

NSAI 20 YEARS



NSAI



ANNUAL REPORT 2017

2017 at a Glance



1,490

Standards published



1,442

Expert committee
members



166

Standards revised



12,857

Standards sold worldwide



4

New Irish standards
created



69

Standards withdrawn



>23,000

Total number of standards
in NSAI catalogue



1,030

Total number of certified
organisations



30%

Growth in social media
followers



14,763

Instrument inspections
by Legal Metrology



646

Construction products
CE Mark audits



16,931

Subscribers to
our e-zine



2,457

Registered users to
'Your Standards, Your Say'

For 20 years, NSAI has had the standards and technical knowledge to provide firms with services to ensure the company not only has a more cost-effective way of complying with regulations and standards, but also is better equipped to grow and secure more tender opportunities.

Contents

2017 at a Glance	i
Mission, Vision and Values	2
Introducing NSAI	3
Message from the Chairperson	4
Message from the Chief Executive	6
Significant Events in 2017	9
Daily Life	13
20 Years of NSAI	16
Standards in 2017	18
Certification in 2017	21
Metrology in 2017	26
NSAI Inc. in 2017	30
Governance Statement and Board Members' Report	33
Consolidated Financial Statements	39
Annex	68



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.

Dedicated

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

Impartial

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

Engaging

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

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.

Thorough

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

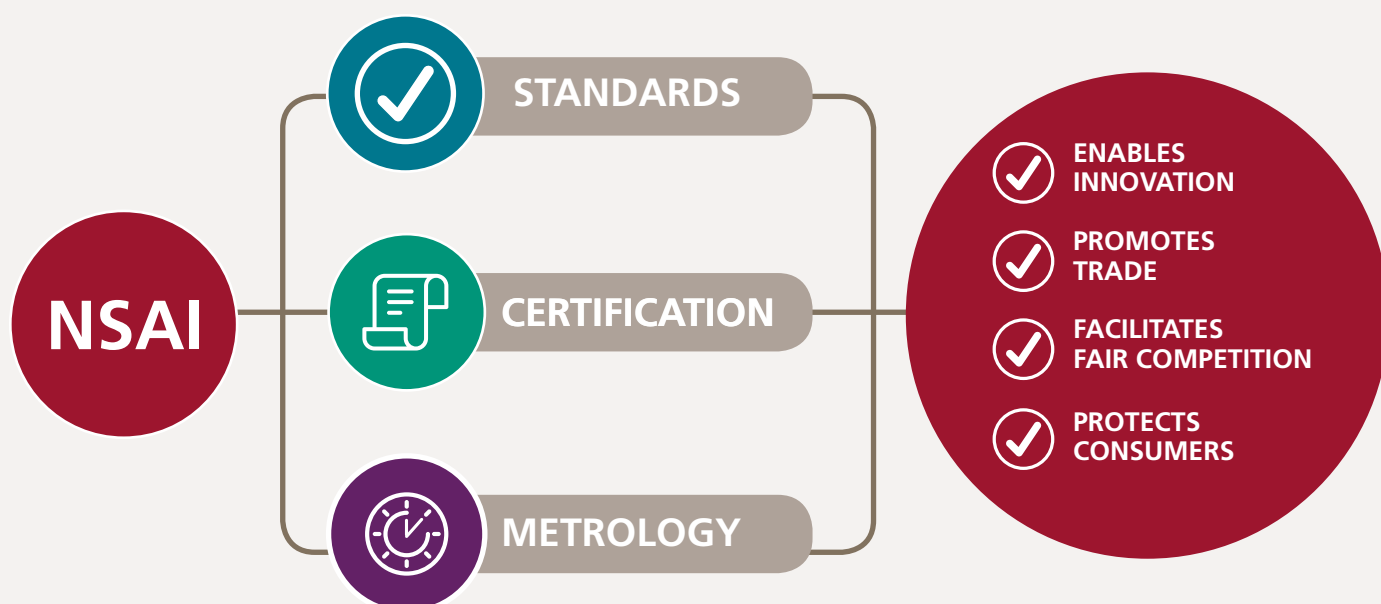
Introducing NSAI

NSAI was established under the National Standards Authority of Ireland Act 1996 and reports to the Minister for Business, 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, and conducting audits and issuing certificates on the application of standards to goods, services and measurements.

As such, NSAI provides a comprehensive range of certification services, 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 or 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



Message from the Chairperson



The foundations upon which Ireland's trading economy are built appear to have shifted slightly this year as uncertainty over the final Brexit deal and elections in the European powerhouses of France and Germany resulted in changes to the strong and stable status quo. Yet despite this, the country remains in good health generally. Unemployment ended the year at a decade low, exports were at a record high and GDP growth was the strongest in the Eurozone.

As the country's centre of excellence for standards development, certification and metrology, NSAI played an important role in facilitating this continued economic success. Through close and regular engagement with industry, government and other stakeholders, the organisation ensured that there was, and will continue to be, a strong and secure trading infrastructure for products and services through the development and application of national and international standards.

I am delighted to say that more than 3,000 Irish businesses can attest that standards are the best way to build customer confidence in their products, meet regulation requirements, improve efficiencies across all aspects of a business and gain market access across the world.

I am proud to be taking up the position of Chairperson in an organisation that has its eyes firmly fixed on achieving its strategic goals while maintaining its compliance with the highest level of corporate governance.

NSAI has an excellent reputation and record, well beyond that of its size, in the international standardization community. This is attributable to the highly-qualified, dedicated and long-serving staff who are committed to ensuring that NSAI is a leading provider of world-class standards, certification and measurement services which facilitate trade and support a sustainable economic environment.

Under the leadership of the Chief Executive Officer, Geraldine Larkin, I anticipate that NSAI will continue to deliver on the goals as set out in the strategic plan 2016-2020 and I look forward to assisting the organisation achieve this.

I would like to take the opportunity to commend the work of the outgoing Chairperson, Ms. Julie O'Neill, the interim Chairperson Mr. Kieran Ryan, and the Board Members on the strength of the strategic plan, which will guide my Chairmanship. In addition, NSAI's activities support the annual Action Plan for Jobs Programmes (APJ), with a role in;

- enhancing supports for companies engaged in research, development and innovation,

- ▶ rolling out a Workplace Innovation Toolkit,
- ▶ positioning Ireland to the forefront of specific sectors to stimulate innovation, certainty and international reputation, and
- ▶ managing potential consequences arising from Brexit.

I am grateful to the many organisations, committee members and industry experts for their significant input over the years. They have facilitated the participation of industry in the work of standardization and extending public awareness of the scope and significance of standards.

I would also like to express NSAI's gratitude to the Minister for Business, Enterprise and Innovation, Heather Humphreys TD; Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection, Pat Breen TD and their colleagues at the Department for their support to NSAI during 2017.

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 2017.



JAMES KENNEDY
Chairperson



Message from the Chief Executive



My first ten months as Chief Executive have been extremely rewarding engaging with business owners, entrepreneurs, academics, standards committee members and professional organisations to hear first-hand the business benefits offered by NSAI's services and activities. As Ireland's National Standards Body, we are constantly striving to facilitate innovation and enterprise development, restore competitiveness and enhance business performance to be the best it can be.


More and more businesses are recognising that standards can offer them a competitive edge and overcome potential barriers to trade. This is a position supported by a report conducted by the Centre for economics and business research (Cebr), which found standards play a pivotal role in supporting Ireland's continuing economic recovery by significantly boosting trade and GDP, and creating new jobs.

NSAI published 1,490 standards during the year, including four new Irish standards in areas such as construction and manufacturing. It means that the total number of standards available in our catalogue now stands at over 23,000. The number of new registered users to the 'Your Standards, Your Say' portal exceeded targets, while 1,442 Irish people are currently involved in shaping the standards of the future for their sector, by voluntarily sitting on standards committees in Ireland, Europe and further afield.

Thousands of organisations in Ireland are already using standards, or are certified to the world's leading standards for quality and environmental management systems. As we look to 2018, major milestones will be the deadline for companies to upgrade to the newest version of these key standards, and the introduction

of a new international standard for Occupational Health and Safety management systems. I.S. ISO 45001 will enable organisations to address their legal obligations by using a management system standard as a framework, thereby reducing the consequences of occupational injuries, and diseases, such as losses from early retirements, staff absences and rising insurance premiums, both for employers and the wider economy. With 2.78 million people dying in workplace accidents worldwide every year, including 50 on average in Ireland, its publication should be warmly welcomed.

2017 saw the successful revision of the Revised Reactive Pyrite Standard, which is used by engineers, geologists and other technical experts, when assessing buildings where the materials under the ground floor are affected by pyrite. The new version is intended to make it easier to categorise pyrite-affected properties, which includes more than 12,000 homes, and I want to sincerely thank the committee members and the members of the public for their important contributions to the revision. I hope that it will bring greater clarity to those who have been affected by this issue.

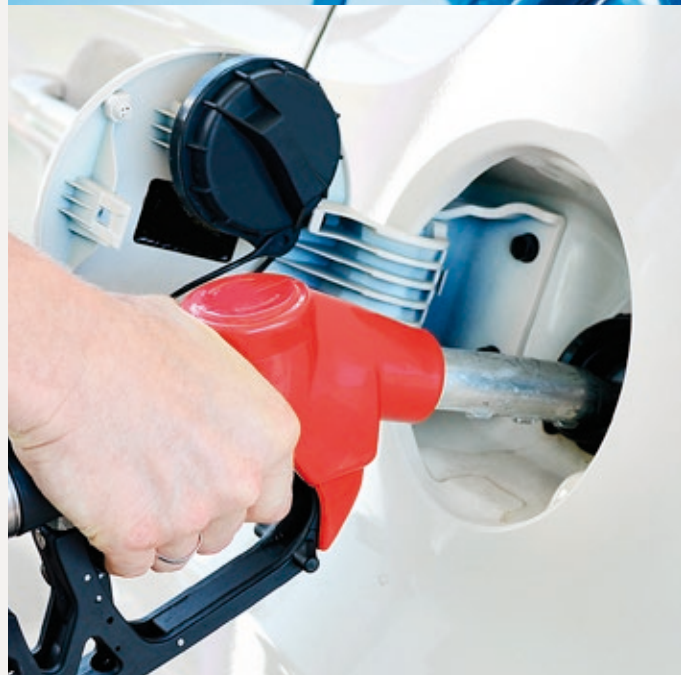


Furthermore, I welcome the publication of the Mica Expert Group Report, which found in June that deviations from standards led to presence of deficient minerals in concrete blocks used in Donegal and Mayo homes. NSAI has been tasked with developing a standardised protocol to assess and categorise the damage in affected properties and we are now consulting with the Department of Housing, Planning, Community and Local Government on how best to implement this recommendation.

We are now halfway through our Strategic Plan 2016-2020 and I am pleased to say that NSAI has made strong headway towards realising the challenging objectives and targets we have set. Our main goal of facilitating trade has been well served by our Legal Metrology division, which inspected almost 15,000 measuring instruments used in trade this year. This public service protects both businesses and consumers alike, and this is evident by the prosecution this year of a fish processor for tampering with weighing scales. We take non-compliance in any sector very seriously and NSAI will continue to use the full powers of the legislation available to it to deal effectively with this issue.

The importance and benefits of certification were marked in our 20th year. 20 organisations received an NSAI Award of Distinction for achieving and maintaining certification to key international business standards over two decades.

As business focuses on saving money as well as helping to conserve resources and tackle climate change, I am heartened to report that the number of businesses certified by NSAI to the ISO 50001 standard for Energy Management increased almost five-fold in 2017. The genesis of this international



Message from the Chief Executive

standard can be traced back to the Irish standard I.S. 393, evidence of Ireland's contribution to setting an international standardization agenda.

NSAI is working closely with the Department and its agencies to help strengthen Ireland's position as a leading hub for medical devices, creating a "centre of excellence" environment for companies that want to take their medical products and services from concept to market in Europe. The sector is a key priority for the Government and NSAI Medical Devices offers the Irish medical devices industry a local CE Marking service, which includes providing regulatory guidance services to help clients understand how the European Union Medical Devices Directive is applied to their products. To this end 2017 saw significant progress with NSAI being designated as one of the internationally recognised Authorised Organisations for the Medical Device Single Audit Programme (MDSAP). Additionally, applications were submitted to the HPRA for a Joint Assessment as a notified body under the Medical Device Regulation (MDR). This year, NSAI received 261 medical device applications.

Our Motor Vehicles Division had a strong 2017, issuing more than 8,300 national and European automotive approvals for vehicles, their components and systems, focusing on areas such as emissions, engine power, tyres and seat belts.

I am pleased to report that turnaround times for automotive approvals processing have improved year-on-year. The average approval times for Individual Vehicle Approvals for disabled drivers were reduced from 14 days to six, with Individual Vehicle Approvals for other categories halving to ten days. That represents a significant improvement on 2016, and we will continue to focus on improving it further.

Research continues to be an important component of Metrology activities and the number of research days for 2017 increased further to 578 as the National Metrology Laboratory continued its partnership with European counterparts through participation in five research projects under the European Metrology Programme for Research and Innovation (EMPIR).

2018 will provide uncharted challenges with uncertainty around Brexit and the final outcome of the process. However, it does offer an opportunity for businesses to perform a risk assessment on the exposure of not only their business model, but also the robustness of their service and product standards

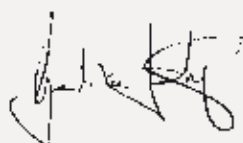
to compete the evolving market. Proactively planning now, starting with a fitness test of current management systems with Brexit in mind, will help them prepare for whatever the outcome will be and standards can be part of a solution. The most recent version of I.S. ISO 9001 was specifically designed to be more accessible to organisations outside the manufacturing sector and is increasingly being used by any organisation, including service providers such as hospitals, banks or universities.

Much has been reported about the challenges that Ireland and Irish business face during the current economic recovery and the evolution of a post-Brexit environment. Standards present one important way to tackle the challenges and take advantage of opportunities that may arise. It is in this environment that I see standards, conformity assessment and metrology as crucial supports to business. NSAI is committed to providing the key components of the trade infrastructure which enables industry and the consumer to go about their business with an "assured confidence".

Now, more than ever, Irish businesses need certainty. With just over a year to go until this country's relationship with its closest neighbour, competitor and ally is due to change fundamentally, businesses need to prioritise for this momentous shift.

Finally, none of the achievements of the past year would have been possible without our highly-skilled and dedicated staff. Every day, they endeavour to ensure that those who engage with NSAI benefit and have a positive experience in line with our stated values. I want to acknowledge their continued contribution 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 Business, 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 Officer

Significant Events in 2017

In April 2017, NSAI marked 20 years since its establishment under the National Standards Authority of Ireland Act. Since then, more than 23,000 standards have been published by NSAI, in areas such as healthcare, construction, food, technology and the environment. Through NSAI, Irish business has led the way in developing many standards for both national and international users, including those covering hurling helmets, food safety, bottled water, occupational health and safety, emergency lighting and energy management to name but a few.

Over the last 20 years, Irish businesses have adopted standards in the development of their management systems, with national certification levels per head of population now equivalent to that of our European trading partners. As an internationally-recognised certification body, NSAI has now over 3,000 certificates issued to organisations in Ireland and globally on the application of standards to goods, services and measurements.

Measurement technology has changed significantly over this period and NSAI services have evolved to ensure that Irish business has access to internationally traceable measurement units in our Metrology Laboratory. While in everyday scenarios, NSAI has also inspected and verified more than 250,000 trade measuring instruments since 1997, including point-of-sale retail weighing scales, petrol pumps, weigh bridges and taximeters, to protect businesses and ensure consumers get what they pay for.



NSAI

CELEBRATING
20
YEARS



January:

NSAI establishes Biotechnology mirror committee



February:

Geraldine Larkin appointed
NSAI Chief Executive Officer

Significant Events in 2017



March:

Donegal fish processor prosecuted following NSAI investigation

May:

Certificate presentation to 24 organisations



June:

IQNet general assembly hosted by NSAI in Dublin at which 20 organisations received an NSAI Award of Distinction for achieving and maintaining certification to key international business standards over two decades



NSAI

CELEBRATING
20
YEARS

April:

NSAI marks 20 years in its current guise



July:

NSAI welcomes publication of Mica Expert Group report

August:

NSAI publishes revised reactive Pyrite standard



September:

NSAI donates food hygiene standard to FoodCloud charities



October:

NSAI's annual Standards Forum recognises longest-serving committee members



November:

NSAI standards collection is made available in DCU









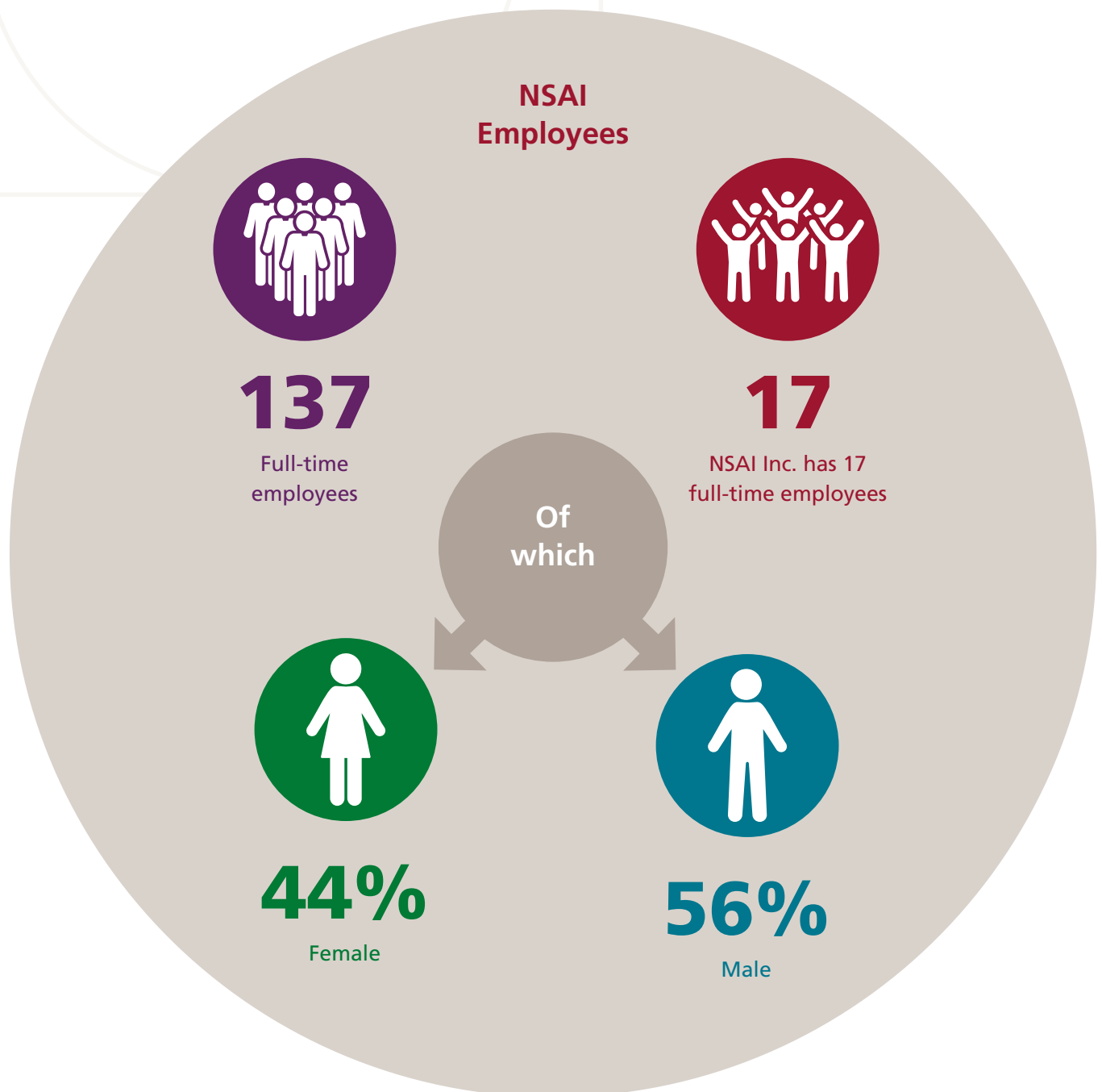
December:

Certificate presentation to 27 organisations

Significant Events in 2017

Selection of New Standards from 2017

JAN			I.S. EN 15224 Quality management systems – for healthcare	
FEB	I.S. 813:2014 Domestic gas installations			
MAR				
APR				
MAY	I.S. EN 16853 Conservation of Cultural Heritage			
JUNE			I.S. EN 716-1 Furniture – Children's Cots	
JULY	I.S. EN ISO 18295 Customer Contact Centres			
AUG				
SEPT			I.S. EN ISO 22112 Dentistry – Artificial Teeth	
OCT				
NOV	I.S. EN 1406 Chemicals used for treatment of water			
DEC			I.S. 435-1 Timber Post and Rail Roadside Fencing	







20 Years of NSAI

20 Years of NSAI

21 Standards in 21 Years



1997 – I.S. EN 574

Safety of two-handed machinery



1998 – I.S. 341

Food standards – retail, wholesale and catering



1999 – I.S. ISO 6222

Water quality



2000 – I.S. ISO 8601

Date and time format



2001 – I.S. ISO 4217

Currency codes



2002 – I.S. ISO/IEC 12097

Road vehicles – airbag components



2003 – I.S. ISO 13485

Medical devices



2004 – I.S. ISO 14001

Environmental management



2005 – I.S. ISO/IEC 27001

Information security management systems



2006 – I.S. 380

Beauty and holistic therapy – management of training centres



2007 – OHSAS18001

Occupational health & safety management



2008 – I.S. 3217

Emergency lighting



2009 – I.S. 440

Timber framed dwellings



2010 – I.S. ISO 26000

Corporate social responsibility



2011 – I.S. ISO 50001

Energy management



2012 – I.S. ISO 25539-2

Vascular stents



2013 – I.S. ISO 3166-1

Country codes



2014 – I.S. ISO 9362

Banking – business identifier code



2015 – I.S. EN 12520

Furniture – strength, durability and safety



2016 – I.S. ISO 18461

International museum statistics



2017 – I.S. 435

Timber post and rail roadside fencing

Evolution of NSAI



1997

1997 NSAI established under the National Standards Authority of Ireland Act 1996
Simon Kelly appointed as Chief Executive
Dan Tierney appointed as Chairperson

1998 The Legal Metrology Service is incorporated into NSAI

1999 Responsibility for the National Metrology Laboratory transfers to NSAI



2001

2006 Maurice Buckley appointed as Chief Executive



2007

2007 Anne Riordan appointed as Chairperson

2008 NSAI moves into its new Headquarters in Swift Square, Dublin

2013 Julie O'Neill appointed as Chairperson

2017 Geraldine Larkin appointed as Chief Executive Officer

Standards in 2017

Standards

Standards make things work and are all around us every day. Our mobile phones, our washing machines, the cars we drive and the toys our children play with are all made to world-class standards to ensure quality, safety and efficiency. Standards are instrumental in facilitating international trade and help businesses and organisations build, innovate and compete on the global market and can be referenced by governments when developing legislation.

As the national member of the international standards organisations, NSAI brings together experts to share knowledge and develop voluntary, consensus-based, market-relevant international standards that support innovation and provide solutions to global challenges.

In addition to the international dimension, 2017 saw the publication of new Irish standards, including the revised Reactive Pyrite standard, I.S. 398 and the revised Code of Practice for Slating and Tiling, S.R. 82:2017. Three of the top five standards sold covering Domestic Gas, Food Hygiene and Emergency Lighting were Irish Standards.

During 2017 NSAI achieved a 99.7% implementation rate per country for the publication of CEN and CENELEC standards by national members.

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.



>23,000

Total Number of Standards
in NSAI Catalogue



1,490

Standards published
and revised in 2017

Of which



1,324

New



166

Revised or
Amended



69

Withdrawn

Where they came from



4

from Ireland (NSAI)

989

from CEN



362

from CENELEC

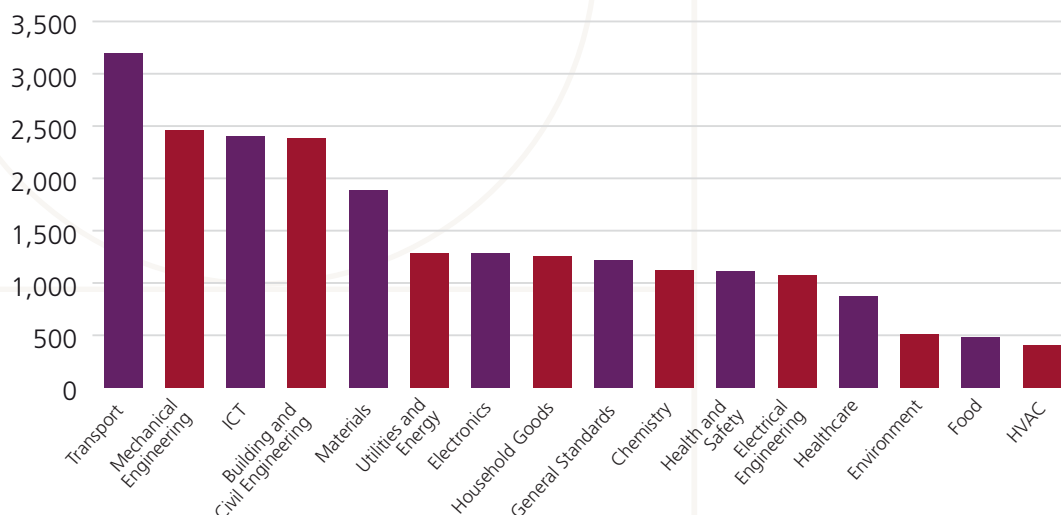
135

from the International
Organization for
Standardization (ISO)



Standards in 2017

The European Standards Universe – Total CEN /CENELEC publications by sector



NSAI Standards' catalogue available in **10** Irish third-level institutions



>177

Standards Committees



18

International meetings in Ireland



1,442

Active Committee Members



353

New in 2017



12,857

Standards sold worldwide



2,457

Registered 'Your Standards, Your Say' web portal users



6,819

Standards sold in Ireland



15%

Standards in 2017

Top 5 Standards Sold in Ireland in 2017

1. I.S. 813	Domestic Gas Installations
2. I.S. 340:2007	Hygiene in the Catering Sector
3. I.S. 3217:2013	Emergency Lighting
4. I.S. EN ISO 9000:2015	Quality management systems – Fundamentals and vocabulary
5. I.S. EN ISO 14000:2015	Environmental management systems – Requirements with guidance for use

The top 5 standards sales present a unique insight to the adoption of standards by Irish businesses, with standards covering compliance obligations taking up the top three positions, closely followed by the most widely-used management system standards.

While compliance with domestic gas installations is called for in statute, the legal requirements for catering and emergency lighting are set out in two Irish standards. These two voluntary standards provide guidance on how to achieve compliance with the relevant legislation.



Certification in 2017

Business Excellence

Certification can be a useful tool to add credibility to your organisation or solve a problem by demonstrating that your business, product or service meets the expectations of your customers. For some industries, certification is a legal or contractual requirement.

Within Business Excellence, NSAI is primarily focused on management system standards, which covers how an organisation manages the inter-related parts of its business to achieve its objectives.

As an accredited certification body, NSAI is at the forefront of ensuring that organisations in Ireland have access to a wide range of certification schemes which facilitate businesses to operate to the highest international standards.

As more and more businesses are searching for opportunities to innovate, increase efficiency, and quality and demonstrate legal compliance, the independent audit services provided by NSAI will enable them to check if their achievements meet their objectives and show conformity to the standard.

On The Road



16

Free ISO 9001, ISO 13485 and
ISO 14001 Roadshows



949

Attendees



309

New certificates issued to

123

Organisations in 2017



1,848

Audits carried out



1,030

Total number of certified
organisations

Corporate and Social Responsibility

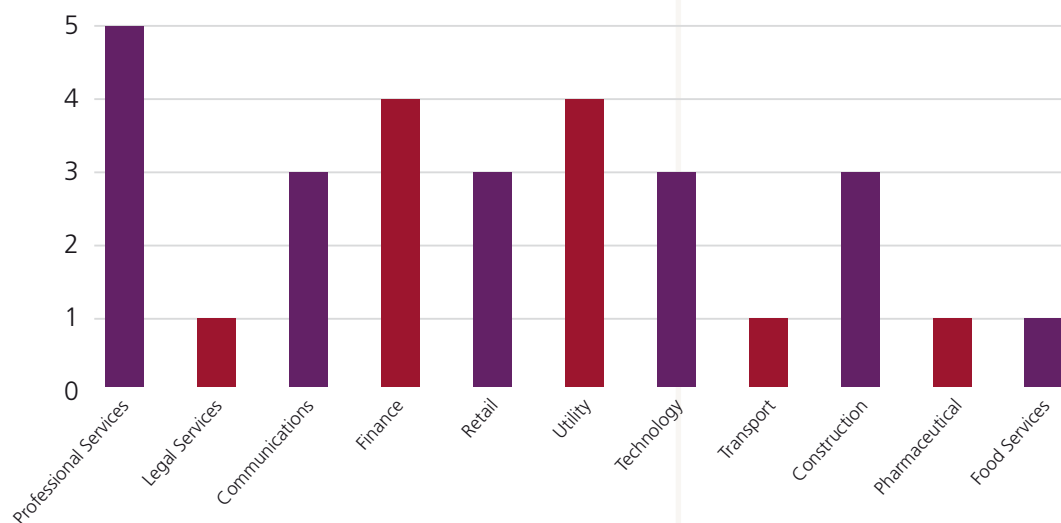
As the business environment evolves, greater importance is being placed on the relationship between an organisation and the society in which it operates. Working with Business in the Community Ireland (BITCI) through the Business Working Responsibly Mark, NSAI is enabling businesses to navigate and understand sustainability and Corporate Social Responsibility (CSR).



29

Certified members of
'Business in the Community'

Certified 'Business in the Community' members by sector



Certification in 2017

Sustainability and the Built Environment

The recovery in the construction sector continued throughout 2017, with 12,000 new jobs added and output at its highest level in 16 years, according to official figures.

This increase was reflected in the activities of NSAI's Sustainability and the Built Environment (SBE) division, with the number of construction product CE Mark audits almost doubling and a four-fold increase in the number of I.S. ISO 50001-certified businesses.

With the increase in construction and construction-related activities, such as insulation, significant reliance is placed on the SBE certificates services for 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 vital component of the overall assurance process, however, compliance and building control is dependent on the oversight exercised by the construction professions and local authorities.



646

Construction products
CE Mark audits



111

NSAI-registered external
wall insulation installers



115

NSAI-registered full-fill cavity
wall insulation installers



210

Insulation installer
audits



83

EN 1090 (structural steel)
certified businesses



50

I.S. ISO 50001 (energy management
standard) certified businesses

Certification in 2017

Medical Devices

Ireland has successfully positioned itself as a centre of excellence and hub for medical technology companies, with more than 300 currently operating here, employing some 32,000 people.

In this highly-regulated sector, Ireland's reputation for collaboration to drive growth is matched by a strong track record of adherence to standards.

With an ongoing reduction in the number of European medical device notified bodies, the primary focus for 2017 has been to ensure the maintenance and development of NSAI's notified body status.

Preparations were implemented for changes in the regulatory framework in this sector with the advent of two new EU regulations for Medical Devices (MDR) and In-vitro diagnostics (IVDR) and the international Medical Device Single Audit Programme (MDSAP), a program that allows the conduct of a single regulatory audit of a medical device manufacturer's quality management system that satisfies the requirements of multiple regulatory jurisdictions. The combined effect of the shift in the regulatory environment will present significant challenges and opportunities to companies in the sector.

With a focus on developing its processes and competencies to ensure continuity of services to the sector, the year closed with NSAI being designated an Authorised Organisation for MDSAP through NSAI Inc, and Joint Assessments against the EU Directives being scheduled for early 2018.

The ability of NSAI to provide these certification schemes is essential to Irish indigenous and multinational companies who require certainty of supply to meet their requirements for access to European and world markets, thereby creating further employment opportunities, and ensures the safest possible environment for consumers.

It is anticipated that this activity will grow in importance throughout 2018, as Ireland positions itself for a post-Brexit environment.



21

New medical device customers



15

CE product certs issued in 2017



261

Number of medical device applications



247

Total CE product certs issued

Certification in 2017

Automotive Approvals

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.

The Motor Vehicles Division issued a range of national and European automotive approvals for vehicles, their components and systems, focusing on areas such as emissions, engine power, tyres and seat belts.

As the Irish Type Approval Authority, NSAI has appointed a number of technical services and Approved Test Centres (ATC's) to carry out the relevant tests and inspections.

Under this scheme, an approval by a national approval body such as NSAI is accepted EU-wide without further tests. During 2017, a total of 8,309 approvals were issued.



3,425

Individual Vehicle Approvals
for disabled drivers

6

Days turnaround time



1,935

Individual Vehicle Approvals
for other categories

10

Days turnaround time



2,949

EU/UN approvals of vehicles,
systems and components

19

Days turnaround time



121

Number of National Small Series
Type Approvals (NSSTA)

Legal Metrology

Measurements are such a routine part of our daily lives that we often take them for granted and possibly don't even notice them. NSAI Legal Metrology exists to ensure that consumers and businesses alike can have confidence that they are receiving 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.

All sectors that rely on measurements used in trade are covered by this public service. In order to provide an assurance on measurement compliance, the service adopts a risk-based inspection approach model covering 40,000 traders and 75,000 measuring instruments throughout the country.

The majority of instrument verification for new installations, wear and tear, repairs and maintenance requirements over the measuring instruments' lifetime is now provided by a network of authorised verifiers, which supports business needs for a professional verification service and contributes to the accuracy of the measurement instruments used in trade.

The impact of the inspection and verification regime is evidenced by the compliance rates achieved following the first inspection with the average compliance at 87% and 852 warnings were issued.



3,550

Premises visitations



14,762

Instrument inspections



33,158

Instrument verifications
by private companies

Metrology in 2017

Liquid fuel dispensers



7,692

Inspected

270

Failures on 1st inspection

98%

Compliance

Taximeters



698

Inspected

30

Failures on 1st inspection

96%

Compliance

Retail weighing



4,580

Inspected

322

Failures on 1st inspection

94%

Compliance

Weighbridge – animals (e.g. in Marts)



104

Inspected

32

Failures on 1st inspection

69%

Compliance

Weighbridge – vehicle



355

Inspected

57

Failures on 1st inspection

84%

Compliance

Milk meter



106

Inspected

4

Failures on 1st inspection

96%

Compliance

Waste weigher



35

Inspected

12

Failures on 1st inspection

66%

Compliance

Truck-mounted oil meters (e.g. delivering home heating oil)



165

Inspected

29

Failures on 1st inspection

82%

Compliance

Metrology in 2017

National Metrology Laboratory

The National Metrology Laboratory is recognised as the centre of technical competence in metrology in a number of fields and provide traceability with primary measurement standards for physical quantities such as mass, length, temperature, pressure, voltage, resistance, sound level and time interval, and their dissemination to Irish users through training and calibration services.

NML also participates in metrological research and development at international level through the European metrology research programme EMPIR in order to strengthen its metrological knowledge and its international contacts. 2017 was a particularly active year, with NSAI participation in 5 projects.

Generating awareness and engagement with Metrology continued and as part of NML's outreach programme, a workshop on evaluating measurement data was presented to 3rd and 4th year physics students at Dublin City University (DCU). NML also hosted 10 second level Transition Year students for two weeks during 2017.



4,500

Instruments calibrated



20

Training courses delivered

To 100 participants from
46 companies



578

Research days



21

Proficiency testing
schemes managed

NML Research Projects

NML is a main partner in the European Metrology Programme for Innovation and Research (EMPIR), which coordinates research projects to address grand challenges in health, energy, environment and industry, while supporting and developing the SI system of measurement units.

In 2017, NML was involved in the following EMPIR projects.

Project name	Details
Eura-Thermal	Thermometry project with 11 partners from across Europe
Humea project	The objective is to develop or extend the measurement and research capabilities in the field of humidity measurements.
Trace PQM	Traceability Routes for Power Quality Measurements. Project with 13 European partners.
Metrology for additively manufactured medical implants	Collaborative research project with 19 European partner
2018 EMPIR call	NML were members of consortia in four research proposals. One of the projects ("A versatile electrical impedance calibration laboratory based on digital impedance bridges; VersiCal") was successful and has been recommended for funding. NML are the coordinators of this project.

DCU collaborations	
DCU Masters researcher	Completed the design, construction and sourcing of all the parts necessary for the construction of a primary humidity dew-point generator for NML. The generator will be assembled in Q1, 2018 and once operational, will greatly enhance the NML's humidity capabilities
Joint research project with DCU	Automated system for large mass
Collaborative electrical research project with DCU	Relating to Electrolytic Conductivity

New equipment for 2017	
	<ul style="list-style-type: none"> • New AC voltage standard • Dewpoint hygrometer • Low temperature calibration bath • New gauge block comparator • Software upgrade to ULM single axis measuring machine • 2 x 500kg standard mass standards • Solaris optical system • 3-D printer

NSAI Inc.

NSAI Inc. is a subsidiary of the National Standards of Ireland with offices in Nashua, New Hampshire.

Offering mainstream management systems and medical device certification, NSAI Inc. is central to the international profile, own-resourced income and scope of competencies for NSAI as a whole.

The quality and international experience of NSAI Inc. has been pivotal on the designation of NSAI as an authorised organisation for MDSAP and supporting NSAI's application as a notified body under the Medical Device Regulation (MDR).



69

New Quality Management
System certificates issued





Governance & Financials

Board Members 2017



*Julie O'Neill
Chairperson*



Kieran Ryan



Roger Blackburn



Valerie Bowens



Nina Brennan



Kieran Cox



Kevin Earley



Aideen Goggin



Terry Landers



Aidan O'Boyle



Deirdre O'Hara



Deirdre Smith



*Geraldine Larkin
Chief Executive Officer*

Governance Statement and Board Members' Report

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 NSAI operates under the aegis of the Minister for Business, Enterprise and Innovation who is empowered to; provide funds to the NSAI to enable it to discharge its obligations; to issue general policy directives; and to seek information on the NSAI's activities.

In addition to its own governing legislation, the NSAI 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 these specific requirements.

Governance Statement

The Board of the National Standards Authority of Ireland was established under the NSAI Act 1996. The functions of the NSAI are set out in Part 2 section 7 of this Act.

The Board is accountable to the Minister of State at the Department of Business, Enterprise and Innovation with responsibility for Trade, Employment, Business, EU Digital Single Market and Data Protection and 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 NSAI are 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 NSAI.

Board Responsibilities

The Board and its Committees operate in accordance with the guidelines of the Code of Practice for the Governance of State Bodies 2016, (the Code) as issued by the Department of Public Expenditure and Reform (DPER).

The work and responsibilities of the Board are set out in the NSAI Governance Manual which also contain 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.

Paragraph 8(2) of the First Schedule to the National Standards Authority of Ireland Act, 1996 requires the NSAI to keep, in such form as may be approved of by the Minister for Business, 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 Business, Enterprise and Innovation may from time to time direct. In preparing the financial statements, the NSAI 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 NSAI will continue in operation.

The Board is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the 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.

The maintenance and integrity of the corporate and financial information on the NSAI'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 NSAI, by reference to the Chief Executive KPI reporting and financial management reports, is undertaken on a quarterly basis.

The Board considers that the financial statements of NSAI give a true and fair view of the financial performance and the financial position of NSAI at 31 December 2017.

Board Structure

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 11 Members, all of whom are appointed by the Minister of State at the Department of Business, Enterprise and Innovation with responsibility for Trade, Employment, Business, EU Digital Single Market and Data Protection. The Chief Executive Officer is an *ex-officio* member for the term of her contract.

Members are appointed to the Board annually, on the anniversary of the establishment day of the NSAI, when the three longest serving Members present for retirement from the Board. In accordance with the NSAI Act 1996, the Minister reappointed the Members presenting for retirement in 2017.

The Board meets bi-monthly and convened 8 meetings in 2017. The schedule of attendance at the Board meetings for 2017 is set out below, including the fees and expenses paid to each member in the year.

Board Members	Role	First Appointed	Reappointed	Retirement	Of 8 Meetings convened attended	Fees 2017	Expenses 2017
Ms J. O'Neill	Chairperson	16th July 2013	29th March 2017	5th May 2017	4	4,129	0
Mr K. Ryan	Deputy Chairperson	15th April 2009	27th June 2013 and 20th June 2016		8	7,668	0
Mr R. Blackburn	Member	20th June 2016			8	7,668	0
Ms V. Bowens (Note 1)	Member	12th May 2014	17th April 2018		8	4,041	237
Ms N. Brennan (Note 2)	Member	20th June 2016			8	0	0
Mr K. Cox (Note 2)	Staff Representative	14th April 2012	14th April 2015		8	0	0
Mr K Early (Note 2)	Staff Representative	1st October 2015			6	0	0
Ms A. Goggin (Note 2)	Member	31st January 2013	20th June 2016		8	0	86
Mr T. Landers	Member	6th March 2012	28th March 2014 and 29th March 2017		4	7,668	0
Dr A. O'Boyle		12th May 2014	29th March 2017		8	7,668	0
Ms D. O'Hara		31st January 2013	20th June 2016		7	7,668	0
Ms D. Smith		12th May 2014	17th April 2018		8	7,668	313
Ms. G. Larkin (Note 2)	Chief Executive Officer – Ex-officio member	20th February 2017			6	0	0
Total						54,178	636

Notes

1. Appointed Interim Chief Executive from 28th November 2016 to 17th February 2017, Board fee remuneration was not payable during this period in accordance with the One Person One Salary (OPOS) principals.
2. Remuneration not payable in accordance with OPOS principals

Board Fees and Expenses

Board Members fees are discharged in accordance with the Warrant of Appointment.

Expenses are processed at the rates and subject to the regulations appropriate to Civil Servants of the highest grade.

Board Effectiveness and Evaluation

The Board commenced an external Board Effectiveness and Evaluation Review in November 2017 which was completed and reviewed by the Board in April 2018.

Committees of the Board

The Board has established three committees, as follows:

Audit and Risk Committee (ARC)

Comprising of at least four Board members the ARC is independent from the management of the organisation. The ARC is a core component of governance and of the systems of internal controls implemented by the Board. The role of the ARC is to support the Board in relation to its responsibilities for issues of risk, the control environment, financial reporting and associated assurances. 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 an annual report to the Board. The Committee operates under terms of reference approved by the Board and convened five meetings in 2017. Management attend at the request of the ARC Chairperson and the ARC meet with the auditors annually in the absence of management.

Member	Meetings Eligible to Attend	Meetings Attended
Dr A O'Boyle – Chairperson	5	5
Mr K Ryan	3	3
Mr R. Blackburn	5	5
Ms N. Brennan	5	5
Ms D. Smith	5	5

Nominations Committee

Comprising of four Board members, the primary role of the Nominations Committee (NC) is to review and make recommendations to the Board regarding appointments and succession planning considering the challenges and opportunities facing the NSAI, and the skills and expertise needed on the board in the future. In the absence of the Chief Executive, the committee also supports the Boards requirements for Appointment, Remuneration and Performance of the Chief Executive. The Committee operates under terms of reference approved by the Board and convened three meetings in 2017.

Member	Meetings Eligible to Attend	Meetings Attended
Ms. J O'Neill – Chairperson	1	1
Ms. D. Smith – Chairperson	3	3
Mr. K. Ryan	1	1
Mr. T. Landers	3	3
Ms. G. Larkin – Chief Executive Officer	3	3

Governance Committee

Comprising of four Board members the primary role of the Governance Committee (GC) is 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, developing and recommending to the Board for approval Corporate Governance Guidelines applicable to the NSAI and reassessing such guidelines annually and recommending any proposed changes to the Board for approval. The Committee operates under terms of reference approved by the Board and convened four meetings in 2017.

Member	Meetings Eligible to Attend	Meetings Attended
Ms. D. O'Hara – Chairperson	4	4
Ms. V. Bowens	4	4
Mr. K. Cox	4	3
Ms. A. Goggin	4	3

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 US entity complies with the requirements of US federal and state regulations.

The subsidiary is subjected to the specific management and procedural controls approved by the Board of NSAI Inc. and are included within these overall statements of compliance and effectiveness of controls. Three members of the NSAI Inc. Board are members of the NSAI Board.

Recommendations of the Governance Committee are currently being implemented for compliance with the provisions of the Code 2016.

Member	Meetings Eligible to Attend	Meetings Attended
Mr. T. Landers – Chairperson	3	3
Mr. J. Bier	1	1
Ms. V. Bowens	3	3
Ms. G. Larkin	2	2
Mr. K. Mullaney	0	0

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

The Board is responsible for ensuring that the NSAI has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. Following a review of the Authorities compliance with the Code and its Assurance Framework the Members are satisfied that the disclosure requirements of the Code have been fully discharged within the notes to the Financial Statements including;

- ▶ Travel and Subsistence Expenditure – Note 3(b)
- ▶ Consultancy – Note 3(d)
- ▶ Hospitality – Note 3(f)
- ▶ Employee's benefits breakdown – Note 3(g)

Key Personnel Changes

Ms. G. Larkin was appointed as Chief Executive Officer on the 20th February 2017.

The Chairperson of the Board, Ms. J. O'Neill, resigned from her position with effect from 5th May 2017. During 2017, Mr. K. Ryan deputised as Chairperson pending the outcome of the appointments process.

The President of NSAI Inc., Mr. K. Mullaney resigned from his position with effect from 15th March 2017. Ms. G. Larkin has undertaken this position pending a review of the role.

Statement on Internal Controls

A comprehensive Statement on Internal Control is included with the Financial Statements.

Legal Costs and Settlements

There were no legal costs or settlements incurred. Legal fees are disclosed under consultancy costs in accordance with the Code.

Wider Governance Environment

In addition to its own governing legislation and the Code, the NSAI 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 Business, 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.

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 are required to 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 in compliance with the provisions of this act.

Worker Participation (State Enterprises) Acts 1998

NSAI is not a designated body for the purposes of the Act. However, the NSAI observes the procedures in these acts to provide for staff representation on the Board.

Protected Disclosures Act 2014

There were no protected disclosures made to NSAI in 2017. The current policy is under review to ensure compliance with the requirements of the Act.

Freedom of Information 2014

NSAI complies with the provisions of this Act. The Act establishes 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 oneself 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.

Public Spending Code

NSAI has established procedures which are consistent with the principles set out in this code.

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 on the website on the performance against this rule.

Energy Efficiency

NSAI is committed to taking every effort possible to be energy efficient. During 2017, the NSAI consumed the following energy over nine facilities:

	2016 (Restated)	2017
kWh of electricity	1,209,938	1,209,148
kWh of natural gas	1,318,881	1,314,676

The NSAI 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, the 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.

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. The Board has undertaken a review of internal controls and the NSAI assurance framework. Based on this review the Board confirms a reasonable assurance that NSAI has complied with the Code of Practice for the Governance of State Bodies for 2017.



James Kennedy
Chairperson

15 June 2018

Consolidated Financial Statements

Statement on Internal Control	40
Report of the Comptroller and Auditor General	42
Board Members and General Information	44
Consolidated Statement of Income and Expenditure and Retained Revenue Reserves	45
Consolidated Statement of Comprehensive Income	46
Consolidated Statement of Financial Position	47
Company Statement of Financial Position	48
Consolidated Statement of Cash Flows	49
Notes to the Financial Statements	50

Statement on Internal Control

Scope of Responsibility

On behalf of The National Standards Authority of Ireland (NSAI) we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated within the organisation. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control includes financial, operational and compliance controls and risk management systems that support the achievement of NSAI's strategic priorities whilst also safeguarding the public and other funds and assets for which NSAI is responsible.

Purpose of the System of Internal Control

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

The system of internal control, which accords with the guidance issued by DPER has been in place in the NSAI for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Control Environment, Risk and Procedures

NSAI has an Audit and Risk Committee (ARC) comprising Board members with financial and audit expertise. The ARC met on 5 occasions in 2017. Internal Audit function and its work programme is informed by analysis of risk and control issues within NSAI. The internal audit plan is approved by the ARC and advised to the Board. In addition, the NSAI is also subject to accreditation, quality management and other reviews which are undertaken by third parties and considered by Management.

NSAI has Governance and Nominations committees comprising of board members with terms of reference approved by the Board. These committees provide regular reports to the Board.

NSAI has an overall risk management framework and process which includes a risk management policy and a risk appetite statement. The risk management policy is available to all staff. There is a Chief Risk Officer Role. The corporate risk register is considered by Management pre review by the ARC and presentation to the Board. Risk management is a regular Board agenda item.

The Board has taken steps to ensure an appropriate control environment is in place with the following elements:

- ▶ a Code of Business Conduct requiring Board members, management and staff to maintain the highest ethical standards,
- ▶ ensuring compliance with the requirements in the Ethics in Public Office Acts ,
- ▶ policies and procedures for staff performance management and continuing professional development,
- ▶ systematic reviews by Internal Audit of internal controls and risk issues,
- ▶ documented procedures for all key business processes,
- ▶ specific training and awareness programmes designed to mitigate identified risks related to current and emerging threats and significant compliance issues,
- ▶ matters reserved for the Board decision,
- ▶ the assignment of financial responsibilities and corresponding accountability at management level,
- ▶ a comprehensive budgeting system with an annual plan and budget which is subject to Board approval,
- ▶ systems and procedures in place aimed at ensuring the security and resilience of the information technology systems,
- ▶ financial control systems in place to ensure stewardship of financial resources and the safeguarding the assets,
- ▶ procedures for determining and reporting significant control failures and ensuring appropriate corrective action.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes in a timely manner. Where control deficiencies are identified the necessary improvements are agreed with those responsible for taking corrective action and appropriate reporting made to management, the ARC and the Board as appropriate.

The system of internal control is based on a framework of regular management reporting, administrative procedures including segregation of duties and a system of delegation and accountability.

In particular, it includes:

- ▶ 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,
- ▶ ongoing monitoring by the Board of the approved annual plan and budget including KPIs, and
- ▶ regular reviews by senior management of periodic and annual performance of both financial and non- financial reports which indicate performance against budgets and objectives.

Procurement

NSAI has a dedicated procurement officer/procurement function. The procurement arrangements include annual procurement plan, regular procurement updates for managers, the use of OGP Frameworks and the use of mini-competitions as appropriate to needs of the organisation.

We confirm that NSAI has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 NSAI complied with those procedures.

Review of Effectiveness

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

We confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2017 at the Board meeting on 27 April. This review was informed by the formal report on the internal controls systems by the ARC, which was part of the ARC meeting agenda on 18 April 2018.

Internal Control Issues


No weaknesses in internal control were identified which have resulted in material losses in relation to 2017 that require disclosure in the financial statements.

On behalf of the Board:



Roger Blackburn
Board Member

5 June 2018



Geraldine Larkin
Chief Executive Officer

5 June 2018

Report of the Comptroller and Auditor General

For Presentation to the Houses of the Oireachtas

Opinion on financial statements

I have audited the financial statements of the National Standards Authority of Ireland for the year ending 31 December 2017 as required under the provisions of section 8 of the First Schedule of 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, 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 National Standards Authority of Ireland at 31 December 2017 and of its income and expenditure for 2017 in accordance with Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Emphasis of matter – deferred pension funding

Without qualifying my opinion I draw attention to note 12 (c) to the financial statements. The National Standards Authority of Ireland 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 National Standards Authority of Ireland 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.

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 the National Standards Authority of Ireland 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

The National Standards Authority of Ireland 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.



Patricia Sheehan

For and on behalf of the Comptroller and Auditor General

20 June 2018

Appendix to the report

Responsibilities of Board members

The governance statement and Board members' report sets out the Board members' responsibilities. The Board members are responsible for

- ▶ the preparation of financial statements in the form prescribed under section 8 of the First Schedule of the National Standards Authority of Ireland Act 1996
- ▶ 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 section 8 of the First Schedule of the National Standards Authority of Ireland Act 1996 to audit the financial statements of the National Standards Authority of Ireland 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 the National Standards Authority of Ireland'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 the National Standards Authority of Ireland 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.

Board Members and General Information

Board of the NSAI

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

Board Members

Ms. J. O'Neill – *Chairman*

Reappointed 29 March 2017

Resigned 5 May 2017

Mr. K. Ryan – *Deputy Chairman*

Ms. G. Larkin – *Chief Executive Officer*

Appointed 20 February 2017

Mr. R. Blackburn

Ms. V. Bowens – *Interim CEO*

Appointed 28 November 2016 to 17 February 2017

Ms. N. Brennan

Mr. K. Cox

Mr. K. Early

Ms. A. Goggin

Mr. T. Landers

Reappointed 29 March 2017

Dr. A. O'Boyle

Reappointed 29 March 2017

Ms. D. O'Hara

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

Eversheds Sutherland

Consolidated Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2017

	Notes	2017 €	2016 €
Income	2	22,657,771	22,607,211
Expenditure			
Administration and general expenses	3	24,014,149	23,906,383
Retirement benefit costs	12(a)	3,954,159	3,941,286
		27,968,308	27,847,669
Deficit before Oireachtas grant		(5,310,537)	(5,240,458)
Oireachtas grant	4	5,794,151	5,063,154
Operating surplus/(deficit) for the year		483,614	(177,304)
Transfer from capital account	5	205,161	208,276
Translation adjustment		(334,907)	90,450
Surplus for the year		353,868	121,422
Balance at 1 January		4,909,653	4,788,231
Balance at 31 December		5,263,521	4,909,653

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

On behalf of the Board:



Roger Blackburn
Board Member

5 June 2018



Geraldine Larkin
Chief Executive Officer

5 June 2018

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 €	2016 €
Surplus for the year after appropriations		353,868	121,422
Experience gain on retirement benefit obligations	12(d)	201,000	3,079,000
Changes in assumptions underlying the present value of retirement benefit obligations	12	391,000	(8,067,000)
Total actuarial gain/(loss) in the year		592,000	(4,988,000)
Adjustment to deferred retirement benefits funding	12(b)	(592,000)	4,988,000
Total comprehensive income for the year		353,868	121,422

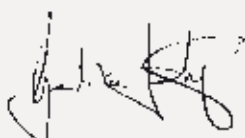
The consolidated statement of cash flows and Notes 1 to 20 form part of the consolidated financial statements.

On behalf of the Board:



Roger Blackburn
Board Member

5 June 2018



Geraldine Larkin
Chief Executive Officer

5 June 2018

Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	2017 €	2016 €
Non – current assets			
Property, plant and equipment	6	3,392,827	3,610,074
Current assets			
Receivables	8	5,277,603	4,737,397
Cash & cash equivalents		1,293,991	1,677,081
		6,571,594	6,414,478
Current liabilities (falling due < 1 year)			
Payables	9	1,308,073	1,504,825
Net current assets		5,263,521	4,909,653
Total Assets less current liabilities before Pensions		8,656,348	8,519,727
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	85,022,000	82,188,000
Retirement benefit obligations	12(b)	(85,022,000)	(82,188,000)
		–	–
Net Assets		8,656,348	8,519,727
Representing			
Capital account	5	3,392,827	3,610,074
Retained revenue reserves		5,263,521	4,909,653
		8,656,348	8,519,727

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

On behalf of the Board:



Roger Blackburn
Board Member

5 June 2018



Geraldine Larkin
Chief Executive Officer

5 June 2018

Company Statement of Financial Position

As at 31 December 2017

	Notes	2017 €	2016 €
Non – current assets			
Property, plant and equipment	6	3,310,930	3,491,268
Current assets			
Receivables	8	3,523,458	3,127,767
Cash & cash equivalents		708,053	718,508
		4,231,511	3,846,275
Current liabilities (falling due < 1 year)			
Payables	9	3,650,663	4,095,234
Net current assets		580,848	(248,959)
Total Assets less current liabilities before Pensions		3,891,778	3,242,309
Retirement benefits			
Deferred retirement benefit funding asset	12(c)	85,022,000	82,188,000
Retirement benefit obligations	12(b)	(85,022,000)	(82,188,000)
		–	–
Net Assets		3,891,778	3,242,309
Representing			
Capital account	5	3,310,930	3,491,268
Retained revenue reserves		580,848	(248,959)
		3,891,778	3,242,309

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

On behalf of the Board:



Roger Blackburn
Board Member

5 June 2018



Geraldine Larkin
Chief Executive Officer

5 June 2018

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017 €	2016 €
Net cash flows from operating activities			
Operating surplus/(deficit) for the year		483,614	(177,304)
Bank interest		(1,312)	(492)
Depreciation charge	6	628,994	742,499
Loss/(profit) on disposal of property, plant & equipment		6,727	(1,758)
(Increase)/decrease in receivables		(540,206)	178,416
(Decrease)/increase in payables		(196,752)	217,871
Currency translation adjustment		(334,907)	90,450
Net cash inflow from operating activities		46,158	1,049,682
Cash flows from investing activities			
Payments to acquire property, plant & equipment	6	(445,311)	(534,315)
Receipts from sale of property, plant & equipment		14,751	1,850
Net cash outflow from investing activities		(430,560)	(532,465)
Cash flows from financing activities			
Bank interest		1,312	492
Net cash inflow from financing activities		1,312	492
Net (decrease)/increase in cash and cash equivalents		(383,090)	517,709
Cash and cash equivalents at 1 January		1,677,081	1,159,372
Cash and cash equivalents at 31 December		1,293,991	1,677,081

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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 2017 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 Business, Enterprise and Innovation with the concurrence of the Minister for Department of Public Expenditure and Reform 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.

Notes to the Consolidated Financial Statements

Continued

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 Business, 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 Business, 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 Business, 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 of Ireland. The deduction was collected and remitted to the Department of Business, 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

		2017	2016
		€	€
Certification fees		17,891,079	17,910,902
Sale of standards		1,075,335	947,642
Other income		264,045	148,175
Bank interest		1,312	492
		19,231,771	19,007,211
Net deferred retirement benefit funding	Note 12(c)	3,426,000	3,600,000
		22,657,771	22,607,211

Notes to the Consolidated Financial Statements

Continued

3. Administration and general expenses

		2017 €	2016 €
Pay	Note 3(a)	11,252,904	10,820,478
Board members remuneration and expenses	Note 14	57,763	57,037
Travelling expenses	Note 3(b)	1,180,226	1,223,742
Subcontractors	Note 3(c)	5,651,107	5,771,408
External Service Delivery		579,287	631,607
Consultancy	Note 3(d)	134,061	132,464
Rents, rates, repairs and maintenance		1,772,585	1,883,967
Other operating expenses	Note 3(e)	2,011,938	2,012,295
Loss/(profit) on disposal of property, plant and equipment		6,727	(1,758)
Subscriptions to organisations		738,557	632,643
Depreciation	Note 6	628,994	742,500
		24,014,149	23,906,383

(a) Pay

	2017 €	2016 €
Wages and salaries	10,330,049	9,987,057
Overtime	87,378	73,072
Allowances	70,820	46,033
Social welfare costs	769,528	714,180
Superannuation costs	(4,871)	136
	11,252,904	10,820,478

Pension related deductions of €488,733 (2016: €499,268) has been deducted from salaries and paid to the Department of Business, Enterprise and Innovation.

Single Public Service Pension Scheme deductions of €45,260 (2016: €16,675) has been deducted from salaries and paid to the Department of Public Expenditure and Reform.

The number of persons employed (whole time equivalent) at 31 December 2017 was 147. (2016: 138).

(b) Travelling Expenses:

NSAI's head office is located at Swift Square, Santry and has a regional offices and centres throughout Ireland. It also has a subsidiary office in Nashua, New Hampshire, USA. Travel outside of Ireland for all staff based in Ireland is considered International Travel. For Staff based in the USA, travel within the USA is regarded as Domestic travel, travel outside the USA is regarded as International travel. The total costs incurred re Domestic travel and subsistence was €842,376 in 2017 (2016 : €839,911). The total costs incurred re International travel and subsistence was €337,850 (2016 : €383,831)

(c) Subcontractors

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

(d) Consultancy:

	2017	2016
	€	€
Human Resources & Pensions	59,710	70,837
Legal advice	65,907	50,171
Finance/Actuarial	2,500	3,500
Other	5,944	8,406
	134,061	132,464

(e) Other Operating Expenses:

	2017	2016
	€	€
Advertising, Marketing and PR	331,135	407,071
ICT Costs	468,374	439,096
Communication, Printing & Publications	444,885	389,679
Finance Costs	251,319	136,900
Insurance	246,681	220,571
Staff Development	83,724	235,397
Audit Fee – C&AG	23,000	22,000
Audit Fee – Internal Audit fees	11,450	20,100
Other Operating Expenses	151,370	141,481
	2,011,938	2,012,295

(f) Hospitality expenditure:

Hospitality expenditure in 2017 was €20,765 (2016 : €31,972) consisting of client hospitality €7,695 (2016 : €16,185) and employee engagement/staff welfare €13,070 (2016 : €15,787). Employee engagement/staff welfare includes a contribution to staff social club events and staff team building exercises.

Notes to the Consolidated Financial Statements

Continued

(g) Employee benefits breakdown:

Range of total employee benefits	No. employees 2017	No. employees 2016
€60,000 – €69,999	27	27
€70,000 – €79,999	17	20
€80,000 – €89,999	27	23
€90,000 – €99,999	3	5
€100,000 – €109,999	4	3
€110,000 – €119,999	2	
€120,000 – €129,999		
€130,000 – €139,999		
€140,000 – €149,999		
€150,000 – €159,999		1

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

4. Oireachtas grant

	2017 €	2016 €
Grant for administration and general expenses	5,794,151	5,063,154

The Oireachtas Grant is issued by The Department of Business, Enterprise and Innovation and includes an amount of €408,021 (2016: €436,521) in relation to capital purchases in the year. Funding is from Vote 32, Subhead A.6.

5. Capital account

	2017 Group €	2017 Company €	2016 Group €	2016 Company €
At 1 January	3,610,074	3,491,269	3,816,575	3,681,249
Movements on property, plant & equipment	(205,161)	(180,339)	(208,276)	(189,980)
Transfer to Income and Expenditure and Retained Revenue Reserves	(205,161)	(180,339)	(208,276)	(189,980)
Currency translation adjustment	(12,086)		1,775	
At 31 December	3,392,827	3,310,930	3,610,074	3,491,269

6. Property, plant & equipment

Group:

	Equipment, Fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost:					
At 1 January 2017	5,025,235	4,109,852	4,372,934	362,840	13,870,861
Additions	243,950	201,361			445,311
Disposals	(105,130)	(6,436)		(33,670)	(145,236)
Translation adjustment	(3,018)	(26,951)	(10,031)		(40,000)
At 31 December 2017	5,161,037	4,277,826	4,362,903	329,170	14,130,936
Depreciation:					
At 1 January 2017	4,507,408	3,563,642	1,890,001	299,736	10,260,787
Charge for the year	178,984	339,166	82,907	27,937	628,994
Disposals	(105,130)	(5,721)		(12,907)	(123,758)
Translation adjustment	(1,816)	(22,458)	(3,640)		(27,914)
At 31 December 2017	4,579,446	3,874,629	1,969,268	314,766	10,738,109
Net book value					
At 1 January 2017	517,827	546,210	2,482,933	63,104	3,610,074
Net movement for year	64,966	(138,520)	(82,907)	(48,700)	(205,161)
Translation adjustment	(1,202)	(4,493)	(6,391)		(12,086)
At 31 December 2017	581,591	403,197	2,393,635	14,404	3,392,827

Notes to the Consolidated Financial Statements

Continued

Company:

	Equipment, Fixtures & fittings €	Computer equipment €	Land & buildings €	Motor vehicles €	Total €
Cost:					
At 1 January 2017	5,000,662	3,890,351	4,291,329	362,840	13,545,182
Additions	243,950	182,113			426,063
Disposals	(105,130)	(6,436)		(33,670)	(145,236)
At 31 December 2017	5,139,482	4,066,028	4,291,329	329,170	13,826,009
Depreciation:					
At 1 January 2017	4,494,470	3,392,640	1,867,067	299,736	10,053,913
Charge for the year	175,701	313,508	67,778	27,937	584,924
Disposals	(105,130)	(5,721)		(12,907)	(123,758)
At 31 December 2017	4,565,041	3,700,427	1,934,845	314,766	10,515,079
Net book value					
At 1 January 2017	506,192	497,711	2,424,262	63,104	3,491,269
Net movement for year	68,249	(132,110)	(67,778)	(48,700)	(180,339)
At 31 December 2017	574,441	365,601	2,356,484	14,404	3,310,930

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.

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

	2017	2017	2016	2016
	Group	Company	Group	Company
	€	€	€	€
Trade receivables	3,722,740	2,085,824	3,114,274	1,811,496
Accrued income	837,610	795,329	874,000	668,786
Prepayments	717,253	642,305	749,123	647,485
	5,277,603	3,523,458	4,737,397	3,127,767

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:

	2017	2017	2016	2016
	Group	Company	Group	Company
	€	€	€	€
Balance at 1 January	475,802	370,409	463,126	380,976
Utilised in the year	6,542	4,588	(1,413)	(1,413)
Additional provision adjustment	93,926	61,445	14,089	(9,154)
Balance at 31 December	576,270	436,442	475,802	370,409

9. Payables (falling due < 1 year)

	2017	2017	2016	2016
	Group	Company	Group	Company
	€	€	€	€
Trade payables	289,135	277,713	94,707	59,639
Other payables and accruals	667,272	599,246	911,169	724,499
Deferred income	329,767	329,767	462,741	462,741
Taxation, social insurance and VAT	21,899	21,899	36,208	36,208
Intercompany		2,422,038		2,812,146
	1,308,073	3,650,663	1,504,825	4,095,234

Notes to the Consolidated Financial Statements

Continued

10. Operating lease commitments

Payments made under Operating Leases on Buildings charged in the financial statements amounted to €949,718 (2016: €949,024). Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 Group €	2017 Company €	2016 Group €	2016 Company €
Within one year	785,929	728,604	953,446	891,951
Between two to five years	3,012,409	2,914,415	898,715	728,604
After five years	3,643,019	3,643,019	-	-
	7,441,357	7,286,038	1,852,161	1,620,555

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*

	2017 €	2016 €
Current service costs	2,922,000	2,644,000
Interest on retirement benefit scheme liabilities	1,492,000	1,721,000
Employee contributions	(459,841)	(423,714)
	3,954,159	3,941,286

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

	2017 €	2016 €
Net retirement benefit obligation at 1 January	82,188,000	73,600,000
Current service costs	2,922,000	2,644,000
Interest costs	1,492,000	1,721,000
Actuarial (gain)/loss	(592,000)	4,988,000
Pensions paid in the year	(988,000)	(765,000)
Net retirement benefit obligation at 31 December	85,022,000	82,188,000

(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:

	2017 €	2016 €
Funding recoverable in respect of current year retirement benefit costs	4,414,000	4,365,000
State grant applied to pay retirement benefits	(988,000)	(765,000)
	3,426,000	3,600,000

The deferred funding asset for retirement benefits at 31 December 2017 amounts to €85.0m (2016: €82.2m).

(d) History of defined benefit obligation

	2017 €	2016 €
Defined benefit obligations	85,022,000	82,188,000
Experience (gain)/loss on defined benefit scheme liabilities	(201,000)	(3,079,000)
Percentage of scheme liabilities	(0.2%)	(3.7%)

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.

Notes to the Consolidated Financial Statements

Continued

(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 in January 2018 by a qualified independent actuary, taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2017.

The principal actuarial assumptions were as follows:

	2017	2016
Rate of increase in salaries	2.87%	2.81%
Rate of increase in retirement benefits in payment	2.37%	2.31%
Discount rate	1.90%	1.83%
Inflation rate	1.87%	1.81%

(f) Mortality

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

	2017	2016
Male aged 65	21.2	21.1
Female aged 65	23.7	23.6

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 €114,538 (2016: €582,045). 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

	2017 €	2016 €
Income		
Certification fees	6,141,765	6,495,479
Expenditure		
Pay and superannuation costs	1,593,859	1,423,492
Travelling expenses	228,870	232,643
Subcontractors	3,429,328	3,613,715
Consultancy	26,459	8,675
Rents, rates, repairs and maintenance	80,998	97,260
Other operating expenses	328,230	356,661
Subscriptions to organisations	200,834	105,982
Depreciation	44,071	52,249
Net intercompany charge	94,578	22,757
	6,027,227	5,913,434
Operating surplus for the year	114,538	582,045

Pay includes the cost of termination payments issued to 2 individuals. Total cost €20,372 including legal fees.

Notes to the Consolidated Financial Statements

Continued

Statement of Financial Position

	2017 €	2016 €
Non – current assets		
Property, plant and equipment	81,897	118,806
Current assets		
Receivables	1,754,145	1,609,630
Cash & cash equivalents	585,939	958,572
Intercompany	2,422,038	2,812,146
	4,762,122	5,380,348
Current liabilities (falling due < 1 year)		
Payables	79,449	221,735
Net current assets	4,682,673	5,158,613
Net Assets	4,764,570	5,277,419
Represented by:		
Capital account	81,897	118,806
Retained revenue reserves	4,682,673	5,158,613
	4,764,570	5,277,419

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.

Following a contract as interim CEO which terminated on the 17th of February 2017, Ms. V. Bowens was retained on existing terms and conditions up until the 17th of March 2017 to facilitate handover to the new Chief Executive Officer. The total remuneration paid to Ms. V. Bowens for this period was €8,819. The total remuneration paid to Ms. V. Bowens by NSAI in 2017 was €30,681 (Note 14 (d))

Ms. V. Bowens was engaged through a third party agency in respect of interim Management for NSAI Inc. from the 20th of March 2017 to the 21st of June 2017 following the resignation of the President of NSAI Inc. effective from 15 March 2017. Payment of €53,004 was issued to this third party in respect of this interim arrangement.

(a) Directors remuneration – paid in 2017

		Note	2017 €
Ms. J. O'Neill	<i>Chairman</i>		
	– Reappointed 29 March 2017		
	– Resigned 5 May 2017		4,129
Mr. K. Ryan	<i>Deputy Chairman</i>		7,668
Mr. R. Blackburn			7,668
Ms. V. Bowens		(ii)	4,041
Ms. N. Brennan	<i>DBEI Representative</i>		0
Mr. K. Cox		(i)	0
Mr. K. Early		(i)	0
Ms. A. Goggin		(i)	0
Mr. T. Landers	<i>Reappointed 29 March 2017</i>		7,668
Dr. A. O'Boyle	<i>Reappointed 29 March 2017</i>		7,668
Ms. D. O'Hara			7,668
Ms. D. Smith			7,668
Ms. G. Larkin	<i>Chief Executive Officer</i>		
	– Appointed 20 February 2017		0
Ms. V. Bowens	<i>Interim CEO</i>		
	– Appointed 28th November 2016 to 17 February 2017		0

The total Directors remuneration for 2017 was €54,178 (2016: €56,081)

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

Notes to the Consolidated Financial Statements

Continued

(b) Directors expenses

The total Directors expenses for 2017 was €3,585 (2016: €956)

(c) CEO salary

Ms. G. Larkin, was appointed as Chief Executive Officer on the 20th of February 2017. The total remuneration paid to Ms. G. Larkin in 2017 was €110,639. The CEO is a member of the single public service pension scheme. Ms. G. Larkin did not receive any performance related payments in 2017.

(d) Interim CEO salary

Ms. V. Bowens was appointed interim CEO from 28 November 2016 to 17 February 2017. The total remuneration paid to Ms. V. Bowens up to 17 February 2017 was €21,862 (2016: €11,024). The interim CEO is a member of the single public service pension scheme. Ms. V. Bowens did not receive performance related payments in either 2017 or 2016.

(e) 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 €997,014 (2016: €978,365)

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:

	2017 Group €	2017 Company €	2016 Group €	2016 Company €
Financial assets that are debt instruments measured at amortised cost				
Trade receivables	3,722,740	2,085,824	3,114,274	1,811,496
Prepayments	717,252	642,305	763,378	661,740
Cash and cash equivalents	1,293,991	708,053	1,677,081	718,508
Financial liabilities measured at amortised cost				
Trade payables	289,135	277,713	94,707	59,639
Accruals and other payables	667,272	599,246	911,169	724,499

17. Subsequent events

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

18. Capital commitments

There were capital commitments of €38,810 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 27th of April 2018.

Annex

The main National Committees in NSAI are:

Committee	Title
NSAI/ETC	Electro Technical Committee
NSAI/ETC/RCDTF	Residual Current Devices Task Force
NSAI/ETC/TC 1	Safety of household and similar electrical appliances
NSAI/ETC/TC 2	Electrical Installations
NSAI/ETC/TC 3	Power installations exceeding 1kV (1.5kV dc)
NSAI/ETC/TC 6	Equipment for potentially explosive atmospheres
NSAI/ETC/TC 10	Electrical equipment in medical practice
NSAI/ETC/TC 11	Safety of Electronic Equipment within the field of Audio/Video, Information Technology and Communication Technology
NSAI/ETC/TC 12	Electronic Communications Systems
NSAI/ETC/TC 13	Alarm systems
NSAI/ETC/TC 14	Electric cables
NSAI/ETC/TC 15	Human exposure to electromagnetic fields
NSAI/ETC/TC 16	Electromagnetic Compatibility
NSAI/ETC/TC 18	Marine energy – Wave, tidal and other water current converters
NSAI/ETC/TC 19	Insulators and Surge Arresters
NSAI/ETC/TC 20	Smart Grids, Renewables, Electric Vehicles and Energy Efficiency
NSAI/ETC/TC 21	Electrostatics
NSAI/ETC/TC 22	Environmental Standardization for Electrical and Electronic Products and Systems
NSAI/TC 1	Gas Technical Standards Committee
NSAI/TC 2	ICT
NSAI/TC 3	Concrete Committee
NSAI/TC 4	Environmental
NSAI/TC 5	Health Care
NSAI/TC 6	Construction Consultative Committee
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

Committee	Title
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 29	PPE
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 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 (Standby)
NSAI/TC 58	Reactive pyrite in sub-floor hardcore material
NSAI/TC 59	Energy Management and Energy Savings
NSAI/TC 61	Chimney Adhoc
NSAI/TC 62	Biotechnology
NSAI/TC 63	Concrete Blocks Committee
NSAI/TC 65	Fuel labelling/identifiers (EN 16942)

Annex

Continued

The Regional and International Committees NSAI is providing secretariat support for are:

Committee	Title
CEN/TC 158/WG 5	Helmets for horse riders
CEN/TC 158/WG 14	Helmets for field sports
CEN/TC 409	Beauty Salon Services
ISO/TC 37/SC 5/WG 1	Translation
CEN/TC 234/WG 10	Gas infrastructure – Service Lines
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
CLC/TC 216/WG 09	Gas detectors – EN 50291-1:201X
ISO/TC 58/SC 2/WG 12	Specification and test for LPG cylinder valves
CEN/TC 389/WG 4	Design Thinking
CEN/TC 243/WG 5	Biocontamination control
ISO/TC 121/SC 2/WG 5	Suction catheters for use in the respiratory tract
CEN/WS BDA	Big Data
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

Notes

Notes



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