

BORD IASCAIGH MHARA

# Developing the Irish Seafood Industry



## CONTENTS

### 02 Chairman's Statement

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### 04 Chief Executive's Statement

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#### Strategic Priorities

---

#### 11 Skills

#### 16 Sustainability

#### 21 Innovation

#### 25 Competitiveness

---

### 28 Corporate Governance

---

### 31 Report of the Comptroller and Auditor General

---

#### Financial Statements

---

#### 34 Governance Statement and Board Members' Report

#### 38 Statement on Internal Control

#### 41 Statement of Income and Expenditure and Retained Revenue Reserves

#### 42 Statement of Comprehensive Income

#### 43 Statement of Financial Position

#### 44 Statement of Cash Flows

---

### 45 Notes to the Financial Statements

---

### 60 De Minimis Grant Aid

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### 61 Grant Aid Supported by the European Maritime and Fisheries Fund (EMFF) and the Exchequer

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Ireland's reputation as  
a producer of high-quality,  
sustainable food has never  
been stronger







## CHAIRMAN'S STATEMENT



With growing consumer demand for seafood at home and lucrative new markets opening up abroad, the outlook for Ireland's seafood industry is positive

**14,000**  
people  
employed  
in the  
seafood  
sector

**€1.25**  
billion  
contributed  
to the  
economy

**Ireland's reputation as a producer of high-quality, sustainable food continues to strengthen as our global exports grow.**

In 2018 the seafood sector contributed €1.25 billion to Ireland's economy, a rise of 3.4% over 2017. Employing more than 14,000 people across processing, distribution, fish farms and fishing vessels, the fishing industry provides essential support to those living in coastal communities.

As part of our 2018-2020 strategy, BIM has set out a vision for the future of Irish seafood and this Annual Report examines four key areas of the industry's ambitions: skills, sustainability, innovation and competitiveness. Through these sectors BIM has worked with the industry to drive economic, social and environmentally sustainable growth and position Ireland as a global leader in the seafood industry.

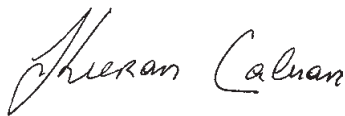
BIM's commitment to sustainable growth will make a significant contribution to delivering on the Department of Agriculture, Food and the Marine's (DAFM) Food Wise 2025 plan. Since its launch in 2015, Food Wise 2025 has provided the strategic framework for the growth and further development of the industry. BIM administers an extensive work programme for the seafood industry under the European Maritime and Fisheries Fund (EMFF) and will continue to work alongside its partner agencies to deliver on these ambitions.

Collaboration and partnership between public sector bodies, Government, peer organisations and the EU are key to the development and security of Ireland's marine economy. I would like to give my thanks to the Minister for Agriculture, Food and the Marine, Michael Creed TD, for his vigorous promotion of sustainable growth throughout the year, and to the officials of DAFM and our sister agencies for their ongoing support. The assistance and financial support made available through the EMFF and the NDP Aquaculture and Fisheries Measures have also been essential to the sector's development over the course of the year.

**Ireland's reputation as a producer of high-quality, sustainable food continues to strengthen as our global exports grow.**

Finally, I would like to thank the CEO, directors and staff of BIM for their support and hard work throughout 2018. Their dedication and professionalism is an inspiration, ensuring the future of the industry is in safe hands.

While there are challenges ahead for the sector, there is also great confidence. The economy and investment are growing, and as new markets open up abroad and consumer demand for seafood at home grows, the outlook is positive. BIM will continue its dedication to innovation and education, and to ensuring that the Irish seafood industry reaches its full potential.



**Kieran Calnan**  
Chairman





## CHIEF EXECUTIVE'S STATEMENT



# Ireland's seafood industry continued to grow in 2018

**68%**  
**increase**  
in exports  
to China

**€96**  
**million**  
**per annum**  
exports  
across Asia

**Ireland's seafood industry continued to grow in 2018 as international demand, investment and technology reinforced Ireland's place as a key player in the global economy.**

Ireland has become a key player in the global seafood marketplace. Investment and technology has allowed fresh seafood to travel further than ever before, and opened up the world to Irish exports. There was an increase of 68% in exports to China and exports across Asia were up 23% to €96 million per annum. In fact Asia has now overtaken the United Kingdom as Ireland's second main regional market.

Investment reached new heights in 2018, underlining the current confidence within the sector. Private investment in the seafood industry grew steadily and was matched by ongoing government support including investment in fishing ports and harbours and Irish government support directed through the European Maritime and Fisheries Fund (EMFF).

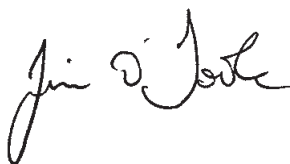
Scientific, regulatory, administrative, marketing and development support was also delivered through the Department of Agriculture, Food and the Marine and a number of state agencies. This commitment to supporting all areas of the seafood industry placed Ireland on track to meet the ambitious goals set out in the Government's Food Wise 2025 strategy.

While the economic outlook for the sector remains positive, Ireland's seafood industry faces a number of risks, particularly the ongoing uncertainties surrounding the decision by the United Kingdom to leave the European Union. Throughout 2018, BIM worked to support the industry and help it face these challenges, particularly in the areas of trade and transport logistics, together with the Department of Agriculture, Food and the Marine, and our sister agencies.

**Ireland's seafood industry continued to grow in 2018 as international demand, investment and technology reinforced Ireland's place as a key player in the global economy.**

BIM continued to organise its supports for the fisheries, aquaculture and processing sectors around four strategic priorities: skills, sustainability, innovation and competitiveness. This approach led to innovative research programmes for new technologies and products, valuable support for community projects, a new range of training and education programmes and a dedication to sustainable development.

The seafood industry is vital to the future of Ireland's economy and to our coastal communities, and BIM is committed to helping the sector reach its full potential.



**Jim O'Toole**  
Chief Executive Officer



# Highlights of 2018

*Green Seafood  
Business Programme,  
February 2018.*



BIM and Grant Thornton forge strategic partnership to deliver new management programme, *Propel*, May 2018.



BIM Sustainable Seafood Garden at Bloom, June 2018.

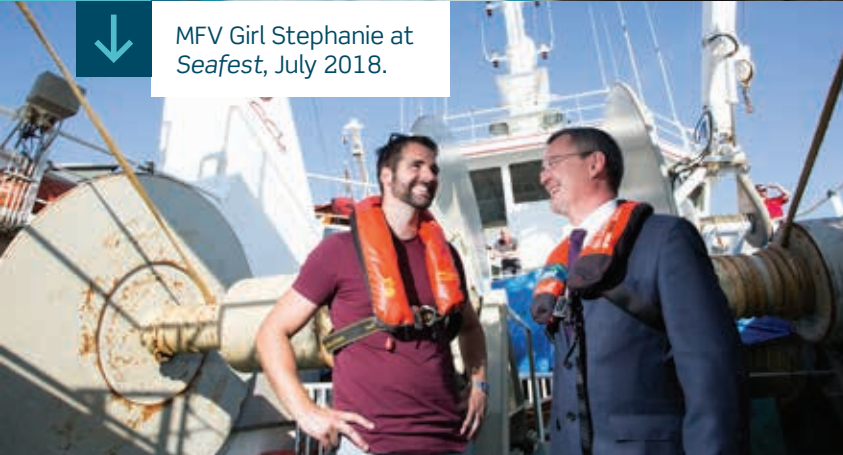






BIM Challenges of Brexit for Irish Seafood Sector session at Our Ocean Wealth Summit, Galway, July 2018.

Launch of public consultation for *Inshore Strategy*, July 2018.



MFV Girl Stephanie at Seafest, July 2018.



BIM Taste the Atlantic Oyster Experience held on eve of Galway Oyster Festival, September 2018.





BIM supports Ireland's first Accelerator programme for Aquaculture start-ups, Cork city, September 2018.



BIM participates in the *Getting Ireland Brexit Ready* national roadshow, Convention Centre Dublin, October 2018.



BIM Aquaculture Remote Classroom (ARC) during its first school visit, Wicklow, October 2018.







Margaret Downey-Harrington, *Lifetime Achievement Winner* at the BIM National Seafood Awards, November 2018.



Howth and Kilmore Quay join BIM *Fishing for Litter* network, October 2018.



BIM hosts international speakers for 'Bradán Salmon Growing Conference', Galway, November 2018.



BIM *Landing Obligation in Focus* seminar, Cork, November 2018.







Water safety training during BIM's Basic Safety Training programme.



# Skills

BIM's commitment to training and education has played a key role in the success of Ireland's seafood industry.

## Skills Development and Training Strategy

BIM developed a new Seafood Training Strategy for the period 2018 to 2020. This outlined development and implementation plans for a wide range of new skills and training programmes that BIM will roll out over the coming years.

These programmes aim to attract new entrants, develop graduates, upskill those working in the industry and support and develop industry executives and future industry leaders. They will be developed and delivered in conjunction with selected education partners, including Cork Institute of Technology (CIT) and Cork Education and Training Board (CETB).

As a result, a number of programmes were developed and launched in 2018.

## National Fisheries Training Colleges and Coastal Training Units

In 2018, BIM provided 1,609 training places through the National Fisheries College of Ireland (NFCI) at Greencastle, County Donegal, Castletownbere, County Cork and two mobile Coastal Training Units at locations around the coast. Table 1 on page 12 outlines the range of training courses delivered in 2018.

## Investment in Training Facilities

During the year, one of BIM's Coastal Training Units was refurbished and upgraded. The unit, now part of extended facilities for the NFCI at Greencastle, will continue to offer the full range of short courses on the south and east coasts. The facilities at the NFCI Castletownbere were also upgraded to include a diving control unit, on-shore facilities and refitted support vessel. In addition, a marine firefighting unit was established on Dinish Island.

## New Learning Management System at NFCIs

To meet the growing demand for online content and learning, BIM invested in a new Learning Management System (LMS) for NFCI students during 2018.

The LMS will give students attending the NFCI at Greencastle and Castletownbere new blended learning experiences that are enhanced with digital content, easily accessible and offer more opportunities for self-paced learning. The introduction of the LMS will act as a catalyst for BIM to modernise the current education and training offerings and will facilitate BIM's continuous improvement of its courses to better meet the needs of the fishing industry and of its learners.

## Skills (Continued)

**Seafood Industry Training through BIM's National College of Ireland in 2018.**

<b>Course Description:</b>	<b>Total</b>
<b>Department of Transport, Tourism and Sport (DTTAS) Certificates</b>	
DTTAS Deck Officer (Fishing Vessel) Skipper Full	11
DTTAS Deck Officer (Fishing Vessel) Second Hand Full	33
DTTAS Deck Officer (Fishing Vessel) Second Hand Limited	8
DTTAS/QQI Engineer Officer (Fishing Vessel) Class 3	6
DTTAS/QQI Engineer Officer (Fishing Vessel) Class 2	9
DTTAS/QQI Engineer Officer (Fishing Vessel) Class 1	1
DTTAS/QQI Passenger Boat Proficiency & Commercial Endorsements	32
DTTAS/QQI Passenger Boat Proficiency re-issues and revalidation	27
Navigation Control Course (NCC) (Fishing)	11
Electronic Navigation Systems (ENS) (Fishing)	31
<b>Sub-total</b>	<b>169</b>
<b>Safety at Sea</b>	
Enhanced Safety Training (EST) for grant aided PFD with PLB	122
Mandatory 3-day Basic Safety Training including EFA, PST and FP & SA including re-issues	378
Mandatory 3-day Basic Safety Training including STCW EFA and PST certificates TY STUDENTS	73
Mandatory Fire Prevention and Safety Awareness ONLY	352
Mandatory Safety Awareness ONLY	7
IMO STCW Elementary First Aid On-Board Ship (EFA ONLY)	71
IMO STCW Personal Survival Techniques (PST ONLY)	133
IMO STCW Marine Fire Fighting	59
IMO STCW Advanced Fire Fighting	18
IMO STCW Medical First Aid	45
<b>Sub-total</b>	<b>1,258</b>
<b>Radio Communications</b>	
GMDSS Short Range Certificate Module 1 and 2 and Restricted Operators Certificate (ROC)	51
GMDSS Long Range Certificate (LRC)	1
GMDSS General Operators Certificate (GOC)	37
<b>Sub-total</b>	<b>89</b>
<b>Quality and Qualifications Ireland (QQI) Certificates and Skills Training</b>	
QQI Level 3 Cúrsa na hlascairí Óga: Introduction to Commercial Fishing (with GRETB)	15
QQI Level 8 Higher Diploma in Business in Aquabusiness (with ITC Wexford Campus)	8
QQI Level 5 Marine Engineering Processes (MEP)	8
QQI Level 5 Marine Engineering Processes (Transition Year Students ONLY) *	30
QQI Manual Handling and Slings & Crane Arm Operation	9
QQI Level 6 Commercial SCUBA Diving Operations	6
QQI Level 6 Commercial Surface Supplied (SSDE) Diving Operations	7
QQI Level 5 Seaweed On-growing (with MSLETB)	10
<b>Sub-total</b>	<b>93</b>
<b>Total Training Provision</b>	<b>1,609</b>

### Safety Training for Non-EEA Nationals

BIM continues to liaise with the Department of Justice and Equality in relation to safety training for non-EEA nationals. The introduction of the Atypical Working Scheme (AWS) for non-EEA nationals looking for employment in the Irish seafood industry has facilitated the training of more than 200 people. Many of these are working as crew on larger vessels and some have progressed to further training at the BIM NFCLs. The introduction of S.I. No.230 of 2018 (European Communities (Reception Conditions) Regulations 2018) has extended permissions for those seeking employment in Ireland and a number of these people are now working in the industry.

### Diving Standards

Many fish farms in Ireland employ divers to carry out a variety of essential tasks, but a lack of commercial diving courses in Ireland over the last decade has left a shortfall of qualified divers. To address this, new diving regulations have been introduced and two new QQI Level 6 Commercial Diving Awards were launched by BIM in 2018: a five-week Commercial Scuba Diving course and a three-week Surface Supplied Diving course. These courses saw their first students in November 2018 and were delivered at the BIM National Fisheries College Castletownbere in County Cork.

The topics covered in these courses include underwater work, maintenance and repair, underwater search and inspection techniques. These new international qualifications are the first of their kind in Europe and should attract widespread interest in the wider seafood sector and maritime sector.

### Personal Flotation Devices and Signage Project

Almost 2,000 BIM Personal Flotation Devices (PFDs) with integrated Personal Locator Beacons (PLBs) have been issued to vessel owners since the start of the Enhanced Safety Training scheme in 2014. Following the introduction of the new Compact Supreme PFD, the rollout was extended during 2018.

The EU Signage Project is a joint initiative with Irish Water Safety to increase awareness about Personal Flotation Devices (PFDs) and the importance of wearing them in accordance with S.I. 586 of 2001. Over two hundred signs have been erected at fishing piers around the coast with the aim of encouraging fishers to wear their PFD and avail of the necessary training.

### Fishing Vessel Stability

In 2018, BIM developed a short video on fishing vessel stability. This was in response to recommendations in the Report of the Working Group on Safety, Training and Employment in the Irish Fishing Industry. The video was produced with NFCL Greencastle and Castletownbere and aimed to increase awareness of stability issues for small inshore fishing vessels under 15m.

The BIM video highlights the main risks associated with Capsize Safety and the control measures that should be in place. Training in fishing vessel stability is an integral part of Certificate of Competency training at the NFCL.

### First Aid Kit for Small Fishing Vessels

BIM, MEDICO Cork and the Marine Surveyor's Office collaborated with the DIT School of Mechanical and Design Engineering to create a container for holding renewable first aid items. A prototype of the self-stocked medical kit was developed in 2018 ahead of the pending changes in the Council Directive 92/29/EEC – on the minimum safety and health requirements for improved medical treatment on board vessels.

### Aquaculture Training

BIM liaises closely with the aquaculture industry to help meet its ongoing skills needs. As part of the organisation's new training strategy, the Aquaculture Steering Group sought to promote higher skills training and further courses to meet needs identified by industry. In 2018, the first eight graduates from the BIM-supported IT Carlow QQI Level 8 Higher Diploma in Business in Aquabusiness. This course was developed by BIM in conjunction with Institute of Technology Carlow Wexford Campus, with support from the Irish Farmers' Association and industry stakeholders. It is open to candidates from the seafood industry, including aquaculture, fisheries and seafood processing.

### Career Development and Guidance

In conjunction with the Institute of Guidance Counsellors (IGC), BIM attended several careers events during 2018 to promote career and develop courses for second-level students. BIM identified five new entrant programmes for further development: fishmonger traineeship, deck traineeship, engineer cadetship, deck cadetship and seafood processing/aquaculture apprenticeship.

## Skills (Continued)

### Quality Assurance

BIM has continued its work with Quality and Qualifications Ireland (QQI). This focuses on developing a Quality Assurance System (QAS) for BIM as a training provider for Further Education and Training (FET) programmes.

BIM has retained the services of QA Services in 2018, to support BIM's ongoing re-engagement with QQI. This involved detailed preparation of a Quality Assurance Manual. This new system addresses monitoring and control during all stages of programme design, delivery, assessment, certification, review and evaluation. The QAS is embedded across all of BIM's training provision. It provides a framework for measuring and improving performance.

### Seafood Retail and Development

BIM's Seafood Retail Programme helps seafood businesses deliver high-quality retail offerings and has a wide remit, including educational workshops and training; fish handling and filleting; seafood quality; Hazard Analysis Critical Control Point (HACCP); onsite mentoring; and the promotion of new entrants to the industry. In all, more than 300 seafood operators attended seafood upskilling workshops and events in 2018.

BIM's Seafood Retail Programme will lead to new accredited awards on the National Framework of Qualifications (NFQ). A new Fishmonger Training Programme was piloted in September 2018; a seven-day course designed to teach essential knowledge and skills needed to work competently in a seafood retailing business and to develop technical seafood preparation skills.

### Leadership and Management Development

Two development programmes were launched in 2018. *Horizon* is a senior leadership development programme, designed to deliver advanced business and leadership training to the Irish seafood sector. The programme includes nine participants from the catching, aquaculture and processing sectors. During the programme, participants attended IMD, the internationally ranked business school in Singapore, to develop their skills, insights and ambitions.

The participants benefited from one to one coaching, which helped to review and develop impactful leadership styles. The programme also included workshops with leading Irish and international speakers providing insights into global food trends and growth opportunities for the sector.

*Propel* is the BIM development programme that provides a platform to create, develop and support industry management structures. It aims to give clients the tools to create and maintain a stable, sustainable and profitable business. BIM partnered with Grant Thornton to bring a range of expertise to help seafood companies develop and grow profitably. A tailored company diagnostic was carried out by BIM to address key opportunities in this regard, supported by tools and expert advice to meet companies' potential and ambitions.

These two programmes included a range of participants spanning the Irish seafood sector with a combined turnover of more than €250 million and employing 500 staff. Based on their success, the programmes will be developed and relaunched in 2019, offering more industry participants the opportunity to develop their leadership skills and management practices and to embrace a programme of personal and professional development.



Aisling Kelly, Sligo Oyster Experience, one of 21 seafood producers on the BIM Taste the Atlantic trail.



# Sustainability

Sustainability is at the heart Ireland's seafood industry and is a driving force behind BIM's activities. By promoting responsible development, BIM ensures that Ireland's natural resources are protected for the future.

## Landing Obligation

The Common Fisheries Policy (CFP) Landing Obligation for demersal fisheries was phased in across fisheries and species from 2016. By the end of 2018, the regulation applied to all species with catch limits.

## Applied Solutions to the EU Landing Obligation

BIM continued to work closely with the Irish fishing industry to develop gears and carry out survivability studies, which assist in reducing unwanted catches under the Landing Obligation. In 2018, BIM conducted a flume tank workshop in Newfoundland, where Irish industry participants tested a range of trawl models with the aim of reducing bycatch in the whitefish trawl fishery.

A plaice survivability study yielded positive results, which fed into an application for an exemption for this species in Irish waters. Drafted in 2018, the new discard plan for north-western waters contains a comprehensive survival exemption for Nephrops in Irish waters based on BIM research. The Nephrops exemption provides major biological and economic benefits to the Irish fishing industry, as juvenile Nephrops need not be landed or deducted from quotas. The discard plan also contains a range of gear measures developed by BIM and the Irish fishing industry.

## Green Seafood Business Programme

The Green Seafood Business Programme provides seafood processing companies with resource efficiency management support that reduces costs and improves competitiveness. Consistent with Food Wise 2025, the Green Programme is aligned with Bord Bia's Origin Green programme and helps seafood companies identify potential target areas for improvement in order to develop their Origin Green Sustainability Charter.

## Green Seafood Business Award

The Green Programme has sponsored the Green Seafood Business Award at the Green Awards since 2015. In 2018, the Burren Smokehouse in County Clare was named Green Seafood Business of the Year, a huge success for an active participant in the Green Programme and the seafood sector in general.

## Water Stewardship

In 2018, the Green Programme commenced a pilot Water Stewardship Project. This identified water optimisation opportunities across Ireland's facilities, including diagnosing water-related incidents and identifying leaks. Four seafood processing companies took part in Phase 1 (Water Mapping) to develop a water map tailored to their business, and the improvements seen during the project helped these companies achieve their Origin Green water targets for 2018.

## Innovative Sustainability Projects

BIM continues to be a leader in innovation through sustainability. BIM's Green Programme was a lead partner in two European Interreg projects in 2018. *Food Heroes* is aimed at reducing food waste and the *Smart Cluster Energy System (piSCES)* project aims to reduce the costs and carbon footprint for the fish processing industry by developing and testing a new 'smart grid' electricity network. Both of these projects will run until 2020.

## Inshore Fisheries

The six Regional Inshore Fisheries Forums (RIFFs) provide a platform for the discussion and progression of issues that affect the inshore fisheries sector. During 2018, work on the Irish Inshore Fisheries Sector Strategy was completed, marking a major milestone for the RIFFs and their work towards safeguarding the future of a sector that is so important to Irish coastal communities.

## Lobster V-Notching

The Lobster V-Notching programme is designed to improve the sustainability of Ireland's lobster stocks. Through the programme, fishers manually remove a simple v-shaped notch from the tail of a female lobster. This painless marking enables the female to breed two to three times after being returned to the sea. In 2018, 69 projects concerning v-notching of lobsters received support of €483 thousand. Each v-notched lobster spawns an average of 7,500 eggs every second year for six years after v-notching. A total of 32,000 lobsters with a weight of some 27,000kg were released to enhance the breeding stock. The 2018 releases saw 240 million lobster larvae enter the system, which would otherwise have been lost to the breeding stock around the Irish coast.

## Fisheries Local Action Groups

The Fisheries Local Area Action Group is a coastal community development strategy with a fund of €12 million for seven designated Irish coastal communities. In 2018, Fisheries Local Action Groups (FLAGs) around the coast supported public aid of more than €1.9 million to 209 projects. The seven FLAGs initiated their second year of project calls in early 2018. Nearly 350 project applications were received over the course of 2018, with 285 finally selected for grant approval. Other approved 2018 projects will be completed in 2019 and will contribute to the 2019 spend.

The economic development of coastal areas has accounted for nearly 60% of grant aid. Community projects that develop skills and local knowledge and the promotion of social wellbeing and cultural heritage comprise a further 25% of funds. Other projects have focused on protecting and promoting the environment.

## North Western Waters Advisory Council

Collaboration between BIM and the North Western Waters Advisory Council (NWWAC) throughout 2018 sought to address key issues affecting the Irish catching sector, in particular, the landing obligation for demersal species in north-western waters.

## Protected Species

BIM continued to monitor and report on bycatch of protected species as required under EU Regulation 812/2004. Reports to date show that risk of bycatch in Irish pelagic trawl fisheries is low. Issues with seals in set-net fisheries have been the source of extensive research and ongoing development of methods to mitigate interactions.



## Sustainability (Continued)

### Responsibly Sourced Seafood Standard

BIM's Responsibly Sourced Seafood (RSS) Standard offers financial and technical support to the Irish catching sector to encourage responsible fishing and to contribute to the sustainability of fish and shellfish stocks. During 2018, consolidation of the RSS continued and it is now the basis on which seafood companies underpin their membership of Bord Bia's Origin Green Programme.

### Marine Environment

#### Marine Litter

Together with the fisheries and aquaculture sector, BIM is engaged in an ongoing programme of removing waste plastic from the ocean through the voluntary Fishing for Litter programme. This currently operates in 12 fishing ports around Ireland. Members of the fishing sector and fish farmers have collected more than 230 tonnes of litter from the marine environment. Recycling of plastic netting is also a central part of BIM's work to reduce marine litter, and a programme of collection and shredding of 'end-of-life' nets has been established with a view to recycling this material.

### EU Organic Standards and Other Assurance Schemes

BIM continued to maintain the CQA ISO 17065/EN45011 accredited assurance programme to the aquaculture sector. Companies were also assisted to achieve and retain accreditation to EU Organic Standards for salmon and mussels, a prerequisite for continued access to many premium markets.

### CLAMS

The Co-ordinated Local Aquaculture Management Systems (CLAMS) is an environmental initiative that helps aquaculture businesses to work in harmony with their environment and local community. Throughout 2018, a number of initiatives were undertaken by CLAMS groupings. Five clean-ups were facilitated by BIM in Killary Harbour, Cromane, Sneem, Roaring Water Bay and Clew Bay, removing an estimated 46 tonnes of mixed waste. Five recycling projects were also undertaken during the year. Two took place in Killary Harbour, where a mussel barrel project recycled more than 200 old barrels and four derelict mussel rafts. A recycling project in Cork removed more than 500 redundant rope mussel barrels for recycling, and old steel oyster trestles were removed in Clew Bay and Trawbreaga, with an estimated 64 tonnes of steel removed under these projects.

### SUMS

During the year, inspections were performed on all of the Special Unified Schemes for safe navigation (SUMS) installations currently in place and maintenance and repair work was undertaken in Clew Bay, Bannow Bay and Dungarvan. Two extensions to existing schemes were also put in place, one in Bantry, County Cork and the other in Clew Bay, County Mayo.





## Aquaculture Grant Aid

### EMFF Spend in Aquaculture

The EMFF Programme invested €3 million in support of 45 aquaculture projects through two support schemes in 2018. This investment was evenly split between supports for capital investment and supports for innovation, research and advice. There was good interest in capital investment, particularly for oyster farming and increasingly from the salmon sector, and both spend and the number of projects have doubled since 2017.

### Knowledge Gateway Scheme

The Knowledge Gateway Scheme is a funding programme available to both the public sector and the aquaculture industry. It supports projects that promote knowledge, innovation and technology in the aquaculture sector. Seven projects from third-level research institutions and industry were fully supported with public aid of €448,051 in 2018, and will continue to be supported into 2019 and 2020. These projects concern integrated multi-trophic aquaculture, development of products from seaweed, environmental management in connection with the Water Framework Directive (WFD), animal husbandry and developing techniques for production of native oysters.

## Sustainable Aquaculture Scheme

This scheme supports projects that promote the sustainable growth of output, value and employment in the aquaculture sector, and is open to new or existing aquaculture enterprises. During 2018, 38 aquaculture capital development projects were supported with public aid of €2.6 million with a total investment of €6.7 million. Four of these projects looked at capital investments in mussel production, 27 concerned capital investment in oyster production, three were for higher value capital investment in salmon production, one project related to trout and the final three projects were for multi-species projects onshore. Oysters continue to enjoy a particularly high price point at present and that is reflected in the number of oyster projects being undertaken. It is also likely that 2018 saw the release of some pent-up demand for investment in oysters as aquaculture licences are being renewed.

### Aquaculture Licensing

Marine archaeological surveys were commissioned in six areas: Castletownbere, Lough Swilly, Valentia, Waterford Estuary, Wexford Harbour and Ballylongford. Aquaculture profiling documents were produced to support the Marine Institute in conjunction with the NATURA 2000 Appropriate Assessments carried out during the year. Seven areas were covered in the documents: Castlemaine, Kilalla, Carlingford Lough, the Shannon Estuary, Cork Harbour, Ballysadare and Ballyness Bay. Further assistance was provided to the aquaculture licensing process by helping producers in bays to provide accurate information to the Department of Agriculture, Food and the Marine on aquaculture site layouts and access routes. The areas concerned included Kenmare Bay, Wexford Harbour and Carlingford Lough.



Fresh crab being processed, McBride's Fishing, Co Donegal.

# Innovation

Innovation is key to developing Ireland's seafood economy and with the help of BIM's innovation supports, Ireland has expanded in the global marketplace. In 2018, BIM worked with the seafood sector to commercialise innovation and deliver new and profitable growth opportunities.

## Innovation Strategic Plan

The Statement of Strategy published in 2018 set out how BIM's support for the seafood sector will be delivered in new and exciting ways. BIM is building a new framework for innovation and adopting new ways of operating to enhance the global competitiveness of the Irish seafood sector. These plans will enable Irish seafood companies to act strategically and create extra value at every stage of the supply chain.

A multi-campus seafood innovation Centre of Excellence, led by BIM in partnership with the sector, research and third-level institutions, will be established to encourage investment in research and development. BIM is also developing a new client engagement model for the seafood sector based on a partnership approach, and is making sources of market-led insight available to inform and drive the sector's expansion into new niches in the global market. Through this, BIM will embed and promote the widespread use of seafood-specific methodologies to drive commercial growth across the sector in the quickest and most efficient way possible.

## Seafood Innovation Hub

BIM's Seafood Innovation Hub (SIH) provides expertise and technology to help the seafood industry develop and test new products, reduce risk and stay on top of market trends.

BIM undertook a range of innovation projects through the SIH for the benefit of the sector in 2018. These projects were facilitated by new innovation processes in the SIH in Clonakilty, County Cork. The work enabled BIM to provide expert support to identify client needs, business model feasibility and commercial viability of a range of projects. This portfolio included innovation projects on underutilised blue whiting raw material; whitefish rest product; and specific client growth projects in mackerel, whitefish and shellfish.

## Seafood R&D Programme

BIM's Seafood R&D Programme supports research and development projects aimed at developing new or improved products and processes for the sector which are market led and in collaboration with industry, and recognised Research Performing Organisations (RPO's). This programme provides a means for industry to submit relevant R&D project proposals to be undertaken by BIM for the benefit of the sector as a whole with a spend of €392,091 in 2018.

Projects included research into new bait for brown crab; identification of potential commercial extracts/products from mussels contaminated with naturally occurring biotoxins; extending whitefish shelf-life; extracting value from pelagic blood water; blue whiting calcium powder bio-availability; enhancing cell culture health using marine magnesium mineral extracts; and the effect of blue whiting protein on human health and dietary control.

## Seafood Innovation and Business Planning

The Seafood Innovation and Business Planning scheme supports innovation and new product development through industry and public projects. In 2018, 15 innovation and business planning projects received total EMFF supported public aid of €1.1 million.

Funding under the scheme included seven projects from processing enterprises that were supported with grant aid of €80,698 representing a total investment of €161,397. The projects covered a broad range of new product development and enhancement activities related to fish, seaweed and seafood derivative products; consumer and market testing; market feasibility studies; and business planning. A further eight projects undertaken by BIM for the benefit of the sector amounted to a spend of €1 million in 2018.



## Innovation (Continued)

BIM's Client Engagement team provided an expert panel of professional mentors to work with new and existing seafood businesses. Supports included the development of company growth plans, strategy, business partnerships and financial structuring. The team offered a conduit to BIM's services and led to a deeper understanding of client needs as well as facilitating the development of a partnership model to underpin company growth. It also gave clarity on the requirements needed to support company ambitions and the services that BIM offers. In addition, an Innovation Advisory Programme allowed graduate and masters students to upskill in technical and seafood business-related areas in the SIH.

### Seafood Scaling and New Market Development

This scheme supports industry-led projects that promote economies of scale through industry co-operation, joint ventures and shared route-to-market structures. It actively helps and incentivises companies to combine operations and build collective sales under a single market-facing structure. In 2018, six seafood scaling and new market development projects received total EMFF supported public aid of €476,153.

Two projects ran in 2018 and involved two collectives – made up of individual processing enterprises that combined to invest in developing their expansion in Asia. These two projects accounted for €122,549 in support, which at a grant rate of 50%, leveraged total investment of €245,099 by the two collectives.

BIM undertook four scaling and new market development projects for the benefit of the sector at a cost of over €353,604.

### Seafood Processing Capital Investment Scheme

The Seafood Processing Capital Investment Scheme supports projects aimed at reducing energy costs; improving safety, health, quality, hygiene and traceability; and adding value through processing, presentation and packaging. In 2018, 21 capital investment projects, implemented by 16 seafood companies, were supported with public aid of some €1.9 million. This support leveraged an estimated investment of €7.1 million in the seafood processing sector.

### Technical Innovation

In addition to market-led innovation, BIM also works closely with industry to provide technical solutions that improve efficiency of raw material production.

### Pelagics

While demand for marine proteins extracted from pelagic species grows, proposed quota cuts, the potential Brexit impact on access to fishing waters, higher costs, overcapacity in processing and a truncated season have created significant challenges in the sector. To combat this, BIM developed a project to increase the value of Ireland's blue whiting by shifting the resource from low-value fishmeal to higher-value products. BIM has produced three fully costed business models for this, including filleting for food service applications, surimi and high-grade pet foods.

### Project Atlantic

Project Atlantic is a BIM-led project with a joint industry and state steering group. It enables the Irish seafood sector to add value to increased landings into Irish fishery ports.

Ireland has a quota of approximately 20% of the 1.2 million tonnes of seafood caught annually off the Irish Atlantic coast. This highlights the opportunity to achieve the goal set in Food Wise 2025 of significantly increasing additional landings into Ireland and generating value and employment in processing and ancillary port services.

Specific deliverables include the development of an inventory of port services; optimising the route to market; the implementation of a sales system with advanced landing and price information; and the establishment of a sales and distribution centre.

BIM is engaging with the Irish Strategic Investment Fund (ISIF) to implement a pilot programme to validate the business case for private investment.



### Other Whitefish

2018 saw the successful testing of prototype filleting technology at the SIH. A project is now underway to strategically develop value from Ireland's large whiting and haddock resources and to facilitate a strategic alliance between a co-op and seafood producer on raw material supply. The project involves developing the route to market and has the goal of adding value to 1,000 tonnes of product.

### Salmon and Shellfish

Salmon and shellfish producers are engaged with a number of BIM initiatives. In 2018, eight international start-ups participated in Hatch, an aquaculture accelerator for start-ups centred in UCC. The programme offers financial supports, physical space and access to venture capitalists for development in exciting new areas such as environmental monitoring, stock genetics, feed and disease control.

### Seaweed Development Programme

The Irish seaweed-farming sector is supported through BIM's Seaweed Development Programme. BIM began a two-year project in 2018, studying anti-methanogenic properties of farmed Irish seaweeds and the potential for their inclusion in ruminant diets to reduce methane production in cattle and sheep. The Department of Agriculture, Food and the Marine and Teagasc are also collaborating on this project.

BIM's EMFF funded seaweed hatchery programme was successful in producing large volumes of brown seaweed. More than 15,000 metres of seeded collector string was produced in 2018 for deployment to sea. There was also success in developing farming techniques for high-value red seaweed types. This knowledge will be used to culture the necessary seaweed volume for the anti-methanogenic studies when animal testing is undertaken.

### Other Projects

A new inshore survey vessel, the MV T. Burke II, was commissioned and built in order to improve the scientific and survey data required by DAFM to manage the bottom-grown mussel sector. Using the original survey vessel, more than 5,000 tonnes of mussel seed was located for the industry.

In conjunction with Bord na Móna, the Integrated Multitrophic Aquaculture project to culture perch, trout, duckweed and micro algae in a pond system was launched in 2018. The feasibility of using cut-away peat land to construct these ponds was examined, and work was also undertaken to improve production efficiencies and hence profitability in the farmed salmon and oyster farming sectors.



Commercial Scuba and  
Surface Diving Programme,  
BIM National Fisheries College,  
Castletownbere, Co Cork.





# Competitiveness

As a leading producer of high-quality, sustainably-sourced seafood, Ireland's competitiveness in the global marketplace is key to its success. Throughout 2018, BIM worked with the seafood industry to address issues of supply and scale, and helped companies to develop the business skills they need to grow.

## Fishery Improvement Projects

Fishery Improvement Projects (FIPs) are a globally-recognised means of identifying and communicating measurable actions to improve the management and sustainability of fisheries. Four FIPs focusing on brown crab, Nephrops, whitefish and albacore tuna were established in 2017 and continued into 2018. Regular meetings, chaired by an independent facilitator, were held throughout the year and detailed work plans covering the next two-to-three years have been developed. Fishery assessments have been completed for Nephrops, albacore tuna, monkfish, megrim, hake, whiting and haddock. The FIPs concept was presented at various workshops and conferences, and several articles have been published in the trade press throughout the year.

## Data Collection Multiannual Programme (DC MAP)

BIM is the national agency with responsibility for collecting economic data on the seafood sector. The scope and type of information collected are set out in various EU regulations, collectively known as the Data Collection Multiannual Programme, or DC MAP – a multiannual Union programme for the collection, management and use of data in the fisheries and aquaculture sectors for the period 2017-2019. Data is collected and analysed annually from the catching, processing and aquaculture sectors through the National Seafood Survey. This information is then reported to the EU Commission.

As part of this programme, BIM chairs the STECF Expert Working Group on the production of the EU Fisheries report and the PGECON – Planning Group on Economic issues, an EU expert group on fisheries, aquaculture and processing data collection.



## Competitiveness (Continued)

### SecFish

In 2018, BIM participated in the EU-funded project SecFish, the results of which will improve the quality of the data collection and strengthen regional cooperation regarding economic data on fleets, aquaculture and fish processing. BIM is one of nine consortium members to deliver this project. All partners are involved in regular data collection, and cooperation in the project will further improve the common understanding of important aspects of economic data collection in the EU.

### The Business of Seafood Report

In March 2018, BIM published its annual snapshot of Ireland's seafood sector, The Business of Seafood report. This publication sets out key economic statistics for Ireland's seafood sector across a range of areas, including production, employment and the value of the seafood industry.

### Catching Sector Forum

As part of the Change Management Programme and in conjunction with the Producers' Organisations and fishermen's co-operatives, BIM set up a stakeholder forum for the catching sector in early 2017. The National Fishermen's Development Group (NFDG) comprises fishermen operating vessels of all sizes and from all sectors, including polyvalent, pelagic and inshore. It provides a platform for dialogue between fishermen on 'grassroots' issues relating to the operation of fishing vessels, and allows for the transfer of best-practice and the dissemination of knowledge about issues impacting the day-to-day running of fishing vessels.

During 2018, the NFDG met regularly and representatives from the Marine Institute, the Sea Fisheries Protection Authority (SFPA), insurance services, financial services and BIM were invited to discuss a range of topics. A user-friendly guide on the Working Time Directive, and time recording under the directive, was developed. A short communication piece was commissioned by an independent film-maker and several articles were published in the national and trade press about the work of the NFDG.

### Fisheries Management Chart

The BIM Fisheries Management Chart provides the fishing community with a guide to fisheries legislation, including information relating to quotas and fishing gear regulations. The chart is produced annually and during 2018, 2,000 copies were distributed to all vessels over ten metres in the Irish fleet. An online version of the Fisheries Management Chart has also been developed to provide guidance to the fisheries and aquaculture sectors with respect to regulations.

### Taste the Atlantic

Taste the Atlantic, a dedicated seafood trail developed with Fáilte Ireland, showcases the excellent fish and shellfish being cultivated and harvested in the clean, clear waters of Ireland's Atlantic coast. Products available along the trail include the Irish rock oysters, rope-grown mussels, organic salmon and the shellfish delicacy, abalone. Visitor experiences are designed to highlight the contribution of these producers, not only to their local communities but also to Ireland's seafood and coastal heritage. The seafood journey is supported by local restaurants and cafés, where fresh, locally caught and farmed produce can be sampled.

In 2018, the trail was expanded to include 21 Seafood producers from Kinsale in County Cork to Malin Head in County Donegal, and a number of informative signs were placed along the trail in Skibbereen, Bantry, Glengarriff, Cromane, Killary and Mulroy Bay. These signs have enhanced the experience of tourists and visitors to the trail. The programme also provides communities and schools with an understanding of seafood operators in their area, and promotes the benefits of aquaculture as a healthy and natural food source, as well as developing the visitor experience along the way.

Taste the Atlantic received a much wider audience in 2018 with the participation of Joan Mulloy as brand ambassador. Mulloy is a professional sailor and carried the Taste the Atlantic brand into the Solitaire Urago le Figaro, an endurance solo yacht race in the Bay of Biscay.

### **Aquaculture Business Mentoring**

BIM's bespoke mentoring programme for aquaculture producers has proven to be a valuable resource. A total of ten companies availed of the service in 2018. Companies are brought into this structured programme to look at business development plans and a range of supports are made available from business analysis and planning to market access and funding opportunities. Businesses who have undergone mentoring have been able to make significant changes to their business model resulting in increased efficiencies and profitability.

### **Food Safety Management Programme**

BIM works with seafood businesses to increase their processing capabilities by assisting Food Business Operators (FBOs) with their Integrated Food Safety Management Systems. This enables them to comply with food safety laws, certification programme standards and best practice recommendations. The organisation offers expert advice on the implementation of Food Safety Management Systems, incorporating a risk-based Hazard Analysis and Critical Control Point (HACCP) approach.

Under EU and Irish legislation, particular categories of seafood establishments are required to be approved by the Sea Fisheries Protection Authority (SFPA). This programme assists FBOs to achieve such approval, which in turn ensures that seafood consumed, distributed, marketed or produced in the State meets the highest standards of food safety and hygiene, and enjoys an unequalled reputation in the marketplace. This programme also provides ongoing training and assistance to FBOs.

### **Shellfish Depuration Programme**

In conjunction with BIM's Food Safety Management Programme, the Shellfish Depuration Programme aims to improve the level of food safety management in the Irish farmed shellfish sector, by providing expert technical support, advice and guidance in the form of depuration installation assistance and validation.

### **China Seafood Council**

The BIM-led China Seafood Council is a forum for Irish shellfish collectives and joint ventures operating in the Chinese market. It aims to help members collectively address the challenges of market access, and identify sectors of the business where efficiencies can be created. Recent projects have included the development of online seafood platform proposal, streamlining commercial practices, market research, addressing regulatory issues, labour and by-product optimisation.

### **Irish Oyster Packers Group**

Farmed Irish oysters are among the fastest growing Irish seafood exports to the lucrative Chinese market. The Irish Oyster Packers Group, made up of 12 Bord Bia Origin Green accredited companies, supports the Irish oyster industry to adopt a direct sales approach in this market and build on best-in-class operations. The group, coordinated by BIM, meets on a quarterly basis, and topics range from the technical development of the oyster industry to coordinated plans on market development with Bord Bia. The success of this collaborative network is evident in the marketplace, with exports alone to Asia increasing by 50% in 2018. The Asian market now accounts for over 26% of all oysters exported from Ireland.

### **National Seafood Awards**

The National Seafood Awards took place at Christ Church Cathedral, Dublin, in November 2018. The awards recognise the outstanding achievements of seafood industry leaders across Ireland in four overarching categories based on BIM's main strategic priorities: innovation, sustainability, competitiveness and skills.

There were 13 award winners on the night, chosen from 37 finalists and representing fishing, aquaculture, seafood processing and retail sectors. Two special awards, BIM Best Student and BIM Lifetime Achievement award also formed part of the industry event. BIM Best Student was presented to IT Carlow student Kate Dempsey, and the BIM Lifetime Achievement Award went to Margaret Downey-Harrington for her contribution to Ireland's seafood sector including her outstanding work in the foundation of Mná na Mara, the first national network for women in fisheries in Ireland.



# Corporate Governance

As part of its drive for sustainable development of the Irish seafood industry, BIM is committed to providing a range of technical, training and business supports, and to ensuring best practice and good governance in all of its activities. BIM resources, including staff, finances, technology and information systems, are dedicated to creating the best outcomes for the industry.

In 2018, BIM launched the new Statement of Strategy 2018-2020.

Also in 2018, BIM reviewed the Oversight and Performance Delivery Agreement, signed in 2017, and agreed to revised key performance indicators for the year. The Agreement formalises the arrangements between the Department of Agriculture, Food and the Marine (DAFM) and BIM for oversight and reporting of the organisation's activities.

An efficient finance function is in place to ensure BIM manages and controls its resources. This includes meeting and adhering to relevant accounting standards and operating effective financial management systems and controls. During the year, BIM's internal auditors conducted a review of the internal controls and found that the level of assurance achieved was substantial – the highest level available. BIM also ensures that the Department of Finance and the Department of Public Expenditure and Reform (DPER) budgetary measures are implemented, in terms of salary, travel rates, procurement and other expenditure savings. Financial statements for the year have been prepared in accordance with the requirements of FRS 102 and Circular 13/2014.

During 2018, BIM recruited six graduates and a number of new staff including nine permanent staff and five fixed-term contract staff. Four staff members were recruited under Interreg funding, three under EMFF funding and one in the Marine Institute. The recruitment process was managed in line with the requirements of DAFM and DPER.

## Governance and Compliance

Throughout 2018, BIM worked to ensure the enhanced obligations of the Code of Practice for the Governance of State Bodies (2016) were delivered and that the organisation was in full compliance with its obligations. During 2018, BIM updated its Risk Management Policy and associated framework. An Executive Risk Committee was established and the format of the Corporate Risk Register was updated.



The Board acknowledges its responsibility in fulfilling key functions under the Code, including reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and performance, and overseeing major capital expenditure and investment decisions. In adherence to section 46 of the Code of Practice for the Governance of State Bodies (2016) the Board completed an external evaluation of performance in 2018 and has chosen to submit an annual report and financial statements that comply with the Code when reporting for 2018.

The Chairman of BIM acknowledges his responsibility as the leader of the Board and is committed to ensuring its effectiveness on all aspects of its role. In line with the Code, the Chairman has provided a written confirmation in the form of the Chairperson's Comprehensive Report to the Minister for Agriculture, Food and the Marine that BIM is in compliance with the Code, where applicable. The Chairperson has also provided a report to the Minister regarding the system of internal control, which is included in this annual report.

BIM's Chief Executive Officer confirms compliance with his roles and responsibilities as set out under the Code. During 2018, the CEO met with the representatives of DAFM to review BIM's performance, outlook for the future and governance arrangements.

In accordance with the Ethics in Public Office Acts, 1995 and 2001, members of the Board of BIM and staff (AP and above) are required to submit a declaration of interests annually. These are, in turn, submitted by BIM to the Minister for Agriculture, Food and the Marine and/or the Standards in Public Office Commission, as appropriate.

The Protected Disclosures Act, 2014 Section 22 requires BIM to prepare and publish a report giving information in relation to disclosures received or made to it during the year. No disclosures were received during 2018.

In July 2018, there was one reappointment to the board of BIM: Kieran Calnan was reappointed as Chairman. The appointment was made by the Minister for Agriculture, Food and the Marine, Michael Creed TD. Kieran Calnan was subsequently appointed by the Board as a member of the Audit and Risk Committee.

During 2018, the Audit and Risk Committee undertook reviews and was presented with reports in the following areas: Code of Practice, consultants, grants and internal controls.

The financial statements, as approved by the Audit and Risk Committee and the Board, were subject to audit by the Office of the Comptroller and Auditor General with no significant findings. Four Audit and Risk Committee meetings were held in 2018.

Central Government frameworks were availed of where relevant and available. There are significant benefits to BIM from utilising these frameworks, which include but are not limited to: easy access to preselected service providers, flexibility, best practice, efficiency and value for money. During 2018, BIM advertised 54 procurement competitions with a potential value in excess of €8 million.

## Information and Communications Technology

The 'Cloud First' strategy continues to drive significant changes in IT infrastructure and end user services. In 2018, BIM moved to the Office 365 platform, which gives users the ability to access their mail on any device without the need to establish a connection back to head office.

Office 365 and its ancillary applications are allowing BIM to roll out other end user services to the cloud. The Customer Relations Management (CRM) project will allow client-facing staff to interact with client records to not only track progress with BIM's industry support effort, but to provide up-to-date information to all staff, ensuring that we are providing guidance that is targeted, relevant and accurate. Alongside the CRM, the replacement of the finance system with Microsoft NAV began in 2018. Once completed, this will allow for tight integration with the CRM, providing a full view of clients to relevant staff. A prerequisite for the completion of these projects was a rollout of Windows 10; improvement of our communication links to sites such as Clonakilty; a rollout of a mobile device management system to secure the devices used for this remote working; and a review of our disaster recovery planning, all of which were completed for the most part in 2018.

## Corporate Governance (Continued)

### GDPR, Freedom of Information, Parliamentary Questions and Access to Information on the Environment

BIM continues to meet its obligations in relation to responding to Freedom of Information requests, Parliamentary Questions and Access to Information on the Environment requests. During 2018, BIM received five Freedom of Information requests on subjects including Board expenses, salaries paid based on gender, sponsorship, location of offices and occupancy rates. BIM provided advice in response to four Parliamentary Questions from various political representatives in 2018, which were addressed directly to the TD and copied to DAFM. Questions received included those on positions filled, contracts awarded, public consultations and insurance premiums. Three requests were received under Access to Information on the Environment legislation during 2018.

BIM also introduced a GDPR support system, which includes a training portal for staff, a document management system, incident log and policy repository. Participation in the training portal was required from all staff.

### Grants Administration

BIM continues to administer a range of grant schemes under the Seafood Development Operational Programme. These included 12 schemes funded by the European Maritime and Fisheries Fund (EMFF) as follows:

#### Fisheries

- Sustainable Fisheries Scheme (Discards)
- Inshore Fisheries Conservation Scheme: Lobster V-Notching
- Fisheries Local Area Development (FLAD) Scheme
- New Fisherman Scheme
- Producer Organisation Scheme
- Seafood Training Scheme
- Seafood Capacity Building Scheme

#### Aquaculture

- Sustainable Aquaculture Scheme
- Knowledge Gateway Scheme

#### BDI

- Seafood Scaling and New Market Development Scheme
- Seafood Innovation and Business Planning Scheme
- Seafood Capital Investment Scheme

In addition to these EMFF schemes, BIM administers three non EMFF fisheries (de minimis) safety scheme funded through the Exchequer.



## Ard Reachtair Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### An Bord Iascaigh Mhara

##### Opinion on financial statements

I have audited the financial statements of An Bord Iascaigh Mhara for the year ending 31 December 2018 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of An Bord Iascaigh Mhara at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 – *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

##### Basis of opinion

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

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

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

An Bord Iascaigh Mhara has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General  
23 October 2019

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 9 of the First Schedule to the Sea Fisheries Act 1952 ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of An Bord Iascaigh Mhara and to report thereon to the Houses of the Oireachtas.

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

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant

doubt on An Bord Iascaigh Mhara's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause An Bord Iascaigh Mhara to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Information other than the financial statements

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

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

### Reporting on other matters

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

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

I also report by exception if, in my opinion,

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



# Financial Statements

Governance Statement and Board Members' Report	34
Statement on Internal Control	38
Statement of Income and Expenditure and Retained Revenue Reserves	41
Statement of Comprehensive Income	42
Statement of Financial Position	43
Statement of Cash Flows	44
Notes to the Financial Statements	45

## Governance Statement and Board Members' Report

### Governance

The Board of BIM was established under the Sea Fisheries Act 1952. The functions of the Board are set out in section 15 of this Act. The Board is accountable to the Minister for Agriculture, Food and the Marine. The Board is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of BIM is the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of BIM.

### Board Responsibilities

The work and responsibilities of the Board are set out in the Oversight and Performance Delivery Agreement, which also contains the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 15 of the Sea Fisheries Act 1952 requires the Board of BIM to keep, in such form as may be approved by the Minister for Agriculture, Food and the Marine with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of BIM is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 9 of the first schedule of the Sea Fisheries Act 1952. The maintenance and integrity of the corporate and financial information on BIM's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of BIM by reference to the annual plan and budget has been carried out.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of BIM give a true and fair view of the financial performance and the financial position of BIM at 31st December 2018.

## Board Structure

The Board consists of a Chairperson and five ordinary members, all of whom are appointed for the Department of Agriculture, Food and the Marine. The members of the Board were appointed for a period of three years and meet on a monthly basis. The table below details the appointment period for current members:

Board Member	Role	Date Appointed
Kieran Calnan	Chairperson	13th June 2018
Lisa Vaughan	Director	21st June 2016
William Deasy	Director	26th July 2017
Raymond Harty	Director	26th July 2017
Damien McLoughlin	Director	26th July 2017
Seán O'Donoghue	Director	26th July 2017

The Board has established the following committee:

**Audit and Risk Committee:** comprises three board members and one independent member. The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are:

- Lisa Vaughan (Chairperson)
- Kieran Calnan
- Seán O'Donoghue
- Gearóid Breathnach

There were four meetings of the ARC in 2018.

	Board	Audit & Risk Committee	Fees 2018 €'000	Expenses 2018 €'000
Kieran Calnan	10	3	-	6
Lisa Vaughan	9	4	8	1
William Deasy	9	-	8	5
Raymond Harty	9	-	8	4
Damien McLoughlin	9	-	-	-
Seán O'Donoghue	10	4	8	4
Gearóid Breathnach	-	4	-	1
			<b>32</b>	<b>21</b>

The Chairman, Kieran Calnan, has waived his entitlement to a Board fee in relation to his appointment.

There was one director, Damien McLoughlin, who did not receive a Board fee under the One Person One Salary (OPOS) principle.

## Key Personnel Changes

Kieran Calnan was re-appointed by the Minister to serve as BIM Chairman for a further three-year term (13th June 2018 to 12th June 2021).



## Governance Statement and Board Members' Report (Continued)

### Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that BIM has complied with the requirements of the Code of Practice for the Governance of State Bodies (2016) ("the Code"), as published by the Department of Public Expenditure and Reform. The following disclosures are required by the Code:

### Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised in Note 9(c) to the Financial Statements.

### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2018 €'000	2017 €'000
Legal Advice	80	18
Financial/Actuarial Advice	51	4
Human Resources	87	54
Business Improvement	53	118
Other	-	-
<b>Total Consultancy Costs</b>	<b>271</b>	<b>194</b>
Consultancy Costs Capitalised	-	-
Consultancy Costs Charged to the Income and Expenditure and Retained Revenue Reserves	271	194
<b>Total</b>	<b>271</b>	<b>194</b>

### Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by BIM which is disclosed in consultancy costs above.

	2018 €'000	2017 €'000
Legal Fees – Legal Proceedings	-	-
Conciliation and Arbitration Payments	-	-
Settlements	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018 €'000	2017 €'000
Domestic		
– Board*	20	26
– Employees	578	537
International		
– Board*	1	1
– Employees	150	75
<b>Total</b>	<b>749</b>	<b>639</b>

\* Includes travel and subsistence of €15,000 paid directly to board members in 2018 (2017: €15,000). The balance of €6,000 (2017: €11,000) relates to expenditure paid by (entity) on behalf of the board members.

### Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2018 €	2017 €
Staff hospitality	-	-
Client hospitality	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. BIM was in full compliance with the Code of Practice for the Governance of State Bodies (2016) for 2018.



**Kieran Calnan**  
Chairperson

8th October 2019

## Statement on Internal Control

### Scope of Responsibility

On behalf of BIM I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

The key procedures which the board members have established with a view to providing effective internal control are as follows:

- A clear focus on business objectives as determined by the Board in the light of the statutory responsibilities.
- A defined organisational structure with clear lines of responsibility, delegation of authority and segregation of duties designed to provide an appropriate control environment.
- A risk management process which considers the strategy and business plans in the context of the annual budget process when financial plans and targets are set and reviewed by the Board in the light of determined objectives.
- A reporting and control system which includes review of the annual budget by the Board and regular review of actual results against budget.
- Control procedures – comprehensive procedures manuals are maintained by the Board in respect of all of its main activities. In particular there are clearly defined limits and procedures for financial expenditure, including procurement and capital expenditure.
- Monitoring systems – compliance with control procedures is monitored by the internal audit function that operates in accordance with the framework for the application of best practice as set out in the Code of Practice for the Governance of State Bodies (2016). The work of internal audit is informed by analysis of the risk to which BIM is exposed. The Audit and Risk Committee (ARC) has received the report of internal audit for 2018, which included the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal control, and this was presented to the Board. The internal audit and monitoring systems are supplemented by audit work performed annually on the various grant aid measures by external auditors as required under the governing EU legislation of the measures. A three-year internal audit plan from June 2017 to May 2020 was approved by the Board in May 2017.
- The ARC, established by the Board in 2009 consists of non-executive board members and one independent external member. It is chaired by a Board Member other than the Chairman of the main Board. The Board's monitoring and review of the effectiveness of internal control is informed by reports to the Audit & Risk Committee by management, the external auditors who carry out work on EU Grant Measures and comments made by the Comptroller & Auditor General in his Management Letter or other reports. In addition, the Board has as required, commissioned independent reviews of specific internal control systems in the organisation.

### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in BIM for the year ended 31st December 2018 and up to the date of approval of the financial statements.

### Capacity to Handle Risk

BIM has an ARC comprising three board members, one of whom is the Chair, and one independent external member, with financial and audit expertise. The ARC met four times in 2018.

BIM has outsourced its internal audit function; it is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within BIM's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.



## Risk and Control Framework

BIM has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing BIM and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on a quarterly basis, and is a standing item for the Board. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented,
- Financial responsibilities have been assigned at management level with corresponding accountability,
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- There are systems aimed at ensuring the security of the information and communication technology systems,
- There are systems in place to safeguard the assets, and
- Control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

## Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

## Procurement

I confirm that BIM has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 BIM complied with those procedures. BIM is in compliance with current procurement rules and guidelines as set out by the Office of Government Procurement.

## Review of Effectiveness

I confirm that BIM has procedures to monitor the effectiveness of its risk management and control procedures. BIM's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within BIM responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2018.

## Internal Control Issues – Tax Compliance

A comprehensive self-review of tax compliance was completed in 2019 with specialist external tax assistance. Details of the underpayment of tax identified in the course of the self-review were set out in an unprompted voluntary disclosure submitted to Revenue in 2019. The unprompted voluntary disclosure showed an amount payable in respect of 2018 of €103,555 inclusive of €33,257 in interest and penalties.

## Statement on Internal Control (Continued)

In 2019, BIM has taken the following steps to address areas of non-compliance identified during the self-review:

- Engaged specialist external tax advisors to provide proactive tax advice.
- Updated tax compliance processes are now in place for VAT and RCT.

BIM remains committed to compliance with all taxation laws.

### Approval by the Board

The statement on internal control has been reviewed by the Audit and Risk Committee and the Board to ensure it accurately reflects the control system in operation during the reporting period.

A review of internal control in 2018 was carried out by an external firm and signed off by the Board of the agency in 2019.

Signed on behalf of BIM,

A handwritten signature in black ink, reading "Kieran Calnan". The signature is written in a cursive, flowing style.

**Kieran Calnan**

Chairman

8th October 2019

# Statement of Income and Expenditure and Retained Revenue Reserves

## For the year ended 31st December 2018

	Note	2018 €'000	Restated 2017 €'000
<b>Income</b>			
Oireachtas Grants	3	31,134	33,462
Net Deferred Funding for Retirement Benefit Obligations	19(c)	1,428	885
Net Transfer to Capital Reserve	15	222	(867)
		<b>32,784</b>	<b>33,480</b>
EU Grants	4	894	1,635
Turnover Ice Plants	5	572	778
Other Income	6	627	334
		<b>34,877</b>	<b>36,227</b>
<b>Expenditure</b>			
EU Current Development	4	1,237	1,454
Industry Capital Development	7	11,210	7,866
Industry Current Development	8(a)	17,508	14,545
Industry Current Administration	8(b)	4,618	4,353
Depreciation Charged During the Year	8(c)	1,595	1,380
Retirement Benefit Obligations	19(a)	3,325	3,084
Expenditure on Ice Plants	5	1,005	1,041
		<b>40,498</b>	<b>33,723</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(5,621)</b>	<b>2,504</b>
Balance brought forward at 1st January		<b>3,606</b>	<b>1,102</b>
<b>Balance Carried Forward at 31st December</b>		<b>(2,015)</b>	<b>3,606</b>

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


Notes 1-24 form part of these Financial Statements.

The Financial Statements were approved by the Board on the 15th March 2019 and signed on its behalf by:



**Kieran Calnan**  
Chairperson

8th October 2019



**Jim O'Toole**  
Chief Executive

8th October 2019



## Statement of Comprehensive Income

For the year ended 31st December 2018

	2018 €'000	Restated 2017 €'000
<b>Surplus/(Deficit) for the Year</b>	(5,621)	2,504
Experience Gains on Retirement Benefit Obligations	1,317	740
Changes in Assumptions	2,635	690
Adjustment to Deferred Retirement Benefit Funding	(3,952)	(1,430)
<b>Total Comprehensive Income for the Year</b>	<b>(5,621)</b>	<b>2,504</b>

**Notes 1-24 form part of these Financial Statements.**

The Financial Statements were approved by the Board on the 15th March 2019 and signed on its behalf by:



**Kieran Calnan**  
Chairperson

8th October 2019



**Jim O'Toole**  
Chief Executive

8th October 2019

# Statement of Financial Position

## As at 31st December 2018

	Note	2018 €'000	Restated 2017 €'000
<b>Fixed Assets</b>			
Property, Plant and Equipment	11	3,362	3,584
<b>Current Assets</b>			
Receivables	12	201	289
Inventory		30	22
Cash and Cash Equivalents		549	7,622
		780	7,933
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	13	(2,795)	(4,327)
<b>Net Current Assets/(Liabilities)</b>		(2,015)	3,606
<b>Total Assets less Current Liabilities before Pensions</b>		1,347	7,190
Retirement Benefit Obligation	19(b)	(71,082)	(73,606)
Deferred Retirement Benefit Funding Asset	19(c)	71,082	73,606
<b>Total Net Assets</b>		<b>1,347</b>	<b>7,190</b>
<b>Representing</b>			
Retained Revenue Reserves		(2,015)	3,606
Capital Reserves	15	3,362	3,584
		<b>1,347</b>	<b>7,190</b>

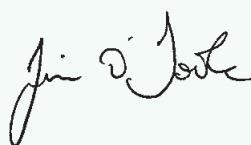
**Notes 1-24 form part of these Financial Statements.**

The Financial Statements were approved by the Board on the 15th March 2019 and signed on its behalf by:



**Kieran Calnan**  
Chairperson

8th October 2019



**Jim O'Toole**  
Chief Executive

8th October 2019

# Statement of Cash Flows

For the year ended 31st December 2018

	2018 € '000	Restated 2017 €'000
<b>Reconciliation of Operating Surplus/(Deficit) to Net Cash Flow From Operating/Development Activities</b>		
Surplus/(Deficit) for the Year	(5,621)	2,504
Bank Interest	-	-
Depreciation Charge	1,595	1,380
Transfer from Capital Account	(222)	867
Income from sale of Fixed Assets	(25)	-
(Increase)/Decrease in Inventory	(8)	(8)
Decrease/(Increase) in Receivables	88	41
Increase/(Decrease) in Payables	(1,532)	2,098
<b>Net Cash Inflow from Operating/Development Activities</b>	<b>(5,725)</b>	<b>6,882</b>
<b>Statement of Cash Flows</b>		
Net Cash Inflow from Operating/Development Activities	(5,725)	6,882
<b>Cash Flows from Financing Activities</b>		
Interest Received	-	-
<b>Cash Flows from Investing Activities</b>		
Payments to Acquire Tangible Fixed Assets	(1,373)	(2,247)
Receipt from Sale of Assets	25	-
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(7,073)</b>	<b>4,635</b>
Cash and Cash Equivalents at the Beginning of the Year	7,622	2,987
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>549</b>	<b>7,622</b>


Notes 1-24 form part of these Financial Statements.

The Financial Statements were approved by the Board on the 15th March 2019 and signed on its behalf by:



**Kieran Calnan**  
Chairperson

8th October 2019



**Jim O'Toole**  
Chief Executive

8th October 2019

# Notes to the Financial Statements

## For the year ended 31st December 2018

### 1. Accounting Policies

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

#### General Information

BIM was set up under the Sea Fisheries Act, 1952, and has a head office at Dún Laoghaire, County Dublin.

The primary objectives of BIM as set out in the Sea Fisheries Act, 1952 are as follows: to develop the seafood industry both at sea and ashore, to enable it to make its full contribution to the economy of the coastal regions and the country as a whole. It is the State Agency with primary responsibility for the sustainable development of the Irish seafood industry and the diversification of the coastal economy.

BIM is a Public Benefit Entity (PBE).

#### Statement of Compliance

The financial statements of BIM for the year ended 31 December 2018 have been prepared in accordance with 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.

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Department of Agriculture, Food and the Marine with the consent of the Minister for Public Expenditure and Reform under the Sea Fisheries Act, 1952. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to BIM's financial statements.

#### Revenue

##### Oireachtas Grants

Revenue is generally recognised on an accruals basis; the exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts basis including Aquaculture scheme NDP.

##### Refunds of Grants Paid

Grants paid become refundable in certain circumstances, such as liquidation/dissolution of the recipient company, or if the conditions of the grant are not met. Grant refunds are recognised when it is probable that the money will be received by BIM and the amount can be estimated reliably; therefore they are accounted for on an accruals basis.

##### Interest Income

Interest income is recognised on an accruals basis using the effective interest rate method.

##### Other Revenue

Other revenue is recognised on an accruals basis.

##### Deferred Income

Deferred income comprises European funding and Salmon Hardship funding that has been deferred pending expenditure on delivery of services.

##### Grant Schemes

Payments made under the various grant schemes operated by the Board are accounted for on an accruals basis.

Grants payable by BIM are recognised as expenditure when the grantee has complied with the conditions stipulated in the grant agreement and supplied the documentation necessary to confirm compliance.

Commitments arising on foot of approvals under the various Grant Schemes operated by the Board are shown in Note 16.



## Notes to the Financial Statements (Continued)

### 1. Accounting Policies (Continued)

#### Bad Debts

Provision is made for debts considered to be doubtful of collection and against any losses anticipated on foot of guarantees. Bad debts are written-off in the year in which the relevant loan agreement is terminated.

#### Inventory

Inventory consists of goods for resale, and is recognised in the financial statements at the lower of Cost and Net Realisable Value (NRV). Cost is calculated on a first-in-first-out (FIFO) basis and includes all purchase costs. NRV is the selling price (actual or estimated) less all necessary completion costs.

#### Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence that BIM will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

— Land and Premises	
a. Land	Nil
b. Premises: Navigational Stations – Original	2%
Navigational Stations – Additions	10%
Other Premises	10%
— Plant and Machinery	
a. Training Equipment	16.6%
b. Other Plant and Machinery	10%
c. Technical Equipment	20%
— Motor Vehicles	20%
— Gear and Equipment	
a. Fishing Gear	50%
b. Vessels	10%
c. Office Equipment	20%
d. Computer Equipment	33.3%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

## 1. Accounting Policies (Continued)

### Capital Reserves

Capital Reserves comprise the unamortised value of capital grants used to fund fixed assets.

### Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short term highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value.

### Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date. Revenues and costs are translated at the exchange rates ruling at the dates of the underlying transactions.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable are dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves.

### Employee Benefits

#### Short-term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

#### Retirement Benefits

BIM previously established its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Agriculture, Food and the Marine and from contributions deducted from staff and members' salaries. BIM also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

The Public Service Pensions (Single Scheme and Other Provisions) Act, 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. All new entrants to the Public Sector, on or after 1st January 2013 are members of the Single Scheme.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by BIM. 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.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the Department of Agriculture, Food and the Marine.

The financial statements reflect, at fair value, the assets and liabilities arising from BIM's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

### Provisions

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

### Contingencies

Contingent liabilities arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Board's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

## Notes to the Financial Statements (Continued)

### 2. Critical Accounting Judgements and Estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (a) Establishing Lives for Depreciation Purposes of Property, Plant and Equipment

Long lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Board regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Detail of the useful lives is included in the accounting policies.

#### (b) Provision for Doubtful Debts

The Board makes an estimate of the recoverable value of trade debtors and other debtors. The Board uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis.

#### (c) Retirement Benefit

The Board recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Agriculture, Food and the Marine, the Board has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

#### (d) Retirement Benefit Obligations

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

The assumptions can be affected by:

- (i) The discount rate, changes in the rate of return on high-quality corporate bonds.
- (ii) Future compensation levels, future labour market conditions.
- (iii) Health care cost trend rates, the rate of medical cost inflation in the relevant regions.

### 3. Oireachtas Grants: Department of Agriculture, Food and the Marine

	2018 €'000	2017 €'000
<b>Vote 30 – Subhead D5</b>		
Current Development		
Pay	7,630	7,000
Superannuation	2,245	2,240
Non-pay	10,804	11,227
Total Current Development	20,679	20,467
Capital Development	10,455	12,995
	<b>31,134</b>	<b>33,462</b>

### 4. Grants Received:

Project	2018 €'000	2017 €'000
EU Acrunet Project	-	-
EU Erasmus Project Aquaculture	-	7
BG 11 Columbus Project	651	1,628
Interreg	243	-
	<b>894</b>	<b>1,635</b>

### Grants Expended:

Project	2018 €'000				2017 €'000 Total
	Salaries	Non-pay	Grants	Total	
EU Acrunet Project	-	1	-	1	-
EU Erasmus Project Aquaculture	-	1	-	1	5
BG 11 Columbus Project	-	782	-	782	1,449
Interreg	-	453	-	453	-
	<b>-</b>	<b>1,237</b>	<b>-</b>	<b>1,237</b>	<b>1,454</b>

All EU receipts were applied in the year and related to industry current development expenditure. The difference between grants received and grants expended of €343,000 is due to timing differences in the administration of claims for scheme funding.



## Notes to the Financial Statements (Continued)

**5. Ice Supply Operating Results were as Follows:**

	<b>2018 €'000</b>	<b>2017 €'000</b>
Turnover	572	778
Less: Wages	(373)	(353)
Operating costs	(560)	(606)
Administration costs	(72)	(82)
Total Expenditure on Ice Plants*	<b>(1,005)</b>	<b>(1,041)</b>
(Deficit)/Surplus on Operations	<b>(433)</b>	<b>(263)</b>

\*Total expenditure does not include depreciation charges on ice plants fixed assets in the year of €14,000 (2017: €86,000)

Note: BIM commenced in the final quarter of 2016 a capital investment of €0.6m in Castletownbere and Dunmore East Ice Plant with the approval of Department of the Agriculture Food and the Marine. The Board of Directors evaluated a business plan/strategy for future ice plant operations. This business case was finalised in February 2018 and is currently a proposal under consideration with the Department of Agriculture, Food, and the Marine.

**6. Other Income**

	<b>2018 €'000</b>	<b>2017 €'000</b>
Admin Income/Rent Receivable	123	47
Admin Income/Aquaculture Initiative	76	27
Fisheries Income	127	100
Fisheries Income – North Western Waters Council	16	-
Business Development & Innovation Income	64	34
Training Income	149	70
Aquaculture Oyster Tetraploid & Deep Sea Income	-	-
Sea Fisheries Grant Refunds	47	56
Profit Receipt from Sale of Assets	25	-
	<b>627</b>	<b>334</b>

**7. Industry Capital Development Expenditure**

	<b>2018 €'000</b>	<b>Restated 2017 €'000</b>
<b>Project</b>		
Sea Fisheries	7,067	3,561
Aquaculture	1,924	1,763
Business Development & Innovation	2,319	2,513
Enhanced Safety Scheme – PFD-PLB*	(100)	29
	<b>11,210</b>	<b>7,866</b>

\*Enhanced safety scheme PFD-PLB income in 2018 of €100,00 is net of expenditure of €4,000.

## 8. Industry Current Development Expenditure

### (a) Development

Project	2018 €'000				2017 €'000
	Salaries	Non-pay	Grants	Total	Total
Sea Fisheries	1,490	290	2,358	4,138	4,311
Aquaculture	1,889	687	2,408	4,984	4,394
Business Development & Innovation	1,122	486	3,422	5,030	2,708
Technical assistance costs EMFF	731	156	-	887	849
Training section	995	738	-	1,733	1,661
Information & Planning	239	497	-	736	622
	<b>6,466</b>	<b>2,854</b>	<b>8,188</b>	<b>17,508</b>	<b>14,545</b>

### (b) Administration

	2018 €'000	2017 €'000
Salary Costs	1,481	1,472
Travel Administrative Staff	93	64
Board Members' Fees and Travel Expenses	52	53
Rent, Rates and Repairs	892	1,224
Telephone, Postage and Stationery	181	193
Data Processing	857	605
Power, Light and Cleaning	82	71
Legal, Professional and Consultants' Fees	227	212
Audit Fee	27	21
Annual Report	18	11
Insurance	62	19
Staff Development and Training Costs	312	221
Sundries, General Expenses and Trade Subscriptions	334	187
	<b>4,618</b>	<b>4,353</b>

### (c) Depreciation

Depreciation During the Year	<b>1,595</b>	<b>1,380</b>
<b>Total</b>	<b>23,721</b>	<b>20,278</b>

## Notes to the Financial Statements (Continued)

### 9. Staff Costs

Staff salaries in the year are charged to the Statement of Income and Expenditure Account and Retained Revenue Reserves under the following headings. Ice Plant Operators wages are charged to Ice Plant running costs (See Note 5).

#### (a) Staff Salaries by Division

	Staff Numbers at 31 Dec 2018	2018 €'000	Staff Numbers at 31 Dec 2017	2017 €'000
Business Development & Innovation Salaries - Note 8(a)	17	1,122	18	1,018
Training Services Salaries - Note 8 (a)	17	995	16	942
Fisheries Development Salaries - Note 8(a)	23	1,490	23	1,489
Aquaculture Development Salaries - Note 8(a)	26	1,889	33	1,790
Corporate Services - Note 8(b)	36	2,212	31	1,472
Information and Planning Salaries - Note 8(a)	9	239	10	174
Ice Plant Operators - Note 5	9	373	11	353
	<b>137</b>	<b>8,320</b>	<b>142</b>	<b>7,238</b>

Salaries of €731,000 relating to staff retained under the Technical Assistance Scheme (2017: €526,000) funded by EMFF grant aid, have been included in the Corporate Services unit for 2018. Overtime of €27,000 (2017: €14,000) and on-board allowances of €6,000 (2017: €8,000) are included in the above.

#### (b) Pensions Paid in the Year

Pensioners are pension payments to retired BIM staff (See Note 19)

		2018 €'000		2017 €'000
Pensioners	116	2,116	117	2,017
Lump Sum Payments		117		501
	<b>116</b>	<b>2,233</b>	<b>117</b>	<b>2,518</b>

€336,000 of pension levy has been deducted from staff and paid over to the Department of Agriculture, Food and the Marine. Following an EU ruling in 2008 all contract staff who qualified for a contract of indefinite duration became a permanent member of staff. These staff are included in our authorised numbers as agreed with Department of Agriculture, Food and the Marine.

#### (c) Employee Benefits Breakdown

Range of Total Employees		Number of Employees	
From	To	2018	2017
€60,000	- €69,999	39	33
€70,000	- €79,999	5	11
€80,000	- €89,999	12	3
€90,000	- €99,999	1	2
€100,000	- €109,999	1	1
€110,000	- €119,999	2	1
€120,000	- €129,999	1	1

## 9. Staff Costs (Continued)

### (d) Board Members' Emoluments

	<b>Fees 2018 €'000</b>	<b>Travel Expenses 2018 €'000</b>	<b>Meetings Attended 2018</b>
Kieran Calnan	-	6	10
Lisa Vaughan	8	1	9
William Deasy	8	5	9
Raymond Harty	8	4	9
Damien McLoughlin	-	-	9
Seán O'Donoghue	8	4	10
Jim O'Toole (CEO)	-	15	10
	<b>32</b>	<b>35</b>	

The CEO remuneration package for 2018: annual basic salary of €125,546 and is a member of the BIM defined benefit scheme. Expenses of €14,107 were also paid to the CEO for 2018.

## 10. Directors' and CEO Salary

		<b>Fees 2018 €'000</b>	<b>Fees 2017 €'000</b>	<b>Travel Expenses 2018 €'000</b>	<b>Travel Expenses 2017 €'000</b>
Kieran Calnan (Term 13th June 2018 to 12th June 2021)	Chairperson	-	-	6	9
Lisa Vaughan (Term 21st June 2016 to 20th June 2019)	Director	8	8	1	1
William Deasy (Term 26th July 2017 to 26th July 2020)	Director	8	6	5	7
Raymond Harty (Term 26th July 2017 to 26th July 2020)	Director	8	7	4	4
Damien McLoughlin (Term 26th July 2017 to 26th July 2020)	Director	-	-	-	-
Sean O'Donoghue (Term 26th July 2017 to 26th July 2020)	Director	8	5	4	4
		<b>32</b>	<b>26</b>	<b>20</b>	<b>25</b>

The Board held 10 full meetings in 2018. All of the board members attended other meetings and events on behalf of BIM in addition to Board and Audit Meetings.

	<b>Board Attendance 2018</b>	<b>Other Meetings 2018</b>
Kieran Calnan	10	4
Lisa Vaughan	9	4
William Deasy	9	5
Raymond Harty	9	3
Damien McLoughlin	9	2
Seán O'Donoghue	10	5



## Notes to the Financial Statements (Continued)

## 10. Directors' and CEO Salary (Continued)

	Salary 2018 €'000	Salary 2017 €'000
CEO (Tara McCarthy) resigned 30th January 2017	-	10
CEO (Jim O'Toole) appointed 25th April 2017	126	85
	<b>126</b>	<b>95</b>

The current CEO is a member of the BIM defined benefit scheme.

## 11. Property, Plant and Equipment

	Total €'000	Land and Premises €'000	Plant and Machinery €'000	Assets in the Course of Construction €'000	Motor Vehicles €'000	Gear and Equipment €'000
<b>Cost</b>						
Balance as at 1st January	28,490	6,512	5,221	581	586	15,590
Additions	1,373	408	5	0	9	951
Disposals	(777)	(340)	(188)	0	(229)	(20)
<b>Balance as at 31st December</b>	<b>29,086</b>	<b>6,580</b>	<b>5,038</b>	<b>581</b>	<b>366</b>	<b>16,521</b>
<b>Depreciation</b>						
Balance as at 1st January	24,906	5,474	4,296	0	490	14,646
Charge for Year	1,595	328	96	0	29	1,142
Disposals	(777)	(340)	(188)	0	(229)	(20)
<b>Balance as at 31st December</b>	<b>25,724</b>	<b>5,462</b>	<b>4,204</b>	<b>0</b>	<b>290</b>	<b>15,768</b>
<b>Net Book Value</b>						
<b>At 31st December 2018</b>	<b>3,362</b>	<b>1,118</b>	<b>834</b>	<b>581</b>	<b>76</b>	<b>753</b>
<b>At 31st December 2017</b>	<b>3,584</b>	<b>1,038</b>	<b>925</b>	<b>581</b>	<b>96</b>	<b>944</b>

Assets under construction relate to the capital commitment detailed in Note 20.

## 12. Receivables

	2018 €'000	2017 €'000
Loan Receivables	-	70
Other Receivables	178	138
Prepayments	107	233
	285	441
Less: Provision for Doubtful Debts	(84)	(152)
	<b>201</b>	<b>289</b>

The fair values of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year. Loan Debtors of €70,000 in 2017 refers to the settlement agreed with Kerry County Council in relation to Dingle Boats Teo. This debt was subject to legal proceedings which concluded in 2017, €70,000 was received in 2018.

### 13. Payables (amounts falling due within one year)

	2018 €'000	Restated 2017 €'000
Deferred Income	55	55
Trade Payables and Accruals	1,868	3,233
Grant Accruals	872	1,039
	<b>2,795</b>	<b>4,327</b>

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date. The terms of accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

### 14. Lease Commitments

At 31st December 2018 BIM had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 €'000	2017 €'000
Payable within one year	17	20
Payable within two to five years	67	67
Payable after five years	50	67
	<b>134</b>	<b>154</b>

The current lease on BIM Head Office in Dun Laoghaire expired in September 2016 and in 2018 negotiations with the Office of Public Works concluded resulting in BIM entering into an occupancy agreement from 1st July 2018.

### 15. Capital Reserves

	2018 €'000	2017 €'000
Balance as at 1st January	3,584	2,717
Transfer (to)/from Income and Expenditure Account:		
Funding of Asset Additions	1,373	2,247
Amortisation in line with Asset Depreciation	(1,595)	(1,380)
<b>Transfer to Statement of Income and Expenditure Account and Retained Revenue Reserves</b>	<b>(222)</b>	<b>867</b>
<b>Balance as at 31st December</b>	<b>3,362</b>	<b>3,584</b>

## Notes to the Financial Statements (Continued)

### 16. Contingent Liabilities and Commitments

There were no contingent liabilities and commitments at 31st December 2018 arising from:

(a) Guarantees to Financial Institutions in respect of loans amounting to €165,229. A first mortgage is held as security for these guarantees. The Board was not called upon to make payments in respect of guarantees in 2018.

(b) At the year-end there were grant applications that had been fully approved, against which no claim had been received.

Balances outstanding in respect of these financial facilities approved but not taken up at 31st December were as follows:

	2018 €'000	2017 €'000
Fisheries	2,223	2,864

(c) The Board is not defending any legal action.

(d) As set out in the Statement on Internal Control, BIM has made an unprompted voluntary disclosure to the Revenue Commissioners. This includes an assessment of the amount due and BIM has paid these amounts in full. No provision has been made in relation to any additional amounts that could fall due in order to settle the liability with the Revenue Commissioners.

### 17. Cross-Border Aquaculture Initiative

The Cross-Border Aquaculture Initiative which is supported by the Special Programme for Peace and Reconciliation was incorporated in 1998 as a European Economic Interest Grouping (EEIG) and registered in the Companies Office. It is jointly owned by BIM and Northern Ireland Seafood Limited.

An annual statement is filed with the CRO (IG8) signed by the membership of the EEIG, the accounts for Aquaculture Initiative are audited by Bluett Conran.

### 18. Bantry Equity Fund

This fund was established by the government to promote the development of the aquaculture industry in the Bantry region following the closure of the Whiddy Oil Terminal. It is not possible to assess accurately the value of these shares, which is dependent on the performance of the enterprises. All shares are held in the name of the Minister for Finance.

The Following Investments were Held at 31st December 2018:	2018 €'000	2017 €'000
Kush Seafarms Limited	19	19
Fastnet Mussels Limited	19	19
	<b>38</b>	<b>38</b>

### 19. Retirement Benefits Costs

#### (a) Retirement Costs

Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves:

	2018 €'000	2017 €'000
Current Service Cost	2,189	1,999
Interest on Pension Scheme Liabilities	1,472	1,404
Employee Contributions	(336)	(319)
	<b>3,325</b>	<b>3,084</b>

## 19. Retirement Benefits Costs (Continued)

### (b) Movement in Net Retirement Benefit Obligations

	2018 €'000	2017 €'000
Net Pension Liability at 1st January	73,606	74,179
Net Current Service Cost	1,853	1,680
Employees Contributions	336	319
Interest on Pension Scheme Liabilities	1,472	1,404
Actuarial Loss/(Gain)	(3,952)	(1,458)
Pensions Paid in the Year	(2,233)	(2,518)
	<b>71,082</b>	<b>73,606</b>

### Financial Assumptions

The principal actuarial assumptions were as follows:

	2018	2017
Rate of Increase in Salaries	3.15%	3.30%
Rate of Increase in Pensions in Payment	2.65%	2.80%
Discount Rate	2.05%	2.00%
Inflation Rate	1.65%	1.80%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the weighted average life expectancy for members used to determine benefit obligations.

Year of Attaining Age 65	2018	2038
Life Expectancy – male	21.50	23.90
Life Expectancy – female	24.00	26.00

### (c) Deferred Funding Asset for Pensions

The Board recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. These events include the statutory basis for the establishment of the superannuation schemes, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. While there is no formal agreement regarding these specific amounts with the Department of Agriculture, Food and the Marine, the Board has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

### Net Deferred Funding for Pensions in the Year

	2018 €'000	2017 €'000
Funding Recoverable in Respect of Current Year Pension Costs	3,661	3,403
State Grant Applied to Pay Pensioners	(2,233)	(2,518)
	<b>1,428</b>	<b>885</b>



## Notes to the Financial Statements (Continued)

### 19. Retirement Benefits Costs (Continued)

#### (d) History of Scheme Liabilities and Experience (Gains)/Losses

	Financial Year Ending in				
	2018 €'000	2017 €'000	2016 €'000	2015 €'000	2014 €'000
Defined Benefit Obligations	71,082	73,606	74,179	65,873	54,800
Experience Gains on Plan Liabilities	(1,317)	(740)	(1,950)	(2,048)	(2,680)
Experience Gains as Percentage of Plan Liabilities	1.9%	1.0%	2.6%	3.1%	4.9%

#### (e) Pension Scheme

BIM operates unfunded defined benefit superannuation scheme for staff. Superannuation entitlements arising under the schemes are paid out of current income and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves, net of employee superannuation contributions, in the year in which they become payable. The results are set out below on an actuarial valuation of the pension liabilities in respect of serving, retired and deceased staff of BIM as at 31st December 2018. This valuation was carried out by a qualified independent actuary.

#### (f) Single Scheme

The Single Scheme is the occupational pension scheme for public servants hired since 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credit, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are valued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

### 20. Capital Commitments

There was a capital commitment of €184,000 in relation to the T. Burke II at 31st December 2018. The T. Burke II is replacement survey vessel and will support the technical work programme of the Aquaculture Development Division. The replacement of the existing vessel is required due to crew welfare concerns and the increased survey requirements being placed upon BIM, these have grown in volume and complexity over the last five years. The cost of the proposed new vessel is €765,000. A contract was entered into in November 2017.

### 21. Board Members’ Interests

The Board adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by board members and those procedures have been adhered to in the year. There were eleven instances where board members declared interests in 2018.

### 22. Related Party Disclosures

Key management personnel in BIM consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel, including board members’ fees and expenses and total CEO remuneration, amounted to €158,000 (2017: €157,000).

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 9(d).

BIM adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of board members. In the normal course of business, BIM may approve grants or enter into other contractual arrangements with entities in which BIM’s board members are employed or are otherwise interested.

### 23. Prior Year Adjustment

The comparative figures in the statement of income and expenditure and retained revenue reserves and statement of financial position reflect a prior year adjustment to correct an over-accrual of estimated grant payments in the prior year financial statements. The impact on the statement of income and expenditure and retained revenue reserves and statement of financial position for 31st December 2018 is as follows:

	<b>As Previously Reported €'000</b>	<b>Prior Year Adjustment €'000</b>	<b>As Restated €'000</b>
2017 Payables	(5,042)	715	(4,327)
Retained Reserves	2,891	715	3,606
Surplus for the Year	1,789	715	2,504

### 24. Approval of Financial Statements

The Financial Statements were approved by the Board at its meeting on 15th March 2019.

## De Minimis Grant Aid

### Fleet Safety Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant
Cork	59	€566,157	€253,240
Derry	1	€10,000	€6,000
Donegal	42	€285,461	€131,300
Dublin	4	€38,855	€17,342
Galway	48	€95,095	€56,300
Kerry	25	€111,694	€51,538
Louth	11	€66,646	€31,165
Mayo	16	€76,437	€36,949
Meath	3	€11,649	€5,989
Sligo	11	€15,700	€9,421
Waterford	9	€15,468	€9,279
Wexford	19	€98,709	€47,538
Wicklow	1	€683	€410
<b>Total</b>	<b>249</b>	<b>€1,392,554</b>	<b>€656,471</b>

### Marine Tourism Safety Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant
Cork	4	€12,226	€4,890
Donegal	1	€1,600	€640
Galway	7	€38,688	€15,534
Kerry	6	€16,599	€6,639
Wexford	2	€1,192	€477
<b>Total</b>	<b>20</b>	<b>€70,305</b>	<b>€28,180</b>

## Grant Aid supported by the European Maritime and Fisheries Fund (EMFF) and the Exchequer

### Young Fishermen Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Donegal	1	€300,000	€75,000	€37,500	€37,500
Dublin	1	€155,000	€38,750	€19,375	€19,375
Kerry	1	€280,000	€70,000	€35,000	€35,000
Wexford	1	€171,800	€42,950	€21,475	€21,475
<b>Total</b>	<b>4</b>	<b>€906,800</b>	<b>€226,700</b>	<b>€113,350</b>	<b>€113,350</b>

### Sustainable Fisheries Scheme – Part B

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	57	€4,435,522	€1,785,784	€892,892	€892,892
Donegal	15	€1,436,253	€580,780	€290,390	€290,390
Dublin	1	€34,538	€13,815	€6,908	€6,908
Galway	4	€84,267	€38,104	€19,052	€19,052
Kerry	6	€358,312	€143,977	€71,989	€71,989
Louth	10	€493,205	€197,282	€98,641	€98,641
Mayo	4	€53,504	€35,603	€17,802	€17,802
Waterford	2	€32,818	€13,130	€6,565	€6,565
Wexford	6	€287,632	€114,263	€57,132	€57,132
<b>Total</b>	<b>105</b>	<b>€7,216,051</b>	<b>€2,922,738</b>	<b>€1,461,371</b>	<b>€1,461,371</b>

### Sustainable Fisheries Scheme – Part C

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	4	€382,987	€191,494	€95,747	€95,747
Donegal	3	€258,051	€154,830	€77,415	€77,415
Galway	2	€36,340	€21,804	€10,902	€10,902
Louth	2	€16,360	€9,816	€4,908	€4,908
Mayo	1	€1,050	€630	€315	€315
<b>Total</b>	<b>12</b>	<b>€694,788</b>	<b>€378,574</b>	<b>€189,287</b>	<b>€189,287</b>

### Inshore Fisheries Conservation Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	2	€28,123	€22,498	€11,249	€11,249
Kerry	1	€18,450	€14,760	€7,380	€7,380
<b>Total</b>	<b>3</b>	<b>€46,573</b>	<b>€37,258</b>	<b>€18,629</b>	<b>€18,629</b>



## Grant Aid supported by the European Maritime and Fisheries Fund (EMFF) and the Exchequer (Continued)

### Inshore Fisheries Conservation Scheme – V-Notching Support

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Clare	1	€26,900	€18,491	€9,245	€9,245
Cork	14	€112,972	€83,045	€41,522	€41,522
Donegal	6	€79,940	€63,990	€31,995	€31,995
Dublin	6	€34,008	€23,805	€11,903	€11,903
Galway	8	€42,721	€31,487	€15,744	€15,744
Kerry	8	€30,608	€22,490	€11,245	€11,245
Louth	2	€13,321	€9,325	€4,662	€4,662
Mayo	8	€33,331	€24,489	€12,245	€12,245
Sligo	5	€41,912	€31,339	€15,670	€15,670
Waterford	7	€24,381	€17,605	€8,802	€8,802
Wexford	1	€23,170	€17,377	€8,689	€8,689
Wicklow	2	€19,876	€13,913	€6,956	€6,956
National	1	€0	€3,412	€1,706	€1,706
<b>Total</b>	<b>69</b>	<b>€483,140</b>	<b>€360,768</b>	<b>€180,384</b>	<b>€180,384</b>

### Producer Organisation Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	1	€154,212	€92,527	€46,264	€46,264
Donegal	2	€305,373	€183,224	€91,612	€91,612
Waterford	1	€61,139	€36,683	€18,342	€18,342
<b>Total</b>	<b>4</b>	<b>€520,724</b>	<b>€312,434</b>	<b>€156,218</b>	<b>€156,218</b>

### The Fisheries Local Area Development Scheme (FLAGs)

Applicant	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
South FLAG	34	€525,924	€273,779	€136,889	€136,889
South East FLAG	35	€456,757	€312,092	€156,046	€156,046
South West FLAG	17	€414,218	€266,161	€133,081	€133,081
West FLAG	52	€683,462	€405,410	€202,705	€202,705
Notrh FLAG	38	€388,997	€249,459	€124,729	€124,729
North East FLAG	14	€366,186	€238,451	€119,226	€119,226
North West FLAG	19	€309,725	€188,774	€94,387	€94,387
<b>Total</b>	<b>209</b>	<b>€3,145,269</b>	<b>€1,934,126</b>	<b>€967,063</b>	<b>€967,063</b>



An Roinn Talmhaíochta,  
Bia agus Mara  
Department of Agriculture,  
Food and the Marine



EUROPEAN UNION  
This measure is part-financed  
by the European Maritime  
and Fisheries Fund

## Knowledge Gateway Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	3	€144,030	€114,416	€57,208	€57,208
Galway	3	€313,759	€313,759	€156,879	€156,879
Offaly	1	€39,752	€19,876	€9,938	€9,938
<b>Total</b>	<b>7</b>	<b>€497,541</b>	<b>€448,051</b>	<b>€224,025</b>	<b>€224,025</b>

## Sustainable Aquaculture Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Clare	1	€500,972	€150,291	€75,146	€75,146
Cork	7	€306,812	€124,644	€62,322	€62,322
Donegal	12	€2,734,024	€1,093,992	€546,996	€546,996
Kerry	6	€780,186	€312,074	€156,037	€156,037
Mayo	7	€539,909	€221,677	€110,838	€110,838
Offaly	1	€297,649	€89,295	€44,647	€44,647
Sligo	2	€212,494	€84,997	€42,499	€42,499
Waterford	1	€1,142,772	€457,109	€228,554	€228,554
Wicklow	1	€138,958	€55,583	€27,792	€27,792
<b>Total</b>	<b>38</b>	<b>€6,653,776</b>	<b>€2,589,662</b>	<b>€1,294,831</b>	<b>€1,294,831</b>

## Seafood Innovation and Business Planning Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	3	€71,367	€35,683	€17,842	€17,842
Kilkenny	1	€17,450	€8,725	€4,363	€4,363
Monaghan	2	€49,283	€24,641	€12,321	€12,321
Wexford	1	€23,297	€11,649	€5,824	€5,824
<b>Total</b>	<b>7</b>	<b>€161,397</b>	<b>€80,698</b>	<b>€40,350</b>	<b>€40,350</b>

## Seafood Scaling and New Market Development Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Mayo	1	€111,122	€55,561	€27,781	€27,781
Wexford	1	€133,977	€66,988	€33,494	€33,494
<b>Total</b>	<b>2</b>	<b>€245,099</b>	<b>€122,549</b>	<b>€61,275</b>	<b>€61,275</b>

## Grant Aid supported by the European Maritime and Fisheries Fund (EMFF) and the Exchequer (Continued)

### Seafood Processing Capital Investment Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Cork	5	€2,680,512	€607,075	€303,537	€303,537
Donegal	5	€1,057,682	€235,597	€117,798	€117,798
Dublin	2	€266,120	€77,688	€38,844	€38,844
Galway	1	€42,270	€12,434	€6,217	€6,217
Kilkenny	2	€89,056	€26,717	€13,358	€13,358
Louth	3	€800,975	€237,029	€118,514	€118,514
Mayo	2	€164,814	€44,122	€22,061	€22,061
Monaghan	1	€2,039,967	€611,990	€305,995	€305,995
<b>Total</b>	<b>21</b>	<b>€7,141,396</b>	<b>€1,852,652</b>	<b>€926,324</b>	<b>€926,324</b>

### Seafood Capacity Building Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Donegal	2	€4,328	€2,164	€1,082	€1,082
Galway	1	€486,187	€486,187	€243,094	€243,094
<b>Total</b>	<b>3</b>	<b>€490,515</b>	<b>€488,351</b>	<b>€244,176</b>	<b>€244,176</b>

### Seafood Training Scheme

County	Number of Projects	Total Eligible Investment Costs	Grant	Portion of Grant Funded by EU	Portion of Grant Funded by National Exchequer
Sligo	1	€5,340	€3,090	€1,545	€1,545
Wexford	1	€536	€436	€218	€218
Wicklow	1	€4,181	€2,931	€1,466	€1,466
<b>Total</b>	<b>3</b>	<b>€10,057</b>	<b>€6,457</b>	<b>€3,229</b>	<b>€3,229</b>



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