



NSAI

ANNUAL REPORT 2016



Highlights

Enabling Enterprise

Connected and Engaged



1,089

Expert
Committee
Members



2,134

Registered Users
to 'Your Standards,
Your Say'



117%

Growth
in Twitter
Followers



>16,000

Subscribers to
our E-Zine

Ensuring Confidence for Business



4,439

Business
Locations
Visited



179

Insulation
Installer Audits



14,227

Instrument
Inspections



347

Construction
Products CE Mark
Audits

Working with the World



>11,200

Standards
Sold Worldwide



5

New Irish
Standards
Created



1,391

New Standards
Published and
Revised

Achieving Success



Winner

Best State
Body 2016



**Best
Public Sector**

PR Campaign 2016



**International
Award**

for Tourism
Accessibility Standard

Contents

Highlights – Enabling Enterprise	i
Mission, Vision and Values	2
Introducing NSAI	3
Strategic Framework	4
Message from the Chairman	5
Message from the Chief Executive	6
Standards in 2016	8
Certification in 2016	12
Metrology in 2016	15
NSAI Inc. in 2016	18
Corporate Governance Statement	19
Consolidated Financial Statements	24
Annex	51
List of Active NSAI Standards Committees	
Committees Serviced by NSAI Staff	
Active International Committees/Working Groups Serviced by NSAI	

Mission, Vision and Values

Our Mission

As the primary Irish authority for standardization, certification and measurement services, NSAI contributes to an optimal business environment for trade and innovation through excellence and expertise in the provision of the highest quality services.

Our Vision

"To be Ireland's leading provider of world-class standards, certification and measurement expertise to facilitate trade and support sustainable economic growth."

Our Values

Expert

We recognise the importance, and encourage the continuous honing, of our technical expertise to ensure we are always abreast of developments.

Engaging

We respect our customers and demonstrate an engaging and respectful approach in listening and being responsive in our dealing with others.

Dedicated

We ensure a consistent and positive approach in our work through the dedication and enthusiasm of our staff.

Pride in Our Work

We see pride in our work as bywords for excellence with each individual responsible for the highest of standards in their work.

Impartial

We protect NSAI's impartiality which guarantees no predisposition in our work or in our dealings with business and public alike.

Thorough

We value thoroughness in all our work which has to stand the test of time and take into account all known variables.

Introducing NSAI



NSAI was established under the National Standards Authority of Ireland Act 1996 and reports to the Minister for Jobs, Enterprise and Innovation. The state agency responsible for standardization, conformity assessment and measurement, NSAI aims to improve the performance of Irish business and protect consumers by developing standards, inspecting measuring instruments used in trade, conducting audits and issuing certificates on the application of standards to goods, services and measurements.

As such, NSAI provides a range of certification service, enabling businesses to demonstrate that Irish goods and services conform to the highest standards.

We achieve our goals by:

- Encouraging the use of standards with the aim of helping businesses throughout the country
- Formulating standards, guides, recommendations and codes of practice for the manufacturing and services industries
- Promoting and facilitating industry participation in the development of standards at national, European and international levels
- Providing businesses with internationally-recognised certification for products, processes and practices
- Maintaining and ensuring industry access to internationally traceable measurement standards
- Providing high precision measurement calibration services
- Overseeing measurements and measuring instruments used in trade



Strategic Framework



The 2016 to 2020 strategy is designed to support businesses and the national economic recovery and to help create the conditions required for sustainable long-term growth through enhancing the competitiveness of Irish-based businesses.

The primary aim of the Authority is to provide the necessary technical services of Standardization, Metrology and Conformity Assessment to underpin Ireland's technical quality infrastructure. The technical quality infrastructure along with business excellence and the global business environment are the three primary themes of the strategy to be implemented throughout our organisation:

■ Technical Quality Infrastructure

- Providing a technical quality infrastructure for Irish businesses matched to the business and regulatory environments; and
- Responding to the needs of policy makers, regulators, enforcement and market surveillance bodies, with whom NSAI has shared policy objectives, as they feed into the Irish quality infrastructure.

■ Business Excellence

- Ensuring the relevant product standards and management systems certification for Irish businesses, particularly export companies, to increase their efficiency and competitiveness and to secure their longevity.

■ Global Business Environment

- Leveraging the Authority's knowledge and expertise gained through NSAI's international memberships and footprint for the benefit of the Irish business and national trade infrastructure.

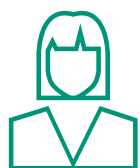
NSAI Staff Snapshot

138

Full-time Employees



Of which



Female

44%



Male

56%

Message from the Chairman



2016 saw the publication of NSAI's latest, and most ambitious, Strategic Plan yet. By 2020, the organisation aims to provide a larger, yet more focused service offering that will better reflect the needs of Irish businesses and society, and will help support the pace of long-term economic growth and job creation.

NSAI services and functions will be completely reviewed and reassessed as part of the Strategic Plan, which will result in a more streamlined and efficient organisation. Accordingly, some non-core activity will be discontinued or scaled back, while we will expand on other key areas, including our medical device CE mark product approvals, EMPIR research, Horizon 2020 engagement, Excellence Through People certification and the coverage of our legal metrology activities.

Throughout 2016, NSAI continued to support Irish economic activity by ensuring a strong and secure trading infrastructure for products and services through the development and application of national and international standards. Regular engagement with industry has been key to sharing knowledge and NSAI has had an overwhelming response to the industry events hosted over the past year.

Among them, 16 free regional ISO 9001 and 14001 roadshows, which encouraged businesses certified to the world's leading standards for quality and environmental management systems to upgrade to the latest versions. Over 1,300 people, from a variety of businesses and organisations, attended the seminars throughout the year. 2017 will see a renewed focus on getting more businesses upgraded before the September 2018 deadline.

In May 2017, NSAI will host the IQNet General Assembly. This is the main annual event for the International Certification Network, which is made up of 40 partner certification bodies with more than 200 subsidiaries worldwide. It is a huge honour for NSAI to welcome them to Ireland.

2016 saw a significant change at senior management level as our Chief Executive, Maurice Buckley, finished his tenure at the end of the year. I would like to sincerely thank Maurice for his invaluable contributions to the organisation over the past ten years. My other thanks goes to the staff of NSAI who can be proud of their efforts and achievements in maintaining high quality service levels as the organisation continues to evolve in a fast-paced economic environment.

NSAI is very much a collaborative effort and so I would like to pay tribute to the tireless efforts of our committee members, partners from industry and all of the other organisations which we have worked with throughout the year.

I would also like to express NSAI's gratitude to the Minister for Jobs, Enterprise and Innovation, Mary Mitchell O'Connor T.D., Minister for Employment and Small Business, Pat Breen T.D. and their colleagues at the Department for their support to NSAI during 2016.

Finally, in accordance with the provisions of the National Standards Authority of Ireland (NSAI) Act 1996, on behalf of the Board and Authority, I present the Annual Report for the year ended 31st December 2016.

A handwritten signature in black ink, reading 'Julie O'Neill'. The signature is fluid and cursive, with a large loop at the end.

Julie O'Neill
Chairman

Message from the Chief Executive



2016 was a challenging year for Irish business. The uncertainty created as a result of the decision by the United Kingdom to leave the European Union and potential changes to the global trade order following the U.S. Presidential election, was juxtaposed by continuing strong economic growth at home, which was reflected in the increase in the number of organisations choosing to engage with NSAI.

More and more businesses are recognising that standards can offer them a competitive edge and overcome potential barriers to trade, with the number of standards purchased by Irish organisations rising by 20% in comparison to 2015. NSAI published 1,391 standards during the year, including five new Irish standards in the areas of construction and manufacturing. It means that the total number of standards available in our catalogue now stands at over 24,000. The number of new registered users to the 'Your Standards, Your Say' portal exceeded targets, while 1,089 Irish people were involved in shaping the standards of the future for their sector, by participating on voluntary committees in Ireland, Europe and further afield.

The positive impact of standards on the Irish economy cannot be denied. According to a CEBR report, commissioned by NSAI, standards facilitated a 17% share of GDP growth between 2006 and 2013, contributing an estimated €335 million to the Irish economy during that same period. CEBR estimates that this is sufficient to have supported the creation of an additional 900 permanent full-time equivalent jobs. The report affirms NSAI's belief that standards strongly support businesses by enhancing the quality of their products and the efficiency of their processes, while also significantly reducing costs. Additionally the CEBR report also highlights that between 1996 and 2013, standards were a component for almost a quarter of all trade growth.

Standards aim to give confidence and clarity to business and professionals. For example, the standard currently used to assess buildings affected by Pyrite is being updated and revised to reflect the on-site experiences and evidence gathered by technical experts who have been using it over the past three years. NSAI received 202 comments during the public consultation period from October to December, reflecting the level of interest in this issue. The final revised standard is expected to be published in mid-2017.

The total number of businesses certified to the EN 1090 standard, which dictates that structural steelwork and aluminium manufactured in, and imported into, Ireland must carry the CE Mark, almost doubled during 2016. This is the largest single increase since it was included in the EU's Construction Products Regulation in July 2014.

2016 was another extremely busy year for our Legal Metrology division, with 4,439 business location visits and 14,227 instrument inspections carried out by our inspectors. Compliance is up significantly on 2015, with a majority of sectors inspected showing at least a 93% compliance rate after follow-up inspections. However, significant challenges lie ahead. The planned introduction of a rebranded pay-by-weight waste system could result in the increased responsibility of inspecting approximately 750 bin-weighing systems. We will be working with the Department of Jobs Enterprise and Innovation to address the growing service delivery challenges to ensure that this crucial public good activity can continue at its current, successful pace.

Turnaround times for automotive approvals processing are still outside the targets set out at the start of 2016. Individual Vehicle Approvals for disabled drivers stands at 14 days, other categories are at 20 days while EU/UN approvals of vehicles, systems and components take an average of 22 days to process. All the while, the volume of vehicles, components and systems being processed is increasing – with more than 8,000 approved in 2016.

At international level, the National Metrology Laboratory continued its important partnership with European counterparts with their participation in four research projects under the European Metrology Programme for Research and Innovation (EMPIR). Accordingly, the number of research days increased by a fifth on 2015 figures to 560 days.

Looking ahead to 2017, and my first year in this role, there are many other challenges and opportunities facing NSAI. The Medical Devices sector is already an extremely important industry for Ireland and it is likely to develop further with the introduction of the Medical Device Single Audit Program (MDSAP), a standardized, global approach to auditing and certification for medical device manufacturing. Five Regulatory Authorities in Australia, Brazil, Canada, Japan and the United States are concluding a three-year MDSAP pilot before the formal program gets underway in 2017. It is anticipated that the EU will join the programme during 2017, additionally, from 1st January 2019, Health Canada has announced that it will only accept MDSAP certificates. NSAI, through its NSAI Inc. subsidiary, will continue to monitor the emerging notified body and industry requirements closely in order to best serve the national interests.

Meanwhile, NSAI has also stepped up its engagement with the public in an effort to better explain the important technical work we do. We increased our followers on Twitter by 117% and by 99% on LinkedIn during 2016. NSAI's Insulation campaign was named Best Public Sector PR Campaign 2016 at the Excellence in PR Awards, while the organisation was named Best State Body 2016 at the Chambers Ireland InBusiness Recognition Awards.

We will look to keep that positive momentum going in 2017, as NSAI prepares to celebrate its twentieth year in its current guise. Of course, the national standardization programme has been in existence since 1948. Since being established as a statutory body, the role of NSAI has expanded in the past two decades to incorporate metrology services and deliver comprehensive of certification services as key elements of the national trade infrastructure. This has transformed the organisation into a modern, multi-disciplined, outward-looking and innovative body.

None of the achievements of the past 20 years would have been possible without our highly-skilled and dedicated staff, who work daily to ensure NSAI delivers on its service mandate and that those who engage with the organisation benefit and have a positive experience in line with our stated values. I look forward to engaging with them all over the period of the current strategy. We want to acknowledge their continued contribution, not only to the objectives of the organisation, but also to supporting the basis of an efficient national trade infrastructure.

I would also like to thank our partners in industry and in the Department of Jobs, Enterprise and Innovation for their support, and extend my gratitude to the NSAI Board and management for their hard work throughout the year.



Geraldine Larkin
Chief Executive

Standards in 2016



Every day, standards come to life throughout the economy in our business and daily routines. Schools, workplaces, blueprints, laboratories and production lines use these carefully-designed set of guidelines and requirements, which help businesses and organisations build, innovate and compete on the global market. NSAI facilitates input to the development and publication of new standards through its consultative committee network and Irish representation on international standard committees. They operate in an open and transparent way to ensure that quality, safety and consistency are at the forefront of any new standard.

A standard, which may be voluntarily adopted by businesses unless called for by legislation, is a document agreed by consensus that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose. Government and state bodies may reference standards when developing legislation, and

while NSAI provides a certification service to a range of standards at the request of interested parties, it is not empowered to check and police every claim or requirement to be compliant with a standard, which is usually a matter for Consumer Protection, Health and Safety, Local Authorities or other bodies relying on compliance with standards in the discharge of their functions.

Key Results:

>24,000

Total Number of
Standards in NSAI
Catalogue



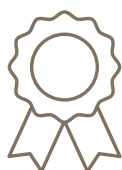
1,391

Standards
Published
and Revised

Of which

790

New



601

Revised



1,238

Withdrawn



Where They Came From



5

from Ireland (NSAI)



1,062

from CEN



321

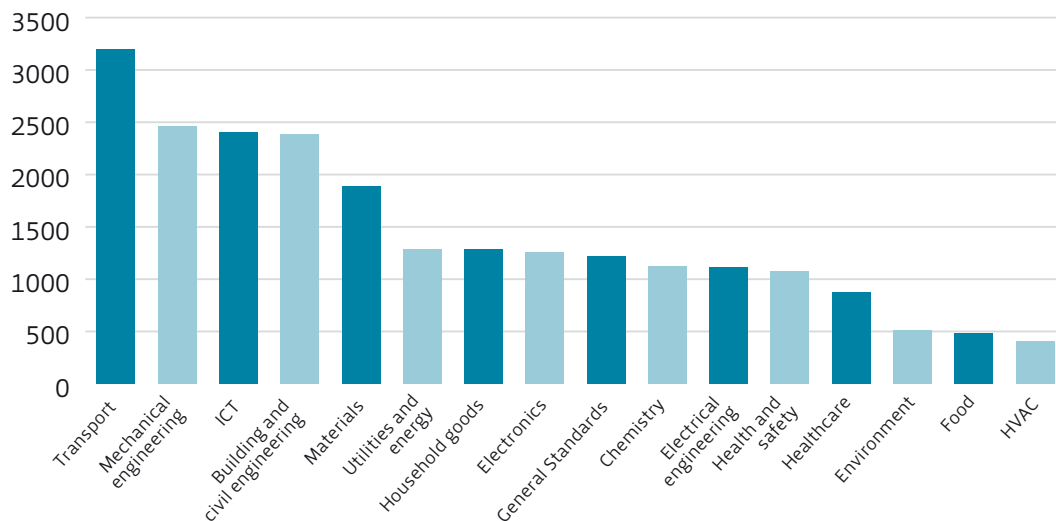
from CENELEC



3

from International Organization for Standardization (ISO)

The Standards Universe – Total CEN/CENELEC Publications by Sector



1,089

Active Committee Members



>60

Standards Committees (Annex)



84

New Members



15

International Meetings in Ireland



NSAI standards catalogue available in

8

Irish third-level institutions



Standards Sold Worldwide

11,207



Standards Sold in Ireland

5,756



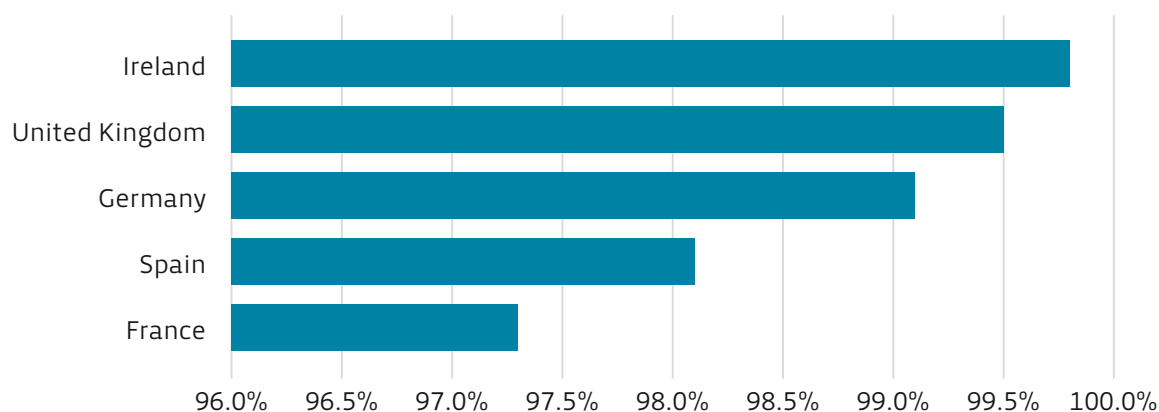
Registered 'Your Standards,
Your Say' Web Portal Users

2,134



21%

Implementation of Standards



Top 5 Standards Sold in Ireland in 2016

1. ISO 9001:2015	Quality Management Systems
2. I.S. 3217:2013	Emergency Lighting
3. I.S. 340:2007	Hygiene in the Catering Sector
4. I.S. 813:2014	Domestic Gas Installations
5. I.S. 3218:2013	Fire detection and alarm systems for buildings – System design, installation, commissioning, servicing and maintenance

Food Standards

By law, all food business operators must comply with Irish and EU legislation governing food hygiene. The legal requirements for catering and food retail businesses are set out in two Irish standards certified by NSAI. These two voluntary standards provide guidance on how to achieve compliance with the relevant legislation.

Standard	Number sold
I.S. 340:2007 Hygiene in Catering	526
I.S. 341:2007 Hygiene in Food Retailing and Wholesaling.	45



Selection Of New Standards from 2016



I.S. EN 14508
Postal services –
Measurement of
transit time



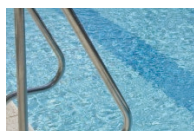
I.S. EN ISO 4254-14
Bale wrappers safety



I.S. EN ISO 11243
Luggage carriers for
bicycles



I.S. EN ISO 23537
Requirements for
sleeping bags



I.S. EN 13451-2
Swimming pool
equipment



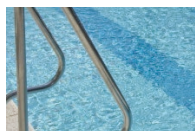



I.S. EN ISO 22649
Footwear – Test
methods for insoles
and insoles



I.S. EN 16603-32-08
Space Engineering –
Materials



I.S. EN 62952-2
Power sources
for wireless
communication device

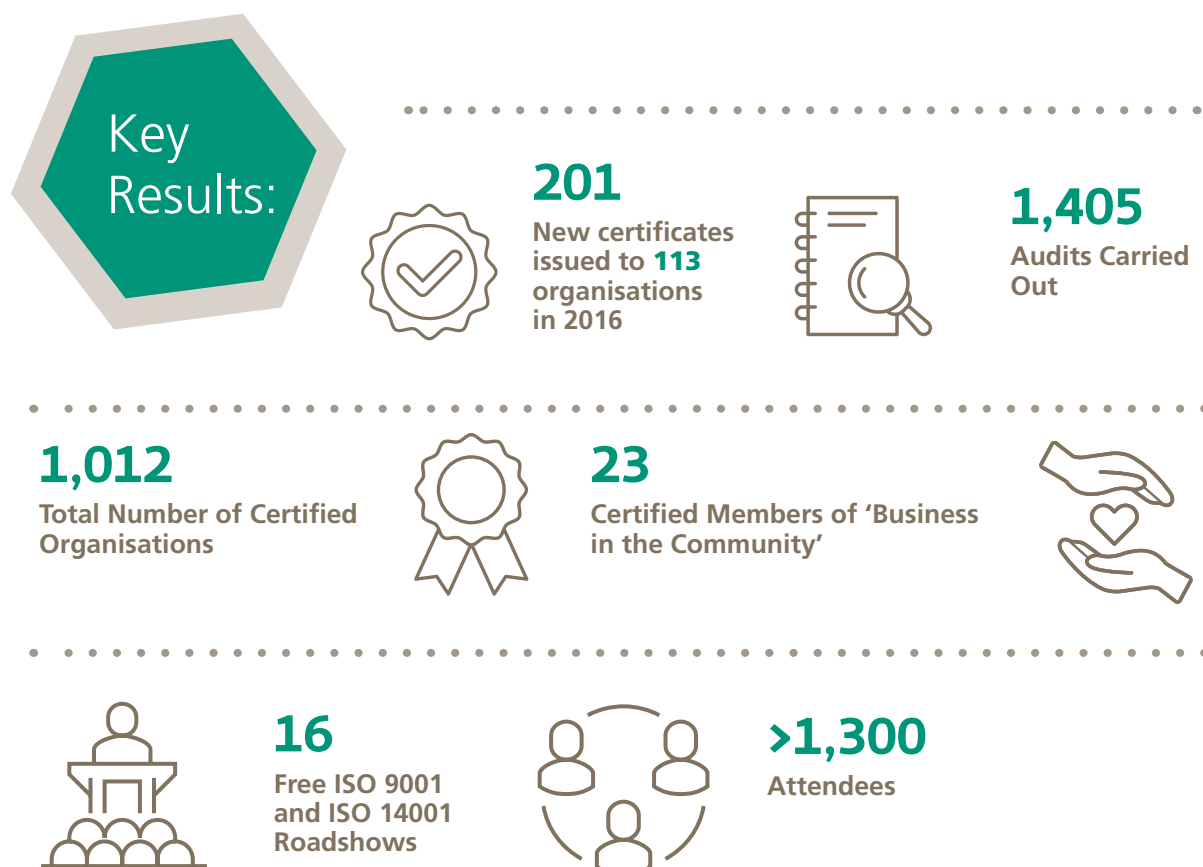
JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
											
I.S. EN 13451-2 Swimming pool equipment				I.S. EN ISO 22649 Footwear – Test methods for insoles and insoles				I.S. EN 16603-32-08 Space Engineering – Materials			
											
								I.S. EN 62952-2 Power sources for wireless communication device			

Certification in 2016



Business Excellence

Research shows that businesses that adopt and certify to best practice, as outlined in internationally-recognised standards, reap substantial benefits. NSAI is a driving force in accredited certification, ensuring that organisations in Ireland operate at the highest possible level. More and more businesses, which are searching for new and progressive opportunities, have to show evidence of compliance with standards to gain access to national and international markets. NSAI Certification works year-round to certify and inform organisations about the benefits of demonstrating compliance with standards as a mechanism to help them achieve their goals.



Sustainability and the Built Environment

Activity in the construction sector continued to rise sharply this year, reflecting significant growth in applications for construction and construction products-related certification services which is expected to continue in 2017. NSAI Sustainability and Built Environment (SBE) department is responsible for issuing certificates demonstrating that construction products and systems meet the requirements of the Construction Products Regulations (CPR) and are fit for their intended

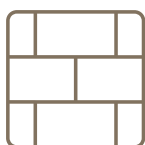
purpose, once installed according with the stated requirements. It is critical that end users understand that the product and process certification provided by NSAI is one component of the overall assurance process, which is primarily dependent on building control and oversight exercised by the construction professions and local authorities. That said, NSAI's functions will be even more vital for consumers and traders alike, who are still impacted by substandard building during the boom.

Key Results:



347

Construction
Products CE
Mark Audits



140

NSAI-registered External
Wall insulation installers'

127

NSAI-registered Full Fill
Cavity Wall insulation
installers'

179

Insulation Installer
Audits



69

EN 1090 (Structural
Steel) Certified
Businesses

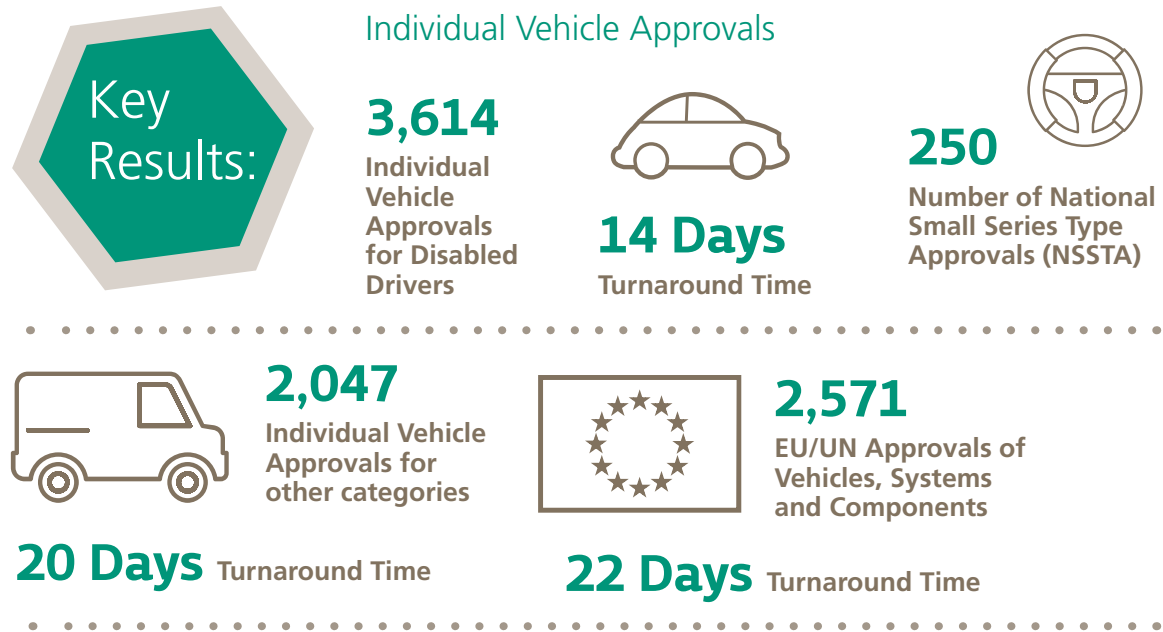


ISO 50001 (Energy
Management Standard) **11**
Certified Businesses



Automotive Approvals

NSAI is the Irish Type Approval Authority and has appointed a number of technical services and Approved Test Centres (ATC's) to carry out the relevant tests and inspections. NSAI is responsible for a number of schemes which enhance the safety and environmental aspects of vehicles on the road in Ireland and in Europe. Our Motor Vehicles Division issues national and European automotive approvals for vehicles, their components and systems, focusing on areas such as emissions, engine power, tyres and seat belts. Under this scheme, a manufacturer can obtain approval for a vehicle type in one EU country and market it EU-wide without further tests. During 2016, a total of 8,232 approvals were issued.



Medical Devices

The medical technology sector in Ireland is recognised as one of the five global emerging hubs and a key priority for the Government. The sector is the second largest employer of medtech professionals in Europe and one of the largest exporters of medical products in Europe. Within this environment, NSAI Medical Devices offers the medical industry's only local CE Marking services, which includes providing regulatory guidance services to help clients understand how the European Union Medical Devices Directive is applied to their products. The certification process gives Irish indigenous and multinational companies immediate access to European and world markets, thereby creating further employment opportunities, and ensures the safest possible environment for consumers.



Metrology in 2016



Legal Metrology

NSAI Legal Metrology protects both consumers and businesses alike, ensuring that people receive the correct measure for the goods or services they consume and pay for. Our inspectors visit thousands of premises each year, inspecting measuring instruments used in trade and have the power to investigate and prosecute those who do not comply with the appropriate legislation. The sectors covered by this public good service include food production, export enterprises and local retailers. Adopting a risk-based inspection approach, Legal Metrology identifies an annual inspection programme to ensure sector compliance. NSAI's work in this area is complemented by a network of authorised verifiers, which supports business needs for a professional verification service arising because of new installations, wear and tear, repairs and maintenance requirements over the measuring instruments' lifetime. The impact of the inspection regime is evidenced by the compliance rates achieved following the first inspection.



Liquid Fuel Dispensers



Taximeters



1,376

Inspected

66

Failures on
1st Inspection

1

Required Further
Investigation

99.9%

Compliance

Retail Weighing



3,205

Inspected

202

Failures on
1st Inspection

4

Required Further
Investigation

99.9%

Compliance

Weighbridge – Animals (e.g. in marts)



30

Inspected

7

Failures on
1st Inspection

0

Required Further
Investigation

100%

Compliance

Weighbridge – Vehicle



369

Inspected

68

Failures on
1st Inspection

3

Required Further
Investigation

99%

Compliance

Milk Meter



72

Inspected

2

Failures on
1st Inspection

0

Required Further
Investigation

100%

Compliance

Waste Weigher



84

Inspected

7

Failures on
1st Inspection

0

Required Further
Investigation

100%

Compliance

Truck-mounted Oil Meters (e.g. Delivering Home Heating Oil)



98

Inspected

7

Failures on
1st Inspection

0

Required Further
Investigation

100%

Compliance

National Metrology Laboratory

The National Metrology Laboratory is the home of Irish measurements. As the national metrology institute for Ireland, its staff is tasked by the state to be responsible for establishing and maintaining the national measurement standards for physical quantities such as mass, length, temperature, pressure, voltage, resistance, sound level and time interval, and their dissemination to Irish users. NML provides industrial and scientific metrology to industry, protects consumers by ensuring accurate measurements and works closely with third-level institutions in collaborative research activities.



Key Results:



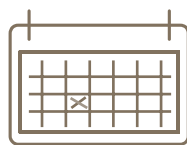
4,300

Instruments
Calibrated

19 training courses delivered to

90 Participants in

50 Companies



Number of
Research Days

560



18

Proficiency Testing
Schemes Managed

2

Scientific papers
Published on NML R&D

NSAI Inc. in 2016



Established in 1997, NSAI Inc. is a subsidiary of the National Standards of Ireland with offices in Nashua, New Hampshire, USA. It offers mainstream management systems and medical device certification, NSAI Inc. is central to the international profile, own resourced income and experience scope of NSAI as a whole.

The strengthening US dollar during the course of the year has had a noticeable positive effect on NSAI's financial operations.



104

New Quality Management System Certificates in 2016



Corporate Governance Statement



Board

The Members of the Authority constitute the Board of NSAI. The Minister appoints the Members, in accordance with the provisions of the NSAI Act 1996, from among those interests involved in the process of standardization and certification of commodities, processes and practices, without any single interest predominating.

The Board comprises thirteen members: a Chairperson and 12 Members, inclusive of the Chief Executive Officer as an ex-officio member. Annually, on the anniversary of the establishment day of the Authority, the three longest serving Members present for retirement from the Board.

The Board and its Committees operate in accordance with the guidelines of the Code of Practice for the Governance of State Bodies 2009, as issued by the Department of Finance. The Board has formally adopted the Code of Practice for the Governance of State Bodies 2016 for reporting in the Financial Statements 2017.

The Board is collectively responsible for leading and directing the NSAI's activities. Key functions, include 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, overseeing major capital expenditure and investment decisions and ensuring the existence of an appropriate internal control environment for its operations. It performs these functions directly and through the operation of focused Board Committees. Responsibility for the implementation of policy rests with executive management.

In accordance with the 'Code of Practice for the Governance of State Bodies', NSAI fully complies with Government policy on the pay of Chief Executives and State Body employees and with Government guidelines on the payment of fees to Board Members.



The Board convened six meetings in 2016.

Board Members	2016 Appointments/Retirements	Meetings Eligible to Attend	Meetings Attended
Ms J. O'Neill – Chairman		6	6
Mr R. Blackburn	<i>Appointed June 2016</i>	3	2
Ms V. Bowens		6	6
Ms N. Brennan	<i>Appointed June 2016</i>	4	4
Mr E. Forde	<i>Retired June 2016</i>	2	2
Ms A. Goggin	<i>Reappointed June 2016</i>	5	5
Mr T. Landers		6	6
Dr A. O'Boyle		6	6
Ms D. O'Hara	<i>Reappointed June 2016</i>	5	4
Mr K. Ryan	<i>Reappointed June 2016</i>	5	5
Ms D. Smith		6	5
Mr M. Buckley (<i>CEO ex-officio</i>)	<i>Resigned December 2016</i>	5	5
Staff Members			
Mr K. Cox		6	4
Mr K. Early		6	6

Committees of the Board

Audit Committee

The Audit Committee is a core component of governance and of the systems of internal financial controls implemented by the Board. The scope of the Committee incorporates the internal control environment, risk management and protected disclosures provisions. The Committee operates under terms of reference approved by the Board and convened five meetings in 2016.

Member	Meetings Eligible to Attend	Meetings Attended
Mr K Ryan	5	4
Mr E Forde	2	2
Dr A O'Boyle – Chairman	5	5
Mr T. Landers	1	1
Ms V. Bowens	1	0
Mr R. Blackburn	2	2
Ms N. Brennan	2	2
Ms D. Smith	2	1

Governance Committee

The Governance Committee incorporates defining and articulating the NSAI's overall corporate governance structures to ensure it complies with the Code of Practice for the Governance of State Bodies and develops and recommends corporate governance guidelines applicable to the NSAI for Board approval. The Committee operates under terms of reference approved by the Board. Pending implementation of governance committee recommendations and Board appointments the Committee convened no meetings in 2016.

Nominations Committee

The Nominations Committee reviews the composition of the Board and makes recommendations to the Board regarding appointments and competency requirements. It also considers succession planning for members and other key senior executive positions as agreed with the Board. The Committee operates under terms of reference approved by the Board and convened ten meetings in 2016 due to the Chief Executive appointments process.

Member	Meetings Eligible to Attend	Meetings Attended
Ms J O'Neill – Chairman	10	10
Mr M Buckley – CEO	1	1
Mr T Landers	10	10
Ms D Smith	10	10

Corporate Governance Declarations

NSAI was established under the provisions of the National Standards Authority of Ireland Act 1996. As a statutory body, it has the powers to acquire, hold and dispose of land and other property, including intellectual property, enter contracts, sue and be sued in its own name.

The Authority operates in accordance with provisions of the National Standards Authority of Ireland Act 1996; Metrology Act 1996; Packaged Goods (Quantity Control) Act 1980; Industrial Development Acts 1998-2009 and under the aegis of the Minister for Jobs, Enterprise and Innovation who is empowered to; provide funds to the Authority to enable it to discharge its obligations; to issue general policy directives; and to seek information on the Authority's activities. In addition to its own governing legislation, the Authority is also required to comply with a range of other statutory (national and EU) and administrative requirements. It has put in place procedures to ensure compliance with the following specific requirements:

EU Regulation No. 1025/2012 on European Standardization

NSAI has been notified by the Department of Jobs, Enterprise and Innovation as the national standards body for CEN, CENELEC and ETSI under the EU Regulation on Standardization and is required to publish an annual report on standardization activities.

Code of Practice for the Governance of State Bodies 2009 (the Code)

The Board has adopted the Code and has implemented procedures and reviews to ensure compliance with its provisions. The Chairman of the Board, in a separate report furnished annually to the Minister for Jobs, Enterprise and Innovation, confirms compliance with the individual requirements of the Code.

Code of Practice for the Governance of State Bodies 2016 (the Code)

The Board has formally adopted the Code of Practice for the Governance of State Bodies 2016 and in accordance with the transition provisions will continue to apply the 2009 version of the Code for the 2016 Financial Statements. The Chairperson's report to the Minister outlines the steps being taken to ensure compliance in relation to Financial Statements 2017.

Ethics in Public Office Act 1995 and Standards in Public Office Act 2001 and ensuing regulations

In accordance with the provisions of the Acts, all Members and staff holding designated positions complete statements of interest in compliance with the provisions of the Acts.

Employment Equality Acts 1998 and 2011 and the Equal Status Acts 2000-2012

NSAI is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. NSAI provides several schemes, such as staff development, career breaks and flexible work arrangements which contribute to the development of a balanced work/life environment for all staff.

A policy on Dignity at Work is in operation and has been communicated to all staff.

Safety, Health and Welfare at Work Act 2005

NSAI continues to take appropriate measures to protect the safety, health and welfare of all employees and visitors comply and meet the provisions of this act.

Worker Participation (State Enterprises) Acts 1998

NSAI is not a designated body for the purposes of the Act. However, in accordance with the provisions of the NSAI Act 1996, the Authority has put in place procedures for staff representation on the Board.

Protected Disclosures Act 2014

There were no protected disclosures made to NSAI in 2016.

Freedom of Information 2014

NSAI complies with the provisions of this Act. The Act establish the following statutory rights:

- Access to information held by public bodies;
- To have official information held by a public body relating to that individual amended where it is incomplete, incorrect or misleading; and
- Access to records on decisions affecting the individual taken by that public body.

Requests for information should be addressed to the Freedom of Information Officer, NSAI, 1 Swift Square, Northwood, Santry, Dublin 9.

Data Protection Acts 1988 and 2003

NSAI is registered as a data controller and complies with the provisions of these Acts.

Guidelines for the Appraisal and Management of Capital Expenditure Proposals

NSAI has established procedures which are consistent with the principles set out in these guidelines.

Prompt Payment of Accounts Act 1997

The Prompt Payment of Accounts Act 1997 was amended by the European Communities (Late Payments in Commercial Transactions) Regulations 2002. Management is satisfied that NSAI complied with the provisions of the Act in all material respects.

Prompt Payment to Suppliers

NSAI is committed to ensuring that all valid suppliers' invoices are paid promptly, under the 15 day Prompt Payment Rule, which came into effect on 1st July 2011.

NSAI reports quarterly in the "About NSAI – Publications" section of the website on the performance against this rule.

Energy Efficiency

NSAI is committed to taking every effort possible to be energy efficient. During 2016, the Authority consumed the following energy over nine facilities:

2016	
kWh of electricity	1,211,938
kWh of natural gas	1,320,897

The Authority participates in framework agreements for the supply of electricity and gas procured centrally by the National Procurement Service.

Customer Charter

NSAI's Customer Charter sets out our commitment to high quality services to our customers and is available in Irish and English at the "About NSAI – Organisation – Customer Service" section of the website. The Charter includes information on compliance with the Ombudsman Act 1980 and the Ombudsman for Children Act 2002.

Official Languages Act 2003

In accordance with Section 10 of the Act, this Annual Report is published in Irish and English.

Reuse of Public Sector Information Regulation (S.I. 279 of 2005)

NSAI complies with the requirements of the regulation regarding licencing of information for reuse.

Consolidated Financial Statements

Statement of Board Members Responsibilities	25
Statement on Internal Financial Control	26
Report of the Comptroller and Auditor General	28
Board Members and General Information	30
Consolidated Statement of Income and Expenditure and Retained Revenue Reserves	31
Consolidated Statement of Comprehensive Income	32
Consolidated Statement of Financial Position	33
Company Statement of Financial Position	34
Consolidated Statement of Cash Flows	35
Notes to the Consolidated Financial Statements	36

Statement of Board Members Responsibilities

Paragraph 8(2) of the First Schedule to the National Standards Authority of Ireland Act, 1996 requires the Authority to keep, in such form as may be approved of by the Minister for Jobs, Enterprise and Innovation, with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it and, in particular, to keep in such form as aforesaid all special accounts as the Minister for Jobs, Enterprise and Innovation may from time to time direct. In preparing the financial statements, the Authority is required to:

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

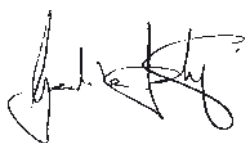
The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time its financial position of the group including the wholly-owned subsidiary, NSAI Inc. and which enable it to ensure that the Financial Statements comply with Paragraph 8 of the First Schedule to the National Standards Authority of Ireland Act, 1996. 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.

On behalf of the Board:



Aidan O'Boyle
Board Member

14 June 2017



Geraldine Larkin
Chief Executive Officer

14 June 2017

Statement on Internal Financial Control

On behalf of the Board of NSAI, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in the Authority which includes NSAI's wholly-owned subsidiary NSAI Inc.

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

The Board has taken steps to ensure an appropriate control environment is in place by:

- Establishing formal procedures for monitoring the activities and safeguarding the assets of the organisation;
- Clearly defining management responsibilities and powers;
- Developing a culture of accountability across all levels of the organisation.

The Board has established processes to identify and evaluate business risks by:

- Operating a formal risk management process. This process considers the primary risks facing the Authority in the discharge of its function and achievement of overall objectives.
- Management is responsible for the identification and evaluation of significant risks and for the design and implementation of appropriate internal controls.
- Management reports to the Board on significant changes in the operations of the Authority and their associated risks.

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

- Clearly defined authorisation limits, segregation of duties and the controls available from its financial systems. This system is overseen by the Audit Committee which engages suitable external agencies to examine and test this system.
- The operation of a system of budgetary control against which actual performance is compared throughout the year. Financial results are reported to the Board with variance against budget interrogated.
- Board approval is required for all key payment authorities and banking mandates.
- The Audit Committee, a sub-committee of the Board, approves internal audit plans and deals with significant control issues raised by the internal or external auditors. This Committee ensures that the work done by the internal audit function is focused on areas of greatest risk or exposure.

NSAI has an outsourced internal audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies and which reports directly to the Audit Committee. The work of internal audit is informed by analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee. The Audit Committee meets on a regular basis throughout the year to review and confirm the ongoing adequacy and effectiveness of the system of Internal Financial Control.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee which oversees the work of the Internal Auditor and the executive managers within NSAI who have responsibility for the development and maintenance of the financial control framework within the group including its wholly-owned subsidiary NSAI Inc.

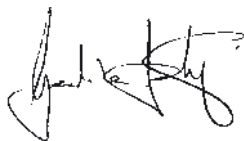
I confirm that in respect of the year to 31 December 2016, the Board conducted a review of the effectiveness of the system of internal financial controls.

On behalf of the Board:



Aidan O'Boyle
Board Member

14 June 2017



Geraldine Larkin
Chief Executive Officer

14 June 2017

Report of the Comptroller and Auditor General

For Presentation to the Houses of the Oireachtas

National Standards Authority of Ireland

I have audited the financial statements of the National Standards Authority of Ireland for the year ended 31 December 2016 under the National Standards Authority of Ireland Act 1996. The financial statements comprise the consolidated statement of income and expenditure and retained revenue reserves, the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cash flows and the related notes. The financial statements have been prepared under paragraph 8 of the first schedule of the Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Members of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of Audit of the Financial Statements

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

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

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

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Deferred Retirement Benefit Funding

Without qualifying my opinion I draw attention to note 12 (c) to the financial statements. The Authority recognises an asset in respect of deferred retirement benefit funding - the current value of the funding it anticipates will be provided in the future by the State to meet retirement benefit liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the Authority will in the first instance be applied towards current expenses and that State funding will meet any current or future shortfall in resources including future retirement benefit liabilities.

Opinion on the financial statements

In my opinion, the financial statements:

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

In my opinion, the accounting records of the National Standards Authority of Ireland were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find:

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

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



Patricia Sheehan

For and on behalf of the Comptroller and Auditor General

19 June 2017

Board Members and General Information

Board of the NSAI

NSAI Board Members, who are appointed by the Minister for Jobs, Enterprise and Innovation comprise of the following:

Board Members

Ms J. O'Neill – *Chairman*

Mr M. Buckley – *Chief Executive Officer.*
Resigned 09 December 2016

Mr R. Blackburn – *Appointed 20 June 2016*

Ms V. Bowens – *Appointed interim CEO*
28 November 2016

Ms N. Brennan – *Appointed 20 June 2016*

Mr K. Cox

Mr K. Early

Mr E. Forde – *Retired 19 June 2016*

Ms A. Goggin – *Reappointed 20th June 2016*

Mr T. Landers

Dr A. O'Boyle

Ms D. O'Hara – *Reappointed 20th June 2016*

Mr K. Ryan – *Reappointed 20th June 2016*

Ms D. Smith

Mr P. Bracken – *Board Secretary*

General information

Head Office

1 Swift Square,
Northwood,
Santry,
Dublin 9.

Auditors

Comptroller and Auditor General
3A Mayor Street Upper,
Dublin 1.

Bankers

Allied Irish Banks, plc

Solicitors

McCann FitzGerald

Consolidated Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2016

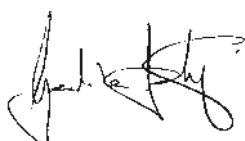
	Notes	2016 €	2015 €
Income	2	22,607,211	22,877,712
Expenditure			
Administration and general expenses	3	23,906,383	23,217,555
Retirement benefit costs	12(a)	3,941,286	4,577,305
		27,847,669	27,794,860
Deficit before Oireachtas grant		(5,240,458)	(4,917,148)
Oireachtas grant	4	5,063,154	5,527,211
Operating (deficit)/surplus for the year		(177,304)	610,063
Impairment of property, plant & equipment	6	–	(687,455)
Transfer from capital account	5	208,276	506,217
Translation adjustment		90,450	222,509
Surplus for the year		121,422	651,334
Balance at 1 January		4,788,231	4,136,897
Balance at 31 December		4,909,653	4,788,231

The consolidated statement of cash flows and Notes 1 to 20 form part of the consolidated financial statements.

On behalf of the Board:



Aidan O'Boyle
Board Member
14 June 2017



Geraldine Larkin
Chief Executive Officer
14 June 2017

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2016

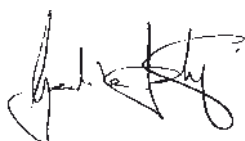
	Notes	2016 €	2015 €
Surplus for the year after appropriations		121,422	651,334
Experience gain on retirement benefit obligations	12(d)	3,079,000	2,424,000
Changes in assumptions underlying the present value of retirement benefit obligations	12	(8,067,000)	(18,915,000)
Total actuarial loss in the year		(4,988,000)	(16,491,000)
Adjustment to deferred retirement benefits funding	12(b)	4,988,000	16,491,000
Total comprehensive income for the year		121,422	651,334

The consolidated statement of cash flows and Notes 1 to 20 form part of the consolidated financial statements.

On behalf of the Board:



Aidan O'Boyle
Board Member
14 June 2017



Geraldine Larkin
Chief Executive Officer
14 June 2017

Consolidated Statement of Financial Position

As at 31 December 2016

	Notes	2016 €	2015 €
Non-current assets			
Property, plant and equipment	6	3,610,074	3,816,575
Current assets			
Receivables	8	4,737,397	4,915,813
Cash & cash equivalents		1,677,081	1,159,372
		6,414,478	6,075,185
Current liabilities (falling due < 1 year)			
Payables	9	1,504,825	1,286,954
Net current assets		4,909,653	4,788,231
Total Assets less current liabilities before Pensions		8,519,727	8,604,806
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	82,188,000	73,600,000
Retirement benefit obligations	12(b)	(82,188,000)	(73,600,000)
		–	–
Net Assets		8,519,727	8,604,806
Representing			
Capital account	5	3,610,074	3,816,575
Retained revenue reserves		4,909,653	4,788,231
		8,519,727	8,604,806

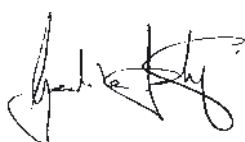
The consolidated statement of cash flows and Notes 1 to 20 form part of the consolidated financial statements.

On behalf of the Board:



Aidan O'Boyle
Board Member

14 June 2017



Geraldine Larkin
Chief Executive Officer

14 June 2017

Company Statement of Financial Position

As at 31 December 2016

	Notes	2016 €	2015 €
Non-current assets			
Property, plant and equipment	6	3,491,268	3,681,249
Current assets			
Receivables	8	3,127,767	2,973,952
Cash & cash equivalents		718,508	683,763
		3,846,275	3,657,715
Current liabilities (falling due < 1 year)			
Payables	9	4,095,234	3,265,560
Net current assets		(248,959)	392,155
Total Assets less current liabilities before Pensions		3,242,309	4,073,404
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	82,188,000	73,600,000
Retirement benefit obligations	12(b)	(82,188,000)	(73,600,000)
		—	—
Net Assets		3,242,309	4,073,404
Representing			
Capital account	5	3,491,268	3,681,249
Retained revenue reserves		(248,959)	392,155
		3,242,309	4,073,404

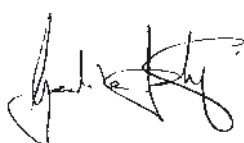
The consolidated statement of cash flows and Notes 1 to 20 form part of the consolidated financial statements.

On behalf of the Board:



Aidan O'Boyle
Board Member

14 June 2017



Geraldine Larkin
Chief Executive Officer

14 June 2017

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	Notes	2016 €	2015 €
Net cash flows from operating activities			
Operating (deficit)/surplus for the year		(177,304)	610,063
Bank interest		(492)	(517)
Depreciation charge	6	742,499	677,940
Profit on disposal of property, plant & equipment		(1,758)	(18,546)
Decrease/(increase) in receivables		178,416	(1,095,417)
Increase/(decrease) in payables		217,871	(762,254)
Currency translation adjustment		90,450	222,509
Net cash inflow/(outflow) inflow from operating activities		1,049,682	(366,222)
Cash flows from investing activities			
Payments to acquire property, plant & equipment	6	(534,315)	(869,418)
Receipts from sale of property, plant & equipment		1,850	28,786
Net cash outflow from investing activities		(532,465)	(840,632)
Cash flows from financing activities			
Bank interest		492	517
Net cash inflow/(outflows) from financing activities		492	517
Net increase/(decrease) cash and cash equivalents		517,709	(1,206,337)
Cash and cash equivalents at 1 January		1,159,372	2,365,709
Cash and cash equivalents at 31 December		1,677,081	1,159,372

Notes to the Consolidated Financial Statements

For the year ended 31 December 2016

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the National Standards Authority of Ireland in the preparation of these consolidated financial statements are set out below. They have all been applied consistently throughout the year and for the preceding year.

General information

The National Standards Authority of Ireland (NSAI) was established on 14 April 1997 under Section 6 of the National Standards Authority of Ireland Act, 1996.

NSAI's statutory functions are defined within the following Acts:

- National Standards Authority Act 1996;
- Metrology Act 1996;
- Packaged Goods (Quantity Control) Act 1980.

NSAI delivers this infrastructure through the core programmes of metrology, standardisation, legal metrology for measurements and measuring instruments used in trade and conformity assessment.

The National Standards Authority of Ireland is a Public Benefit Entity (PBE).

The financial statements have been presented in Euro (€) which is also the functional currency of the Authority.

Statement of compliance

The financial statements of National Standards Authority of Ireland for the year ended 31 December 2016 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 consolidation

The consolidated financial statements comprise the results of the Authority and its wholly-owned subsidiary NSAI Inc. NSAI Inc. was established in New Hampshire, USA on July 1, 1997 as a not for profit corporation, see Note 13 for further details. The accounting policies of the subsidiary do not differ to those of the Authority.

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 Jobs, Enterprise and Innovation with the concurrence of the Minister for Finance under the National Standards Authority of Ireland Act, 1996.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to NSAI's consolidated financial statements.

Income

All income, other than Oireachtas Grant, is accounted for in the period in which it has been earned. Fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Statement of Income and Expenditure and Retained Revenue Reserves on delivery of the service.

Oireachtas grant

Oireachtas grants are recognised using the performance model. A grant that does not impose specified future performance-related conditions on the recipient is recognised as income when the grant proceeds are received. A grant that imposes specified future performance-related conditions on the recipient is recognised as income only when the performance-related conditions are met.

Translation of foreign currencies

(a) Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the Reporting date. Income and expenses are translated at the exchange rates ruling at the dates of the underlying transactions. Profits and losses arising from foreign currency translations upon settlement of amounts receivable and payable in foreign currency are dealt with in the Statement of Income and Expenditure and Retained Revenue Reserves.

(b) Foreign operations

When translating the results of the foreign operation for inclusion in the financial statements, assets and liabilities are translated at the exchange rate ruling at the Reporting date. The translation difference arising from the restatement of foreign operations in the functional currency euro due to changes in exchange rates, is recognised in reserves (the Statement of Income and Expenditure and Retained Revenue Reserves under the heading "translation adjustment" in respect of monetary items and the Capital Account in respect of fixed asset re-translation differences.) Income and expenses are translated at monthly period average exchange rates. Any resulting translation difference compared to the Statement of Financial Position rate is also recognised in reserves of the operation.

Property, plant and equipment

Property, plant and equipment, which are owned by the NSAI, are stated at cost less accumulated depreciation and adjusted for any provision for impairment. Depreciation is calculated in order to write off the cost less the estimated residual value of each asset on a straight line basis as follows:

- | | |
|-----------------------------------|----------|
| i. Equipment, Fixtures & Fittings | 5 years |
| ii. Computers | 3 years |
| iii. Land and Buildings | 50 years |
| iv. Motor Vehicles | 5 years |

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.

Capital account

The capital account represents grant income utilised for the acquisition of property, plant and equipment and is written down in line with the depreciation and revaluation policies for the related assets.

Receivables

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is made against specific doubtful debtors with additional provision against other trade debts when there is objective evidence that NSAI or NSAI Inc. will not be able to collect all amounts owed. 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.

Employee benefits

(a) 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.

(b) Retirement Benefits

The Statement of Income and Expenditure and Retained Revenue Reserves, Statement of Comprehensive Income and Statement of Financial Position recognise pension transactions, movements and balances in accordance with the requirements of Section 28 of FRS 102: Employee Benefits.

NSAI Scheme

NSAI operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Jobs, Enterprise and Innovation and from contributions deducted from staff salaries.

Retirement benefit costs reflect pension benefits earned by employees, and are shown net of staff pension contributions which are retained by the NSAI. An amount corresponding to the retirement 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 from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Retirement benefit obligations represent the present value of future pension payments earned by staff to date. Deferred retirement benefit funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

Single Public Service Pension Scheme

NSAI also operates the Single Public Service 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).

Pension related Deduction

Under the Financial Emergency Measures in the Public Interest Act 2009, a pension related deduction was introduced for all staff who are members of a public service pension scheme, including staff of the National Standards Authority Ireland. The deduction was collected and remitted to the Department of Jobs, Enterprise and Innovation. (see Note 3)

Critical accounting judgements and estimates

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

(a) Impairment of property, plant and equipment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(b) Retirement benefit obligation

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

The assumptions can be affected by:

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

2. Income

		2016 €	2015 €
Certification fees		17,910,902	17,551,014
Sale of standards		947,642	854,279
Other income		148,175	162,902
Bank interest		492	517
		19,007,211	18,568,712
Net deferred retirement benefit funding	Note 12(c)	3,600,000	4,309,000
		22,607,211	22,877,712

3. Administration and general expenses

		2016 €	2015 €
Pay	Note 3(a)	10,820,478	10,784,305
Board members remuneration and expenses	Note 14	57,037	60,097
Travelling expenses		1,223,742	1,279,032
Subcontractors	Note 3(b)	5,771,408	5,184,843
External Service Delivery and Professional Services		764,071	570,258
Rents, rates, repairs and maintenance		1,883,967	1,861,081
Other operating expenses	Note 3(c)	2,012,295	2,095,412
Profit on disposal of property, plant and equipment		(1,758)	(18,546)
Subscriptions to organisations		632,643	723,133
Depreciation	Note 6	742,500	677,940
		23,906,383	23,217,555

(a) Pay

	2016 €	2015 €
Wages and salaries	10,106,162	10,087,096
Social welfare costs	714,180	696,956
Superannuation costs	136	253
	10,820,478	10,784,305

The number of persons employed (whole time equivalent) at 31 December 2016 was 138. (2015: 137).

(b) Subcontractors

Subcontractors costs relates to the use of specialist experts engaged in the delivery of NSAI income generating activities.

(c) Other Operating Expenses

	2016 €	2015 €
Advertising, Marketing and PR	407,071	511,935
ICT Costs	439,096	441,571
Communication, Printing & Publications	389,679	423,004
Finance Costs	136,900	177,660
Insurance	220,571	160,964
Staff Development	235,397	180,090
Audit Fee – C&AG	22,000	22,000
Audit Fee – Internal Audit fees	20,100	30,321
Other Operating Expenses	141,481	147,867
	2,012,295	2,095,412

Other Operating Expenses includes an amount of €10,469 in relation to Employee engagement/staff welfare (2015: €7,281). These costs include a contribution to staff social club events and staff team building exercises.

(d) *Employee benefits breakdown*

Range of total employee benefits	No. employees 2016	No. employees 2015
€60,000-€69,999	27	27
€70,000-€79,999	20	16
€80,000-€89,999	23	32
€90,000-€99,999	5	4
€100,000-€109,999	3	3
€110,000-€119,999		1
€120,000-€129,999		
€130,000-€139,999		
€140,000-€149,999		
€150,000-€159,999	1	1

Figures do not include NSAI Inc details as they are employed by NSAI Inc and not NSAI.

4. Oireachtas grant

	2016 €	2015 €
Grant for administration and general expenses	5,063,154	5,527,211

The Oireachtas Grant is issued by The Department of Jobs, Enterprise and Innovation and includes an amount of €436,521 (2015: €500,000) in relation to capital purchases in the year. Funding is from Vote 32, Subhead A.6.

5. Capital account

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
At 1 January	3,816,575	3,681,249	4,318,454	4,315,644
Movements on property, plant & equipment	(208,276)	(189,980)	(506,217)	(634,395)
Transfer to Income and Expenditure and Retained Revenue Reserves	(208,276)	(189,980)	(506,217)	(634,395)
Currency translation adjustment	1,775	–	4,338	–
At 31 December	3,610,074	3,491,269	3,816,575	3,681,249

6. Property, plant and equipment

Group:

	Equipment, Fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost:					
At 1 January 2016	4,832,852	3,842,133	4,370,295	356,958	13,402,238
Additions	232,802	279,354	–	22,159	534,315
Disposals	(41,233)	(17,902)	–	(16,277)	(75,412)
Translation adjustment	814	6,267	2,639	–	9,720
At 31 December 2016	5,025,235	4,109,852	4,372,934	362,840	13,870,861
Depreciation:					
At 1 January 2016	4,354,623	3,165,739	1,805,648	259,653	9,585,663
Charge for the year	193,373	409,443	83,323	56,360	742,499
Disposals	(41,141)	(17,902)	–	(16,277)	(75,320)
Translation adjustment	553	6,362	1,030	–	7,945
At 31 December 2016	4,507,408	3,563,642	1,890,001	299,736	10,260,787
Net book value					
At 1 January 2016	478,229	676,394	2,564,647	97,305	3,816,575
Net movement for year	39,337	(130,089)	(83,323)	(34,201)	(208,276)
Translation adjustment	261	(95)	1,609	–	1,775
At 31 December 2016	517,827	546,210	2,482,933	63,104	3,610,074

Company:

	Equipment, Fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost:					
At 1 January 2016	4,809,093	3,662,852	4,291,329	356,958	13,120,232
Additions	232,802	245,401	–	22,159	500,362
Disposals	(41,233)	(17,902)	–	(16,277)	(75,412)
At 31 December 2016	5,000,662	3,890,351	4,291,329	362,840	13,545,182
Depreciation:					
At 1 January 2016	4,346,038	3,034,003	1,799,289	259,653	9,438,983
Charge for the year	189,573	376,539	67,778	56,360	690,250
Disposals	(41,141)	(17,902)	–	(16,277)	(75,320)
At 31 December 2016	4,494,470	3,392,640	1,867,067	299,736	10,053,913
Net book value					
At 1 January 2016	463,055	628,849	2,492,040	97,305	3,681,249
Net movement for year	43,137	(131,138)	(67,778)	(34,201)	(189,980)
At 31 December 2016	506,192	497,711	2,424,262	63,104	3,491,269

7. Property

NSAI occupies premises at a number of locations. Our head office is located at 1 Swift Square, Santry, Dublin 9. These premises are leased, the lease was entered into in January 2008 for a period of 20 years. The next 5 year rent review is due to be undertaken in January 2018 covering the period commencing 1 January 2018. There is the option of a break clause in December 2017.

NSAI has Regional Offices in Limerick and the USA. The Limerick office is located at Plassey Park Road, National Technology Park, Castletroy, Co Limerick, these premises are owned by NSAI. The regional office in the USA is located at 20 Trafalgar Square, Nashua, NH 03063, USA, these premises are leased, the lease was entered into in September 2015 for a period of 5 years.

The NSAI National Metrology Laboratory is located at Glasnevin, Dublin 9, these premises are owned by NSAI. The NSAI has a number of Legal Metrology Service Regional Centres. These centres are located at Cork, Limerick, Dublin, Sligo, Dundalk, Waterford and Galway. All of these premises are owned by NSAI.

8. Receivables

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
Trade receivables	3,114,274	1,811,496	3,491,886	1,821,308
Accrued income	874,000	668,786	684,400	587,869
Prepayments	749,123	647,485	739,527	564,775
	4,737,397	3,127,767	4,915,813	2,973,952

All receivables are due within one year. All trade receivables are due within the Authority's normal terms. Trade receivables are shown net of impairment in respect of doubtful debts. The movement in impairment in respect of doubtful debts is as follows:

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
Balance at 1 January	463,126	380,976	455,171	391,596
Utilised in the year	(1,413)	(1,413)	(30,731)	(30,731)
Additional provision adjustment	14,089	(9,154)	38,686	20,111
Balance at 31 December	475,802	370,409	463,126	380,976

9. Payables (falling due < 1 year)

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
Trade payables	94,707	59,639	108,188	65,871
Other payables and accruals	911,169	724,499	827,351	638,774
Deferred income	462,741	462,741	330,026	330,026
Taxation, social insurance and VAT	36,208	36,208	21,389	21,389
Intercompany	–	2,812,146	–	2,209,500
	1,504,825	4,095,234	1,286,954	3,265,560

10. Operating lease commitments

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €949,024 (2015: €924,399). Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
Within one year	953,446	891,951	952,285	891,951
Between two to five years	898,715	728,604	1,852,160	1,620,554
After five years	–	–	–	–
	1,852,161	1,620,555	2,804,445	2,512,505

11. Taxation

The Authority is exempt from taxation on its income.

12. Retirement benefit costs

(a) Analysis of total retirement benefit costs charged to the Consolidated Statement of Income and Expenditure and Retained Revenue Reserves

	2016 €	2015 €
Current service costs	2,644,000	2,000,000
Interest on retirement benefit scheme liabilities	1,721,000	3,000,000
Employee contributions	(423,714)	(422,695)
	3,941,286	4,577,305

(b) Movement in net retirement benefit obligations during the financial year

	2016 €	2015 €
Net retirement benefit obligation at 1 January	73,600,000	52,800,000
Current service costs	2,644,000	2,000,000
Interest costs	1,721,000	3,000,000
Actuarial loss	4,988,000	16,491,000
Pensions paid in the year	(765,000)	(691,000)
Net retirement benefit obligation at 31 December	82,188,000	73,600,000

(c) Deferred funding for retirement benefits

NSAI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of a set of assumptions and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. NSAI has no evidence that the policy referred to above will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Consolidated Statement of Income and Expenditure and Retained Revenue Reserves was as follows:

	2016 €	2015 €
Funding recoverable in respect of current year retirement benefit costs	4,365,000	5,000,000
State grant applied to pay retirement benefits	(765,000)	(691,000)
	3,600,000	4,309,000

The deferred funding asset for retirement benefits at 31 December 2016 amounts to €82.2m (2015: €73.6m).

(d) History of defined benefit obligation

	2016 €	2015 €
Defined benefit obligations	82,188,000	73,600,000
Experience loss/(gain) on defined benefit scheme liabilities	(3,079,000)	(2,424,000)
Percentage of scheme liabilities	(4%)	(3%)

As at 15 July 2014 there was 39 Forfás staff working in NSAI. Under Paragraph 3 of the Second Schedule of the Industrial Development Act, 1993, Forfás was responsible for the employee pension entitlements of these staff. With effect from the 16th of July 2014, under part 5 of the Industrial Development (Forfás Dissolution) Act 2014 the said serving staff became members of the staff of NSAI and accordingly responsibility for all pension entitlements of the serving staff transferred from Forfás to NSAI.

(e) General description of the scheme

The retirement benefit scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal retirement age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation performed on 7 April 2017 by a qualified independent actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2016.

The principal actuarial assumptions were as follows:

	2016	2015
Rate of increase in salaries	2.81%	2.5%
Rate of increase in retirement benefits in payment	2.31%	2.5%
Discount rate	1.83%	2.35%
Inflation rate	1.81%	1.75%

(f) Mortality

Average future life expectancy according to the mortality tables used to determine the pension liabilities

	2016	2015
Male aged 65	21.1	22
Female aged 65	23.6	25

13. NSAI Inc.

NSAI Inc. was established in New Hampshire, USA on July 1, 1997 as a not for profit corporation wholly-owned by the NSAI for the purpose of distribution and dissemination of information on current and proposed Irish and EU standards, the provision of technical reviews and evaluation of products, processes and practices and certification for conformity to EU, Irish and International standards. The balances and transactions of NSAI Inc. have been included in these financial statements.

The consolidated surplus for the year includes a surplus from the operations of NSAI Inc. of €582,045 (2015: €573,617). See Note 13(a) for an outline of financial details.

(a) Outline of the NSAI Inc financial details are as follows:

Statement of Income and Expenditure

	2016 €	2015 €
Income		
Certification fees	6,495,479	6,349,271
Expenditure		
Pay and superannuation costs	1,423,492	1,498,344
Travelling expenses	232,643	251,959
Subcontractors	3,613,715	3,246,279
External Service Delivery and Professional Services	8,675	5,791
Rents, rates, repairs and maintenance	96,729	84,151
Other operating expenses	357,192	398,742
Subscriptions to organisations	105,982	185,184
Depreciation	52,249	41,970
Net intercompany charge	22,757	63,234
	5,913,434	5,775,654
Operating surplus for the year	582,045	573,617

Statement of Financial Position

	2016 €	2015 €
Non-current assets		
Property, plant and equipment	118,806	135,326
Current assets		
Receivables	1,609,630	1,941,861
Cash & cash equivalents	958,572	475,609
Intercompany	2,812,146	2,209,500
	5,380,348	4,626,970
Current liabilities (falling due < 1 year)		
Payables	221,735	230,894
Net current assets	5,158,613	4,396,076
Net Assets	5,277,419	4,531,402
Represented by:		
Capital account	118,806	135,326
Retained revenue reserves	5,158,613	4,396,076
	5,277,419	4,531,402

14. Board members – disclosure of transactions

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

(a) Directors remuneration – paid in 2016

	Note	2016 €
Ms J. O'Neill <i>Chairman</i>		11,929
Mr R. Blackburn <i>Appointed 20 June 2016</i>		4,129
Ms V. Bowens	(ii)	6,931
Ms N. Brennan <i>DJEI Representative Appointed 20 June 2016</i>		0
Mr K. Cox	(i)	0
Mr K. Early	(i)	0
Mr E. Forde <i>DJEI Representative Retired 19 June 2016</i>		0
Ms A. Goggin <i>Reappointed 20th June 2016</i>	(i)	0
Mr T. Landers		5,132
Dr A. O'Boyle		7,668
Ms D. O'Hara <i>Reappointed 20th June 2016</i>		6,312
Mr K. Ryan <i>Reappointed 20th June 2016</i>		6,312
Ms D. Smith		7,668
Mr M. Buckley <i>Chief Executive Officer. Resigned 09 December 2016</i>		0
Ms V. Bowens <i>Interim CEO Appointed 28th November 2016</i>		0

The total Directors remuneration for 2016 was €56,081 (2015: €57,039)

- Remuneration not payable in accordance with OPOS principle.
- Remuneration not payable in accordance with OPOS principle – for part of year.

(b) Directors expenses

The total Directors expenses for 2016 was €956 (2015: €3,058)

(c) CEO salary

Mr. M. Buckley, Chief Executive Officer resigned on the 9th of December 2016. The annual basic salary paid to Mr. M. Buckley in 2016 was €143,311 (2015: €148,823). The total remuneration package consisting of superannuation provision, company car and any other benefits (subject to benefit in kind) for 2016 was €152,993 (2015: €159,166). The Chief Executive is a member of the NSAI staff superannuation scheme and his pension entitlements do not extend beyond the standard entitlements of the model public sector scheme. Mr. M. Buckley did not receive any performance related payments in either 2016 or 2015.

Ms V. Bowens was appointed interim CEO on the 28th of November 2016. The total remuneration paid to Ms. V. Bowens in 2016 was €11,024. The interim CEO is a member of the single public service pension scheme. Ms. V. Bowens did not receive performance related payments.

(d) Key management remuneration

All directors, board members, CEO and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Authority are considered to be key management personnel. Total remuneration in respect of these individuals is €978,365 (2015: €882,318)

15. Related Party Disclosure

There are no other related party transactions other than those disclosed in Note 14.

16. Financial Instruments

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2016 Group €	2016 Company €	2015 Group €	2015 Company €
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Trade receivables	3,114,274	1,811,496	3,491,886	1,821,308
Prepayments	763,378	661,740	739,527	564,775
Cash and cash equivalents	1,677,081	718,508	1,159,372	683,763
<i>Financial liabilities measured at amortised cost</i>				
Trade payables	94,707	59,639	108,188	65,871
Accruals and other payables	911,169	724,499	827,351	638,774

17. Subsequent events

There were no significant events affecting the Authority subsequent to the year-end.

18. Capital commitments

There were capital commitments of €20,852 at the year-end.

19. Contingent liability

There are no contingent liabilities at the year-end which could have a material adverse effect on the Authority's financial position.

20. Approval of financial statements

The financial statements were approved by the Board on the 5th of May 2017.

Annex

List of Active NSAI Standards Committees

Reference	Title
NSAI/ETC/TC 2	Electrical Installations
NSAI/TC 1	Gas
NSAI/TC 2	ICT
NSAI/TC 3	Concrete Committee
NSAI/TC 4	Environmental
NSAI/TC 5	Health Care
NSAI/TC 7	Quality Management
NSAI/TC 8	Timber
NSAI/TC 10	Water Supply
NSAI/TC 11	Wastewater Engineering
NSAI/TC 12	Slating and Tiling
NSAI/TC 13	Food Industry
NSAI/TC 15	National Eurocodes
NSAI/TC 16	Fire Safety
NSAI/TC 17	Roads Standards
NSAI/TC 18	Corporate Responsibility
NSAI/TC 19	Energy Performance of Buildings
NSAI/TC 21	Health Informatics
NSAI/TC 23	Universal Design Standards Consultative Committee
NSAI/TC 24	Safety of Goalposts
NSAI/TC 25	Hurling and Camogie
NSAI/TC 28	Occupational health and safety managements systems
NSAI/TC 30	Risk Management
NSAI/TC 31	Building Services Committee
NSAI/TC 33	Cranes
NSAI/TC 40	Retrofit of existing dwellings
NSAI/TC 42	Cosmetics Advisory
NSAI/TC 43	CASCO Advisory
NSAI/TC 45	Innovation Management
NSAI/TC 46	Construction Products
NSAI/TC 47	NSAI CEN
NSAI/TC 48	NSAI ISO
NSAI/TC 49	Advanced Manufacturing Technologies
NSAI/TC 50	Petroleum Exploration and Extraction
NSAI/TC 52	Beauty Salon Services
NSAI/TC 53	Swift 7 Verification of bagged coal

Reference	Title
NSAI/TC 58	Reactive pyrite in sub-floor hardcore material
NSAI/TC 59	Energy
NSAI/TC 61	Chimney Adhoc
NSAI/TC 62	Biotechnology

Committees Serviced by NSAI Staff

Reference	Title
ETCI/IPC	IPC
ETCI/RCDTF	Residual Current Devices Task Force
ETCI/TC 1	Safety of household and similar electrical appliances
ETCI/TC 6	Equipment for potentially explosive atmospheres
ETCI/TC 10	Electrical equipment in medical practice
ETCI/TC 11	Safety of Electronic Equipment within the field of Audio/Video, Information Technology and Communication Technology
ETCI/TC 12	Electronic Communications Systems
ETCI/TC 13	Alarm systems
ETCI/TC 14	Electric cables
ETCI/TC 15	Human exposure to electromagnetic fields
ETCI/TC 16	Electromagnetic Compatibility
ETCI/TC 18	Marine energy – Wave, tidal and other water current converters
ETCI/TC 19	Insulators and Surge Arresters
ETCI/TC 20	Smart Grids, Renewables, Electric Vehicles and Energy Efficiency
ETCI/TC 21	Electrostatics
ETCI/TMC	Technical Management Committee

Active International Committees/ Working Groups Serviced by NSAI Staff (NSAI Secretariat)

Reference	Title
CEN/TC 122/ WG 1	Anthropometry
CEN/TC 158/ WG 5	Helmets for horse riders
CEN/TC 158/ WG 14	Helmets for field sports
CEN/TC 234/ WG 10	Gas infrastructure – Service Lines
CEN/TC 243/ WG 5	Biocontamination control
CEN/TC 266/ WG 4	Thermoplastic tanks made by the blow moulding and/or the rotational moulding processes, for the storage of oils having a flash point above 55 °C or 60 °C
CEN/TC 286	Liquefied petroleum gas equipment and accessories
CEN/TC 286/ WG 2	Design and manufacture of accessories (valves, gauges, fittings) for LPG pressure vessels designed in WG1
CEN/TC 286/ WG 8	LPG pipework
CEN/TC 286/ WG 10	LPG equipment and accessories – Environment
CEN/TC 286/ WG 11	LPG equipment and accessories – Terminology
CEN/TC 389/ WG 4	Design Thinking
CEN/TC 409	Beauty Salon Services
CLC/TC 216/ WG 09	Gas detectors – EN 50291-1:201X
CEN/WS BDA	Big Data
ISO/TC 58/SC 2/WG 12	Specification and test for LPG cylinder valves
ISO/TC 37/SC 5/WG 1	Translation
ISO/TC 121/SC 2/WG 5	Suction catheters for use in the respiratory tract





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