveys, habitat improvement and pollution prevention on River Strule.	Provide technical input / oversight for additional survey work.  Agreed habitat improvement work and pollution prevention on the River Strule.	Habitat improvement works and pollution prevention on River Strule. Q2.  Work commences and quarterly progress reports on Service Level Agreement are available. Q2.	Specific measures are taken to improve both habitat and prevention of pollution on the River Strule, directly based on evidence obtained as a result of surveys on the river.	Director of Conservation & Protection	Complete.
2.6 Stock Assessments on Lough Foyle native oysters, benthic and ecosystem monitoring, spawning/spatfall	Routine stock assessments, monitoring activities and data analysis.	Schedule of assessments and monitoring arrangements in place. Q1.	Provide high quality management data for the Lough Foyle native oyster stock that will inform	Director of Aquaculture and Shellfisheries	Spring, autumn and spawning surveys complete.

<p>activity, landings data analysis.</p>	<p>Complete two stock assessments on native oysters in Lough Foyle.</p> <p>Complete annual benthic and ecosystem monitoring.</p> <p>Monitor oyster spawning activity and spatfall.</p> <p>Landings Data Analysis.</p>	<p>Assessments and monitoring arrangements in implementation. Q1/2.</p> <p>Data available on scheduled basis from all of the above activities.</p>	<p>Conservation and Development work.</p>		<p>Monitoring completed during spring and autumn surveys.</p> <p>Survey complete.</p> <p>Landing Data Analysis complete for 2021.</p>
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### Strategic Priority 3

**To develop, promote and sustain the natural resources of the catchments under Loughs Agency's statutory care, through conservation, quality improvement, protection of species and habitats, education and awareness, partnership working, and sustainable access to our natural resources.**

The Agency seeks to ensure that Lough Foyle and Carlingford Lough Areas are protected and conserved for this and future generations. We recognise the importance of education and outreach in highlighting the environmental challenges facing the unique natural resources under the remit of the Agency.

Business Objective	Key Activities	Delivery Targets	Delivery Outcome	Responsible Director/s	Update
3.1 Mourne Beg River Restoration and Remediation.	<p>Complete all survey and assessment work.</p> <p>Develop restoration plan.</p> <p>Seek additional funding from Sponsor Departments.</p>	<p>Complete status assessment of Mourne Beg River Q2.</p> <p>Restoration and Remediation Plan developed and work commenced Q3.</p> <p>Prepare and submit appropriate Business Cases to Sponsor Departments for any additional funding.</p>	Restoration of the habitat and riverbed of the Mourne Beg River for fisheries purposes.	Director of Conservation & Protection and Head of Science	<p>Survey work and Restoration Plan complete.</p> <p>Business Case drafted, budget included in 2022 Business Plan.</p>
3.2 Environmental Enhancement Projects.	<p>Identify and deliver Wet Woods Projects in partnership with the Woodland Trust and other relevant partners.</p> <p>Research and develop future project concepts.</p> <p>Implementation of relevant sections Landscape Action</p>	<p>Deliver at least 4 projects by end of Q4 - 2 in Carlingford and 2 in Foyle.</p> <p>Future project concepts developed. Q4.</p>	Use of nature based solutions to protect rivers from potential pollution in association with landowners and the farming community.	<p>Director of Conservation &amp; Protection</p> <p>Director of Development</p> <p>Head of Science</p>	<p>Complete. 18 locations across 4 project sites have seen nature based solutions delivered, with 57,155 trees planted.</p> <p>Year 1 of 5 complete. Site surveys and specification for sites complete. Preparatory works undertaken for farm resilience programme and</p>

	Plan in Binevenagh & Coastal Lowlands area.				outdoor recreation projects.
3.3 Ongoing delivery of enforcement / protection functions.	Production of an annual Protection Plan.	Presented to Board. Q1.  Protection Plan in place and updated regularly using local knowledge.	80% of enforcement duties planned and targeted.  Provision of high quality evidence to support statutory enforcement functions.	Director of Conservation & Protection	All routine enforcement actions within target. Some delay in courts as a result of COVID-19. Complex case files are within statutory targets.
3.4 Enhancement of environmental and socio-economic status of the Lough Foyle Native Oyster Fishery.	Identify areas suitable for reinstatement / enhancement and conduct a shell cultch relay project.  Investigate the potential to develop the domestic market and introduce a product traceability standard for the Lough Foyle native oyster.  Continue to engage with the SAFER (Smart Atlantic Seafood Clusters) Project and any legacy working groups.	All project priorities for existing project plans implemented within timeframe.  Progress product traceability standard, reported on throughout the year. Continue to input into initiatives directly related to the native oyster through the Strategic Food Group within the Derry City and Strabane District Council.	Improve the age profile and quality of the native oyster.  Add value to the native oyster through marketing initiatives.	Director of Aquaculture and Shellfisheries	Identification of suitable areas for habitats work completed during native oyster surveys.  Shell cultch weathered at Foyle Port.  Engagement with Strategic Food Group ongoing.
3.5 Develop angling through instruction, coaching and participation.	Maintain and enhance angling ponds at Headquarters.  Develop training programme for Angling Instructors and Coaches. Deliver a series of 8-10 angling taster sessions. Investigate suitable facilities in the Carlingford	Maintenance plan developed. Q1. All maintenance work completed. Q2  Delivery of at least 3 certified angling training programmes Q2 and Q3.	Working in partnership with relevant stakeholders to enhance the sustainability of angling and provide more people with the opportunity to go fishing.	Director of Development	This objective did not progress in 2021 due to the delay in the Review of Marine Tourism.

	area to establish an angling hub.	Deliver a programme of CAST Awards to 250 people. Q4  Research and produce an options appraisal for the establishment of angling hub facilities in the Carlingford area.			
3.6 Development of potential projects for inclusion in external funding application.	Research and development of potential projects.  Secure relevant partners.	Project concepts and partnership consortiums developed by end of Q1.  PEACE PLUS application completed and submitted.	Relevant projects that enhance and support delivery of the Agency's remit and functions funded by external means.	Director of Development	Partially Complete. Project match process developed with ideas bank established and funding opportunities monitored.  Preparatory project concepts developed as follow on from SeaMonitor and potential EU funding opportunities identified. This work is being led and driven by the Head of Science and SeaMonitor Project Manager.  PEACE+ Programme has not begun yet.
3.7 Education and outreach programmes supported by technical input across the Agency.	Develop and deliver a series of 4 school and community based engagement programmes.  Deliver a programme of events online or by conference. Additional funding sought for Ambassador Programme. Progress reports quarterly on this process. Q1,	Plans and schedule for each of the programmes in place by Q1 & 2.  Programmes delivered by Q3.	Ensure effective communication of Loughs Agency core functions.  Local people better engaged with their local environment in Foyle and Carlingford. Successful delivery of the International Year of the Salmon Conference.	Director of Development	Foyle and Carlingford Ambassadors Programme and StreamKeepers Project developed but not delivered due to COVID-19 restrictions. Programme funding extended into 2022 to facilitate delivery.  Education outreach through schools not

Delivery of the International Year of the Salmon Youth Conference.	ongoing throughout the year.  Online delivery or Conference and compendium of conference contents published online. Q1/2.			Director of Aquaculture and Shellfisheries	delivered throughout 2021.  Complete.
3.8 Development of the Agency's permit waters.	Review of lease agreements.  Accessibility audit.  Develop improvement plans.	Review leases and report to SMT. Q4.  Survey angling access and condition. Present report to SMT. Q2.  Subject to available budget, repair or replace angling access infrastructure on a prioritised basis. Q2 &3.	Updated leases for Agency's permit waters.  Maintenance plan for the Agency's permit waters angling infrastructure.  Improvement in access for anglers and mitigation against potential claims for injury due to sub-standard angling access.	Director of Development	Not complete. Draft review and surveys informed by engagement across Directorates within the Agency underway and will complete Q1 2022.
3.9 Climate Change Strategy.	Develop a Policy Statement and Strategy to align with Government initiatives.	Policy and Strategy drafted and consulted on. Q2.	Climate Change Strategy is embedded in project planning.	Head of Science	Work is continuing on the Agency's Climate Action Plan, however, this has been hampered due to the delayed recruitment of the Head of Science.
3.10 Development of relevant access infrastructure and programme of habitat and reinstatement works.	Develop and deliver a programme of river works to optimise maximum production of juvenile salmonids.  Fulfil existing commitments from 2020 to support rural development river-based access infrastructure initiatives led by external partners.	Programme of works across the catchments identified and work commenced. Q1.  At least 5 schemes will be completed by Q4.  All project work with LEADER groups from 2020 completed. Q1.	Ongoing development of juvenile salmonid habitat.  Programme of river works is managed to schedule with appropriate risk mitigation in place.	Director of Conservation and Protection  Director of Development	Complete.  Complete. All relevant works have been delivered and 2021 elements complete.



<p>3.11 Development of marine and outdoor nature based leisure activities.</p>	<p>Develop strategy and programme to engage more people in outdoor recreation and leisure activities.</p> <p>Working in collaboration with relevant partners seek funding to implement a programme of instruction, coaching and participation in outdoor recreational activities.</p>	<p>Strategy and Action Plan completed Q1. Plan should aim to have at least 8 outdoor recreational activity events completed each year.</p> <p>Establish partners and funding opportunities. Q1</p> <p>Develop and deliver training programme for instructors and coaches in water based sports and leisure activities. Q3</p>	<p>Establish effective working relationships and partnership approach with Councils within the Foyle and Carlingford areas, Sport NI, Sport Ireland and National Governing Bodies.</p> <p>Developing opportunities for increased participation, requirements for capacity building in existing clubs and identifying the gaps in provision.</p> <p>More people connected to the natural resources of the Foyle and Carlingford areas.</p>	<p>Director of Development</p>	<p>This objective did not progress in 2021 due to the delay in the Review of Marine Tourism.</p>
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## Strategic Priority 4

**To transform Loughs Agency, by investing in our people through building the capability and effectiveness of our staff; by creating a digitally-enabled organisation through upgrading our systems; through strengthening our culture of evidence-informed decision-making and planning and through seeking new insights to create corporate resilience.**

As an organisation we interact with a diverse range of stakeholders and other relevant Government Body's, local authorities and communities. In 2021, we will continue to establish our reputation as a respected and trusted partner that can deliver shared visions in terms of managing investment in people and places to optimal effect and in line with the Agency's Strategic Direction.

Business Objective	Key Activities	Delivery Targets	Delivery Outcome	Responsible Director/s	Update
4.1 Technology automation across programmes to enhance the capacity of Agency resources in service delivery.	Development of Scientific Data Management Strategy and System.  Development of a Project Management Strategy and System.	Review of current systems and recommendations completed. Q2.  Strategies, Action Plans and system in place. Q4.	Secure management systems in place. Data management and project management systems provide evidence based decision-making for projects and policies.  All aspects of project management are integrated and embedded in Agency culture.	Head of Science & Director of Corporate Services	Partially Complete. Due to the delay in the recruitment of Head of Science this objective has been delayed.  Project Management system under review.
4.2 Market Research.	Develop and implement an annual programme of relevant market research.	Annual plan agreed and in place, commencement of plan. Q1.  Programme completed by Q4.	Up to date relevant actionable data available to inform project and organisational development.	Director of Development	Complete. Market research designed and delivered in association with Gray's Communications.
4.3 Marketing Activities.	Develop a marketing and events programme which takes account of COVID-19 restrictions.	Plan in place. Q1.  Activities delivered. Q4.  Report on new innovative marketing initiatives developed for	Innovative marketing activities delivered to enable promotion of the Agency's activities.  Future marketing initiatives will provide a	Director of Corporate Services	Complete. Marketing activity programme designed and delivered in association with Gray's Communications.

	<p>Monitor and provide updates on relevant activities.</p> <p>Continuous research and development of new avenues of marketing.</p>	<p>immediate and future use completed and presented to Board Q2 and updated Q4.</p>	<p>platform for continuous promotional activities either by virtual or physical delivery.</p>		<p>A managed service was appointed during 2021 following a Review of Communications driven and supported by the Board.</p>
<p>4.4 Upgrade of visitor experience at Riverwatch to include new innovative features.</p>	<p>Develop a programme of innovation features to support outreach and education.</p>	<p>Project plan and finances confirmed by end Q1.</p> <p>Works commence in Q1 and complete by end Q2.</p>	<p>Enhanced visitor experience at Riverwatch through digital enhancement projects.</p>	<p>Director of Development</p>	<p>Not complete. Riverwatch remained closed during 2021 in line with government guidance. Following an assessment of the facilities on offer, the Senior Management Team requested that a full review of Riverwatch should be carried out in 2022.</p>
<p>4.5 Provide a safe place to work, encouraging staff to engage in activities that promote health and wellbeing.</p>	<p>Develop a Health and Wellbeing Strategy, Policy and Action Plan.</p> <p>Engagement with staff to promote health and wellbeing to all.</p>	<p>Agree Strategy and Plan with employee representatives. Q1.</p> <p>Action Plan delivery commencement Q2-4.</p> <p>Staff engagement sessions to promote health and wellbeing ongoing throughout the year - completion. Q4.</p>	<p>Strive to reduce the average number of working days lost to sickness by improving the health and wellbeing of employees through relevant initiatives.</p>	<p>Director of Corporate Services</p>	<p>Wellbeing Strategy in place. Action Plan restricted due to COVID-19, however a suite of online training has been completed by the majority of staff.</p>
<p>4.6 Introduce Carbon Reduction Initiatives across all areas of responsibility which help address climate change challenges in the workplace.</p>	<p>Reduce emissions from our own activities in partnership with a range of other government agencies and stakeholders, across the catchments to take action that contributes to carbon neutrality and sustainable development within communities across the natural environment.</p>	<p>Audit of carbon emissions across the Agency completed by Q3.</p> <p>Develop a proposal of mitigation measures based on audit of carbon emissions. Target of at least 7%</p>	<p>Contributing to government initiatives by mitigating carbon emissions from our buildings and fleet of vehicles and boats.</p>	<p>Director of Corporate Services</p>	<p>Partially Complete. Cloud based technology implemented where possible.</p> <p>Proposal being drafted for mitigation measures.</p> <p>Building Energy Rating Assessments completed</p>

		reduction during 2021. Q4.  Develop a paperless strategy using cloud-based technology. Q4.			on Headquarters and Omagh Office.
4.7 Support the continued delivery of Loughs Agency business objectives through the development of a three year Learning and Development Strategy.	Staff training and development needs analysis.  Learning and Development Strategy formulated.  Initiation and implementation of staff training programme. Q1.	Learning and Development Strategy actions for 2020 confirmed. Q1.  Initial programme of training in place and scheduled. Q1.  Staff appraisal model agreed and implemented at all levels in the Agency. Q4.	An established culture of staff development and encouraging staff to take ownership of their personal and professional development, supported by management and with adequate resources in place to meet identified development needs that are consistent with business requirements.	Director of Corporate Services	Staff appraisal system in place and operational. Training matrix approved.  A programme of statutory training requirements has taken place.



2021

# LOUGHS AGENCY ANNUAL FINANCIAL STATEMENTS



**Year ended 31 December 2021**

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## Foreword to the Accounts

The Board presents the financial accounts for the year ended 31 December 2021.

## Statutory Background

Loughs Agency (the Agency) of the Foyle, Carlingford and Irish Lights Commission (FCILC), a North South Implementation Body, inherited the functions and responsibilities of the Foyle Fisheries Commission with regard to the conservation, protection, management and improvement of the fisheries of the cross border Foyle Area. The FCILC became operational on 2 December 1999 at which time the assets and liabilities of the Foyle Fisheries Commission were transferred to Loughs Agency.

The FCILC is legislated by the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British Irish Agreement Acts 1999 and 2002. The Board of the FCILC reports to the North South Ministerial Council (NSMC) and its government Sponsor Departments both North and South – the Department of Agriculture, Environment and Rural Affairs in the North (DAERA), and the Department of the Environment, Climate and Communications in the South (DECC).

The FCILC was to be composed of two agencies, Loughs Agency and the Lights Agency. It was intended that the Lights Agency, when established, would replace the Commissioners of Irish Lights as the General Lighthouse Authority for Ireland. However, given the complexities that have arisen in terms of pursuing such a transfer of functions, the transfer has not taken place. These accounts deal with Loughs Agency of the FCILC. The Lights Agency is not in operational existence

The accounts have been prepared in accordance with:

- A form directed and approved by the Department of Finance and the Department of Public Expenditure and Reform, as provided for in the Body's Financial Memorandum; and
- The North South Annual Reports and Accounts Guidance provided by the Department of Finance and the Department of Public Expenditure and Reform.

## Business Review

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

## Results for the Year

The Agency is jointly funded by DAERA in the North and DECC in the South (the Sponsor Departments). Loughs Agency had a deficit of £107,669/€125,255 for the year ended 31 December 2021 (2020: surplus of £86,703/€97,451).

## Fixed Assets

Details of the movement in fixed assets are set out in Note 10 to the Accounts.

## Research and Development

Total expenditure on Research and Development in 2021 was £NIL (2020 - £NIL).

## Charitable Donations

The Agency made no charitable donations during the year.

### Business Plan 2021

The NSMC approved the Agency's 2021 Business Plan (including budget allocation) at the Twenty-Sixth Plenary Meeting held on the 30 July 2021. The Business Plan was completed in accordance with agreed guidance issued by the Department of Finance and the Department of Public Expenditure and Reform, and agreed by Sponsor Departments and Finance Ministers.

Prior to formal approval contingency arrangements were put in place by Sponsor Departments.

### Board Members

The functions of the Agency are exercised by the Board. The Board monitors and directs the work of the Agency towards the achievement of objectives set out in the Corporate and Business Plans, which are approved by the NSMC.

The following served as Board Members during the period:

Mr Laurence Arbuckle	Chair / Member	Chair term ended 12/12/21. Appointed Member from 13/12/21.
Ms Heather Mackey	Member / Chair	Member term ended 12/12/21. Appointed Chair from 13/12/21.
Mr Andrew Duncan	Vice Chair	Term ended 12/12/21
Mr Michael McCormick	Member	Term ended 12/12/21
Mrs Phil Mahon	Member	Term ended 12/12/21
Mr Allan Ewart	Member	Term ended 12/12/21
Mr Ian McCrea	Member	Term ended 12/12/21
Mr Patrick Gibbons	Member	Term ended 12/12/21
Mr Alastair Patterson	Member	Term ended 12/12/21
Mrs Fiona Walsh	Member	Term ended 12/12/21 re-appointed 13/12/21
Mr Terry McWilliams	Member	Appointed 16/12/20
Mr Danny Kennedy	Member	Appointed 30/07/21
Mr Conor Corr	Member	Appointed 13/12/21
Mr Niall Greene	Member	Appointed 13/12/21
Mr Jack Keyes	Member	Appointed 13/12/21
Dr Declan Little	Member	Appointed 13/12/21
Professor Frances Lucy	Member	Appointed 13/12/21

### Equal Opportunities

The Agency has continued to promote an Equal Opportunities Policy which sets out our commitment to provide employment equality to all, irrespective of:

- Gender, marital or family status;
- Religious belief or political opinion;
- Disability;
- Race or ethnic origin;
- Nationality;
- Age; and
- Sexual orientation.



Loughs Agency is opposed to all forms of unlawful and unfair discrimination. The Agency is committed to treating all staff, or applicants for employment with dignity and respect, and will provide a working environment free from unlawful discrimination, victimisation or harassment on the grounds of disability. Our Headquarters is fully compliant with the requirements of the Disability Discrimination Act 1995.

### **Equality Scheme**

The Agency has an Equality Scheme approved by the Equality Commission, which meets the requirements of Section 75 of the Northern Ireland Act 1998, and is fully committed to meeting the equality requirements of both jurisdictions.

### **Employee Involvement**

The core strength and a key resource of the Agency is its people. The strategic objectives of the Corporate Plan and Business Plan are delivered successfully each year through employee engagement and involvement in planning and decision-making processes. The Agency strongly promotes and supports staff at a professional and personal development level, to enable them to meet the responsibility of their individual roles and deliver Agency wide strategic objectives.

The Agency recognises NIPSA, SIPTU and UNITE unions for negotiation and consultation on employee related matters.

### **Payment to Suppliers**

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the UK Late Payment of Commercial Debts (Interest) Act 1998, as amended and supplemented by the Late Payment of Commercial Debts Regulations 2002 and the Irish Late Payments in Commercial Transactions Regulations 2002. As appropriate Loughs Agency will also be bound by any EU Directives on late payment. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or upon presentation of a valid invoice or similar demand, whichever is later. During 2021 85.7%, (2020: 89.8%) of bills were paid within 15 days, and 96.3% (2020: 97.4%) within 30 days.

### **Health and Safety**

The Agency is committed to complying with the Health & Safety at Work (NI) Order 1978, the Safety, Health and Welfare at Work Act 1989 and to all relevant Health and Safety legislation. It will continue to strive to provide and maintain a working environment that is safe, without undue risk to health and with adequate facilities and arrangements for welfare of staff at work. A Health and Safety Committee has been in place in the Agency since 2006.

### **Freedom of Information and Data Protection**

The Agency is currently exempt from the Freedom of Information Acts in UK and Ireland. However, a Code of Practice has been developed and implemented for all the North South Implementation Bodies.

The Agency is registered under the Data Protection Act 1998 with the Office of the Information Commissioners, and will fully comply with its obligations under this Act and its equivalent in Ireland.

The Agency continues to ensure compliance with the General Data Protection Regulations (GDPR), implemented in May 2018.

### **Environmental Regulations**

The Agency also follows its obligations under the UK Environmental Regulations 2004 and the legislation governing Access to Information on the Environment in Ireland.

### **Future Developments**

The Strategic Direction for a New Decade 2020-2030 will continue to act as the overarching context and reference point for future organisational development. In taking this Strategic Direction forward the Agency will focus on our core purpose to oversee the necessary intergovernmental approach required to deliver our functions and statutory remit.

During 2021 the Agency completed a number of strategic reviews of functional areas. These reviews will be used to inform development of the Corporate Plan 2023-2025 and future Business Plans, leading delivery of our core functions and driving positive results and sustainability for the Agency over the next decade.

To complement the reviews a new Science Strategy and Climate Action Plan will be completed in early 2022 which will strengthen and underpin the statutory work of the Agency and enable realisation of our Vision and Strategic Direction.

### **Brexit**

Loughs Agency has de facto been operating on a successful North South basis since 1952, under the former Foyle Fisheries Commission. Therefore the UK's withdrawal from the EU is unlikely to see fundamental changes to the core work of the Agency. We will continue to ensure constructive engagement with our Sponsor Departments and other agencies on any emerging, diverging legislative provisions which may impact on the work of the Agency. We will continue to adopt a "business as usual" approach, while continuing to monitor the situation closely over the coming months.

### **External Audit**

The Financial Statements are audited by the Comptroller and Auditor General for Northern Ireland and the Comptroller and Auditor General in Ireland (C&AGs) in accordance with the provisions of the North South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999, and the British-Irish Agreement Act 1999.

The C&AGs and the staff of their offices are wholly independent of the Agency. They report their findings to the Northern Ireland Assembly and the Oireachtas.

As Accounting Officer I am required to ensure that all relevant audit information is provided to the auditors. I have taken all reasonable steps to make myself aware of any relevant audit information and have ensured that all such information is made available. I confirm that there is no relevant audit information, of which I am aware, that the auditors have not been informed of.

These Accounts have been subject to a formal audit by the C&AG. The Certificate and Report of the Comptrollers and Auditors General to the Northern Ireland Assembly and the Oireachtas are included at pages 62 to 65.

*S. McMahon*

Sharon McMahon  
**Accounting Officer**  
**27<sup>th</sup> March 2023**

## Statement of Accountable Person's Responsibilities

DAERA in the North and DECC in the South have directed Loughs Agency to prepare a Statement of Accounts for each financial year, ended 31 December, in the form and on the basis set out in the accounts direction on page 95. The Accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at its year end, and of its income and expenditure, changes in equity and cash flows for the calendar year.

In preparing the accounts, the Agency is required to:

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

The Designated Officer's responsibilities as the Accounting Officer of Loughs Agency, includes responsibility for the propriety and regularity of the public finances, and for the keeping of proper records, as set out in the Financial Memorandum of the Agency.

## Statement on Internal Control / Governance Statement

### Scope of Responsibility

As the Accounting Officer, I have responsibility for maintaining a sound system of internal control, that supports the achievement of Loughs Agency's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland, North South Implementation Bodies Annual Report & Accounts Guidance 2017 and Public Financial Procedures.

A Policy and Resource Framework is in place which sets out the role and aims of Loughs Agency, its duties and powers, the responsibilities of the Chair, Board and Chief Executive, and the relationship with Ministers and Sponsor Departments. This framework also includes an Oversight and Governance Agreement with DECC and a North South Implementation Body Sponsorship Manual with DAERA. The Agency also operates within its Financial Memorandum guidelines, which have been under review since 2010 by the Finance Departments North and South. In the interim, since March 2013, Sponsor Departments have agreed that the Agency should follow the tendering thresholds used by Construction and Procurement Delivery (CPD).

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable, and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control, which accords with the Finance Departments' guidance, has been in place in the Agency for the year ended 31 December 2021 and up to the date of approval of the Annual Report and Accounts.

### Capacity to Handle Risk

The Accounting Officer and Loughs Agency Board are ultimately accountable for the effective management of the Agency's business, and in particular for ensuring that there are adequate risk management arrangements and a sound system of internal control.

The Agency has developed a Risk Management Policy, approved by the Board. The Policy provides a clear framework on how the Agency will identify, assess, manage and report on risk.

The Agency's Risk Management Committee meet four times during the year. The Committee, which consists of the Senior Management Team, is responsible for directing and implementing the process of managing risk within the Agency. Appropriate procedures are in place to ensure the Agency's objectives and risks are identified. As a result risks have been allocated to the appropriate Risk Owner and the Agency has defined its risk appetite.

The Agency's Audit and Risk Committee, consists of four Members of the Agency's Board and one co-opted Member. There was 1 Audit and Risk Committee Meeting held in 2021.

Due to the ongoing political situation in Northern Ireland the Agency was unable to achieve a quorum for 3 of its 4 required Audit and Risk Committee meetings during 2021.

The Committee provides support, advice and assurance to the Accounting Officer and the Board on the strategic processes for monitoring and managing risk, internal control and governance systems. At its meeting the Audit and Risk Committee reviewed the Corporate Risk Register to assess if risks were being managed effectively and reviewed and challenged the adequacy and effectiveness of the Agency's internal controls and risk management processes.

The staff of the Agency manage risk through a range of embedded procedures. These include budgetary and financial controls, documented systems and procedures around processes and activities, delegated authority limits and appropriate training in areas such as fraud awareness. The Agency actively encourages and facilitates cross-directorate working and training, with the objective of reducing risk through awareness.

All staff have been issued with Loughs Agency's Risk Management Policy. This document clearly explains the Risk Management processes in place, and details the roles and responsibilities of all staff. All staff are expected to work within Loughs Agency's policies on Risk Management, alert management to emerging risks or control weaknesses, participate fully in the Risk Management process and assume responsibility for risks and controls within their own area of work. The Agency has completed a review of the Risk Management Policy, and implemented the recommendations made by Internal Audit.

### **The Risk and Control Framework**

Loughs Agency's Risk Management Committee continued to update the Risk Register during 2021 and quarterly reviews and ownership of risks by Directorates have been ongoing. The Register identifies the key risks facing Loughs Agency and these have been identified, evaluated and graded in relation to their significance. The grading exercise uses a combination of impact and likelihood assessments and was reviewed at each Risk Management Meeting during 2021. The outcome of these assessments is used to plan and allocate resources in order to ensure that risks are managed to an acceptable level. The Risk Register further details management's associated controls and actions required to mitigate any risks.

The Agency recognises that Risk Management is an evolving process within the Agency and has continued to embed the following in 2021:

- Quarterly reviews of objectives and assessment of risks undertaken by each Directorate. The Risk Register is distributed to the key owners of risks within the Agency and action points are delivered from this process;
- Completion of standard Risk Assessment forms to ensure risks are recorded in a structured way and the use of defined criteria to ensure that risks are evaluated consistently;
- Inclusion of Risk Management as an agenda item at each Senior Management Team (SMT) meeting, to enable the reporting and review of new risks; the effectiveness of controls over risks identified; the progress of action plans; and to facilitate early corrective action;

- The Agency's Board operates an Audit and Risk Committee and Risk Management is included as a standing agenda item; and
- The Risk Management Policy continued to be implemented during 2021. Operational Risk Registers for each Directorate will remain in place.

### Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Audit units of the Sponsor Departments; the SMT within the Agency, who has responsibility for the development and maintenance of the internal control framework; and through comments made by the External Auditors in their management letter and other reports. I have been advised of the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee. A process to address any weaknesses and ensure continuous improvement of the system is in place.

The following processes have been established and are in place for maintaining and reviewing the effectiveness of the system of governance and internal control:

- Regular reviews by management of financial reports;
- A comprehensive budgeting system, which provides SMT with monthly and the Board with bi-monthly reports;
- The Agency has co-opted a qualified Accountant to sit on its Audit and Risk Committee, with the ability and knowledge required to challenge the Financial Statements and accounts;
- Clearly defined capital investment control guidelines;
- Improved procurement procedures and guidelines and appropriate formal project management disciplines in place;
- Formal Business Cases in place for expenditure over £5,000 and continued use of the Agency's Business Case template;
- Implementing policies on Risk Management and control;
- The Risk Management Committee identifies, evaluates, mitigates and escalates significant risks faced by the Agency, and documents these through the Corporate Risk Register;
- Operational Risk Registers are reviewed and updated on an ongoing basis. New and emerging risks are included and existing risks previously identified are reviewed and updated as necessary;
- Senior Managers have been given a timetable in support of the performance of the respective reviews of effectiveness;



- One meeting of the Audit and Risk Committee took place in 2021, at which the progress of the Risk Management process was reviewed;
- An Annual Report of the Audit and Risk Committee to inform the Accounting Officer and Chair of its work during 2021 was provided and considered by the Board;
- The application of a risk-based three year internal audit programme; and
- In addition, all Internal Audit reports and Northern Ireland Audit Office Management Letter comments were addressed.

Following the reviews of effectiveness, I am provided with annual Stewardship Certificates for all four Directorate areas within the Agency. These Certificates provide me with a number of assurances that I require to support the comments I make in the Statement on Internal Control. These Statements provide assurance over the systems that make up the operating environment of Loughs Agency.

## Key Issues

### IMPACT OF COVID-19

Similar to 2020, a very small number of activities, targets and delivery outcomes could not be achieved as planned. However, the Agency continued to successfully deliver all statutory Conservation and Protection functions with additional Health and Safety measures in place, in line with government guidance.

Throughout 2021 the Agency resumed delivery of our EU-funded programmes, as Lead Partner of SeaMonitor and as a Partner in the CatchmentCARE and SWELL projects.

The Corporate Risk Register continued to be updated to include COVID-19.

### OMAGH OFFICE

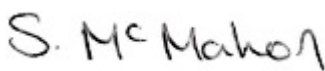
The completion of the Omagh Office was considerably delayed, mainly due to issues surrounding construction. The office was handed over to the Agency in May 2022.

### FRAUD

The Agency conducted an investigation into timesheet fraud in the summer of 2022. Due to the nature of the fraud a complete review of all systems and processes in relation to time management has commenced.

### Internal Audit Report

The 2021 Annual Internal Audit Report gave a satisfactory opinion as to the adequacy of the internal control environment operating within the Agency. No significant issues were found and a number of recommendations are being addressed by the Agency.



Sharon McMahon  
**Accounting Officer**  
27<sup>th</sup> March 2023



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

### **Opinion on the accounts**

We certify that we have audited the accounts of the Foyle, Carlingford and Irish Lights Commission (also known as the Loughs Agency) (the Body) for the year ended 31 December 2021 pursuant to the provisions of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British/Irish Agreement Act 1999 which require us to audit and certify, in co-operation, the accounts presented to us by the Body. The accounts comprise:

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

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

In our opinion, the accounts:

- give a true and fair view of the state of the Body's affairs as at 31 December 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the accounts direction in the appendix to the accounts.

### **Opinion on regularity**

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

### **Basis for opinions**

The Loughs Agency were unable to obtain formal approval of the revised 2021 Business plan by the North South Ministerial Council (NSMC) as required under the North/South Cooperation (Implementation Bodies) (Northern Ireland) Order 1999. Approval had been sought and given for additional funding totalling £422,840 by both government sponsoring Departments. These monies whilst legal were deemed irregular until approved by the NSMC. Whilst the amount is considered material in the context of the financial statements, we have not qualified our opinion of regularity as the Loughs Agency complied with all relevant guidance within its scope of control.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of the auditors section of this certificate. We are independent of the Body in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019 and of the Code of Ethics issued by the International Organisation of Supreme Audit Institutions and have fulfilled our ethical responsibilities in accordance with these requirements.

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

### **Information other than the accounts**

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

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

We have nothing to report in this regard.

### **Matters on which we report by exception**

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

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

### **Responsibilities of the Body and the Accounting Officer for the accounts**

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

## Responsibilities of the auditors

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

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

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

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

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

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

the financial transactions recorded in the accounts conform to the authorities which govern them.

## Report

The North/South Cooperation (Implementation Bodies) (Northern Ireland) Order 1999 requires the approval of annual Corporate Plans of North South Bodies by the North South Ministerial Council (NSMC). The Loughs Agency bid for additional monies totalling £422,840 in the October 2021 monitoring round was funded on a 50:50 basis by both Sponsoring Departments, i.e. the Department of Agriculture, Environment and Rural Affairs (DAERA) in the North, and the Department of the Environment, Climate and Communications (DECC) in the South.

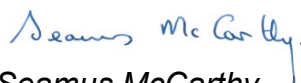
The Loughs Agency received an amount of £211,420 from DAERA but were advised that whilst the grant, following Department of Finance approval, was legal, it was considered irregular until such times as an updated Loughs Agency Business Plan 2021 could be approved by the NSMC. The Loughs Agency also received £211,420 from DECC which also required NSMC approval.

The NSMC is not currently sitting because of political issues surrounding the Northern Ireland Protocol. Therefore, there has been no opportunity for the NSMC to approve the updated Loughs Agency Business Plan for 2021. The total amount deemed irregular is £422,840. We have not qualified our audit opinion on this matter, as the Loughs Agency has complied with all relevant guidance in so far as it is within its scope of control.

We have no other observations to make on these financial statements.



*Dorinnia Carville*  
Comptroller and Auditor General for  
Northern Ireland  
Northern Ireland Audit Office  
106 University Street  
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*Seamus McCarthy*  
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27<sup>th</sup> March 2023

## Income Statement

		2021	2020	2021	2020
Income	Note	£Stg	£Stg	€	€
Revenue grants from Departments	3	4,568,937	4,200,461	5,315,181	4,721,192
Net Deferred Funding for Pensions	14c	1,774,777	1,043,394	2,064,652	1,172,744
Other Revenue Grants	4	786,561	1,313,730	915,030	1,476,593
Ordinary income	5	129,481	142,721	150,629	160,414
Capital grants released	13	601,450	557,565	699,685	626,686
Profit on disposal of grant assets		9,029	13,015	10,503	14,628
DAERA Area Enforcement		9,000	9,000	10,469	10,115
		7,879,235	7,279,886	9,166,149	8,182,372
<b>Expenditure</b>					
Staff costs	6	4,401,836	3,335,608	5,120,788	3,749,123
Other Revenue Grant Expenses	4	786,561	1,313,730	915,030	1,476,593
Programme expenses	7	479,719	518,791	558,071	583,105
Administrative expenses	8	1,276,764	961,104	1,485,297	1,080,252
Currency exchange		23,887	27,570	27,788	30,988
(Profit) / loss on sale of fixed assets		3,224	(6,182)	3,751	(6,948)
Depreciation	10	667,826	634,543	776,902	713,207
Pension interest cost	9	347,087	408,019	403,777	458,601
		7,986,904	7,193,183	9,291,404	8,084,921
<b>Operating surplus / (deficit) taken to reserves.</b>		<b>(107,669)</b>	<b>86,703</b>	<b>(125,255)</b>	<b>97,451</b>

All amounts relate to continuing activities.

The notes on pages 71 to 94 and Appendix 1 form part of these Accounts.

## Statement of Comprehensive Income

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Surplus/(deficit) on continuing operations after depreciation	(107,669)	86,703	(125,255)	97,451
Actuarial (loss)/gain in respect of pension scheme	42,140	(5,161,176)	49,023	(5,801,007)
Adjustment for deferred pension asset	(42,140)	5,161,176	(49,023)	5,801,007
Unrealised surplus on revaluation of land and buildings, boats and boating equipment	698,251	-	812,296	-
<b>Total recognised gain/(loss) relating to the year</b>	<b>590,582</b>	<b>86,703</b>	<b>687,041</b>	<b>97,451</b>
<b>Reconciliation</b>				
Opening Reserves	2,048,729	1,962,026	2,278,822	2,305,969
<b>Total recognised gain/(loss) relating to the year</b>	<b>590,582</b>	<b>86,703</b>	<b>687,041</b>	<b>97,451</b>
Difference on currency translation			175,128	(124,598)
<b>Closing Reserves</b>	<b>2,639,311</b>	<b>2,048,729</b>	<b>3,140,991</b>	<b>2,278,822</b>

The notes on pages 71 to 94 and Appendix 1 form part of these Accounts.

**Statement of Financial Position as at 31<sup>st</sup> December 2021**

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
<b>Tangible fixed assets</b>	10	6,462,222	5,702,259	7,690,561	6,342,679
<b>Current Assets</b>					
<b>Receivables</b>	11	780,224	419,071	928,529	466,137
<b>Cash at bank and in hand</b>		413,580	879,096	492,193	977,827
		1,193,804	1,298,167	1,420,722	1,443,964
<b>Current Liabilities</b>					
<b>Payables</b>	12	906,551	971,117	1,078,868	1,080,183
<b>Net Current Assets</b>		287,253	327,050	341,854	363,781
<b>Total Assets less Current Liabilities</b>		6,749,475	6,029,309	8,032,415	6,706,460
<b>Pension Liability</b>	14	(27,751,051)	(26,107,212)	(33,025,971)	(29,039,313)
<b>Deferred pension funding asset</b>	14	27,751,051	26,107,212	33,025,971)	29,039,313
<b>Total Long Term Liabilities</b>					
<b>Net Assets</b>		6,749,475	6,029,309	8,032,415	6,706,460
<b>Represented By</b>					
<b>Deferred capital grants</b>	13	4,110,164	3,980,580	4,891,424	4,427,638
<b>Reserves</b>					
<b>General reserve</b>	15	299,792	339,589	356,776	377,728
<b>Revaluation reserve</b>	16	2,339,519	1,709,140	2,784,215	1,901,094
<b>Total reserves</b>		2,639,311	2,048,729	3,140,991	2,278,822
<b>Total</b>		6,749,475	6,029,309	8,032,415	6,706,460

The notes on pages 71 to 94 and Appendix 1 form part of these Accounts.

*S. McMahon*

Sharon McMahon  
**Accounting Officer**  
 27<sup>th</sup> March 2023

## Statement of Changes in Equity

				2021	2021	2020	2020
		General Fund	Revaluation Reserve	Total Reserves	Total Reserves	Total Reserves	Total Reserves
	Note	£Stg	£Stg	£Stg	€	£Stg	€
<b>Balance at 1 January</b>		339,589	1,709,140	2,048,729	2,278,822	1,962,026	2,305,969
<b>Surplus/(deficit) for the year</b>		(107,669)	-	(107,669)	(125,255)	86,703	97,451
<b>Increase in revaluation reserve</b>	16	-	698,251	698,251	812,296	-	
<b>Non Cash Adjustments</b>							
Actuarial (loss)/gain on pension scheme	14b	42,140	-	42,140	49,023	(5,161,176)	(5,801,007)
Adjustment for deferred pension asset		(42,140)	-	(42,140)	(49,023)	5,161,176	5,801,007
<b>Movement in reserves</b>							
<b>Transfer between reserves</b>		67,872	(67,872)	-	-	-	-
<b>Difference in currency translation</b>					175,128		(124,598)
<b>Balance at 31 December</b>		299,792	2,339,519	2,639,311	3,140,991	2,048,729	2,278,822

The notes on pages 71 to 94 and Appendix 1 form part of these Accounts.



## Statement of Cash Flows

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
<b>Net cash (outflow)/inflow from operating activities</b>	17a	(472,817)	417,338	(494,128)	436,108
<b>Cash flows from investing activities:</b>					
<b>Payments to acquire fixed assets</b>	17b	(732,762)	(760,274)	(852,443)	(854,525)
<b>Cash flows from financing activities:</b>					
<b>Capital grants received</b>	17c	740,063	779,470	860,937	876,101
<b>Net (decrease)/increase in cash and cash equivalents</b>		(465,516)	436,534	(485,634)	457,684
<b>Cash and cash equivalents at the beginning of the year</b>		879,096	442,562	977,827	520,143
<b>Cash and cash equivalents at the end of the year</b>		413,580	879,096	492,193	977,827

The notes on pages 71 to 94 and Appendix 1 form part of these Accounts.

## Notes to the Accounts

### 1. Accounting Policies

#### 1.a) Basis of Accounting

The Accounts have been prepared in accordance with the historical cost convention as modified by the revaluation of land and buildings fixed assets.

#### 1.b) Statement of Compliance

The Financial Statements of Loughs Agency for the year ended 31 December 2021 have been prepared in accordance with Financial Reporting Standard (FRS) 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland, and are in compliance with the requirements of the North South Implementation Bodies Annual Reports and Accounts Guidance issued by the Department of Finance and the Department of Public Expenditure and Reform.

#### 1.c) Significant Judgements and Estimates

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities, as at the year-end date and the amounts reported for revenues and expenses during the year.

- **Depreciation and residual values**

Asset lives and associated residual values of all fixed asset classes have been reviewed, in particular the useful economic life and residual values of boats and motor vehicles, and it has been concluded that asset lives and residual values are appropriate.

- **Retirement benefit obligation**

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

The assumptions can be affected by:

- i. The discount rate, changes in the rate of return on high quality corporate bonds.
- ii. Future compensation levels.

#### 1.d) Fixed Assets and Depreciation

From 1 January 2003 a policy was put in place whereby only assets (or groups of assets where appropriate) with costs greater than £1,000/€1,172 have been capitalised. Prior to this all items of a capital nature were capitalised regardless of cost.

Fixed assets (other than land, buildings and boats) are stated on the Statement of Financial Position at cost, less depreciation, at annual rates calculated to write off the cost of the assets over their estimated useful lives.

On 31 December 2021 boats were revalued by consulting Marine Engineer and Surveyor, MMM Surveys (previously revalued on 31 December 2016). A number of boats had a Net Book Value lower than the valuation given, and as such these have been re-lifted in line with the valuation given.

Land and buildings in Northern Ireland were revalued by Land & Property Services (LPS) on 31 December 2021 (previously revalued on 31 December 2016), and have now been included in the Financial Statements at the revalued amounts. LPS collect, process and manage land and property information, which underpins the collection of rates, in support of the Executive's commitment to economic and social development in Northern Ireland. LPS provides asset valuations for all Northern Ireland departments and their executive agencies, all district councils and for a wide range of non-departmental and statutory bodies. Valuations of property assets are included in Financial Statements and used for resource accounting and budgeting. The valuations have been carried out in accordance with accounting guidance issued by the Department of Finance and the Department of Public Expenditure and Reform, International Valuation Standards and the Royal Institution of Chartered Surveyors (RICS) Professional - Valuation Standards.

Fixed asset additions are depreciated from the month of purchase and depreciation is charged in year of disposal.

The current rates applied to fixed asset additions are:

Straight line basis:

Land & Buildings, Interpretive centre, Weirs	Various
Plant & Equipment / Computer Equipment	25%
Office Equipment / Fixtures & fittings	10%

Reducing balance:

Motor vehicles	Approx. 33%
Boats & boating equipment	21%
Assets under construction	NIL until complete

### 1.e) Currency

The Agency's transactions are effected in both Sterling and Euro. Sterling is effectively the Agency's working currency. Transactions in other currencies are converted to Sterling at an average of the previous month exchange rate. Monetary assets and liabilities denominated in other currencies are converted to Sterling at the rates of exchange prevailing at the year-end date (closing rate). Realised gains and losses are taken to the Income and Expenditure Account.

At year end the Financial Statements are converted into Euro. The Income and Expenditure is converted using the average exchange rate for the year, while the Statement of Financial Position is converted using the closing exchange rate. The closing rate for 2021 is £stg: €1.19008 (2020 £stg: €1.11231). The average rate for 2021 is £stg: €1.16333 (2020 £stg: €1.12397).

Currency adjustments arising from this conversion of the Financial Statements are reflected in all Statement of Financial Position items and accordingly are disclosed in Fixed Assets

(Note 10), Capital Grants (Note 13), Pension Scheme (Note 14), General Reserve (Note 15) and the Revaluation Reserve (Note 16). Central Bank of Europe rates are used. It should be noted that the results for the year would be impacted by the changes in foreign exchange rates since the accounts were signed which impacts on the translated values.

#### **1.f) Grants from Sponsor Departments**

The Agency receives its revenue grant from monies voted by the Northern Ireland Assembly and the Houses of the Oireachtas. The grant is drawn down from its Sponsor Departments on an equal 50:50 basis, which funded the principal activities of Loughs Agency as noted in the Annual Report in the current period. Capital expenditure incurred to acquire fixed assets and investments is credited to the government grant reserve from grant in aid received. On disposal of a tangible fixed asset, or redemption of a fixed investment, where applicable, the profit or loss arising is credited or charged to the Income and Expenditure Account. The balance remaining on the grant reserve in relation to the asset disposed of is then transferred to the Income and Expenditure Account.

#### **1.g) Other Revenue Grants**

The Agency incurs expenditure in relation to a number of programmes and projects which are eligible for grant aid. This expenditure includes amounts paid directly by the Agency and grants disbursed to Agencies. Grant income is recognised in the Financial Statements when the related expenditure is incurred on the basis that there is reasonable assurance that Loughs Agency will comply with conditions attached to the payment of grants.

#### **1.h) Employee Benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

#### **1.i) Leases**

Rentals paid under operating leases are charged to administrative costs on a straight line basis over the terms of the lease.

#### **1.j) VAT**

Loughs Agency is not in a position to reclaim VAT. VAT is therefore included as expenditure and where appropriate capitalised in the value of fixed assets.

#### **1.k) Provisions and Contingent Liabilities**

A provision is made in the accounts which represents a reliable estimate of probable settlements, e.g. for legal cases against the Agency. A contingent liability arises for claims where there is a possible but not probable obligation to settle, or a reliable monetary estimate of the obligation cannot be made. Contingent liabilities are not recognised in the Statement of Financial Position but disclosed in a note to the accounts.

#### **1.l) Capital Grants**

Grants for capital purposes are credited to a capital grant reserve and released to the income statement over the expected useful lives of the assets. Where grant for capital purposes is carried over at year end it shall be recognised as deferred income and only credited to the capital grant reserve upon purchase of assets.

## 2. North South Pension Scheme

On 1 January 2015, the Foyle Fisheries Commission Pension (Amendment) Scheme 1979 closed and members were transferred to the North South Pension Scheme (NSPS).

The NSPS was established by the North South Implementation Bodies and Tourism Ireland Limited with effect from 29 April 2005. It is a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the UK and Irish Exchequers. Funding is provided to the Agency by DAERA in the North and DECC in the South. The scheme is administered by an external administrator.

The NSPS consists of a number of sections with different benefit structures.

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

The Core Alpha section is a Career Averaged Revalued Earnings (CARE) pension arrangement or scheme with benefits modelled on the Alpha Section of the Principal Civil Service Pension Scheme in Northern Ireland. The Scheme provides a pension based on a percentage (2.32%) of pensionable pay for each year of active membership (the pension is increased at the start of each scheme year in line with general price inflation) and spouse's and children's pensions. Normal retirement age is a member's State pension age in the relevant jurisdiction.

In the UK the State pension age is currently 66. The UK Government is planning further increases, which will raise the State pension age from 66 to 67 between 2026 and 2028 and from 67 to 68 between 2044 and 2046.

In Ireland, the State pension age is currently 66. This was due to rise to 67 from 1 January 2021 and then 68 from 1 January 2028 however, the legislative provision which provided for these increases was repealed.

Pensions in payment (and deferment) increase in line with general price inflation.

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

The liability at 31 December 2021 has been included in the Financial Statements and a disclosure note has been included (Note 14) detailing the actuarial review calculations, which were carried out by Deloitte Total Reward and Benefits Limited (appointed 1 July 2016). This includes the results of the calculations of the pension liabilities and costs of employees (and ex-employees) of Loughs Agency for the purposes of the accounts for the year ended 31 December 2021. Comparative figures for 2020 are also shown.

Pension costs reflect pension benefits earned by employees in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments. Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents a corresponding asset, being resources to be made available in future periods from the UK and Irish Exchequers in the manner described above.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income.

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

### 3. Revenue and Capital Grants from Sponsor Departments

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
<b>Grants received in year</b>					
Department of the Environment, Climate and Communications (Grant in Aid)		2,598,500	2,238,188	3,022,913	2,515,656
Department of Agriculture, Environment and Rural Affairs (Grant in Aid)		2,598,500	2,608,188	3,022,913	2,931,525
<b>Total</b>		<b>5,197,000</b>	<b>4,846,376</b>	<b>6,045,826</b>	<b>5,447,181</b>
<b>Appropriation of grants received in year</b>					
Capitalised against fixed assets	13	387,063	482,915	450,282	542,782
Deferred grant income	12	241,000	163,000	280,363	183,207
Released to revenue		4,568,937	4,200,461	5,315,181	4,721,192
		<b>5,197,000</b>	<b>4,846,376</b>	<b>6,045,826</b>	<b>5,447,181</b>

The deviation from the 50:50 funding ratio in 2020 is due to the fact that DAERA provided £370,000 to assist farmers affected by the floods of August 2017.

#### 4. Other Revenue Grants

					2021	2021					2020	2020
	INTERREG VA SWELL	INTERREG VA CATCHMENT CARE	INTERREG VA SEAMONITOR	SEA MONITOR EUROPEAN TRACKING NETWORK	Total	Total	INTERREG VA SWELL	INTERREG VA CATCHMENT CARE	INTERREG VA SEAMONITOR	SEA MONITOR OCEAN TRACKING NETWORK AND EUROPEAN TRACKING NETWORK	Total	Total
Revenue Grant Income	£Stg	£Stg	£Stg	£Stg	£Stg	€	£Stg	£Stg	£Stg	£Stg	£Stg	€
Grant received in year relating to LA	-	142,174	171,490	-	313,664	364,895	3,619	121,464	365,562	8,000	498,645	560,462
Grant received in year relating to other partners	-	-	258,581	-	258,581	300,815	-	-	802,824	-	802,824	902,350
Grant receivable current year end	2,182	258,898	203,659	-	464,739	540,645	-	160,783	89,491	149	250,423	281,468
Grant receivable prior year end	-	(160,783)	(89,491)	(149)	(250,423)	(291,325)	(2,956)	(98,315)	(136,891)	-	(238,162)	(267,687)
Prior year ETN re- categorised & receivable current year end	-	-	(149)	149	-	-	-	-	-	-	-	-
	2,182	240,289	544,090	-	786,561	915,030	663	183,932	1,120,986	8,149	1,313,730	1,476,593
<b>Revenue Grant Expenditure</b>												
Expenditure current year LA	2,182	240,289	285,509	-	527,980	614,215	663	183,932	318,162	8,149	510,906	574,243
Grant reimbursed to other partners			258,581	-	258,581	300,815	-	-	802,824	-	802,824	902,350
	2,182	240,289	544,090	-	786,561	915,030	663	183,932	1,120,986	8,149	1,313,730	1,476,593

In 2017, the Agency gained approval of funding under INTERREG VA for its portion of the SWELL programme which is a project aimed at improving water quality in shared transitional waters, over a 5 year period. The total funding allocated to this project is €35 million. NI Water is Lead Partner on this project and the Agency's portion of funding is approximately €84,000 over the period. The project was extended to July 2023.

The Agency is also involved as a Partner in the CatchmentCARE Project which in late 2017 secured INTERREG VA funding of approximately €13.8 million over a 5 year period. This project aims to improve freshwater quality in cross border river basins. Lead Partner on this project is Donegal County Council and the Agency's portion of this funding is approximately €1.4million over the period. In June 2021 the CatchmentCARE Project was granted approval of a no cost extension for eight months up to 30 April 2023.

A third project, SeaMonitor, in which Loughs Agency is Lead Partner secured funding in December 2018 under INTERREG VA of approximately €4.7 million, over a 4 year period. This project aims to develop cross border capacity for the monitoring and management of marine protected areas and species within the region. Loughs Agency's portion of this funding is approximately €1.7 million over the 4 year period. In October 2021 a request was agreed to extend the end date of this project to 31 March 2023, to allow project activities to be completed.

As lead partner on the Sea Monitor Project, SEUPB pays Loughs Agency all monies claimed by other partners, as well as itself. Amounts due to other partners are immediately reimbursed to the other partners by Loughs Agency, when received from SEUPB. The table above only records income and expenditure relating to other partners as and when it is received from SEUPB, since Loughs Agency only carries out the banking function re this as lead partner. At 31 December 2021 there are claims totally approximately €652,000 submitted by other partners to SEUPB that were outstanding.

## 5. Ordinary Income

	2021	2020	2021	2020
Normal activities	£Stg	£Stg	€	€
Licence duties	75,267	73,744	87,560	82,886
Fishery rent	2,556	2,556	2,973	2,873
	77,823	76,300	90,533	85,759
Other activities				
Fines and costs recovered	43,947	11,736	51,125	13,191
Sundry receipts	7,711	54,685	8,971	61,464
	51,658	66,421	60,096	74,655
<b>Total</b>	<b>129,481</b>	<b>142,721</b>	<b>150,629</b>	<b>160,414</b>

Sundry receipts includes an amount of £4,789/€5,572 (2020: £7,148/€8,034) in relation to amounts charged to EU Project SeaMonitor regarding depreciation of a vehicle used in the SeaMonitor Project, which is claimable via the Project.



## 6. Staff Costs and Board Remuneration

### 6.a) Staff Numbers

Average monthly employees (full time equivalent)	2021	2020
Senior Management	6	5
Administrative	16	18
Field staff and inspectorate	26	26
<b>Total</b>	<b>48</b>	<b>49</b>

### 6.b) Staff and Board Costs

	2021	2020	2021	2020
	£Stg	£Stg	€	€
<b>Staff costs</b>	2,167,814	1,985,539	2,521,883	2,231,686
Social security costs	216,680	197,103	252,071	221,538
Pension current service cost	1,768,524	1,019,567	2,057,377	1,145,962
Pension transfer out	217,194	93,036	252,668	104,569
Less recoupments for seconded staff	(27,837)	(26,638)	(32,384)	(29,940)
<b>Total staff costs</b>	<b>4,342,375</b>	<b>3,268,607</b>	<b>5,051,615</b>	<b>3,673,815</b>
<b>Board remuneration</b>	<b>54,924</b>	<b>62,283</b>	<b>63,895</b>	<b>70,005</b>
Social security costs	4,537	4,718	5,278	5,303
<b>Total Board costs</b>	<b>59,461</b>	<b>67,001</b>	<b>69,173</b>	<b>75,308</b>
<b>Total Board and staff costs</b>	<b>4,401,836</b>	<b>3,335,608</b>	<b>5,120,788</b>	<b>3,749,123</b>

Pension interest costs are now included separately under interest payable costs, see Notes 9 and 14.

2021 gross salaries include amounts which were recouped for bailiffing services amounting to £27,837/€32,384 (2020: £26,638/€29,940).

### 6.c) Seconded and Temporary Staff

	2021	2020	2021	2020
<b>Staff costs above include the following</b>	£Stg	£Stg	€	€
Temporary staff	41,005	49,441	47,702	55,570
<b>Total temporary staff costs</b>	41,005	49,441	47,702	55,570
<b>Salaries included under Other Revenue Grants</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	£Stg	£Stg	€	€
Gross salaries (Full Time) under INTERREG VA expenditure (Note 4) CatchmentCARE	75,318	67,614	87,620	75,996
Social security costs (Full Time) under INTERREG VA expenditure (Note 4) CatchmentCARE	7,112	6,357	8,274	7,145
Gross salaries (Full Time) under INTERREG VA expenditure (Note 4) SeaMonitor	165,796	185,669	192,875	208,686
Social security costs (Full Time) under INTERREG VA expenditure (Note 4) SeaMonitor	17,439	19,621	20,287	22,054
	265,665	279,261	309,056	313,881

<b>Staff costs included in Programme Costs</b>	2021	2020	2021	2020
	£Stg	£Stg	€	€
Gross salaries included in programme costs (Note 7)	42,225	8,818	49,122	9,911
Temporary staff costs included in programme costs (Note 7)	50,167	-	58,360	-
Social Security costs included in programme costs (Note 7)	4,160	813	4,840	914
	96,552	9,631	112,322	10,825

### 6.d) Chief Executive's Costs

	2021	2020	2021	2020
<b>Designated Officer</b>	£Stg	£Stg	€	€
Gross	68,728	65,505	79,953	73,626
Social security costs	8,265	7,833	9,615	8,804
	76,993	73,338	89,568	82,430

The Designated Officer is an ordinary member of the North South Pension Scheme.

## 6. e) Senior Management Costs

No Senior Management staff received any Benefits in Kind.

£Stg	2021		2020	
Senior Management / Directors	Gross	Social Security Costs	Gross	Social Security Costs
	£Stg	£Stg	£Stg	£Stg
Designated Officer	68,728	8,265	65,505	7,833
Director of Development	56,142	6,529	55,034	6,387
Director of Conservation and Protection	56,888	6,631	55,764	6,487
Director of Aquaculture and Shellfisheries	66,351	7,332	66,692	7,126
Interim Director of Corporate Services	57,412	6,704	54,572	6,323
Head of Science appointed 1 April 2021	49,637	5,632	-	-
	355,158	41,093	297,567	34,156

€Euro	2021		2020	
Senior Management / Directors	Gross	Social Security Costs	Gross	Social Security Costs
	€	€	€	€
Designated Officer	79,953	9,615	73,626	8,804
Director of Development	65,312	7,595	61,857	7,179
Director of Conservation and Protection	66,180	7,714	62,677	7,291
Director of Aquaculture & Shellfisheries	77,188	8,530	74,960	8,009
Interim Director of Corporate Services	66,789	7,799	61,337	7,107
Head of Science appointed 1 April 2021	57,744	6,552	-	-
	413,166	47,805	334,457	38,390

## 6. f) Board Members remuneration including social security costs

Board Member	2021	2020	2021	2020
	£Stg	£Stg	€	€
Mr Laurence Arbuckle	8,736	350	10,163	393
Mr Andrew Duncan*	8,621	9,427	10,029	10,595
Mr Michael McCormick*	6,748	7,381	7,850	8,296
Mrs Phil Mahon	5,248	5,556	6,105	6,245
Mr Terry McWilliams	1,419	5,476	1,651	6,156
Mr Allan Ewart	1,389	5,556	1,616	6,245
Mr Ian McCrea	1,389	5,556	1,616	6,245
Mr Alastair Patterson	1,389	5,556	1,616	6,245
Mrs Fiona Walsh*	7,111	7,381	8,272	8,296
Mr Patrick Gibbons*	6,748	7,381	7,850	8,296
Ms Heather Mackey*	7,313	7,381	8,507	8,296
Mr Danny Kennedy	2,413	-	2,807	-
Mr Conor Corr	267	-	311	-
Mr Jack Keyes*	335	-	390	-
Mr Niall Greene*	335	-	390	-
Professor Frances Lucy**	-	-	-	-
Dr Declan Little**	-	-	-	-
	59,461	67,001	69,173	75,308

\*Southern Board Members were paid in Euro at the agreed Euro amounts.

\*\*The "One Person One Salary Principle" applies to those public servants who fall within the terms of the Letter to Personnel E109/247/74 of 17<sup>th</sup> October 2011 issued by the Irish Government's Department of Public Expenditure and Reform. This means that such personnel do not receive fees for their membership on Boards.

Board Members' salaries are not pensionable. Board Members expenses in 2021 were £319/€371 (2020: £699/€786).

## 7. Programme Expenses

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Programme expenditure				
Conservation & Protection	252,662	129,413	293,929	145,456
Marine Tourism & Angling Development	112,628	21,014	131,024	23,619
Aquaculture	93,933	19,096	109,275	21,463
Glenelly Flood Relief Project	20,496	349,268	23,843	392,567
	479,719	518,791	558,071	583,105

## 8. Administrative Expenses

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Training and development	30,365	9,060	35,325	10,183
Bank charges	5,334	5,000	6,205	5,620
Postage	406	3,258	472	3,662
Marketing and Promotion	4,542	19,527	5,284	21,948
Light and heat	42,034	43,159	48,899	48,509
Telephone	77,043	72,126	89,626	81,067
Rent	71,259	43,962	82,898	49,412
Insurance	201,071	180,058	233,912	202,380
Audit fees	27,000	26,000	31,410	29,223
Motor vehicle expenses	85,900	115,993	99,930	130,373
Boat maintenance	26,227	21,313	30,511	23,955
Printing and stationery	12,408	10,688	14,435	12,013
Licence dealers commission	2,228	2,518	2,592	2,830
Maintenance and repairs	70,891	64,044	82,470	71,984
Travelling and conference expenses	29,183	21,873	33,949	24,585
Health and Safety	100,640	68,298	117,078	76,765
Cleaning	11,891	14,255	13,833	16,022
Computer consumables and maintenance	100,123	115,041	116,476	129,303
Other equipment costs	106,971	30,620	124,443	34,416
Subscriptions	24,155	24,457	28,100	27,489
Legal and professional fees	282,864	104,787	329,064	117,777
Licence Fees	1,698	4,225	1,975	4,748
Overheads reclaimable from EU projects	(37,469)	(39,158)	(43,590)	(44,012)
	1,276,764	961,104	1,485,297	1,080,252

## 9. Interest Payable

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Pension Interest Cost (Note 14e)	347,087	408,019	403,777	458,601
	347,087	408,019	403,777	458,601

### 10. a) Tangible Fixed Assets – Loughs Agency

	Land & buildings	Weirs	Interpretive centre	Boats & boating equipment	Fixtures & fittings	Plant	Office equipment	Computer equipment	Motor vehicles	Assets under construction	Total
Cost	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg	£Stg
<b>At 1 January 2021</b>	3,540,957	1,445,130	558,281	720,537	129,354	1,604,955	54,879	512,603	496,680	682,380	9,745,756
<b>Additions</b>	180,736	-	-	9,570	5,488	146,066	-	33,616	50,422	314,165	740,063
<b>Re-categorised</b>	174,537	-	-	-	-	35,940	-	-	-	(210,477)	-
<b>Disposals</b>	(4,176)	-	-	-	-	-	-	-	(23,066)	-	(27,242)
<b>Revaluation</b>	127,438	-	-	11,774	-	-	-	-	-	-	139,212
<b>At 31 December 2021</b>	4,019,492	1,445,130	558,281	741,881	134,842	1,786,961	54,879	546,219	524,036	786,068	10,597,789
<b>Depreciation</b>											
<b>At 1 January 2021</b>	499,776	1,037,278	339,051	450,835	76,117	1,094,388	29,550	387,950	392,450	-	4,307,395
<b>Charge for year</b>	128,956	57,805	22,332	57,867	8,787	159,742	6,537	47,437	48,473	-	537,936
<b>Depreciation on disposal</b>	(2,053)	-	-	-	-	-	-	-	(23,066)	-	(25,119)
<b>Revaluation</b>	(470,589)	-	-	(88,450)	-	-	-	-	-	-	(559,039)
<b>At 31 December 2021</b>	156,090	1,095,083	361,383	420,252	84,904	1,254,130	36,087	435,387	417,857	-	4,261,173
<b>Net Book Value Stg £</b>											
<b>At 31 December 2021</b>	3,863,402	350,047	196,898	321,629	49,938	532,831	18,792	110,832	106,179	786,068	6,336,616
<b>At 31 December 2020</b>	3,041,181	407,852	219,230	269,702	53,237	510,567	25,329	124,653	104,230	682,380	5,438,361
<b>Net Book Value Euro €</b>											
<b>At 31 December 2021</b>	4,597,757	416,584	234,324	382,764	59,430	634,112	22,364	131,899	126,362	935,484	7,541,080
<b>Currency Translation Adjustment</b>	258,507	30,172	16,452	22,364	4,052	40,302	1,795	9,325	8,158	55,842	446,969
<b>At 31 December 2020</b>	3,382,736	453,658	243,852	299,992	59,216	567,909	28,174	138,653	115,936	759,017	6,049,143

The currency translation adjustment is the difference between the net book value of PPE calculated using year-end exchange rates and their net book value stated at historic rates of exchange.

### 10. b) Tangible Fixed Assets belonging to and funded by CatchmentCARE EU Project

	Computer equipment	Motor vehicles	Plant & Equipment	Total
Cost	£Stg	£Stg	£Stg	£Stg
At 1 January 2021	1,106	29,945	18,609	49,660
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	1,106	29,945	18,609	49,660
<b>Depreciation</b>				
At 1 January 2021	553	14,366	7,326	22,245
Charge for year	276	3,583	4,652	8,511
Depreciation on disposal	-	-	-	-
At 31 December 2021	829	17,949	11,978	30,756
<b>Net Book Value Stg £</b>				
At 31 December 2021	277	11,996	6,631	18,904
At 31 December 2020	553	15,579	11,283	27,415
<b>Net Book Value Euro €</b>				
At 31 December 2021	330	14,276	7,891	22,497
Currency Translation Adjustment	36	1,116	753	1,904
At 31 December 2020	615	17,329	12,550	30,494

### 10. c) Tangible Fixed Assets belonging to and funded by SeaMonitor EU Project

	Computer equipment	Plant & Equipment	Total
Cost	£Stg	£Stg	£Stg
At 1 January 2021	2,290	367,854	370,144
Additions	-	-	-
Disposals	-	(21,600)	(21,600)
At 31 December 2021	2,290	346,254	348,544
<b>Depreciation</b>			
At 1 January 2021	838	132,823	133,661
Charge for year	573	120,806	121,379
Depreciation on disposal	-	(13,198)	(13,198)
At 31 December 2021	1,411	240,431	241,842
<b>Net Book Value Stg £</b>			
At 31 December 2021	879	105,823	106,702
At 31 December 2020	1,452	235,031	236,483
<b>Net Book Value Euro €</b>			
At 31 December 2021	1,046	125,938	126,984
Currency Translation Adjustment	98	14,822	14,920
At 31 December 2020	1,615	261,427	263,042

## 11. Receivables

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Trade debtors	-	847	-	942
Prepayments	173,061	158,238	205,956	176,010
DAERA Area Enforcement	9,000	9,000	10,711	10,011
Other debtors	16,263	563	19,354	626
Grants receivable	581,900	250,423	692,508	278,548
	780,224	419,071	928,529	466,137

## 12. Payables

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Trade creditors	98,646	105,600	117,396	117,460
Accruals	355,487	146,923	423,058	163,424
Other creditors	57,353	43,741	68,255	48,654
Grant payable	130,537	296,680	155,350	330,000
Deferred Income	241,000	353,000	286,809	392,645
Deferred grant	23,528	25,173	28,000	28,000
	906,551	971,117	1,078,868	1,080,183

Other debtors and creditors in 2020 includes an amount of £42,858 relating to a settlement received in lieu of a pollution case. This money was to be utilised on habitat reinstatement schemes. The spend on these schemes was completed in 2021.



### 13. Capital Grants

	Note	DAERA / DECC £Stg	Local Gov't £Stg	EU Funds £Stg	INTERREG CCARE £Stg	INTERREG SEA MONITOR £Stg	Court Award £Stg	Total £Stg	Total €
<b>Gross capital grant</b>									
<b>At 1 January 2021</b>		5,264,478	897,578	2,525,543	49,660	370,144	1,698	9,109,101	10,132,144
<b>Additions</b>		740,063	-	-	-	-	-	740,063	860,937
<b>Disposals</b>		(27,242)	-	-	-	(21,600)	-	(48,842)	(56,819)
<b>At 31 December 2021</b>		5,977,299	897,578	2,525,543	49,660	348,544	1,698	9,800,322	10,936,262
<b>Grant amortisation</b>									
<b>At 1 January 2021</b>		2,981,880	760,751	1,229,842	22,245	133,661	142	5,128,521	5,704,505
<b>Amortised in year</b>		381,597	35,903	53,636	8,511	121,378	425	601,450	699,685
<b>Eliminated on disposal</b>		(26,615)	-	-	-	(13,198)	-	(39,813)	(46,316)
<b>At 31 December 2021</b>		3,336,862	796,654	1,283,478	30,756	241,841	567	5,690,158	6,357,874
<b>Unamortised capital grants</b>									
<b>At 31 December 2021</b>		2,640,437	100,924	1,242,065	18,904	106,703	1,131	4,110,164	4,578,388
<b>Currency Translation Adjustment</b>									313,036
									4,891,424
<b>At 1 January 2021</b>		2,282,598	136,827	1,295,701	27,415	236,483	1,556	3,980,580	4,667,653
<b>Currency Translation Adjustment</b>									(240,015)
									4,427,638

Capital grant additions above are made up of £353,000 released from deferred income and £387,063 in year grant as per note 3.

## 14. Pension Scheme

Loughs Agency employees are members of the NSPS. This Scheme consists of a number of sections with different benefit structures. For further details see Note 2.

Sponsor Departments will meet pension liabilities as they fall due on a yearly basis and within agreed limits. Pension payments were also made to individuals who retired in previous years.

FRS 102 requires Financial Statements to reflect, at fair value, the assets and liabilities arising from an employer's retirement benefit obligations. It requires the operating costs of providing retirement benefits to employees, to be recognised in the accounting period in which benefits are earned by the employees, and the related finance costs and any other changes in the value of the liabilities to be recognised in the accounting periods in which they arise. FRS 102 also requires the Financial Statements to contain adequate disclosure of the cost of providing retirement benefits and the related gains, losses and liabilities.

The valuation used for FRS 102 disclosures at 31 December 2021 has been carried out by a qualified independent actuary (Deloitte Total Reward and Benefits Limited). The principal actuarial assumptions used to calculate scheme liabilities under FRS 102 at 31 December 2021 are:

Assumptions			2021	2020
Discount rate - North			1.85%	1.35%
Discount rate - South			1.40%	0.80%
Rate of inflation - North			2.70%	2.20%
Rate of inflation - South			1.85%	1.05%
Rate of increase in salaries - North			2.70%	2.20%
Rate of increase in salaries - South			2.70%	2.20%
Rate of increase in pensions - North			2.70%	2.20%
Rate of increase in pensions – South (Core members)			1.85%	1.05%
Rate of increase in pensions – South (all other members)			2.70%	2.20%
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
<b>Average expected future life at age 65 for</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Members currently aged 65	22.3	24.6	22.3	24.6
Members currently aged 45	23.6	26.1	23.6	26.0

#### 14.a) Movement in Net Pension Liability during the financial year

	2021	2020	2021	2020
	£Stg	£Stg	€	€
(Deficit) in the plan at the beginning of the year	(26,107,212)	(19,874,798)	(29,039,313)	(23,358,850)
Benefits paid during the year	340,834	384,192	396,502	431,820
Member contributions	(128,396)	(120,880)	(149,367)	(135,865)
Net transfers out of/(into) the scheme	217,194	93,036	252,668	104,570
Current Service costs	(1,768,524)	(1,019,567)	(2,057,377)	(1,145,963)
Interest on Scheme Liabilities	(347,087)	(408,019)	(403,777)	(458,601)
Actuarial (loss)/gain	42,140	(5,161,176)	49,023	(5,801,007)
Currency translation adjustment			(2,074,330)	1,324,583
(Deficit) in the plan at the end of the year	<b>(27,751,051)</b>	<b>(26,107,212)</b>	<b>(33,025,971)</b>	<b>(29,039,313)</b>

The currency translation adjustment reflects the amount of the movement in the value of the pension scheme liability which is attributable to the change in exchange rates over the year.

#### 14.b) Analysis of movement in (deficit) in the plan over the period

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Experience (loss)/gain	(163,074)	183,542	(189,709)	206,295
(Loss)/gain due to change in demographic	33,698	(129,324)	39,202	(145,356)
(Loss)/gain from exchange rate movements	197,263	(138,791)	229,482	(155,997)
(Loss)/gain on change to assumptions	(25,747)	(5,076,603)	(29,952)	(5,705,949)
Actuarial (loss)/gain	<b>42,140</b>	<b>(5,161,176)</b>	<b>49,023</b>	<b>(5,801,007)</b>

The main elements of the actuarial gain of £42,140 for 2021 are outlined below.

The increase in the value of the liabilities is mainly as a result of:

- The change in financial assumptions in calculating the year-end liabilities, specifically an increase in the inflation assumptions partially offset by an increase in the discount rate assumptions over the year to 31 December 2021. The net impact results in an overall increase in the liabilities, as shown in the “Gain / (loss) due to change in financial assumptions” item in the disclosures;
- The increase in the service cost for Financial Year 2021 which is calculated using the discount rate at the start of the year when gilt yields had fallen significantly (i.e. as at 31 December 2020); and
- Experience losses on the liabilities which arise due to membership movements, inflationary experience and changes to reflect the updated SPA (State Pension Age) for Southern alpha members, as shown in the “Experience gain / (loss)” item in the disclosures.

These have been partially offset by:

- The change in demographic assumptions including an update to the mortality assumption, which results in a small decrease in the value of the liabilities, as shown in the “Gain / (loss) due to change in demographic assumptions” item in the disclosures; and

- Favourable currency movements over the year to 31 December 2021 leading to an increase in the liabilities, as shown in the “Gain/(loss) due to currency movements” item in the disclosures.

#### 14.c) Analysis of Current Pension Service Costs

Loughs Agency recognises as an asset a deferred funding asset of £27,751,051/€33,025,971 as at 31 December 2021 (2020: £26,107,212 / €29,039,313). The net deferred funding for pensions recognised in Income and Expenditure in 2021 includes:

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Deferred Funding for pensions				
Current service cost	1,768,524	1,019,567	2,057,377	1,145,963
Other finance cost	347,087	408,019	403,777	458,601
Benefits paid during the year	(340,834)	(384,192)	(396,502)	(431,820)
	<b>1,774,777</b>	<b>1,043,394</b>	<b>2,064,652</b>	<b>1,172,744</b>

#### 14.d) Analysis of Current Pension Service Costs

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Service cost (Note 6b)	1,768,524	1,019,567	2,057,377	1,145,963
Interest on pension liabilities (note 9)	347,087	408,019	403,777	458,601
Total operating charge	<b>2,115,611</b>	<b>1,427,586</b>	<b>2,461,154</b>	<b>1,604,564</b>

#### 14.e) History of Defined Benefit Liabilities

	2021	2020	2021	2020
	£Stg	£Stg	€	€
(Deficit) as at 31 December	(27,751,051)	(26,107,212)	(33,025,971)	(29,039,313)
Experience (loss) / gain	(163,074)	183,542	(189,709)	206,295
Percentage of scheme liabilities	0.6%	(0.7%)	0.6%	(0.7%)

#### 14.f) Deferred Asset for Pensions

	2021	2020	2021	2020
	£Stg	£Stg	€	€
Balance at 1 January	26,107,212	19,874,798	29,039,313	23,358,850
Increase/(decrease) in deferred funding for pension assets	1,643,839	6,232,414	1,912,328	7,005,046
Currency translation adjustment			2,074,330	(1,324,583)
Balance at 31 December	<b>27,751,051</b>	<b>26,107,212</b>	<b>33,025,971</b>	<b>29,039,313</b>

The currency translation adjustment reflects the amount of the movement in the value of deferred pension funding which is attributable to the change in exchange rates over the year.

## 15. General Reserve

	2021	2020	2021	2020
	£Stg	£Stg	€	€
At 1 January	339,589	175,906	377,728	206,742
(Deficit)/surplus for the year	(107,669)	86,703	(125,255)	97,451
Transfer from revaluation reserve	67,872	76,980	79,933	85,734
Actuarial (loss) / gain on pension scheme	42,140	(5,161,176)	49,023	(5,801,007)
Adjustment for deferred pension asset	(42,140)	5,161,176	(49,023)	5,801,007
Currency translation adjustment Note 17a			24,370	(12,199)
At 31 December	299,792	339,589	356,776	377,728

## 16. Revaluation Reserve

	2021	2020	2021	2020
	£Stg	£Stg	€	€
At 1 January	1,709,140	1,786,120	1,901,094	2,099,227
Increase in revaluation reserve	698,251	-	812,296	-
Transfer from/ (to) Income and Expenditure Account	(66,376)	(76,980)	(78,171)	(85,734)
Release on disposal	(1,496)	-	(1,762)	-
Difference on currency translation			150,758	(112,399)
At 31 December	2,339,519	1,709,140	2,784,215	1,901,094

## 17. Notes to the Cashflow Statement

### 17.a) Net cashflow from operating activities

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
Operating (deficit)/surplus		(107,669)	86,703	(125,255)	97,451
Loss / (profit) on disposal of fixed assets		3,224	(6,182)	3,751	(6,948)
Depreciation	10	667,826	634,543	776,902	713,207
Capital grant release	13	(601,450)	(557,565)	(699,685)	(626,686)
Net deferred pension funding	14	(1,774,777)	(1,043,394)	(2,064,652)	(1,172,744)
(Profit) on disposal of capital grant assets		(9,029)	(13,015)	(10,504)	(14,628)
(Increase)/decrease in debtors	11	(361,153)	415,496	(462,392)	514,729
Increase/(decrease) in creditors	12	(64,566)	(142,642)	(1,315)	(228,818)
Pension service cost	14	2,115,611	1,427,586	2,461,154	1,604,564
Pension benefits paid	14	(340,834)	(384,192)	(396,502)	(431,820)
Difference on currency translation				24,370	(12,199)
Net cash (outflow)/inflow from operating activities		(472,817)	417,338	(494,128)	436,108

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

### 17.b) Net cash outflow from capital expenditure and financial investment

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
Purchase of tangible fixed assets	10	(740,063)	(779,470)	(860,937)	(876,101)
Proceeds from disposal of tangible fixed assets		7,301	19,196	8,494	21,576
Net cash outflow from capital expenditure and financial investment		(732,762)	(760,274)	(852,443)	(854,525)

### 17.c) Net cash inflow from financing

		2021	2020	2021	2020
	Note	£Stg	£Stg	€	€
Capital grants received	13	740,063	779,470	860,937	876,101
Net cash inflow from financing		740,063	779,470	860,937	876,101

## 18. Commitments

There were capital commitments at 31 December 2021 of £241,000/€286,809 made up of £60,000/€71,405 in relation to Fish Counter projects, £141,000/€167,801 in relation to Meenbog project and £40,000/€47,603 in relation to office refurbishment. (2020 £353,000/€392,645).

See note 21 for commitments relating to operating leases.

## 19. Contingent Liabilities

- As at 31 December 2021 the Agency has a number of potential civil cases, however none of these have been initiated as the Agency is currently reviewing all of its protocols and procedures for taking these forward. There is currently one historic civil case, initiated some time ago, however this has not progressed in recent years. The Agency would become liable for legal costs regarding these in the event that any of these cases were progressed and the proceedings were unsuccessful.
- As at 31 December 2021, due to breaches of legislation in the oyster fishery on Lough Foyle, summons have been issued to 24 individuals. These cases are currently being held at the District Court and another 3 cases, which have already been heard by the District Court, are being held under appeal at the Circuit Court. All of these cases are being held pending the outcome of a case in the High Court in Dublin in which the Agency is a Co-Defendant. In 2021 an accrual has been included for legal work carried out in relation to the District and Circuit court cases. It is however difficult to estimate the costs of the case being heard before the High Court, not knowing the outcome at this stage. It is estimated to discharge this case could potentially cost £84,028/€100,000.
- An arbitration process in relation to the alleged removal of the pension augmentation between Loughs Agency and one of its employees concluded in 2021. Loughs Agency is now in discussions with its Sponsor Departments and Trade Unions in relation to the outcome of this case and any potential liability.
- Two employment tribunal cases in the cases of McCloud and Sargeant were brought against the UK Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in the UK in 2015.

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

Following consultation by the Department of Finance (NI), relevant legislation confirming Prospective Remedy Changes was introduced for the Northern Ireland Civil Service Pension Scheme. The CEO Pension Committee also consulted on applying similar changes to NSPS members, following which the Committee agreed with officials in the Department of Finance (NI) and the Department of Public Expenditure and Reform (Ire) to amend the NSPS rules accordingly for approval by the NSMC.

No provision has been made in the accounts for the McCloud/Sargeant judgment. We estimate that any compensation payable by Loughs Agency will be up to £370,000 as at 31 December 2021. (2020 - £350,000).

## 20. Events After the Reporting Period

There have been no significant events outside the year end which affect these accounts.

## 21. Operating Lease

At 31 December 2021 the Agency had a number of non-cancellable operating leases as follows:

- A business letting agreement for the 1<sup>st</sup> and 2<sup>nd</sup> floors of the D’Arcy Magee Court, Dundalk Street, Carlingford of €16,800 per annum. The lease agreement was discontinued in February 2022.
- A lease agreement for rental of an external storage unit in Carlingford of £12,000 per annum. The lease agreement is due to be discontinued in June 2022.
- A lease for land at Castlefinn for launching boats into the river of €2,200 per annum, renewed annually.
- A lease agreement for a disaster recovery site at Pennyburn Industrial Estate of £4,680 per annum was discontinued in December 2020.
- A lease agreement commencing on 1<sup>st</sup> February 2021 has been entered into with Carlingford Sailing Club at a rent of €50,000, plus VAT, per annum for a term of 20 years.

The total future minimum lease payments under these lease are as follows:

Operating Leases	2021	2020	2021	2020
Expiry	£Stg	£Stg	€	€
Not later than 1 year	61,879	68,396	73,640	76,078
Later than 1 year and not later than 5 years	206,709	221,161	246,000	246,000
Later than 5 years	727,787	833,963	866,125	927,625

## 22. Related Party Transactions

The Foyle, Carlingford and Irish Lights Commission (Loughs Agency) is a North South Implementation Body sponsored by DAERA in the North and DECC in the South. The Departments are regarded as related parties. During the period Loughs Agency has had various transactions with these Departments.

In 2017, the Agency gained approval of funding under INTERREG VA for its portion of the SWELL programme and also a portion under the CatchmentCARE project. The partners for INTERREG VA SWELL are: Northern Ireland Water (Lead), Irish Water, Agri-Food and Biosciences Institute (AFBI), Loughs Agency and East Border Region.

The partners for INTERREG VA CatchmentCARE are: Donegal County Council (Lead), AFBI, Inland Fisheries Ireland, Loughs Agency, University of Ulster, Armagh City, Banbridge & Craigavon Borough Council, British Geological Survey and Geological Survey Ireland.



In 2018, the Agency again received approval of funding under INTERREG VA to act as Lead Partner on another project SeaMonitor. The partners involved in INTERREG VA SeaMonitor are: Loughs Agency (Lead), Marine Institute, University of Glasgow, Queen's University Belfast, AFBI, University College Cork, Galway Mayo Institute of Technology, Ocean Tracking Network Dalhousie University and University of California.

None of the members of key management staff, Board Members or other related parties have undertaken any material transactions with Loughs Agency during the period.

On 22 October 2018, the Agency, acting in partnership with fishery owners, received a High Court settlement for damages to a fishery of £100,000, in relation to a significant fish kill case. Solicitor's fees of £44,875 were deducted from this leaving a balance of £55,125. In early 2020 this amount was transferred by the Agency's solicitors to Loughs Agency bank account. In 2020 approximately £13,000 of this was spent with the remainder included as a creditor in Loughs Agency's Financial Statements at 31 December 2020. This was fully spent in 2021.

### **23. Losses and Special Payments**

There were no losses or special payments in 2021.

### **24. Financial Instruments**

#### **24. a) Financial Instruments**

Due to the non-trading nature of its activities, and the way in which Loughs Agency is financed, it is not exposed to the degree of financial risk faced by business entities. Loughs Agency has very limited powers to borrow or invest surplus funds and financial assets, and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Agency in undertaking its activities.

The Agency's financial instruments mainly consist of cash, trade debtors and trade creditors.

#### **24. b) Liquidity, Interest Rate and Foreign Currency Risk**

The Agency's net revenue resource requirements are financed by resources voted annually by the Northern Ireland Assembly and Dáil Éireann, as is its capital expenditure. It is not therefore exposed to significant liquidity risks. The Agency does not access funds from commercial sources and therefore is not exposed to significant interest rate risk. The Agency's transactions are effected in the currencies of each part of the island, with realised gains and losses being taken to the Income and Expenditure account. The Agency's exposure to foreign currency risk is not significant as it receives agreed levels of funding from its Sponsor Departments in Sterling and does not engage in trading activities.

## Appendix 1 Accounts Direction

ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF AGRICULTURAL, ENVIRONMENT AND RURAL AFFAIRS, NORTHERN IRELAND AND THE DEPARTMENT OF COMMUNICATIONS, CLIMATE ACTION AND ENVIRONMENT, IRELAND, WITH THE APPROVAL OF THE FINANCE DEPARTMENTS, NORTH AND SOUTH (THE DEPARTMENT OF FINANCE AND THE DEPARTMENT OF PUBLIC EXPENDITURE AND REFORM), IN ACCORDANCE WITH THE NORTH/SOUTH CO-OPERATION (IMPLEMENTATION BODIES) (NORTHERN IRELAND) ORDER 1999 AND THE BRITISH-IRISH AGREEMENT ACT 1999.

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the calendar year, and the state of affairs as at the year end. Subject to this requirement, the Loughs Agency shall prepare accounts for the calendar year ended 31 December 2018 and subsequent calendar years in accordance with:

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

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

Signed by authority of the:

Department of Agriculture,  
Environment and Rural Affairs  
(Northern Ireland)

Department of Communications,  
Climate Action and Environment  
(Ireland)

John Speers

Matthew Collins

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Date 22<sup>nd</sup> March 2019

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Date 22<sup>nd</sup> March 2019