

# Transport Infrastructure Ireland



Annual Report and  
Financial Statements

**2016**

# About this Report

*The Annual Report and Financial Statements for 2016 provides a brief overview of Transport Infrastructure Ireland (TII) and our strategy to provide, operate and maintain national road and light rail infrastructure. The report is intended to provide information to our stakeholders regarding TII's financial statements, strategy and governance framework. Our reporting approach on our activities focuses on providing a clear view of TII's accomplishments during 2016 and the goals set for 2017. The information in this report has been prepared in accordance with the Code of Practice for the Governance of State Bodies (2009).*

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# Glossary

<b>TII</b>	Transport Infrastructure Ireland
<b>NTA</b>	National Transport Authority
<b>NRA</b>	National Roads Authority
<b>RPA</b>	Railway Procurement Agency
<b>DTTas</b>	Department of Transport, Tourism and Sport
<b>PPP</b>	Public Private Partnership
<b>EIB</b>	European Investment Bank
<b>MMaRC</b>	Motorway Maintenance & Renewals Contract
<b>CEDR</b>	Conference of the European Directors of Roads
<b>EIS</b>	Environmental Impact Statement
<b>SEAI</b>	Sustainable Energy Authority of Ireland
<b>CCMA</b>	County and City Management Association
<b>DPER</b>	Department of Public Expenditure and Reform



## Chairman's Statement

*Transport Infrastructure Ireland (TII) is responsible for the Luas in Dublin, as well as the 5,306km of national roads. While Luas carries over 95,000 passengers per day, the national road network transports people, goods and services between all the country's major cities, towns, airports and ports. It is fair to say that TII's activities impact on every citizen and visitor to the State.*

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It is also important to TII that it discharges its mandate in a way that maintains and improves infrastructure safety. We monitor key safety statistics and seek to reduce accident rates in everything we do. We seek continuous improvement on our networks and strive to maximise user safety.

I am pleased to report that construction of the Luas Cross City project continued apace during 2016. This addition to the light rail network in Dublin will bring enormous benefits to the commercial and social life of the city and it is expected that it will come into commercial operation by the end of 2017. When in operation, it will provide a link between the Green and Red Luas lines in the City Centre. It will also provide links to the rail network at Broombridge in Cabra and the new Dublin Institute of Technology campus at Grangegorman. This increased public transport linkage will, we believe, reduce car traffic in the city centre, improve pedestrian safety and air quality as well as reduce traffic congestion.

The Dublin Tunnel reached ten years in operation during 2016, a significant milestone. The tunnel has provided a vital link in our national road infrastructure. It allows goods and services to flow into and out of Dublin Port from the national motorway network. Above all, it substantially removes heavy goods traffic from the City Centre, improving safety and air quality for all.

During 2016, work progressed on three major national road schemes. The M17/M18 Gort to Tuam motorway, the M11 Gorey to Enniscorthy motorway and the N25 New Ross Bypass. All three projects are being delivered under the Public Private Partnership (PPP) mechanism, where TII received considerable assistance from the National Development Finance Agency. All three projects will provide very significant benefits, both locally and nationally. Given the current rate of progress it is anticipated that the M17/M18 Gort to Tuam motorway will be open by the end of 2017, while the M11 Gorey to Enniscorthy motorway and N25 New Ross Bypass schemes are targeted for opening during 2019.

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Traffic volumes continued to increase during 2016 on the national road network. This increase reflected the continued economic recovery, which is clearly very welcome for the country. The challenge of keeping pace with growing demand means that TII needs to plan for the long-term. TII is working closely with our colleagues in the Department of Transport Tourism and Sport (DTTaS) to create a modest pipeline of major projects. This pipeline is the minimum required to provide a functioning transport network that can enable continued economic growth. To ensure that best choices are made and that value for money is obtained, TII continues to apply the rigorous financial and economic appraisal principles contained in the Public Spending Code for the appraisal and management of all investment proposals. In this context, we would ask Government to consider allowing TII to fund some of its key infrastructure using the successful PPP mechanism, given the level of economic returns available.

I would like to thank our Minister, Mr. Shane Ross, T.D. and his officials in DTTaS who regularly engage with and assist TII in the planning and execution of key infrastructure projects for the country. I would also like to thank my fellow Board Members for their help and guidance during the year. On behalf of the Board, I would like to thank Michael Nolan our CEO, the management team and all the excellent staff of TII for their continued hard work, professionalism and above all commitment to the achievement of TII's exacting mandate.



**Cormac O'Rourke**  
Chairman



## Chief Executive's Review

*TII is an integrated transport infrastructure provider working in close partnership with Local Authorities and the National Transport Authority, respectively overseeing a safe and efficient network through the development, maintenance and operations of national roads and Luas.*

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The wide range of activities undertaken during 2016 highlight the span of capabilities within TII as it delivers on its remit to develop and manage much needed transport infrastructure. These activities improve safety and enhance regional and local connectivity as well as fostering positive economic growth. A good transport network is important in sustaining economic success in modern economies. The quality and completeness of the network determines its contribution to the functioning of an economy in recovery.

Financial close for the long awaited N25 New Ross Bypass was achieved in January 2016. This was the third such Irish roads PPP project included in the Capital Plan to emerge with the support of the Government, the European Investment Bank (EIB) and private equity investors. The N25 New Ross Bypass was also one of a number of 'greenfield' projects to be included in the pilot phase of the European Commission and the EIB's Project Bond Credit Enhancement Initiative. This initiative promotes a funding mechanism that stimulates capital market financing for large-scale transport, energy and communication infrastructure. It encourages new institutional investors such as insurance companies and pension funds to bridge the funding gap which currently exists for much needed infrastructural upgrades. The New Ross bypass project joined the M11 Gorey to Enniscorthy and the M17/M18 Gort to Tuam PPP projects at the construction phase in 2016, with the latter making significant strides during the year, keeping it ahead of target for an early opening to traffic in late 2017.

On the public transport construction front, the Luas Cross City project made significant progress, reaching and exceeding significant and complex milestones throughout the year. Facilitating emerging requirements, including that of the Easter Rising Commemorations, the Red Line Tie-In, and the crossing of O'Connell Street Bridge/City Quays during the August Bank Holiday weekend stands out from the many challenges successfully faced when constructing a project of this complexity through busy city streets. Other public transport projects include works associated with increasing the capacity of the Green Line. This included the commencement of extending platforms between Sandyford and St Stephen's Green, and achieving planning consent for modifications to the Sandyford Depot to accommodate longer trams.

During the year, TII continued to promote the delivery of the programme of projects within the spending limits set by the Infrastructure & Capital Investment Plan for the period 2016 to 2021. Enabling works and the preparation of contract documentation progressed for a number of projects. This will allow schemes to advance to the construction stage as the funding ramps up after 2019. Other projects continued in the planning and design phase, and it is anticipated that some of these schemes will proceed to An Bord Pleanála during 2017.

The portfolio of projects in development include major projects such as New Metro North. New Metro North will be the largest and most ambitious Public Transport Infrastructure Project undertaken in a generation. This project will have a transformative effect on Dublin and its citizens by connecting the City Centre to Swords via Dublin Airport. The Metro will be designed to support population and development growth along its entire corridor and will connect with other public transport services such as the Maynooth rail line and the Light Rail network.

During the year, the progression of seven minor roads projects to construction signalled a contraction of the minor scheme programme. These minor schemes together with our asset renewal and maintenance programme make a significant impact on the safety of the national roads network. Notwithstanding the reduction in funding for construction of such worthwhile schemes, TII has maintained activity in the planning and design of a portfolio of such schemes in anticipation of additional funding becoming available in future years.

Funding for national road maintenance and renewals has been severely cut since the onset of the financial crisis in 2008. Infrastructure requires sustained investment in renewals if the network is to be resilient and to perform safely and efficiently. Sustained under-investment inevitably results in long-term damage and reduced asset value, together with diminished benefits and additional costs to road users. The cost of deferred interventions significantly exceeds the cost of undertaking timely maintenance and renewals of the strategic asset. In this regard, TII continues to engage actively with DTTaS towards the restoration of the requisite funding for pavement renewal.

I would like to thank our Minister, Shane Ross T.D., the Department of Transport, Tourism and Sport, the National Transport Authority, our Chairman, Mr. Cormac O'Rourke, my fellow Board Members, my colleagues in TII, our Local Authority partners along with our many stakeholders and service providers who all play a central role in the day-to-day operation of the National Roads and Luas Networks.



**Michael Nolan**  
Chief Executive

# Transport Infrastructure Ireland - Role and Functions

*The name “Transport Infrastructure Ireland” (TII) is used for operational purposes by the National Roads Authority (NRA) since the transfer of the staff and functions of the Railway Procurement Agency (RPA) to the NRA in August 2015 under the terms of the Roads Act 2015.*

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TII is a non-commercial semi-state body under the aegis of DTTaS and has overall responsibility for the development and maintenance of the national road network and the light rail and metro related responsibilities previously entrusted to RPA.

TII is focused on the provision of high quality transport infrastructure and services, delivering better quality of life and supporting economic growth.

TII is a key player in the context of transport infrastructure and related services in Ireland and has proven competencies in the application of its commercial, financial (including PPP) and technical expertise as is evidenced by successful delivery of light rail networks and motorways.

TII's unique strength stems from the fusion of knowledge and perspectives developed from full lifecycle experiences in delivering road and light rail infrastructure and services. TII's proven know-how extends from early conceptualization and planning; through the project-managed delivery of infrastructure; and the ongoing management of services and delivery of positive customer experience.

## LUAS

TII's role in the context of light rail is to secure the provision of, or to provide, light rail and metro infrastructure as determined by the Minister.

TII may enter into agreements to secure the provision of infrastructure by means of a concession, joint venture, PPP or other means and may acquire and facilitate the development of land adjacent to railway works where doing so would contribute to the economic viability of the railway works.

TII manages the Luas Operating Contract, governing the provision of Luas services and maintenance, under assignment from the NTA.

## NATIONAL ROADS

TII's role in the context of national roads is to secure the provision of a safe and efficient network.

In addition to having overall responsibility for the planning and supervision of construction and maintenance of national roads, TII has a number of specific functions relating to design, construction, improvement, maintenance, signage, funding, research, standards, training and testing.

TII may enter into agreements with parties who agree to pay some or all of the costs of construction and/or maintenance of a road and/or to upgrade and manage a road. TII may also develop tolling schemes for national roads which may be used to repay all or part of the private funding involved.

Many of TII's functions are discharged through Local Authorities, which are the road authorities for their respective administrative areas.

## TII ORGANISATION STRUCTURE

TII's organisation structure has been developed to support the implementation of TII Strategy with clear delegation of authority and matching responsibility to and within six divisions as shown in Figure 1.

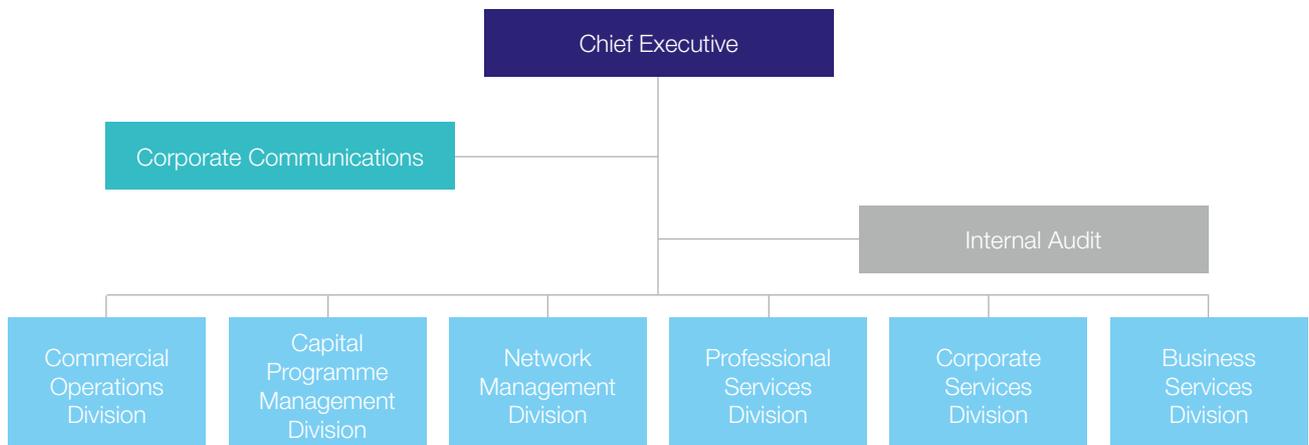


Figure 1

# TII Activities

## ASSET CLASS

- 1,224kms Motorways/Dual Carriageways
- 4,082kms Single Carriageways
- 36.5kms Luas Light Rail Network
- 6 Motorway Service Areas
- 3 Tunnels (Cork, Dublin, Limerick)
- 7 Strategic Depots/Compounds

## MAJOR PROJECTS DELIVERY

- M17/18 Gort to Tuam PPP (57km)
- M11 Gorey to Enniscorthy PPP (40km)
- N25 New Ross Bypass PPP (14km)
- Luas Cross City (5.6km)
- Green Line Capacity Enhancement
- Small Schemes Programme (worst bends & safety x 19)

Total Value est €1.6 Billion (2016 to 2019)



## CAPITAL INVESTME

### READY FOR CONSTRUCTION

- N7 Naas Newbridge Upgrade
- M8/N25/N40 Dunkettle Upgrade
- N4 Collooney to Castlebaldwin
- N22 Ballyourney to Macroom
- N5 Westport to Turlou
- N59 Moycullen Bypass
- N56 Mountcharles to
- N56 Dungloe to Glent

## USERS OF NETWORK

- National Roads 5% of network, 50% of traffic
- M50 = 400,000 unique journeys per day
- Luas = 95,000 passengers per day



## OPERATIONS AND ASSET RENEWAL WORKS

- Motorways & Tunnels
- Luas (34m passengers in 2016)
- Motorway Service Areas
- 11 PPP Managed Motorways
- Winter Operations
- M50 eFlow Tolling Operations (45m passengers in 2016)
- Pavement Renewals & Skid Resistance
- Bridge Inspections & Repair
- Intelligent Transportation Systems (ITS)
- Dublin Tunnel Tolling Operations
- Electronic Toll Collection Interoperability
- National Transport Model

A
B
C
D

## NT PLAN 2016–2022

### IN PLANNING

- New Metro North
- Luas to Poolbeg
- Luas to Lucan
- N72/73 Mallow Relief Rd
- N2 Slane Bypass
- N6 Galway City Transport Project
- N21/N69 Adare to Foynes
- N28 Cork to Ringaskiddy

# TII Strategic Overview

Strategic Priority	Business Plan Objectives To 2021	Execution of Strategy
Safer Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Delivery of the Network Safety Ranking programme</li> <li>- Delivery of the Road Safety Inspection programme</li> <li>- Delivery of measures to reduce the incidence of road/light rail collisions</li> <li>- Delivery of measures to ensure safer interfaces with pedestrians and cyclists</li> <li>- Safety communications programme</li> </ul>	<ul style="list-style-type: none"> <li>- Continue planning for programme of construction of minor safety and realignment road schemes in fulfilment of targets set by the Government's Road Safety Strategy, as funding allows;</li> <li>- Continue identification of safety schemes using accident cluster analysis, and implement engineering measures;</li> <li>- Continue motorway bridge parapet replacement projects</li> <li>- Run Luas safety marketing campaign aimed at motorists/cyclists/pedestrians;</li> <li>- Replace, as required, Luas track to ensure continued safe operation;</li> <li>- Planning, Design, Tendering and delivery of an enhanced Motorway Operations Centre, capable of managing M50 lane control and variable speed limit management system;</li> <li>- Continue programme of renewals of road lines and cat's-eyes as required on single carriageways and motorway network;</li> <li>- Continue programme of new safety barrier repair/renewals and undertake safety barrier upgrade works on the non-motorway network.</li> </ul>
Maintain The Asset Value Of The National Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Implement effective asset management systems</li> <li>- Improve efficiency in road maintenance activities</li> <li>- Improve the performance of outsourced maintenance activities</li> <li>- Upgrade the Motorway Operations Centre</li> </ul>	<ul style="list-style-type: none"> <li>- Undertake a prioritisation programme for pavement renewals based on updated condition survey data to facilitate a scalable annual programme of pavement renewals;</li> <li>- Monitor network pavement condition and develop new high level key performance indicators to demonstrate key condition trends in pavement structure surface condition and skid resistance;</li> <li>- Continue programme of new safety barrier repair/renewals and undertake safety barrier upgrade works on the non-motorway network. Develop and implement a programme of equipment essential capital renewals programme for the Dublin Tunnel;</li> <li>- Continue the regional term maintenance contracts for bridge works;</li> <li>- Implement light rail infrastructure asset renewal plan. [This Luas asset renewal programme includes upgrade to low energy LED lighting at maintenance depot, upgrade of Luas Radio communications technology, replacement of all stop passenger information displays over 10 years old and replacement of worn Luas track to ensure continued safe operation of Luas fleet].</li> </ul>
More Resilient National Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Responsive and flexible incident management</li> <li>- Contingency provisions for incident management and catastrophic events</li> <li>- Improve our delivery of road winter service</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a programme of equipment essential capital renewals for the Dublin Tunnel;</li> <li>- Planning, Design, Tendering and delivery of an enhanced Motorway Operations Centre, capable of managing M50 lane control and variable speed limit management systems;</li> <li>- Implement recommendations arising from the strategic review of winter operations on national roads, including delivery of operations, capital investment needs and decision support/forecast arrangements, to allow for planned capital investment during the life of the business plan;</li> <li>- Implement a multi-annual framework for salt supply for up to four years, for both national and non-national roads.</li> </ul>

Strategic Priority	Business Plan Objectives To 2021	Key 2017 Targets
Less Congested Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Investing in new road and light rail schemes</li> <li>- Ensuring a more efficient road network by identifying and prioritising bottlenecks</li> <li>- Delivering smart motorway operations on the M50</li> <li>- Address capacity constraints on Luas</li> </ul>	<ul style="list-style-type: none"> <li>- Deliver Luas Cross City (LCC);</li> <li>- Continue construction of three major road schemes which bypass existing bottlenecks. Progress major capacity enhancement scheme on M7 in Kildare and progress road infrastructure element of Galway Transport Strategy;</li> <li>- Implement Luas Green Line Infrastructure Upgrade Project and Green Line Capacity Enhancement project;</li> <li>- Develop pipeline of lower cost light rail Network Enhancements schemes that address operational needs such as efficiency, accessibility and permeability.</li> </ul>
More Accessible Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Better links to road and light rail networks</li> <li>- Cater for vulnerable road users</li> </ul>	<ul style="list-style-type: none"> <li>- Allow Park and Ride customers to pay for their parking at Ticket Vending Machines (TVMs) rather than at separate pay-by-bay machines;</li> <li>- Provide safer infrastructure for pedestrians and cyclists. Progress construction of next phase of minor works and safety schemes which incorporate segregated cycle and foot ways;</li> <li>- Deliver LCC and enhance Green Line Capacity to improve transport system accessibility for people with reduced mobility.</li> </ul>
More Sustainable Road And Light Rail Networks	<ul style="list-style-type: none"> <li>- Deliver energy efficient operations</li> <li>- Embed energy efficiency into new projects</li> <li>- Reduce the environmental impact of our projects and operations</li> <li>- Ensure that all options are considered when developing projects</li> <li>- Contribute to sustainable land use planning</li> </ul>	<ul style="list-style-type: none"> <li>- Implement energy reduction measures in line with 2016 Policy Document "Energy Reduction in Public Lighting on National Roads";</li> <li>- Expand the multi-annual eradication programme for Japanese Knotweed on the national road network and continue the programme for up to four years to ensure effective eradication;</li> <li>- Complete Barn Owl research study with BirdWatch Ireland with a view to developing solutions for reducing impacts on barn owls on national roads;</li> <li>- Develop a new country specific carbon proofing tool, calculate the embedded carbon on road, light rail and metro projects to meet new EIA Directives;</li> <li>- Complete the strategic noise mapping programme for the national road and light rail networks and prepare a protocol for the calculation of population exposure statistics;</li> <li>- Produce a Report on the Assessment of the lifecycle of wetland systems with a view to understanding maintenance requirements and pollutant levels;</li> <li>- Publish new Archaeology Code of Practice between Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs to replace existing NRA and RPA codes.</li> </ul>
Financially Sustainable Commercial Operations	<ul style="list-style-type: none"> <li>- Optimise response to demand growth for Luas services</li> <li>- Design procurement to incentivise new tolling operator to optimise collections</li> <li>- Strengthen enforcement regime for toll collection</li> <li>- Risk and opportunity management</li> </ul>	<ul style="list-style-type: none"> <li>- Implement the second generation free-flow tolling operations contract to deliver efficient toll collection operations;</li> <li>- Continue to manage and contain tolling bad debt levels;</li> <li>- Provide Luas capacity to match increasing demand levels – expand length of 26 Green Line trams to increase capacity to 6,200 passengers per hour;</li> <li>- Ongoing review of internal controls and risk management for all TII financial processes and transactions.</li> </ul>

A

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# Road Network Operations

## NATIONAL ROADS

This Division operates and manages national road assets. The direct management of the two lane road network is undertaken by the individual Local Authorities, funded by TII. 1,224 km of motorway and dual carriageway networks are managed directly by TII: 350km through PPP contracts, with the balance of the network being maintained by TII's regional Motorway Maintenance and Renewals Contractors. In addition TII undertakes the management of the Dublin and Jack Lynch Tunnels through TII's tunnel operator and the Limerick tunnel which is part of a PPP concession.

TII manage a network of almost 100 weather stations. Our winter service provider and Met Éireann operate a Road Weather Information System which enables Local Authorities and motorway operators monitor weather conditions and make decisions on the deployment of salt gritters for winter operations.

## ASSET RENEWALS

The asset value of the national road network is approximately €32bn, and requires on-going re-investment to maintain a return on the original investment. TII monitors the condition of our principal assets, our pavements and our bridges, through the use of pavement and bridge management systems.

## NETWORK TRAFFIC

M50 traffic volumes continue to increase, with over 400,000 trips made each day. This follows similar levels of growth in 2014 and 2015. TII undertook a number of initiatives during the year to mitigate the effect of the increased volumes.

- TII has changed the merge layouts at a number of junctions in order to reduce the impact of merging traffic on mainline flows;
- TII has introduced a system of diversion route signing between junctions on the northern sector of the M50, to assist drivers in the event of an incident leading to the blockage of the M50; and
- In collaboration with An Garda Síochána, new incident survey technology has been trialled on the M50 resulting in significant reductions in the time required by the Gardaí to undertake forensic investigations at collision sites.



## MOTORWAY OPERATIONS

Increased traffic volumes reflected renewed economic growth, with 5,200 incidents attended by the Motorway Maintenance & Renewals Contract (MMaRC) operators. In the case of the M50 alone the PPP concession attended a total of 2,577 incidents during 2016.

### Dublin Tunnel

In late 2016, with the traffic volumes rising rapidly in the tunnel, TII installed average speed cameras as a safety measure. Responsibility for the operation of the average speed camera system will rest with An Garda Síochána once the system goes live.

### National Review of Speed Limits

In March 2015, the Minister published new Guidelines for Setting and Managing Speed Limits in Ireland and directed that a comprehensive review of all speed limits across the road network take place. TII, in collaboration with Local Authorities and An Garda Síochána, carried out a detailed review of speed limits on the national road network with a view to updating speed limits in 2017.

## Winter Operations

TII is responsible for the purchase of all salt for the winter treatment for all Irish roads. TII has constructed four strategic salt storage depots at a number of our motorway maintenance compounds. The opening of the TII owned Cahir depot on the M8 brings our total storage capacity to almost 80,000 tonnes. TII's contractors carried out 2,336 winter treatments using approximately 9,500 tonnes of salt over a total of 58 days. This was broadly in line with the previous two years.

## Telecommunications Ducting

TII participated in the Government's Mobile Phone and Broadband Taskforce, aimed at remedying the poor connectivity to broadband and mobile phone services. TII commenced the installation of ducting on sections of the M7/M8 Dublin to Cork motorway.

## Energy Saving Initiatives

TII is working towards achieving national energy saving objectives by 2020. To this end, TII collaborated with the County and City Management Association (CCMA) in the completion of an up-to-date comprehensive inventory of all public lighting assets on the national road network.

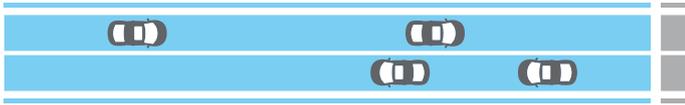
## 2016 MORNING RUSH-HOUR LEVEL OF SERVICE

Proportion of the National Roads network operating under each level of service condition.



# Facts

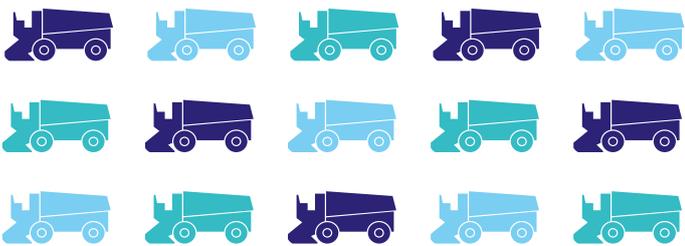
## PAVEMENTS



**96%** of the motorway network pavements are in fair or better condition, exceeding our target of **95%**.



**84%** of the non-motorway network pavements are in fair or better condition, **below our target of 95%**, and **down 1% since 2015**.



We completed pavement re-surfacing works on

**150km**  
of national roads

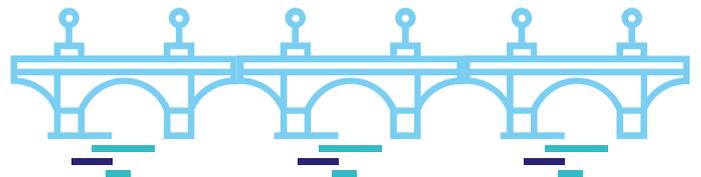
However if we are to avoid long term deterioration of our pavements we need to be re-surfacing **over 400km per annum**.

## BRIDGES

We have over

**3,200** bridges on national roads.

Of those more than **1,000 were built since 1990**.



## ROAD LINING AND DELINEATION

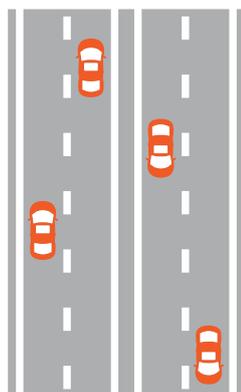
We completed

**550km**

of new lining on our two lane network in 2016 and

**125km**

of motorway lining.



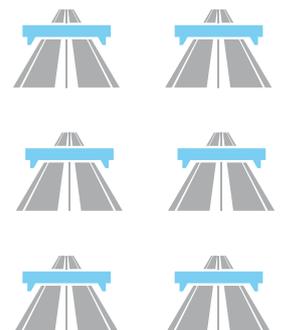
In 2017 we plan to complete

**600km**

of lining on our two lane roads and

**100km**

on our motorways.





N25, New Ross, Progress of Barrow Bridge Works (looking East) © TII

## MANAGING OUR NETWORK ASSETS

### Network Pavements

2016 was the fifth successive year in which, as a consequence of funding constraints, TII's investment in pavement renewals was significantly below what is required to ensure steady state conditions. TII focused resources on maintaining the network in a safe condition and resurfaced 150 km of national roads in 2016.

### Bridge Rehabilitation and Strengthening

TII continued with a programme of bridge rehabilitation and strengthening. Under the umbrella of TII's EIRSPAN bridge management system a programme of inspections of all 3,200 of our bridges over a five year cycle was undertaken.

### Repair of Severe Weather Damage

Following the severe flooding in December 2015 and early 2016, TII received a supplementary allocation of €8m from DTTaS to cover the costs of damage to national road pavements and structures. This special allocation allowed TII to quickly address areas of damage on the network.

### Signs and Lines

Maintaining the quality of lining and delineation is important in ensuring the continued safe operation of the national road network.

## 2016 PAVEMENT MAP



## 2017 PAVEMENT MAP



● Denotes location of pavement renewal work

## 2017 Goals

- M50 Congestion: TII will continue with the programme of works and its engagement with relevant stakeholders to manage the increasing demand on the M50 and its immediate approaches;
- Winter Operations: TII will complete a strategic review of winter operations on national roads in mid-2017. This will optimise the delivery of winter service on the network and will provide the basis for an updated business plan for re-investment in our winter operations in the years 2018-2022;
- Pavement Asset Renewals: 136 schemes totalling 245km;
- Bridge Maintenance: Principal inspections on 1285 bridges and undertake rehabilitation works on 63 bridges;
- Speed Limits: TII will continue to work with Local Authorities through 2017 for the purpose of completing a comprehensive review of all speed limits on the Irish road network (including the national road network) and the enactment of comprehensive new speed limits bye-laws, in accordance with objectives set by the Minister;
- Energy Saving Measures: TII will commence a programme of energy reduction measures in 2017, in line with our June 2016 policy document "Energy Reduction in Public Lighting on National Roads";
- Network Delineation: TII will continue the renewals programme for road lines and studs, with an objective of re-lining a minimum of 600km of single carriageway roads and 100km of motorway / dual carriageway in 2017;
- Telecommunications Ducting: In line with the recommendations set by the Mobile Phone and Broadband taskforce, TII will complete the installation of telecoms ducting of existing gap sections on the M7/M8 Dublin-Cork route.

## 2016 EIRSPAN WORKS



## 2017 EIRSPAN WORKS



● Denotes location of bridge maintenance and renewal works



# Commercial Operations: Luas and Tolling

## ABOUT LUAS

*Working with the NTA, TII oversees the Luas operating contract with Transdev, along with vehicle and infrastructure maintenance contracts with Alstom.*

### **Additional responsibilities include:**

- Life cycle asset management of all Luas infrastructure and rolling stock;
- Planning and timetabling;
- Development of fare policy in conjunction with the NTA.

## 2016 Outcomes

Overall passenger trips on the Luas amounted to 34 million for 2016 which is a decrease of 2% compared to the same period last year. This is a direct result of twelve days of industrial action which took place in the early part of the year, and a seven week partial shut-down of the Red Line from Jervis to The Point to accommodate LCC works. When the periods where strike action and partial shut downs are excluded (February to July), an increase of 4.3% in patronage numbers can be seen across comparable periods in 2016 versus 2015. This correlates with the results of the 2016 Passenger Census completed in November which shows a growth in weekly boardings of 3.5% on the Luas System. Total revenue in the year increased marginally (1%) over 2015 reflecting in particular the strong growth in the Park and Ride revenue stream.

## 2017 Goals

- A priority for Luas in 2017 includes commissioning the LCC extension to the Green Line and the commencement of placing seven new trams into service. Another key priority is to commence the procurement of the next generation Luas Operating Contract, for which planning started in 2016;
- Luas operations team will continue to work closely with the Green Line Capacity Enhancement project team to ensure minimum disruption to passenger services during sub-station upgrades and platform and depot extension works planned for 2017.



## ABOUT TOLLING

*The tolling operations section manages significant revenue generated from a broad customer base in excess of two million people per year.*

### Its specific responsibilities include:

- Management of the M50 eFlow toll operation and Dublin Tunnel toll collections (in conjunction with Network Management Division) including the management of the respective operators providing operational services under contract to TII;
- Management of the M50 toll enforcement operations using an outsourced enforcement service provider and provision of appropriate public information to promote awareness about obligations to pay the M50 toll;
- Managing the national interoperability service provider contracts;
- Managing the relationship with a range of stakeholders with a remit in the tolling and road user charging, including the DTTaS and DG Move (the European Commission). Active participation in European tolling and road user charging forums and engagement with national and European bodies in relation to vehicle licensing, cross border enforcement and regulatory matters.

### 2016 Outcomes

TII continued the procurement competition for the second generation M50 free-flow tolling operations contract in accordance with the multi-year procurement strategy which for 2016 included proceeding through the dialogue stages with tenderers. TII continued with preparations for the winding down of the existing M50 tolling operations contract and the mobilisation of the new operator in 2017/2018.

### 2017 Goals

- Complete the procurement competition for the second generation free-flow tolling operations contract, award the new operations contract and commence the mobilisation and transition work-streams in accordance with the new contract;
- Commencement of the procurement process for next generation technical and management consultants to support tolling operations.

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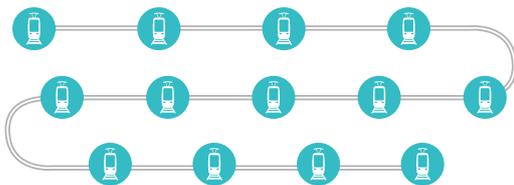


# Facts

## LUAS FACTS

The Luas Cross City project will add almost 6km to the Green Line and will provide

**13**  
new stops,



8 of which will be in the city centre. Passengers will travel from Cabra into St. Stephen's Green in

**21**  
minutes.



There are two Luas tram lines, the Red line and the Green line.

The Red Line is

**20km** 

and has **32 stops**.

The Green Line is

**16.5km** 

and has **22 stops**.

Luas has carried over

**285 million**  
**passengers**

since launching in 2004.



There will be an additional

**10 million**  
**passenger**  
**journeys**



per year on this newly extended Luas network.

## M50 FACTS

In 2016 there were

**400,000**



unique journeys every weekday on the M50.

On the busiest section of the M50 between the N4 and the N7, average daily traffic volumes reached

**145,000**

**vehicles in 2016**

an increase of **7%** on 2015

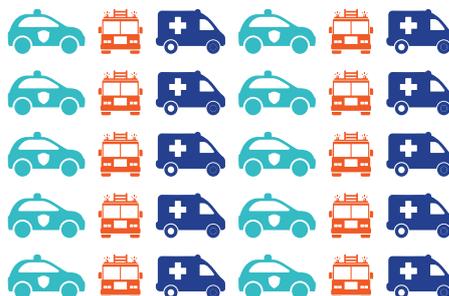


Our network operators responded to over

**7,500**

incidents on the M50 – that's over

**30** per weekday



# Modernising the National Road and Light Rail Networks

## CAPITAL INVESTMENT PLAN

### About the Plan

*Building on Recovery: Infrastructure and Capital Investment Plan 2016-2021, published by the Government in September 2015, sets out Exchequer Capital spending on Infrastructure during the life of the plan. The plan allocated an additional €730m investment in the national road network up to 2022. Ninety percent of this funding becomes available in the last three years of the plan.*

In relation to national roads the plan sets out a commitment to network maintenance and strengthening and to the completion of the three PPP roads projects which are currently under construction. It also identified eight National Roads projects with planning approval to be constructed and a further five projects to be progressed to An Bord Pleanála.

### PPP Construction

The PPP Construction programme progressed in 2016 includes:

- M11 Gorey to Enniscorthy PPP: The scheme consists of 27km of Motorway and 4km of Dual Carriageway. Construction commenced during 2015. Good progress was made during 2016, keeping the project on target to complete construction during in 2019. Fencing, earthworks and culvert construction activities were substantially completed during 2016;
- M17/M18 Gort to Tuam PPP: The scheme consists of 53km of Motorway and 4km of Dual Carriageway. The contract was awarded in April 2014 and the completion date is February 2018. Construction progress has been good during 2016 and it is expected that the road will be available to open late 2017. It is also anticipated that the Tuam Bypass element of the project may open to traffic in the summer of 2017;
- N25 New Ross Bypass PPP: The scheme consists of 13.6km Dual Carriageway, and 1.2km Single Carriageway. The project includes a 900m long bridge over the River Barrow. The bridge will be the longest bridge of its type in the world. This scheme was awarded and commenced construction in 2016. Good progress was made during the year with earthworks and bridge works well underway. The project is likely to achieve the contract completion date in 2019.





## Luas Cross City Construction

Good progress was made on the Luas Cross City project in 2016. The project is a 5.6km extension of the Luas Green line from St Stephens Green to Broombridge in Cabra, crossing the Luas Red line at O'Connell and Marlborough Streets. The works for the delivery of the traction, signalling and telecommunications systems is progressing well and the project remains on target for completion by the end of 2017.

## Luas Green Line Capacity Enhancement

The overall trend of patronage on Luas is of sustained growth. TII embarked on a programme of capacity enhancement measures on the Luas Green Line which include the introduction of longer (55m) trams. Consequently the length of platforms will be increased and the power and depot infrastructure are being enhanced. Work commenced in these areas during 2016 and will be completed in 2017.

## Preparing schemes for tender/construction

The following road projects are being progressed to construction under the Capital Investment Plan. The date for construction start is determined by the timing of funding being made available.

- M7 Naas Newbridge Bypass Upgrade: Working with DTTaS, this project is being delivered as part of a single contract which includes the Osberstown Interchange and the Sallins bypass. The tender process for a design and build contract commenced in 2016. The main contract will be awarded in 2017;
- M8/N40 Dunkettle Interchange Upgrade: This is a complex project located at a busy transport hub on the approach to Cork City, adjacent to notable pharma industries and sensitive ecological habitats. This scheme will progress to tender in 2017 using the NEC contract. The target construction start date is early 2019;
- N4 Collooney to Castlebaldwin: The target construction start date is mid-2019;

- N5 Westport to Turlough: The target construction start date is early 2021;
- N22 Ballyvourney to Macroom: The target construction start date is early 2020;
- N56 Dungloe to the Glenties: This scheme is being delivered in sections on a rolling programme;
- N56 Mountcharles to Inver: This scheme is being delivered in sections on a rolling programme;
- N59 Moycullen Bypass: The target construction start date is early 2021.

## Projects in planning:

- N2 Slane Bypass: Consultants were appointed for the feasibility planning and design of this project during 2016;
- N6 Galway City Transport Project: Significant progress was made on the development of the business case and scheme design in 2016;
- N21/N69 Adare to Foynes: The design of the scheme and preparation of the Environmental Impact Statement (EIS) is ongoing. There are 2 geotechnical investigations contracts currently on site. The junction strategy is under consideration;
- N28 Cork to Ringaskiddy: The Business Case and design were advanced in 2016, in preparation for submission of the scheme to An Bord Pleanála in 2017;
- N72 Mallow Relief Road: Cork County Council have procured consultants to progress a feasibility study.



## PUBLIC TRANSPORT PROJECTS IN THE CAPITAL INVESTMENT PROGRAMME

### New Metro North

*During 2016 the NTA tasked TII with the progression of the 16.5km metro rail project which will connect Swords to Dublin City Centre via Dublin Airport. Significant progress was achieved on this project. A TII project team was appointed and a number of key studies were progressed. The project is on programme for the commencement of consultations with Dublin City Council, Fingal County Council and other stakeholders during 2017.*

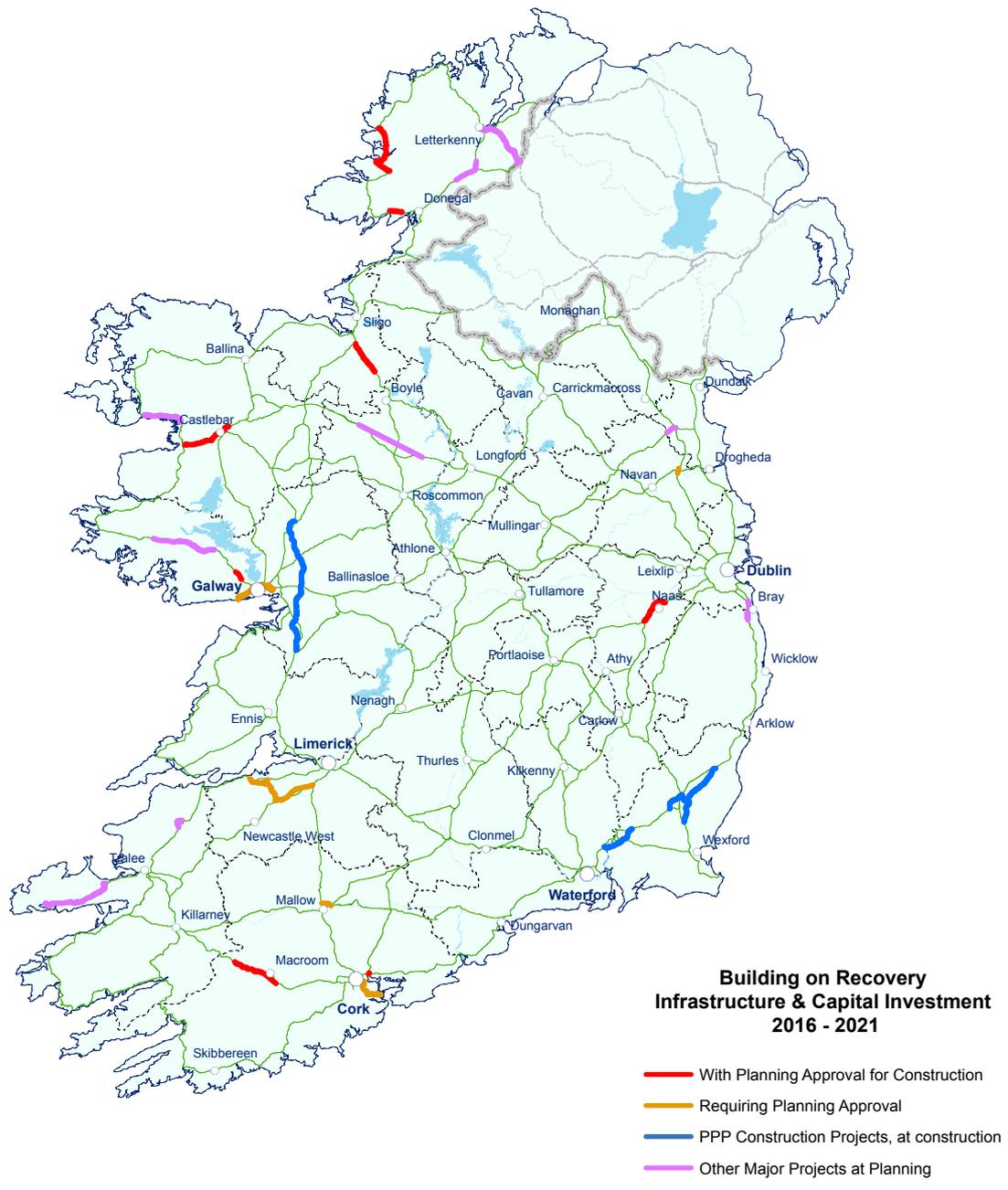
## OTHER PROJECTS

### Other Major Projects in Planning & Design include:

- N5 Ballaghaderreen to Scramogue: The preparation of the Business Case and Statutory Documentation was completed in 2016;
- M50 to Glen of the Downs: A draft feasibility study was progressed in 2016;
- N14/N15/A5 Link: The scheme is approved by An Bord Pleanála and is awaiting developments on A5 before progressing;
- N59 Maam Cross to Oughterard: Land acquisition was advanced. Galway County Council has yet to secure the agreement of NPWS to method statements to allow site investigation and other preparatory works to commence. Pavement renewal works will be undertaken during 2017 as an interim measure;
- N69 Listowel Bypass: The Business Case was approved in 2016. The scheme will be submitted by Kerry County Council to An Bord Pleanála in 2017;
- N86 Tralee to An Daingean: This project is being delivered as a series of minor projects. The construction of a second section commenced during 2016;
- N13/14/15 Projects: Donegal County Council appointed the technical advisors/designers and work commenced on the commission;
- N20 Limerick to Cork: Documents were prepared for a tender competition for designers to commence early investigation activities related to this project proposal;
- Motorway Service Area Tranche 4: Sites were selected for the 3 proposed service areas on the M3, M6 and M18. It is anticipated that these projects will go to statutory procedures in 2017.



## 2016 MAJOR SCHEMES



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# Facts

## MOTORWAY LITTER

TII spent

**€730,000**

removing litter from our motorways.



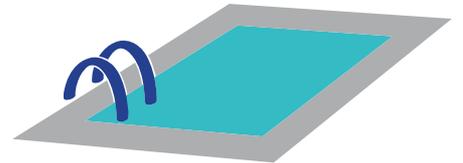
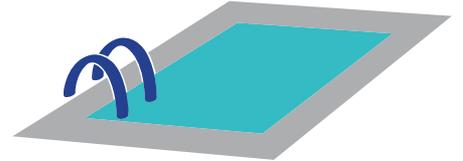
Our contractors filled

**280**

industrial sized skips.

That's enough to almost fill

**2 Olympic sized swimming pools**



## NATIONAL ROAD NETWORK

The National Roads Network totals

**5,306km**

of road

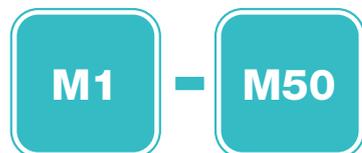


It comprises

**2,649km**

designated as National  
**Primary Road**

National Primary roads  
are numbered from



(N Inclusive)

and

**2,657km**

designated as National  
**Secondary Road**

National Secondary roads are  
numbered from



Contained within the national  
road network are the  
Motorway/Dual Carriageway  
sections totalling

**1,224km**

**916km**

Motorway &

**308km**

Dual Carriageway





16 SW Omeath  
NEXT EXIT 700 m  
N 52 Duir Dealgan  
DUNOALK  
Deasánas  
DELVIN  
On Mullamán  
gCeann (L.A.)  
MULLINGAR  
(Ceannas)

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## Minor Roads Projects

Minor works are localised improvements which primarily address safety issues such as poor alignment, poor visibility and narrow cross-sections. Significant progress was made in 2016 in the delivery of minor projects. Construction of ten such projects was completed and a further eight commenced construction during 2016.

### 2016 Outcomes

Minor schemes that opened to traffic in 2016.

- N15 Blackburn Bridge Realignment;
- N20 Buttevant Streets;
- N53 Barronstown to Hackballs Cross;
- N56 Boyoughter to Kilkenny;
- N59 Approaches to Moycullen;
- N59 Rossow Bends;
- N61 Rathallen/Treanagry Realignment Scheme;
- N71 Releagh-Bonane Bends;
- N83 Forty Acres;
- N84 Luimnagh.

Minor schemes under construction or at tender in 2016.

- N16 Cornacloy Section 2;
- N17 Carrownurlar to Ballindine;
- N52 Cloghan to Billistown - Phase 1;
- N55 Corduff to South of Killydoon Phase A;
- N56 Kilty Roundabout;
- N63 Abbeyknockmoy to Annagh Hill;
- N76 Callan Road Realignment;
- N86 Lispole to Mountoven.

There were a further 58 minor schemes that were at various stages of planning and design development at the end of 2016. Eight of these project were significantly advanced and preparation of the tender documentation will be advanced during 2017.

### 2017 Goals (Construction and Forward Planning)

- Complete the construction of the M17/M18 PPP Gort to Tuam motorway;
- Award the M7 Naas Newbridge Upgrade Scheme;
- Commence the tender process for the M8/N40 Dunkettle Interchange;
- Progress the site investigations, advance works, land purchase and preparation of tender documentation on:
  - N4 Collooney to Castlebaldwin;
  - N5 Westport to Turlough;
  - N22 Ballyvourney to Macroom; and
  - N59 Moycullen Bypass;
- Proceed to statutory process on the N6 Galway City Transport Project, N28 Cork to Ringaskiddy and the N69 Listowel Bypass;
- Tender the N56 Mountcharles to Drumbeigh and the N56 Kilkenny Letterlilli minor projects in Donegal;
- Continue to advance the planning and design of the minors works programme;
- Complete the construction of Luas Cross City extension of the Green Line and commence passenger service;
- Complete the Luas Green Line Capacity Enhancement works to facilitate capacity enhancement;
- Commence preliminary design work on Luas to Lucan;
- Commence preliminary design work on Galway City bus corridors.



# Professional Services

The Professional Services Division provides technical support to other TII Divisions, as follows:-

- Strategic and Transport Planning;
- Land Use Planning;
- Archaeology and Heritage;
- Research and Standards;
- Environmental Policy and Compliance;
- Road and Tunnel Safety;
- Rail Safety; and
- Health and Safety - Occupational and Construction.

## Strategic and Transport Planning

The function of Strategic and Transport Planning is to monitor the performance of the national road and light rail network, to assess future network needs and to carry out strategic studies. In 2016 the National Transport Model was recalibrated using data from TII's Traffic Monitoring Units. The National Road Network Indicator Reports included a new national traffic index showing growth by region and road type. An updated version of the TII Project Appraisal Guidelines for National Roads was published in October incorporating the requirements of the Public Spending Code and DTTaS 2016 Common Appraisal Framework for Transport Projects and Programmes.

## Land Use Planning

TII has significant responsibilities in relation to land use planning in addition to the requirement to obtain statutory approval for TII projects. As a statutory consultee, TII provides input into national and regional policy, and reviews County and Local development plans. During the year, the Land Use Planning Section reviewed over two thousand planning applications ranging from large mixed use urban developments, industrial estates single rural houses, and approximately forty EIS scoping requests. TII reviewed approximately eighty Plans, including Regional Strategies, Development Plans, Local Area Plans, Strategic Development Zones and Masterplans.

Archaeology and Heritage is managed on all TII projects to ensure compliance with legislation, reduce archaeological project risks and build public trust. In 2016, a new Code of Practice for Archaeology was agreed with the Minister of Arts, Heritage, Regional, Rural and Gaeltacht Affairs. This code will be formally launched in 2017. During the year, TII organised a nationwide programme of events during Heritage Week. TII published three audio books available for download from [www.tii.ie](http://www.tii.ie), as follows:

- Meitheal: the archaeology of lives, labours and beliefs at Raystown, Co. Meath;
- Above and Below: the archaeology of roads and light rail;
- The Science of a Lost Medieval Graveyard: the Ballyhanna Research Project.

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## Road and Tunnel Safety

All work undertaken by TII is focused on reducing the number of fatalities, serious and minor injuries occurring on national roads. Schemes are designed to provide engineering-based solutions at high collision locations prioritised through careful analysis of collision and traffic volume data. TII also has a role in ensuring that the safety at road work sites are in line with best practice and carries out safety inspections for that purpose. During the year, route treatments were carried out on the motorway/dual carriageway network following the road safety inspections which took place in 2015. The second round of road safety inspections on the non-motorway network was completed in 2016.

## Rail Safety

TII endeavours to ensure compliance with the Railway Safety Act 2005, and applicable Regulations, Codes of Practice and Guidance. During the year, TII carried out Luas safety campaigns aimed at preventing ‘scutting’ and improving pedestrian and cyclist safety. TII also supported An Garda Síochána’s Safer Roads for Dublin campaign.

## Health and Safety - Occupational and Construction

TII places the highest priority on promoting and preserving the health and safety of its staff, visitors, contractors, customers and others who could be affected by its activities.

This includes working collaboratively with key stakeholders and interested parties to achieve safe interaction with Luas and national road construction activities. TII endeavours to ensure that it meets legislative requirements under the Safety, Health and Welfare at Work Act 2005. All employees are encouraged to take all reasonable precautions to avoid accidental injury to themselves, their colleagues and members of the general public. During the year, a TII database to record accidents, incidents and near misses on TII projects and road maintenance contracts was created. This facilitates detailed analysis of safety performance. Safety statistics, trends and emerging issues are now reported to the Board on a monthly basis.

## Environment Policy and Compliance

TII integrates environmental issues into the planning, construction and operations on all national roads and light rail projects by ensuring that TII’s Environmental Design, Assessment and Construction guidelines and other policies are included in all TII funded projects and operations. During the year, TII prepared a strategy document called “Adapting to Climate Change on Ireland’s Light Rail and National Road Network”. This strategy document supports measures to enhance the resilience of the national roads and light rail network from a flooding perspective.

TII prepared a national framework for the management of Invasive Alien Plant Species aimed at managing knotweed and other plant species on the national roads network. Initial works commenced in 2016 where fifteen counties were targeted for rolling treatment programme.

TII maintains and regularly updates a wide range of standards, guidelines and technical documents, relating to the planning, design, construction, maintenance and operation of roads. TII Standards are also widely used by Local Authorities for local and regional roads. During the year, all documents were replaced and re-branded as TII Publications. A new website [www.tiipublications.ie](http://www.tiipublications.ie) was developed and launched in 2016.



## TII Research

TII organises a research programme covering technical areas associated with road and light rail infrastructure. The aim is to promote practical measures that will contribute to reducing costs, enhancing quality and encouraging best practice.

TII's Research Strategy provides the framework for the procurement of both short-term 'commercial' research in response to our business needs and for longer-term fundamental research projects through universities and research institutes. In addition TII also carries out collaborative research projects with our European road administration colleagues. These transnational research projects are organised through CEDR (Conference of the European Directors of Roads). A summary of TII's research programme and a description of current projects are available on our website at <http://www.tii.ie/technical-services/research/>.

## 2017 Goals

- Develop and publish performance indicators for the M50 on TII's website;
- Update the National Transport Model to reflect latest available population, employment and travel data following publication of CSO's 2016 Census data ;
- Process all planning related documentation within the statutory time framework;
- Support TII's inputs to the National Planning Framework – Ireland 2040 and the three Regional Spatial and Economic Strategies;
- Launch TII's Digital Heritage Collections, in partnership with Digital Repository of Ireland and the Discovery Programme;
- Develop and implement road safety schemes at high collision locations;
- Apply for ISO accreditation for TII's Safety Management System;

- Receive authorisation from the Commission for Railway Regulation (CRR) for the Placing in Service for both Luas Cross City Project and the Green Line capacity enhancement projects. TII will assist the Luas operator to develop a training programme for tram drivers on route knowledge of Luas Cross City;
- Undertake strategic noise mapping programme for the national road and light rail networks;
- Publish quarterly updates of Standards and Technical documents;
- Organise training events on TII's Standards;
- Prepare a new TII Research Strategy (2017-2022);
- Identify TII research needs in light rail systems; and
- Coordinate TII involvement in CEDR Research programmes in line with tasks below and disseminate the results within TII, Local Authorities and the roads industry.

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# TII Regulatory

## FREEDOM OF INFORMATION ACT 2014

The Freedom of Information (FOI) Act 2014 provides that every person has the following legal rights

- The right to access official records held by Government Departments and all public bodies that conform to the provisions of Section 6 of the Act;
- The right to have personal information held on them corrected or updated where such information is incomplete, incorrect or misleading; and
- The right to be given reasons for decisions taken by public bodies that affect them.

In 2016, TII began publishing details of FOI requests received for non-personal information in an FOI Disclosure Log, in accordance with the requirements of the Department of Public Expenditure and Reform's (DPER) Code of Practice for Freedom of Information for Public Bodies. The Disclosure Log is available to view in the FOI section of our website. A dedicated email address, [foi@tii.ie](mailto:foi@tii.ie), was also created during the year to facilitate FOI requests.

Also in 2016, TII published an FOI Publication Scheme under section 8 of the Act. The Scheme, which provides comprehensive information in relation to the roles, functions and types of records and information held by TII, was prepared in conformity with the Model Publication Scheme and Guidelines issued by the Minister for Public Expenditure and Reform. The TII Publication Scheme may be viewed/downloaded in the FOI section of the TII website, [www.tii.ie](http://www.tii.ie).

## ACCESS TO INFORMATION AND THE ENVIRONMENT REGULATIONS 2007 TO 2014

The European Communities (Access to Information on the Environment) Regulations 2007 to 2014 give legal rights to those seeking access to information on the environment from public authorities. Under the Regulations, information relating to the environment held by, or for, a public authority must, subject to certain exceptions, be made available on request to any person.

A dedicated email address, [ai@tii.ie](mailto:ai@tii.ie), was created during the year to facilitate requests under the Regulations.

## RE-USE OF PUBLIC SECTOR INFORMATION REGULATIONS

Under the EC (Re-Use of Public Sector Information) Regulations 2005, as amended by SI No. 525 of 2015, public sector bodies are required to facilitate the re-use of most public sector information. Re-use includes copying, modifying, translating, adapting and distributing.

TII continued to supplement the information made freely available for re-use on the Government's Open Data portal, [www.data.gov.ie](http://www.data.gov.ie).

## OFFICIAL LANGUAGES ACT 2003

The primary purpose of the Official Languages Act 2003 is to promote the use of Irish for official purposes in the State by increasing and improving the quantity and quality of services provided for the public through Irish by public bodies. The Act, and Regulations made under the Act, place specific requirements on public bodies, including TII, in relation to the use of Irish, for example in responding to correspondence received in the Irish language, the use of the Irish language on stationery, signs, etc. and the publication of certain documents bilingually.

An important provision of the Act is the requirement under Section 11 for Public Bodies, following a request by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, to prepare a scheme detailing the services the public body will provide:

- through the medium of Irish;
- through the medium of English; and
- through the medium of Irish and English.

These measures are adopted to ensure that any service not provided by the body through the medium of the Irish language will be so provided within an agreed timeframe.

During 2016, TII was requested by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs to begin work on the preparation of a second scheme which will replace TII's current scheme covering the period from 2014 to 2017.

This work has commenced and a new scheme for the period from 2017 to 2020 will be finalised, following public consultation and approval of the scheme by the Minister, in 2017.

## DATA PROTECTION ACTS 1988 & 2003

The Data Protection Acts of 1988 and 2003 are designed to protect an individual's privacy. The Acts confer rights on individuals in relation to the privacy of their personal data as well as responsibilities on those persons holding and processing such data. In particular, they provide for the collection and use of data in a responsible way, while providing protection against unwanted or harmful uses of the data.

During 2016, TII commenced an exercise to develop and update various documents setting out TII's policy and procedures aimed at ensuring our compliance with the requirements of the current Data Protection legislation and with a view to ensuring that appropriate systems are in place in anticipation of the General Data Protection Regulations (GDPR). The GDPR is due to be implemented in May 2018 and will replace the current legislation in force in this area.

A dedicated email address, [dataprotection@tii.ie](mailto:dataprotection@tii.ie), was created during the year to facilitate queries under the Acts.

## CUSTOMER SERVICE

The provision of quality customer service is central to TII's activities and we strive to continually improve our business practices in order to provide the highest standards in our dealings with our customers.

The ways in which TII honours its commitments to providing quality service and monitors performance are set out in the TII Customer Charter and Action Plan 2016-2019.

During 2016, TII implemented a Customer Service Feedback form on our website, [www.tii.ie](http://www.tii.ie), and created a dedicated email address, [customerservice@tii.ie](mailto:customerservice@tii.ie).

TII also continued to provide information on our website and significantly enhanced the information made available on our dedicated publications website, [www.tiipublications.ie](http://www.tiipublications.ie). The latter site contains a rich online resource of TII technical documentation, categorised as Standards or Technical, relating to national road and light rail schemes.

No customer complaints were received by TII from the Office of the Ombudsman in 2016.

## ENERGY EFFICIENCY

### Strategic Commitment

TII is committed to working in collaboration with its operating and maintenance partners and with the support of the Sustainable Energy Authority of Ireland (SEAI) towards the delivery of more energy efficient operations. This commitment is outlined in the TII Statement of Strategy 2016-2021 set in the wider context of developing more sustainable road and light rail networks.

TII's approach reflects imperatives associated with energy efficient targets set by Government.

### Initial Steps

During 2016, the first full calendar year of TII's existence following the merger of the National Roads Authority and the Railway Procurement Agency, emphasis was placed on compiling energy consumption data on the full range of TII activities with a view to facilitating a comprehensive picture of energy consumption.

Work done in this first year provides a base for systematic assessment of energy consumption, efficiency and causal factors and the identification of possible options for achieving greater efficiency.

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# Governance

## THE BOARD



### **Mr. Cormac O'Rourke (Chairman)**

Cormac O'Rourke is a Director of Goodbody Corporate Finance specialising in energy, infrastructure and healthcare. He has over 30 years of experience in investment banking, covering energy, infrastructure/public private partnerships and Telecom. He was previously European Head of Project Finance of KBC Bank NV and Investment Director of ESBI. He was appointed Chairman of both the National Roads Authority and the Railway Procurement Agency in January 2013 and became the first Chairman of TII following the merger in August 2015.



### **Mr. Michael Nolan (CEO)**

Michael Nolan was appointed the first Chief Executive Officer of Transport Infrastructure Ireland on the 1st August 2015. Prior to taking up this role, Michael worked for the National Roads Authority for thirteen years, and held a range of responsibilities, including the position of Head of Major Projects. Most of his career has been in public service, mainly with Local Authorities. Michael is a Chartered Engineer and a Fellow of Engineers Ireland. He was appointed to the Board in 2015.



### **Ms. Jacqueline Cross**

Jacqueline Cross is a solicitor in private practice with over 20 years' experience. Her experience includes advising on Corporate and Commercial matters, Company Law, Corporate Governance and Public Sector Advisory Work. She has previously spent a total of five years in-house as a senior legal adviser in the public sector. Jacqueline also has extensive experience in advising on Legislation and the legislative process. She was first appointed to the Board in 2010.



### **Mr. David O'Connor**

David O'Connor is currently Director of the Housing Delivery Office in the Department of Housing, Planning, Community and Local Government. An architect by profession he has practiced in both the private and public sectors before becoming Director of Planning and subsequently County Manager for Fingal County Council from 2006 until 2013. He was first appointed to the Board in 2011.



### **Mr. Gary Comiskey**

Gary Comiskey is a Director with Deloitte, where he is a member of the Leadership team for the Health and Public Sector Consulting Group. With a background in Information Technology risk management and controls assurance, Gary has worked with Deloitte in Dublin and Sydney. Currently, his focus is on the delivery of projects in the areas of organisational improvement and change. He was first appointed to the Board in 2012.



**Mr. Joe O'Mahony**

Joe O'Mahony was Managing Director of Northern Ireland Electricity from 2011 to 2014 following its acquisition by ESB. He has over 20 years of managing major power infrastructure projects including a €3bn investment network renewal program for ESB Networks. He is a board member of KTL, Lagan Hibernian and the Centre for Competitiveness in Northern Ireland. He was first appointed to the Board in 2013.



**Mr. Senan Turnbull**

Senan Turnbull is a specialist in governance working primarily in the not-for-profit sector. He previously had a career in various public service bodies. Senan is a chair/member of a number of state and voluntary organisation boards. He was appointed to the Board in 2013.



**Ms. Virginia O'Dowd**

Virginia O'Dowd is a former Educator and town/county councillor. She served two terms as Mayor of Nenagh, County Tipperary. She is chair/member of a number of voluntary organisations and State Boards. She was appointed to the board in 2014.



**Mr. Seamus Neely**

Seamus Neely is the Chief Executive of Donegal County Council and is currently the Chairman of Donegal Tourism Ltd. and the Donegal Local Community and Development Committee. Following a period in the private sector Seamus has over 29 years of varied Public Service experience of which 20 years has been at Senior Management Level. He was appointed to the Board in 2015.

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## THE EXECUTIVE TEAM



**Michael Nolan**  
CEO



**John Maher**  
Director  
Business Services



**Pat Maher**  
Director  
Network Management



**Nigel O'Neill**  
Director  
Commercial Operations



**Ger Hannon**  
Director  
Corporate Services



**Helen Hughes**  
Director  
Professional Services



**Peter Walsh**  
Director  
Capital Programme Management



**Sean O'Neill**  
Director  
Corporate Communications

## Introduction

### (Incl Compliance with Code of Practice, Ethics & Legislation)

*TII continuously reviews and updates its policies and procedures to ensure compliance with best practice.*

#### Compliance with the Code of Practice for the Governance of State Bodies (2009).

TII has instituted appropriate measures to comply with the Code of Practice which sets out principles of corporate governance which the boards of state bodies are required to observe.

#### Compliance with Legislation

TII complies with corporate governance and other obligations imposed by the:

- Roads Act 1993 (as amended);
- Ethics in Public Office Act 1995 (as amended);
- Standards in Public Office Act 2001;
- Official Languages Act 2003;
- Disability Act 2005;
- Safety, Health & Welfare at Work Act 2005;
- Freedom of Information Act 2014;
- Regulation of Lobbying Act 2015;
- Protected Disclosures Act 2014; and
- Data Protection Acts 1988 and 2003 and associated legislation.

#### Protected Disclosures

The mechanism whereby TII's staff may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014, is outlined in TII's Protected Disclosures Procedure.

No disclosure was made in 2016 which could be construed as a Protected Disclosure under the Protected Disclosures Act 2014.

#### Prompt Payments

Details	No of Payments	Value €	% of Total Payments made
Total payments made in 2016	3,157	473,860,008	100%
Number of payments made within 15 days	2,421	415,329,968	88%
Number of payments made within 16 to 30 days	727	58,518,074	12%
Number of payments made in excess of 30 days	9	11,966	0%



## Disability Act, 2005

TII has an Accessibility Committee tasked with ensuring that the requirements of the Disability Act, 2005 are fully observed. The Committee seeks to ensure, as far as possible, that all appropriate measures and facilities are available for customers with physical or intellectual disabilities. Measures introduced include the provision of an induction loop system to assist the hearing impaired in the reception area and meeting room, parking bays for disabled drivers, updating the TII website to be fully compliant with W3C WAI-AA standards, which ensures that the site is accessible to all, and the publication of corporate documents in a style that is as clear and jargon free as possible. Disability equality training has also been provided for staff to ensure awareness of accessibility issues for both internal and external customers.

## Occupational Health and Safety

TII places the highest priority on promoting and preserving the health and safety of its staff and of all who are affected by our work. TII endeavours to ensure that it meets legislative requirements under the Safety Health and Welfare at Work Act. All employees are enjoined to take all reasonable precautions to avoid accidental injury to themselves, their colleagues and members of the general public. Day to day management of safety and health is the responsibility of Division Managers, Line Managers and employees generally, and the Health and Safety Manager provides support, information, monitoring and feedback.

## THE BOARD

### Roles and Responsibilities

The Board's composition is a matter for the Minister as is the appointment and re-appointment of Board Members and terms and conditions of their appointment. Under the Code of Practice, where the Chairperson considers that specific skills are required on the Board, he/she can advise the Minister in advance of Board vacancies arising so that the Minister may take the Chairperson's views into account when making appointments.

In furtherance of their duties, a member may, subject to approval of the Chairperson, obtain independent advice at the reasonable expense of TII.

The Board is satisfied that its Members are free from any business or other relationship that could materially affect, or could appear to affect, the exercise of their independent judgement. All Board Members disclose any interest and absent themselves from Board discussions and decisions where they are conflicted or gave a direct or indirect interest as required by the Code of Practice.



### Matters Reserved for the Board

The following key matters are reserved for Board decision:

- approval of TII's Code of Practice;
- approval of Annual Report, Annual Budget and Corporate Business Plan;
- approval of the Annual Accounts;
- terms of reference of the Board committees;
- delegated authority levels, treasury policy and risk management policies;
- any decision to perform a function directly rather than through a Local Authority;
- the establishment of new toll schemes or revocation of a toll scheme; and
- new bye-laws for a toll scheme or a rail system.

In order to ensure that the Board may fulfil its responsibilities with regards to strategic direction of TII, the following approvals are reserved to the Board for major schemes, defined for consistency with the Public Spending Code as schemes of capital value in excess of €20 million. Any decision to:

- submit a major road scheme CPO and EIS to An Bord Pleanála;
- submit a major Railway Order to An Bord Pleanála;
- commence construction of a major scheme;
- enter a PPP contract (all PPP contracts reserved, even if non-major); and
- approval of any significant difference in contract terms and conditions from those approved by the Department of Public Expenditure and Reform;

is a matter for the Board.

### Delegation by the Board

The Board has delegated the following:

- use of the Seal, to the CEO, the Director of Business Services and Director of Commercial Operations (the use of which is to be recorded in the Board Minutes);
- approval of Speed Limits, to the CEO or any member of staff that he/she may authorise;
- planning issues, to the CEO or any member of staff that he/she may authorise;
- recommendations to the Commissioner of An Garda Síochána in relation to the Road Traffic Acts, as provided for in Section 23 of the Roads Acts;
- appointment of authorised persons, in relation to inspection, surveying and the like, as provided for in Section 78 of the Roads Act; and
- giving directions to Local Authorities as provided for in regulation 3(7) of the Road Infrastructure Safety Management Regulations.

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### Board Members - Schedule of Fees and Expenses Paid.

				2016	2016
				Fees	Expenses
1	Nolan	Michael	<b>Note 1,2</b>	0	0
2	Cross	Jacqueline		11,970	0
3	Comiskey	Gary		11,970	0
4	O'Rourke	Cormac		20,520	0
5	O'Mahony	Joe		11,970	0
6	Turnbull	Senan		11,970	0
7	O'Connor	David	<b>Note 1</b>	7,980	0
8	O'Dowd	Virginia	<b>Note 2</b>	11,970	1,090
9	Neely	Seamus	<b>Note 1,2</b>	0	4,546
<b>Totals</b>				<b>€88,350</b>	<b>€5,636</b>

**Note 1:** In accordance with the Department of Public Expenditure & Reform's "One Person One Salary" principle, Michael Nolan and Seamus Neely did not receive a fee for serving on the Board. David O'Connor did not receive a fee for serving on the Board from 01 September 2016.

**Note 2:** Expenses paid to Michael Nolan during the year were incurred in his capacity as Chief Executive during 2016 and not as a Member of the Board. Expenses paid to Directors during the year amounted to €6k (2015: €2k) comprising travel and subsistence charges.



## Membership and Attendance

	Board		Audit & Risk Committee		Strategy Committee	
	A	B	A	B	A	B
Cormac O'Rourke	11	11	-	-	9	9
Jacqueline Cross	11	10	7	6	-	-
David O Connor	11	10	1	1	9	7
Gary Comiskey	11	9	7	6	-	-
Joe O'Mahony	11	9	-	-	9	8
Senan Turnbull	11	10	7	7	-	-
Virginia O Dowd	11	11	7	7	-	-
Seamus Neely	11	11	-	-	9	9
Michael Nolan	11	11	-	-	9	9

Column A indicates the number of meetings held during 2016 when the Board Member was a member of the Board and/or Committee

Column B indicates the number of meetings attended during 2016 when the Board Member was a member of the Board and/or Committee.

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### Board Effectiveness/Evaluation

The Board has an effective Committee structure to assist in discharging its responsibilities.

### Audit and Risk Committee

The responsibilities of the Audit and Risk Committee are outlined in its written terms of reference, which are reviewed annually by the Committee and approved by the Board.

Key responsibilities of the Committee are:

- the strategic processes for risk, internal control and governance;
- the accounting policies, the financial statements and the annual report, including the process for review of the financial statements prior to submission for audit, levels of error identified, and the letter of representation to the Comptroller and Auditor General;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including the Comptroller and Auditor General management letter;
- assurances relating to the management of risk and corporate governance requirements;
- Audit and Risk Committee and Internal Audit Charters for Board approval;
- the Annual Audit Plan (and all major changes to the plan);

- on any matter pertaining to the Internal Audit function within TII that the Audit and Risk Committee considers necessary or appropriate;
- anti-fraud policies, protected disclosure processes, and arrangements for special investigations; and
- the Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Board.

### Strategy Committee

The responsibilities of the Strategy Committee are outlined in its written terms of reference, which are reviewed annually by the Committee and approved by the Board.

Key responsibilities of the Committee are:

*Strategic Direction:* The Committee shall keep itself up to date and informed about the nature of the environment in which TII operates; and changes, trends and influencing factors of strategic relevance. The Committee shall adopt a methodology for the identification and consideration of matters of significance to the strategic direction of TII.



*TII Statement of Strategy:* The Committee shall adopt a draft TII Statement of Strategy for a rolling period of 3 to 5 years. The Committee will ensure that the strategic objectives as set out in the draft Strategy are compatible with and supportive of:

- the objectives set out in the statement of strategy of DTTaS; and
- Government policies for the reform and modernization of the Public Service.

Support the fulfilment of TII's statutory responsibilities and the TII mission as articulated in the draft Strategy. The Committee shall submit the draft Strategy to the Minister for review before finalisation and submission of same to the Board for final consideration and adoption.

*TII Annual Plan and Corporate Budget:* The Committee will assist the Board in assessing the management proposals for the setting of annual plans and associated corporate budgets which are subordinate to and critical to the implementation of the TII Statement of Strategy.

The Committee shall:

- ensure that the TII Annual Plan and Corporate Budget for any year contains appropriate specific strategic actions to be pursued in the year in question and against which corporate performance can be clearly measured;
- receive regular reports from management relating to performance in terms of the fulfilment of the strategic actions included in the plan; and
- evaluate corporate performance by reference to fulfilment of the actions set out in the plan.

*Development:* The Committee will also periodically review its own effectiveness and report the results of that review to the Board.

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# Appendix D

FINANCIAL STATEMENTS 2016

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## **Transport Infrastructure Ireland**

# **Transport Infrastructure Ireland Financial Statements for the year ended 31 December 2016**

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# Transport Infrastructure Ireland

## Information

**Chairman** Cormac O'Rourke

**Board Members**

Gary Comiskey  
Jacqueline Cross  
Seamus Noely  
Michael Nolan  
David O'Connor  
Virginia O'Dowd  
Joe O'Mahony  
Senan Turnbull

**Solicitor**

McCann Fitzgerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2

Arthur Cox  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

**Bankers**

Bank of Ireland  
College Green  
Dublin 2

Allied Irish Bank  
52 Upper Baggot Street  
Dublin 4

Ulster Bank  
Head Office  
Georges Dock  
Dublin 2

KBC Bank Ireland plc  
Sandwith Street,  
Dublin 2

**Auditors**

Comptroller & Auditor General,  
3A Mayor Street Upper,  
Dublin 1,  
Ireland

**Registered Address**

Parkgate Business Centre,  
Parkgate Street,  
Dublin 8



## Comptroller and Auditor General

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

#### Transport Infrastructure Ireland

I have audited the financial statements of Transport Infrastructure Ireland for the year ended 31 December 2016 under the Roads Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of changes in net equity, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under the third schedule of the Act and in accordance with generally accepted accounting practice.

#### Responsibilities of Transport Infrastructure Ireland

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

#### Responsibilities of the Comptroller and Auditor General

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

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

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

#### Scope of audit of the financial statements

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

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

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

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

apparent material misstatements or inconsistencies, I consider the implications for my report.

#### Opinion on the financial statements

In my opinion, the financial statements:

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

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

#### Matters on which I report by exception

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

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

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

Seamus McCarthy  
Comptroller and Auditor General  
30 June 2017

## Statement of Responsibilities of TII

The Roads Acts 1993 to 2015, require Transport Infrastructure Ireland (TII) to prepare financial statements for each financial year in such form as may be approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform.

In preparing those financial statements, TII is required to:

- select suitable accounting policies and then apply them consistently;
- ensure that any judgements and estimates that are made are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ensure the financial statements present a true and fair view of TII's financial performance and financial position at year end; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that TII will continue in operation.

TII is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of TII and which enable it to ensure that the financial statements comply with the Roads Acts 1993 to 2015. TII is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Statement on Internal Financial Control

### Responsibility for System of Internal Financial Control

On behalf of the Board of TII, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable, and not absolute assurance that assets are safeguarded, transactions are appropriately authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period. In considering the effectiveness of internal financial controls, the Board and the Audit and Risk Committee have regard, among other things, to the requirements of the Code of Practice for the Governance of State Bodies 2009.

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

- adopting a Code of Practice for the Governance of TII;
- developing a strong culture of accountability across TII;
- adopting a Code of Business Conduct requiring Board members, management and staff to maintain the highest ethical standards;
- ensuring compliance with the requirements relating to Declaration of Interests as specified in the Ethics in Public Office Acts and Section 40 of the Roads Act 1993;
- systematic reviews by Internal Audit of internal controls;
- holding regular Board meetings;
- establishing an Audit and Risk Committee to monitor the activities of TII;
- clearly defining management responsibilities and ensuring that appropriate resources and training are made available; and
- establishing formal procedures for determining and reporting significant control failures and ensuring appropriate corrective action is taken in a reasonable timeframe.

TII has developed and the Board has approved an Enterprise Risk Register, Risk Appetite, Policy and Plan. A Corporate Risk Manager has been appointed in TII to identify, measure and manage risk and promote a risk management culture. An Enterprise Risk Committee ensures that appropriate procedures are in place to identify, assess and manage risk from a strategic and operational perspective and to monitor implementation of risk management procedures.

The system of internal financial 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:

- a comprehensive budgeting system with an annual budget and plan which is subject to Board approval;
- the assignment of financial responsibilities and corresponding accountability at management level;
- regular reviews by senior management and the Board of periodic and annual financial reports which indicate financial performance against budgets;
- restricting authorisation of disbursement of monies to authorised signatories;
- systems in place aimed at ensuring the security of ICT systems;
- computerised financial systems;
- a clearly defined policy on procurement;
- conservative treasury practices and clear guidelines for capital investment control; and
- formal project management procedures.

TII has an Internal Audit function which operates in accordance with the Code of Practice for the Governance of State Bodies. The work of Internal Audit is informed by analysis of the risk to which the body is exposed. The analysis of risk and the internal audit plans are endorsed by the Audit and Risk Committee and approved by the Board of TII.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the review and consideration of the programme of Internal Audit and consideration of its reports and findings; review of regular reporting from Internal Audit on the status of the internal control environment and the status of issues raised previously from their own reports; the Audit and Risk Committee, which oversees the work of Internal Audit; the Executive Team within TII, who have responsibility for the development and maintenance of the internal control framework; and comments made by the Comptroller and Auditor General in his management letter or other reports of any material internal control issues.

# Transport Infrastructure Ireland

## Annual Review of Controls

I confirm that in respect of the year ended 31 December 2016 the Audit and Risk Committee conducted a review of the system of internal financial controls and deemed it effective.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman

28 June 2017

# Transport Infrastructure Ireland

## Statement of Income and Expenditure For the year ended 31 December 2016

	Note	Administration 2016 '€000	Light Rail & Metro 2016 '€000	Road Network 2016 '€000	Total 2016 '€000	Total 2015 '€000
State Grants	3	25,396	110,819	782,789	919,004	785,834
Grant Transfers	3	(5,675)	5,675	0	0	0
Grant Refunds	4	0	0	4,693	4,693	6,117
Toll Income	5	0	0	137,061	137,061	126,416
Other Income	6	3,246	7,662	6,055	16,963	8,102
<b>Total Income</b>		<b>22,967</b>	<b>124,156</b>	<b>930,598</b>	<b>1,077,721</b>	<b>926,469</b>
Expenditure	7	(21,653)	(43,968)	(807,456)	(873,077)	(844,089)
Transfer (to)/from Capital	13	(1,389)	(74,860)	(30,289)	(106,538)	2,517
<b>Operating (deficit)/surplus</b>		<b>(75)</b>	<b>5,328</b>	<b>92,853</b>	<b>98,106</b>	<b>84,897</b>
Interest and Other Finance						
Charges	12	(1,811)	0	(36,418)	(38,229)	(34,921)
Interest Receivable		4	25	0	29	57
<b>Retained (deficit)/surplus for the year</b>		<b>(1,882)</b>	<b>5,353</b>	<b>56,435</b>	<b>59,906</b>	<b>50,033</b>

All income and expenditure for the year relates to continuing activities at the reporting date.  
In the comparative figures, all income from Light Rail & Metro is included from 01 August 2015.

The Statement of Cash Flows and notes 1 to 27 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Transport Infrastructure Ireland

## Statement of Comprehensive Income For the year ended 31 December 2016

		2016	2015
	Note	€'000	€'000
Retained Surplus for the Year		59,906	50,033
Experience Gains/(Losses) on Defined Benefit Retirement Obligations		2,842	(1,121)
Changes in Assumptions Underlying the Present Value of Defined Benefit Retirement Benefit Obligations		(12,996)	676
<b>Total Actuarial Loss in the Year</b>	21c	(10,154)	(445)
Increase in Irrecoverable Surplus on Defined Benefit Retirement Scheme	21c	(153)	(975)
		(10,307)	(1,420)
Adjustment to Defined Benefit Retirement Obligations	21e	10,535	1,272
<b>Net movement in the Year</b>		228	(148)
<b>Other Comprehensive Income for the year</b>		60,134	49,885

The Statement of Cash Flows and notes 1 to 27 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Transport Infrastructure Ireland

## Statement of Changes in Net Equity For the year ended 31 December 2016

	Administration €'000	Light Rail & Metro €'000	Road Network €'000	Capital Account €'000	Other Funding €'000	Total €'000
At 31 December 2014	(268)	0	183,624	1,158,359	0	1,341,715
Take-on of Reserves from RPA @ 01.08.15	2,734	22,303	0	814,629	39,860	879,526
Retained (deficit)/surplus for the year	(647)	2,732	47,948	0	0	50,033
Movement in Other Funding [Note 22]	0	0	0	0	2,997	2,997
Income used to purchase fixed assets or fund capital payments	0	0	0	41,914	0	41,914
Amortisation in line with depreciation/finance charge	0	0	0	(43,747)	0	(43,747)
Transfer to provisions	0	0	0	3,914	0	3,914
Asset disposals and impairments	0	0	0	(684)	0	(684)
Other recognised losses	(148)	0	0	0	0	(148)
At 31 December 2015	1,671	25,035	231,572	1,974,385	42,857	2,275,520
Retained (deficit)/surplus for the year	(1,882)	5,353	56,435	0	0	59,906
Movement in Other Funding [Note 22]	0	0	0	0	6,191	6,191
Income used to purchase fixed assets or fund capital payments	0	0	0	172,595	0	172,595
Amortisation in line with depreciation/finance charge	0	0	0	(65,930)	0	(65,930)
Transfer to provisions/creditors	0	0	0	7,264	0	7,264
Asset disposals and impairments	0	0	0	(127)	0	(127)
Other recognised gains	228	0	0	0	0	228
<b>At 31 December 2016</b>	<b>17</b>	<b>30,388</b>	<b>288,007</b>	<b>2,088,187</b>	<b>49,048</b>	<b>2,455,647</b>

The Statement of Cash Flows and notes 1 to 27 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Transport Infrastructure Ireland

## Statement of Financial Position At 31 December 2016

	Note	2016 €'000	2015 €'000
<b>Fixed Assets</b>			
Property, Plant and Equipment	14	3,473,561	3,281,330
<b>Current Assets</b>			
Receivables	15	20,878	23,892
Cash and Cash Equivalents		115,022	65,155
		<b>135,900</b>	<b>89,047</b>
<b>Creditors (Amounts Falling Due Within One Year)</b>			
Payables	16	(179,117)	(135,689)
<b>Net Current Liabilities</b>			
		<b>(43,217)</b>	<b>(46,642)</b>
<b>Creditors (Amounts Falling Due After One Year)</b>			
Payables	17	(735,902)	(703,667)
Provisions for Liabilities and Charges	20	(239,438)	(255,985)
<b>Retirement Benefits</b>			
Defined Benefit Retirement Obligations	21d	(85,612)	(72,040)
Defined Benefit Deferred Retirement Funding	21d	85,612	72,040
Defined Benefit Pension Surplus	21f	643	484
<b>Total Net Assets</b>		<b>2,455,647</b>	<b>2,275,520</b>
<b>Financed By</b>			
<b>Reserves</b>			
Capital Account	13	2,088,187	1,974,385
Developer Levies and Contributions Reserve	22	49,048	42,857
Retained Revenue Reserves		318,412	258,278
		<b>2,455,647</b>	<b>2,275,520</b>

The Statement of Cash Flows and notes 1 to 27 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Transport Infrastructure Ireland

## Statement of Cash Flows For the year ended 31 December 2016

	2016	2015
	€'000	€'000
<b>Net Cash Flows from Operating Activities</b>		
Retained Surplus for the Year	59,906	50,033
Depreciation, impairment and disposal of Fixed Assets	44,129	26,523
Amortisation of levies and deferred credits	(1,512)	(630)
Transfer to / (from) Capital	106,538	(2,517)
Interest	(29)	(56)
Pension charge	70	(58)
Decrease / (increase) in Receivables	2,057	(1,015)
Increase in Payables	27,713	4,977
<b>Net Cash Inflow from Operating Activities</b>	<b>238,872</b>	<b>77,257</b>
<b>Cash Flows from Investing Activities</b>		
Payments to acquire Property, Plant & Equipment	(196,150)	(67,781)
Take on of RPA Cash @ 01 August 2015	0	48,972
Disposal of Property, Plant & Equipment	7	233
Development Levies and Contributions	7,106	360
Bank interest received	32	20
<b>Net Cash Outflow from Investing Activities</b>	<b>(189,005)</b>	<b>(18,196)</b>
<b>Cash Flows from Financing Activities</b>		
Refunded Exchequer advances	0	(13,920)
<b>Net Cash Outflow from Financing Activities</b>	<b>0</b>	<b>(13,920)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>49,867</b>	<b>45,141</b>
Cash and cash equivalents at 1 January	65,155	20,014
<b>Cash and cash equivalents at 31 December</b>	<b>115,022</b>	<b>65,155</b>

The Statement of Cash Flows and notes 1 to 27 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke  
Chairman



Michael Nolan  
Chief Executive Officer

28 June 2017

# Transport Infrastructure Ireland

## Notes to the Financial Statements For the year ended 31 December 2016

### 1. Accounting Policies

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

#### a) General Information

The National Roads Authority [NRA] was formally established as an independent public body under the Roads Act, 1993. The Roads Act 2015 provided for the dissolution of the Railway Procurement Agency [RPA] and the transfer of its staff, assets rights and obligations to the NRA, operating as Transport Infrastructure Ireland [TII] with effect from 1st August, 2015. The provisions of the Act were executed under Statutory Instrument 297/2015. The final accounts for RPA were for a seven month period to 31 July 2015. On 1 August 2015, RPA's net assets transferred to the re-named entity TII. The 2015 comparatives reflect NRA activities for the full year and RPA's income and expenditure from its transfer date, 1 August 2015.

The effect of the transfer of assets and liabilities and functions from RPA is set out in Note 2.

TII has its head office at Parkgate Business Centre, Parkgate St., Dublin 8.

TII's primary objective is the provision of a safe and efficient network of national roads, light rail and metro infrastructure. TII is a public benefit entity.

The presentation and functional currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

#### b) Statement of Compliance with FRS 102

The financial statements of TII for the year ended 31 December 2016 have been prepared in accordance with generally accepted accounting practice in Ireland including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

#### c) 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 Transport, Tourism and Sport with the concurrence of the Minister for Public Expenditure and Reform under the Roads Acts 1993 to 2015. The accounting policies have been applied consistently.

#### d) Foreign currency

Transactions in foreign currencies are translated to TII's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Income and Expenditure account.

#### e) Revenue

##### State Grants

Revenue is generally recognised on an accruals basis. State Grants however are recognised on a cash receipts basis. Grants which fund capital expenditure are transferred from the income and expenditure account to the capital account and amortised to the income and expenditure account as the related assets are depreciated.

Grants are received directly from the Department of Transport, Tourism and Sport [DTTAS] and from the National Transport Authority (NTA) under their Capital Funding Programme, the Exchequer funding for which is provided by DTTAS under the capital envelope for transport capital projects, i.e. Greater Dublin Area (GDA) capital programme.

# Transport Infrastructure Ireland

## Development levies and contributions

"Other Funding" in the form of development levies and developer contributions received by TII and which (subject to the provisions of relevant agreements) are utilised to fund capital expenditure are retained in a development levies and contributions reserve and amortised to the income and expenditure account as the related assets are depreciated. Development levies are collected by local authorities under the relevant legislative provisions. Developer contributions arise through the conclusion of bilateral agreements with private individuals, companies or partnerships.

## Refunds of grants paid to Local Authorities

Grant refunds reflect the actual amounts received in the year.

## Toll Income

TII recognises toll income due from operators as it is earned. The toll income represents charges levied by toll operators net of VAT, certain charges made by toll operators and interoperability payments. It also includes amounts received in respect of the revenue sharing arrangement under the M4 Killock/Kinnegad and M1 Dundalk Western Bypass PPP schemes.

## Provision of Luas infrastructure

TII licences the Luas infrastructure to an operator. Where revenues collected by the operator exceed the licence fee, a surplus arises for TII and where revenues collected by the operator are less than their fee, a deficit arises for TII. The surplus or deficit is recognised in the Income and Expenditure account on an accruals basis.

## Revenue generated from Luas associated assets

TII generates income from Luas associated assets. This income arises from the provision of Park and Ride facilities, advertising income generated from tram wraps, on-board advertising and advertising at the Luas stops. Income is also generated from the rental of kiosks along the lines. This income is recognised on an accruals basis.

## Other Revenue

Other revenue is recognised on an accruals basis.

## **f) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation adjusted for any provision for impairment.

### **Capitalisation**

#### Light rail & metro projects

Expenditure is capitalised in respect of rail transport infrastructure assets and passenger transport facilities under construction and development activity on Government approved capital projects. For the purposes of these policies, Government approval for light rail or metro projects has been defined by reference to the date of submission of a railway order application except where agreement has been obtained from the Government to fund capital expenditure in advance of the receipt of a railway order. Expenditure on feasibility studies and preliminary design for potential but unapproved capital projects is written off to the income and expenditure account in the year of expenditure. All expenditure on the acquisition of capital assets, or expenditure which significantly adds to the value, capacity in use, or useful economic life of existing assets, including certain staff costs, are capitalised as a fixed asset. Assets received from third parties in relation to amounts due as a result of light rail and metro projects are capitalised in fixed assets. These assets are measured at market value. A corresponding creditor is recognised as deferred income and released to the statement of income and expenditure in line with the depreciation charge on such assets.

Where expenditure relates to the acquisition or creation of an asset that is not operational or in service at the balance sheet date then such expenditure is presented as "Assets under Construction" and is not depreciated. Assets under Construction are assessed for impairment each year.

Expenditure relating to the consideration on the acquisition of property assets is capitalised as a fixed asset only when the property transaction has been fully completed. Expenditure relating to consideration incurred in respect of property assets prior to completion of the transaction is included in prepayments.

#### Road network

Road assets acquired under PPP service concession arrangements are capitalised and accounted for using the finance lease liability model in the year the concession agreement is signed. The assets comprised in the M50 buy out have also been valued using the finance lease liability model and all costs incurred in this agreement have been capitalised.

When the contract is signed, the value of the infrastructure asset and the service concession liability is recognised as the net present value of the future minimum lease payments - calculated on the basis of construction payments set out in the contract,

## Transport Infrastructure Ireland

made directly by TII and any reliably measured capital element of operational payments. TII selected a discount rate of 4% following consultation with the National Development Finance Agency [NDFA] on the basis that it reflects an appropriate rate for long term infrastructure assets.

TII has a contract in place for the operation of the Dublin tunnel, the Jack Lynch tunnel and the motorway traffic control centre. While TII receives toll income from the Dublin Tunnel, ownership of these three assets rests with the relevant local authority.

Accordingly, this contract has not been accounted for as a service concession arrangement. The relevant payments are charged to the Statement of Income and Expenditure in the period they arise.

Road asset expenditure relating to signage, service areas, maintenance depots and M50 eFlow is recorded at historical cost or an appropriately discounted cost if payment terms extend over several years.

### Depreciation

Roads assets are not depreciated where they have been acquired or are managed under service concession agreements which guarantee residual useful lives and operating capacity at the end of the concession term that would be equivalent to that of the asset when it was first commissioned. Luas infrastructure assets are depreciated as they enter revenue service and any grants received in respect of their purchase are amortised on the same basis. Other fixed assets where subject to depreciation are depreciated for a full year in the year of acquisition.

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 in the year.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which TII expects to consume an asset's future economic benefits.

Depreciation is provided on all other property, plant and equipment, other than freehold land, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

	Years
Bridges, underpasses, civil works & enabling works	50
Buildings	30
Track	10-50
Control & Communication systems	10-25
Power	20-25
Fare collection	5-15
Park & Ride	30
Luas rolling stock & equipment	15-19
Furniture & fittings, lifts and spares	10-25
Office fixtures and equipment	3-10
Enhancement to leasehold premises	10 *
Motor vehicles	5
Directional signage	20
Safety & sundry equipment	10
Service areas	33
Maintenance depots	33
M50 eFlow assets	20**

\*Leased assets are depreciated over the shorter of the lease term and their useful lives.

\*\*M50 eFlow assets are depreciated over 20 years or the contract life.

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## g) Leases

Leases in which TII assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Other leases are classified as operating leases.

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## h) Receivables

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

## i) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period. Any lease incentives received are recognised over the life of the lease.

## j) Interest receivable and interest payable and similar charges

Interest payable and similar charges includes interest payable, finance charges on finance leases recognised in the Statement of Income and Expenditure using the effective interest method and unwinding of the discount on provisions. Interest income and interest payable are recognised in the Statement of Income and Expenditure as they accrue, using the effective interest rate method.

## k) Employee Benefits

### Short-term Benefits

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

### Retirement Benefits

The financial statements reflect, at fair value, the assets and liabilities arising from TII's pension obligations and any related funding, and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method. Where a scheme is in surplus, the maximum amount of surplus that can be recognised on the Statement of Financial Position is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS 102 basis. Any irrecoverable amount is recognised in the Statement of Comprehensive Income.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income. A corresponding adjustment is recognised in the amount recoverable from DTTAS for the Unfunded Defined Benefit Scheme only. TII operates the following pension schemes:

### **Pensions – Defined Contribution Scheme [Closed to new members]**

TII operates a defined contribution pension scheme. Pension benefits are funded over the employees' period of service by way of employee and employer contributions to a defined contribution scheme. Employer contributions are charged to the Statement of Income and Expenditure account as they become payable.

### **Pensions – Funded Defined Benefit Scheme [Closed to new members]**

TII operates a defined benefit pension scheme which is funded by TII and contributions from its members.

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### **Pensions – Unfunded Defined Benefit Scheme [Closed to new members]**

TII operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by DTTAS.

Pension costs reflect pension benefits earned by employees and are shown net of staff pension contributions. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

### **Pensions – Single Public Services Pension Scheme (“Single Scheme”)**

TII operates the Single Scheme, which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members’ contributions are paid over to the Department of Public Expenditure and Reform (DPER). The costs, liabilities and assets related to the operation of this scheme have been included in the disclosures in relation to the defined benefit (unfunded) scheme.

### **l) Reserve**

Surpluses generated on the Luas infrastructure business are transferred to the Light Rail & Metro Revenue Reserve. This reserve is ring-fenced by agreement with the NTA to fund future refurbishment of the Luas infrastructure, future operating deficits and the Luas Cross City project.

### **m) Provisions for Liabilities and Charges**

State grants provided for the implementation of certain projects for which development levy schemes are adopted may subsequently be designated repayable to DTTAS in accordance with the terms of a project specific Ministerial Direction. Where such obligations exist, estimates of the repayable amounts of any grants received are made based on the information available and the terms of the Ministerial Direction. The amount of grant income that has been received and is estimated to be repayable is retained as a long term liability. In arriving at the estimated amount, management must consider a number of risks and uncertainties including development risk, premature cessation of levy scheme, project completion risk and change of law.

Provisions for track restoration and grants repayable are recognised when TII has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

TII does not make provision for legal or insurance claims, the outcome of which are uncertain.

### **n) Payments to Local Authorities**

Payments to local authorities in respect of road construction, improvement, maintenance and management are the actual grants paid in the year.

### **o) Service concession agreements (public private partnerships)**

TII has entered into a number of public private partnerships or service concession agreements with private sector entities to construct (or upgrade), operate and maintain infrastructure assets for a specified period of time (concession period).

TII controls or regulates what services the operator must provide using the infrastructure assets, to whom, and at what price; and TII controls the residual interest in the assets at the end of the term of the concession period.

TII makes payments over the life of the concession for the construction, financing, operating, maintenance and renewal of the infrastructure assets and the delivery of services that are the subject of the concession.

In some cases TII may be entitled to a share of the toll revenue earned by the concessionaire while certain concessions provide for variable operational payments if traffic volumes fall below specified levels.

The infrastructure assets are recognised as assets on the Statement of Financial Position of TII together with a liability for future obligations under the related service concessions. The asset valuations and that of the related liability are based on the discounted value of the construction payments made directly by TII and any reliably measured capital element of operational payments. The variable operational payments are expensed in the Statement of Income and Expenditure. An appropriate discount rate of 4% has been chosen to discount the future construction related liabilities arising from concession agreements and has been arrived at in

## Transport Infrastructure Ireland

consultation with the NDFA. This rate is consistent with the effective rates of interest in the concession agreements for which asset valuations have been reached under FRS 102. Operational payments made under the concession agreements are recognised in the Statement of Income and Expenditure in the year they are paid.

Obligations to make payments of an operational nature over the life of the concession are disclosed in the notes to the financial statements.

### p) 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 reporting date 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:

#### Road Network: Valuation, Depreciation and Residual Values

Road assets acquired under PPP service concession arrangements and comprised in the M50 buy out are capitalised and accounted for using the finance lease liability model in the year the concession agreement is signed. The value of the infrastructure asset and the service concession liability is recognised as the net present value of the future minimum lease payments — calculated on the basis of construction payments made directly by TII and any reliably measured capital element of operational payments. The PPP capitalisation model supports our assumptions regarding the split of payments between capital and revenue when valuing the asset. TII selected a discount rate of 4% following consultation with the NDFA, on the basis that it reflects an appropriate rate for long term infrastructure assets.

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Infrastructure assets acquired under service concession agreements are, under specific contractual obligations in those agreements, handed back to TII at the end of the concession term with useful lives equivalent to that of the asset when originally commissioned. Performance of the "hand back" provisions is guaranteed by significant financial retentions and penalties provided for in the concession agreements. As a result of these provisions TII does not charge depreciation on these assets.

#### Provisions and estimates

Significant estimates are made in relation to the calculation of provisions for grants repayable and variable operational payments.

##### **Grants repayable:**

State grants provided by the Exchequer for the implementation of certain projects for which development levy schemes are adopted may subsequently be designated repayable in accordance with the terms of a project specific Ministerial Direction. Where such obligations exist, estimates of the repayable amounts of any grants received are made based on the information available and the terms of the Ministerial Direction. The amount of grant income that has been received and is estimated to be repayable is retained as a long term liability (Note 20).

In these circumstances the amount of grant repayable is equal to the total amount of levies estimated to be collected over the life of the scheme less any levies used to offset eligible expenditure up to the amount of exchequer funds advanced.

An estimate of the total levies likely to be received over the life of the scheme is critical in the calculation of the provision for grants repayable. The levy receipts are estimated with the assistance of the local authority's professional town planners who make critical assumptions regarding the rate and volume of commercial retail and residential development over the life of each scheme. To the extent that these assumptions hold true then the amount provided for the repayment of grants and the actual amount repaid will not vary significantly. If the conditions underlying the assumptions vary significantly, that may have a significant impact on actual outcomes.

##### **Variable Operational Payments:**

Two concession (public private partnership) contracts, (M3 Clonee/Kells and the N18 Limerick Tunnel) provide for variable operational payments to the operator where traffic volumes fall below specified levels. Variable operational payments will continue to be payable for the foreseeable future on both of these contracts and estimates of future liabilities are provided for in the financial statements (Note 20). The estimates of future liabilities are based on observed traffic data, forecasts of traffic growth and inflation. Inflation indices are derived from the forecast Consumer Price Index on the assumption that toll charges will rise in line with that index. Where outturn traffic growth and/or inflation differ from forecasts this will impact on the variable operational payment amounts provided for.

#### Accruals

TII provides for all material capital and current expenditures incurred before the reporting date for which a liability exists at the reporting date.

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### 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

### **q) Inventory**

All consumables are written off in the year of purchase.

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### 2. Business Combinations

As outlined in Accounting policy note 1(a) the assets, liabilities and functions of RPA transferred to TII with effect from 1 August 2015. The final accounts of RPA disclosed net assets totalling €888 million. These net assets were reviewed and adjusted where necessary to align with TII accounting policies. The value of net assets transferred to TII (after adjustments arising as a result of different accounting policies) was €880 million. The balances are set out below:

Take-on balance sheet from RPA	RPA Financial Statements as at 31/07/15	Take-on balances in TII Financial Statements at 01/08/15	Difference
	€'000	€'000	€'000
Property, Plant and Equipment	1,014,444	1,013,298	(1,146)
Receivables			
Prepayments and Accrued Income	15,464	6,069	(9,395)
Vat Receivable	52	52	0
Cash and Cash Equivalents	48,972	48,972	0
Payables less than one year			
Corporation Tax	(176)	(176)	0
Trade Creditors and Accruals	(17,847)	(17,607)	240
Provisions for Liabilities and Charges	(141,546)	(139,880)	1,666
Payables greater than one year	(31,856)	(31,856)	0
Retirement Benefits	572	654	82
<b>Total Net Assets</b>	<b>888,079</b>	<b>879,526</b>	<b>(8,553)</b>
Capital Account	824,047	814,629	(9,418)
Other Funding	39,860	39,860	0
Retained Revenue Reserves	24,172	25,037	865
	<b>888,079</b>	<b>879,526</b>	<b>(8,553)</b>

The comparatives in these financial statements include income and expenditure relating to former RPA activities for the five month period 01 August 2015 to 31 December 2015.

### 3 State Grants

State grants of €919m (2015: €786m) were received in 2016 from the Department of Transport, Tourism and Sport (Vote 31), the National Transport Authority and Sustainable Energy Authority of Ireland under the following subheads:

	2016 €'000	2015 €'000
<b>Administration:</b>		
B3.3 - Administration	25,396	22,841
<b>Light Rail and Metro:</b>		
NTA GDA Capital Funding programme	110,819	16,625
<b>Road Network:</b>		
B 3.1 National Road Construction and Improvement	290,201	332,590
B 3.2 National Road Maintenance and Management	39,108	37,783
B 3.4 Public Private Partnership Operations	82,010	59,111
B 3.5a Regional and Local Road Construction and Improvement*	328,385	274,100
B 3.5b Regional and Local Road Maintenance and Management*	42,829	42,784
Sustainable Energy Authority of Ireland	256	0
	<b>782,789</b>	<b>746,368</b>
<b>Total Grants</b>	<b>919,004</b>	<b>785,834</b>

Grants may only be used for the purposes for which they have been approved.

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## 3 State Grants (continued)

### EU Grants

In 2016 €0.08m (2015: €1.2m) was received by the Central Fund in respect of the Trans European Transport Network programme. In 2016 €0m (2015: €7.5m) was received by the Central Fund in Cohesion Fund receipts. The Cohesion Fund is now closed.

### Grant Transfers

In 2016 €5.6m (2015: €2.5m) of administration grants were used to fund payroll and overhead costs associated with Luas capital projects. These costs have been capitalised in line with accounting policy note 1f.

### \*Regional and Local Road Grants

Historically, both the National Roads Authority and DTTAS made payments to local authorities for the construction, improvement, maintenance and management of local and regional roads. In 2014, DTTAS assumed responsibility for the management of these payments including approval for payment. TII now acts as a paying agent and issues the relevant payments on instruction from DTTAS. In 2016, TII issued payments totalling €371m (notes 10a and 10b) from funding received by it from DTTAS. DTTAS has always been and continues to be responsible for determining the annual allocations to local authorities in respect of regional and local roads. In addition to the above, DTTAS makes some payments directly to local authorities for regional and local roads.

### Sustainable Energy Authority of Ireland (SEAI) Grants

In 2016, TII facilitated the SEAI by distributing local authority grants for the non national road network. The grants were a once off payment to local authorities to undertake a national public lighting inventory which was successfully completed in 2016. All grants received from SEAI were paid out by TII in the year.

## 4. Grant Refunds by Local Authorities

	2016 €'000	2015 €'000
National Road Construction and Improvement	4,640	6,093
National Road Maintenance and Management	53	24
	4,693	6,117

## 5. Toll Income

	2016 €'000	2015 €'000
Dublin Tunnel	15,126	13,032
M50 eFlow	118,388	111,248
M1 Dundalk Western Bypass	819	589
M4 Kilcock/Kinnegad	2,728	1,547
	137,061	126,416

Toll income represents:

- Tolls earned, net of VAT, certain charges made by toll operators and interoperability payments.
- A share of revenue due under the terms of the PPP contract for the M4 Kilcock/Kinnegad and M1 Dundalk Western Bypass schemes.

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## 6. Other Income

	Note	2016 €'000	2015 €'000
Administration	6a	3,246	2,893
Light Rail & Metro	6b	7,662	3,587
Road Network	6c	6,055	1,622
		16,963	8,102

### 6a. Other Income - Administration

	Note	2016 €'000	2015 €'000
Net Deferred Funding for Pensions	21e	3,037	2,751
Road Material Testing		92	58
Sale of Publications		2	2
Sundry Income		115	82
		3,246	2,893

### 6b. Other Income - Light Rail & Metro

	2016 €'000	2015 €'000
Surplus on Provision of Luas Infrastructure	3,803	1,888
Surplus generated from Luas Associated Assets	2,176	944
Rental Income	171	125
Amortised Levies and Deferred Credits	1,512	630
	7,662	3,587

In the comparative figures, all income from Light Rail & Metro is included from 01 August 2015.

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## 6c. Other Income - Road Network

	2016 €'000	2015 €'000
Sundry Income	626	350
Motorway Service Area Revenue Share	2,008	704
Insurance Risk Sharing Income	3,421	568
	6,055	1,622

**Motorway Service Area Revenue Share:** TII entered a PPP Contract for Motorway Service Areas on the M1 and M4 on 08 October 2009. The contract includes revenue share provisions. Revenue due for 2016 amounted to €2,008k (2015: €704k).

**Insurance Risk Sharing:** A number of PPP projects have an insurance risk-sharing clause. Under this clause, the insurance costs are reviewed every three years, and depending on costs incurred in the period, compensation may be paid to TII, or payable by TII. As a result of the review process, income/(expenditure) arises on PPP schemes as follows:

	2016 €'000	2015 €'000
N18 Limerick Tunnel	(41)	317
N25 Waterford City Bypass	0	251
M1 Dundalk Western Bypass	982	0
M3 Cloncc/Kells	967	0
N6 Galway/Ballinasloe	889	0
N8 Rathcormac/Fermoy	605	0
M7/M8 Portlaoise	19	0
	3,421	568

## 7. Expenditure

	Note	2016 €'000	2015 €'000
Administration	8	21,653	19,097
Light Rail & Metro	9	43,968	18,324
Road Network	10/11	807,456	806,668
		873,077	844,089

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## 8. Expenditure - Administration Costs

	Note	2016 €'000	2015 €'000
Remuneration and Other Pay costs	8a	21,593	14,636
Accommodation costs	8e	2,479	3,452
Other Administration costs	8f	2,541	2,745
Depreciation		718	758
Disposal of Fixed Assets		(3)	(3)
Total Administration costs		27,328	21,588
Less: Capitalised salary and overhead costs		(5,675)	(2,491)
Included in Statement of Income and Expenditure		21,653	19,097

### 8a. Remuneration and Other Pay Costs

	Note	2016 €'000	2015 €'000
Salaries		16,485	10,916
Overtime		114	46
Allowances		4	8
Pension Costs	21a	3,202	2,522
Employer's Contribution to Social Welfare		1,694	1,061
Board Members' Emoluments and Expenses	8c	94	83
		21,593	14,636

The comparative figures reflect former RPA staff from date of merger 01 August 2015.

Pension levy of €494k (2015: €577k) has been deducted and paid over to DTTAS.

Termination payments of €236k have been made in the year under the terms of an RPA voluntary severance scheme. These amounts had been accrued in full in the prior year.

Secondment income of €1.8m has been netted against salaries.

## Transport Infrastructure Ireland

### 8b. Employee Benefits Breakdown

Range of total employee benefits earned in the year	Number of employees 2016	Number of employees 2015
From To		
Total number of Whole Time Equivalents	261	169
€60,000 - €69,999	55	14
€70,000 - €79,999	47	10
€80,000 - €89,999	20	29
€90,000 - €99,999	28	12
€100,000 - €109,999	5	6
€110,000 - €119,999	7	1
€120,000 - €129,999	3	3
€130,000 - €139,999	1	1
€140,000 - €149,999	0	1
€160,000 - €169,999	1	0

The comparative figures reflect employee numbers and benefits for former RPA staff from date of merger 01 August 2015.

### 8c. Board Members' Emoluments and Expenses

	No. of Meetings attended 2016 [of 11]	Board Fees 2016 €'000	Board Fees 2015 €'000
Michael Nolan (Chief Executive)*	11	0	0
Cormac O'Rourke (Chairman)	11	20.5	15.9
Gary Comiskey	9	12.0	9.7
Jacqueline Cross	10	12.0	9.7
Sandra Murphy (Resigned 30/09/2015)	N/A	0	6.7
Seamus Neely (Appointed 01/11/2015)*	11	0	0
David O'Connor*	10	7.9	9.7
Virginia O'Dowd	11	12.0	9.7
Joe O'Mahony	9	12.0	9.7
Senan Turnbull	10	12.0	9.7
		88.4	80.8

\*In accordance with the Department of Public Expenditure & Reform's "One Person One Salary" principle, Michael Nolan and Seamus Neely did not receive a fee for serving on the Board. David O' Connor did not receive a fee for serving on the Board from 01 September 2016.

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## 8c. Board Members' Emoluments and Expenses (continued)

Expenses paid to Directors during the year amounted to €6k (2015: €2k) comprising of travel and subsistence charges. Expenses paid to Michael Nolan during the year were incurred in his capacity as Chief Executive during 2016 and not as a Member of the Board.

Board fees are payable at the rate approved by the Minister for Transport, Tourism and Sport and with the agreement of the Minister for Public Expenditure and Reform.

Non-commercial Public Service Bodies Category 3 Board fees (Chairperson €11,970, Director €7,695) applied in 2014 and up to and including 13 July 2015 with Category 2 Board fees (Chairperson €20,520, Director €11,970) applying from the 14 July 2015.

## 8d. Key Management Personnel Compensation

Key management personnel compensation comprised:

	2016 €'000	2015 €'000
Salaries	1,129	1,041
	1,129	1,041

Key management personnel, incorporating the Board, the Chief Executive, the Directors of Commercial Operations, Network Management, Business Services, Professional Services, Corporate Services and Capital Programmes, are those persons having authority and responsibility to plan, direct and control the activities of TII.

Remuneration in respect of Michael Nolan (Chief Executive from 01/08/2015) and Fred Barry (Chief Executive to 31/07/2015) included in key management personnel compensation is as follows:

	Michael Nolan 2016 €'000	Michael Nolan 01 Aug – 31 Dec 2015 €'000	Fred Barry 01 Jan – 31 Jul 2015 €'000	Total 2015 €'000
Basic Salary	166	71	146	217
Contribution to Pension	0	0	10	10
Car Allowance	0	0	3	3
	166	71	159	230

Fred Barry (Chief Executive to 31/07/2015) was not a member of the National Roads Authority Superannuation Scheme. A pension contribution was made to a personal retirement fund at 20% of salary until 6 March 2015. No contribution was made after this date. A car allowance was payable until 6 March 2015. No car allowance was paid after this date.

Michael Nolan is part of the non-contributory pension scheme.

## Transport Infrastructure Ireland

### 8e. Accommodation Costs

	2016 €'000	2015 €'000
Rent, Rates and Services	2,019	2,661
Light, Heat and Cleaning	379	244
Repairs, Maintenance and Security	96	60
Dilapidations for Leasehold Premises *	(15)	487
	2,479	3,452

\* Dilapidations were payable in respect of two leases which ended. These leases were for accommodation at Saint Martin's House, Waterloo Road, Dublin 4 which ended on 07 January 2016 and at Kildress House, Pembroke Road, Dublin 2 which ended on 30 November 2015.

### 8f. Other Administration Costs

	2016 €'000	2015 €'000
Telephone and Postage	191	191
Printing and Stationery	131	73
Computer Charges	691	549
Staff Training and Development	123	123
Staff Travel and Subsistence National	514	462
Staff Travel and Subsistence International	123	66
Audit Fees	50	73
Books and Periodicals	26	22
Insurances	73	98
Repairs and Maintenance - Equipment	59	28
Sundries	233	352
Consultancy Fees	161	198
Legal Fees	166	243
Staff Appointment Costs	0	267
	2,541	2,745

Hospitality of €16k (2015: €25k) is included in the above figures.

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### 9. Expenditure – Light Rail & Metro

	2016 €'000	2015 €'000
Depreciation	42,816	17,807
Local Authority Rates	580	243
Asset Impairments	39	196
Project Development Costs	533	78
<b>Expenditure on Light Rail &amp; Metro</b>	<b>43,968</b>	<b>18,324</b>

In the comparative figures, all expenditure from Light Rail & Metro is included from 01 August 2015.

### 10. Expenditure – Road Network

	Note	2016 €'000	2015 €'000
Road Construction and Improvement	10a	566,655	566,164
Road Maintenance and Management	10b	88,634	88,935
PPP, Tunnel Operations and Tolling	11	151,280	143,320
SEAI grants to Local Authorities		256	0
Depreciation and Impairment Loss		595	7,996
Deficit on Disposal of Fixed Assets		85	258
Amortisation of Deferred Credit		(49)	(5)
		<b>807,456</b>	<b>806,668</b>

#### 10a. Road Construction and Improvement

	2016 €'000	2015 €'000
Payments to Local Authorities – National Roads	168,098	207,990
Payments to Local Authorities – Regional and Local Roads*	328,385	274,099
Other Payments	70,172	84,075
	<b>566,655</b>	<b>566,164</b>

\* Historically, both the National Roads Authority and DTTAS made payments to local authorities for the construction, improvement, maintenance and management of local and regional roads. In 2014, DTTAS assumed responsibility for the management of these payments including approval for payment. TII now acts as a paying agent and issues the relevant payments on instruction from DTTAS. In 2016, TII issued payments totalling €371m (notes 10a and 10b) from funding received by it from DTTAS. DTTAS has always been and continues to be responsible for determining the annual allocations to local authorities in respect of regional and local roads. In addition to the above, DTTAS makes some payments directly to local authorities for regional and local roads.

Other payments include expenditure on asset renewal projects on the motorway network including pavement overlays, signs and lines, barrier replacement and repairs, bridge renewal works, flood relief and safety measures.

# Transport Infrastructure Ireland

## 10b. Road Maintenance and Management

	2016 €'000	2015 €'000
Payments to Local Authorities – National Roads	31,497	28,248
Payments to Local Authorities – Regional and Local Roads*	42,829	42,785
Other Payments	14,308	17,902
	88,634	88,935

Expenditure in 2016 includes payments of €3.66m (2015: €8.83m) made to local authorities to cover costs as a result of conciliation and arbitration proceedings arising from roads construction projects. Figures include VAT, legal, engineering consultants and resolver fees.

\* Historically, both the National Roads Authority and DTTAS made payments to local authorities for the construction, improvement, maintenance and management of local and regional roads. In 2014, DTTAS assumed responsibility for the management of these payments including approval for payment. TII now acts as a paying agent and issues the relevant payments on instruction from DTTAS. In 2016, TII issued payments totalling €371m (notes 10a and 10b) from funding received by it from DTTAS. DTTAS has always been and continues to be responsible for determining the annual allocations to local authorities in respect of regional and local roads. In addition to the above, DTTAS makes some payments directly to local authorities for regional and local roads.

Other payments include expenditure on; purchase and storage of salt; routine road maintenance on the motorway network including grass cutting, winter service and maintenance of drainage systems; the monitoring of national road pavement assets; and provision of winter weather monitoring and treatment predictive systems.

## 11. Public Private Partnership, Tunnel Operations and Tolling

	Note	2016 €'000	2015 €'000
Ancillary Costs	11a	15,247	13,889
Public Private Partnership Operation Payments	11b	86,879	79,797
Tunnel Operations and Tolling	11c	49,154	49,634
		151,280	143,320

### 11a. Ancillary Costs

Ancillary costs incurred relate to scheme planning, scheme supervision, financial, legal and technical advisory services, tolling interoperability services, statutory notices and marketing.

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### 11b. Public Private Partnership Scheme Operation Payments

	2016 €'000	2015 €'000
N25 Waterford City Bypass	6,880	7,059
N18 Limerick Tunnel	594	3,994
M50 Upgrade	18,799	18,563
N6 Galway/Ballinasloe	21,281	20,458
M3 Clonoe/Kells	13,727	16,270
M7/M8 Portlaoise	3,401	3,927
M1 Dundalk Western Bypass	173	202
N8 Rathcormac/Fermoy	3,519	4,824
M4/M6 Kilcock/Kinnegad	316	528
N11 Arklow/Rathnew	15,424	3,972
M17/M18 Gort to Tuam	2,765	0
	86,879	79,797

Included in operation payments are amounts of €3.1m (2015: nil) arising from settlements.

### 11c. TII Tunnel Operation and Tolling

	2016 €'000	2015 €'000
Dublin Tunnel	12,209	11,398
M50 eFlow	32,590	34,730
Jack Lynch Tunnel	4,355	3,506
	49,154	49,634

These costs relate to operational costs, toll collection costs, bad debt charges and local authority charges of the Dublin Tunnel; toll collection costs, bad debt charges and local authority rates of the M50 eFlow and operational costs of the Jack Lynch Tunnel.

# Transport Infrastructure Ireland

## 11d. General description of schemes

### N25 Waterford City Bypass

The Celtic Roads Group (Waterford) Ltd. consortium was awarded the N25 Waterford City Bypass PPP contract in April 2006. The contract is for a 30 year concession period. The scheme comprised the construction of the N25 bypass extending from Kilmeaden in County Waterford to Slieverue in County Kilkenny. The route crosses the River Suir at Grannagh thus providing Waterford with a second major bridge over the Suir and allowing traffic on the N25 Cork to Rosslare route to bypass the city. The scheme comprised approximately 23km of dual carriageway, a bridge over the River Suir of approximately 475m in length and approximately 4km of single carriageway construction. The contract included an additional 11km of side roads and tie-ins and a 2km railway realignment. The scheme, which is tolled, opened to traffic in October 2009.

### N18 Limerick Tunnel

The DirectRoute (Limerick) Ltd consortium was awarded the Limerick Tunnel PPP contract on a 35 year concession basis in August 2006. The Limerick Tunnel PPP Scheme involved the construction of approximately 10km of new dual carriageway along with associated link roads and side roads. The tunnel crossing of the River Shannon involved an immersed tube tunnel, approximately 0.9km in length, linking the townland of Coonagh on the northern bank with the townland of Bunlicky on the southern bank of the Shannon. The scheme, which is tolled between junction 2 and 4, opened to traffic in July 2010.

### M50 Upgrade

The M50 Upgrade PPP contract was awarded in September 2007 with a contract period of 35 years to M50 Concession Limited. The M50 Upgrade PPP Contract construction comprised the widening of 24km of the M50 from south of the M1/M50 Turnapin interchange to the N3 interchange and from south of the Ballymount interchange to the Sandyford interchange, including the upgrade of junctions along these sections. The official opening of the upgraded sections of the M50 was in September 2010.

In addition to the M50 Upgrade PPP contract, separate contracts were awarded for (i) the widening of almost 8km of mainline carriageway between the N4 (Junction 7) and Ballymount (Junction 10) and the upgrading of the N4, N7 and Ballymount interchanges and (ii) the widening of 1.3km of motorway south of the N3 interchange, all of which were completed in 2008. The PPP Co. will recoup its investment costs through availability payments paid by TII. The M50 is tolled between Junctions 6 and 7 by means of a separately procured toll service provider contract.

### N6 Galway/Ballinasloe

The N6 Galway/Ballinasloe PPP contract was awarded to the N6 (Concessions) Limited consortium in April 2007. The contract is for a 30 year concession period. The scheme involved the construction of approximately 56km of new dual carriageway, a 7km link road to the Loughrea bypass, 32km of side roads and five grade-separated junctions. The scheme extends from Doughiska, east of Galway City to the existing N6 east of Ballinasloe in County Roscommon. The scheme, which is tolled between junctions 15 and 16, opened to traffic in December 2009.

### M3 Clonee/Kells

The M3 Clonee/Kells PPP contract was awarded to the Eurolink Motorway Operations Ltd consortium. The contract was awarded in March 2007 and is for 45 years inclusive of the construction phase.

The scheme, which provides bypasses of Dunboyne, Dunshaughlin, Navan, Kells and Carnaross, involved the construction of a motorway of approximately 47km in length which is linked by ancillary roads within the pre-existing road network through grade-separated junctions at Pace, Dunshaughlin, Blundelstown, Kilcarn, Athboy Road and Kells. The full scheme also includes 10km of new N3 Dual Carriageway road from Kells to North of Carnaross and 4km of the Kells N52 Bypass.

A further 4km of National Secondary Type 1 Dual Carriageway and a total of 40km of Regional and Local Roads were constructed. In addition over 100 structures consisting of 62 bridges and various culverts and retaining walls were required. The scheme, which is tolled between junction 5 and 6 and also junctions 9 and 10, opened to traffic in June 2010.

# Transport Infrastructure Ireland

## 11d. General description of schemes (continued)

### **M7/M8 Portlaoise**

The M7/M8 Portlaoise PPP contract was awarded to the Celtic Roads Group (Portlaoise) consortium. The contract was awarded in June 2007 and is for a 30 year concession period. The project, which provides bypasses of Abbeyleix, Durrow, Cullahill, Mountrath, Castletown and Borris-in-Ossory, involved the construction of a tolled motorway of approximately 41km total length. There are grade separated junctions at Portlaoise, Borris-in-Ossory and Rathdowney as well as a motorway to motorway interchange at Aghaboe. The scheme also included a new 3km regional link road from the motorway back to Borris-in-Ossory along with approximately 15km of side roads. The scheme, which is tolled, opened to traffic in May 2010.

### **M1 Dundalk Western Bypass**

The M1 Dundalk Western Bypass PPP contract was awarded to Celtic Roads Group (Dundalk) Ltd. consortium in February 2004. The contract is for a 30 year concession period. The scheme involved the construction of an 11km stretch of road forming part of the N1/M1 national primary route in the vicinity of the town of Dundalk, Co. Louth, together with approximately 8km of associated side roads and tie-ins. The construction works were completed in 2005. The PPP Contract also includes the operation and maintenance of existing motorway with an approximate length of 42km, i.e. the Dunleer Bypass and the Dunleer/Dundalk Motorway as well as the operation and maintenance of the tolling facilities between junction 7 and 10 on the M1 (Gormanston to Monasterboice) scheme.

### **N8 Rathcormac/Fermoy**

The N8 Rathcormac/Fermoy contract was awarded to the Direct Route (Fermoy) Ltd. consortium in June 2004 and is for a 30 year concession period. The consortium's contract obligations include the design, building, maintenance, operation, re-investment and financing of the scheme. The scheme, which is tolled between junctions 14 and 17, opened to traffic in October 2006.

### **M4/M6 Kilcock/Kinnegad**

The M4/M6 Kilcock/Kinnegad PPP Contract was awarded to Eurolink Motorway Operation Ltd in March 2003. The contract is for a 30 year concession period. The scheme involved the construction of 39km of motorway, including 19 overbridges, 7 underbridges and 3 underpasses. The scheme, which is tolled between junctions 8 and 10, opened to traffic in December 2005.

### **N11 Arklow/Rathnew**

The N11 Arklow/Rathnew PPP contract was awarded to N11 Arklow Rathnew PPP Limited in April 2013. The N11 Arklow/Rathnew PPP contract includes the design, construction, operation and maintenance of approximately 16.5 km of dual carriageway on the Arklow to Rathnew section of the N11, the operation and maintenance of an additional 30km section of the existing M11/N11 route (Arklow-Gorey and Arklow Bypass), the design and construction of the N11 Gorey Service Area and the design, construction, operation and maintenance of the N7 Newlands Cross Junction Upgrade. The Newlands Cross section was completed in November 2014 and the Arklow/Rathnew section opened to traffic in July 2015. The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by Transport Infrastructure Ireland.

### **M17/M18 Gort to Tuam**

The M17/M18 PPP Scheme was awarded to the DirectRoute (Tuam) Ltd. consortium in April 2014. The M17/M18 PPP Contract comprises the design, construction, operation and maintenance of approximately 53 km of motorway along with the design and construction of 4 km of dual carriageway. The scheme will provide bypasses for the towns of Clarinbridge, Claregalway and Tuam. The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by TII. The scheme will open to traffic in 2017.

### **M11 Gorey-Enniscorthy**

The M11 Gorey to Enniscorthy PPP contract was awarded to Gorey to Enniscorthy M11 PPP Limited in October 2015. The PPP contract includes the design, construction, operation and maintenance of approximately 31.4 km of dual carriageway (M11 and "N80 Link Road" routes) and the design, construction and financing of 8.0km of single carriageway (N30 route). The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by TII. The scheme is expected to open to traffic in 2019.

# Transport Infrastructure Ireland

## 11d. General description of schemes (continued)

### N25 New Ross Bypass

The contract for the N25 New Ross Bypass PPP Scheme was awarded to New Ross N25 Bypass Designated Activity Company in January 2016. The proposed N25 New Ross Bypass includes the construction of sections of both the N25 and N30 routes. More particularly it is envisaged that the PPP Project will comprise works of approximately 13.6km of dual carriageway (N25 and N30 routes) and 1.2km of single carriageway (New Ross N30 route). The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by TII. The scheme is expected to open to traffic in 2019.

## 12. Interest and Other Finance Charges

	Note	2016 €'000	2015 €'000
Other Finance Charges	12a	1,811	1,425
Finance Lease Costs		45	50
Finance charge relating to Service Concession Liabilities		29,019	23,480
Finance charge relating to M50 Buy Out Liability		7,354	9,966
		38,229	34,921

### 12a. Other Finance Charges

Under FRS 102, the net of the interest on the defined benefit scheme pension liabilities and the expected return on assets of €1.811m is recorded as a finance charge adjacent to interest (2015: €1.425m) see note 21b.

# Transport Infrastructure Ireland

## 13. Capital Account

	2016 €'000	2016 €'000	2015 €'000	2015 €'000
At 01 January		1,974,385		1,158,359
<u>Administration:</u>				
Take on of Capital grants from RPA @ 01.08.15	-			345
Income used to purchase fixed assets	2,110		4,130	
Amortisation in line with depreciation	(718)		(758)	
Disposals	(3)		-	
<b>Per Statement of Income and Expenditure</b>		1,389		3,372
<u>Light Rail and Metro</u>				
Take on of Capital grants from RPA @ 01.08.15	-			814,284
Income used to purchase fixed assets	116,080		19,012	
Amortisation in line with depreciation	(41,181)		(17,118)	
Impairment loss	(39)		(196)	
<b>Per Statement of Income and Expenditure</b>		74,860		1,698
Transfer from provisions		9,246		3,914
Transfer to creditors		(1,982)		-
<u>Road Network</u>				
Income used to purchase fixed assets	6,863		11,220	
Income used to fund service concession liability	47,314		7,325	
Income used to fund finance lease liability	227		227	
Release in line with finance charges	(23,435)		(17,875)	
Amortisation in line with depreciation	(595)		(7,996)	
Disposals	(85)		(488)	
<b>Per Statement of Income and Expenditure</b>		30,289		(7,587)
At 31 December		2,088,187		1,974,385

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### 14. Property, Plant and Equipment

	Light Rail & Metro Infrastructure	Light Rail & Metro Assets Under Construction	Road Network Infrastructure	Road Network Under Construction	Rolling Stock & Equipment	Furniture Fixtures & Equipment	Enhancement to Leasehold Premises	Equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>									
At 1 January 2016	1,096,008	126,949	1,979,671	321,726	197,711	3,831	7,535	1,362	3,734,793
Additions in period	1,006	126,273	2,505	104,133	0	18	2,213	340	236,488
Disposals	(454)	0	(103)	0	0	(960)	(643)	(70)	(2,230)
Impairment	0	(39)	0	0	0	0	0	0	(39)
<b>At 31 December 2016</b>	<b>1,096,560</b>	<b>253,183</b>	<b>1,982,073</b>	<b>425,859</b>	<b>197,711</b>	<b>2,889</b>	<b>9,105</b>	<b>1,632</b>	<b>3,969,012</b>
<b>Accumulated Depreciation</b>									
At 1 January 2016	293,490	0	47,100	0	106,559	3,597	1,640	1,077	453,463
Depreciation charge	32,397	0	367	0	10,419	106	636	204	44,129
Disposals	(454)	0	(18)	0	0	(956)	(643)	(70)	(2,141)
<b>At 31 December 2016</b>	<b>325,433</b>	<b>0</b>	<b>47,449</b>	<b>0</b>	<b>116,978</b>	<b>2,747</b>	<b>1,633</b>	<b>1,211</b>	<b>495,451</b>
<b>Net Book Value</b>									
At 31 December 2016	771,127	253,183	1,934,624	425,859	80,733	142	7,472	421	3,473,561
<b>Cost</b>									
At 1 January 2015	0	0	1,969,738	177,101	0	2,224	2,331	1,500	2,152,894
Take-on from RPA @ 01.08.15	1,095,960	101,523	0	0	197,711	3,836	668	0	1,399,698
Additions in period	48	25,622	11,365	144,625	0	2	4,536	308	186,506
Disposals	0	0	(1,432)	0	0	(2,231)	0	(446)	(4,109)
Impairment	0	(196)	0	0	0	0	0	0	(196)
<b>At 31 December 2015</b>	<b>1,096,008</b>	<b>126,949</b>	<b>1,979,671</b>	<b>321,726</b>	<b>197,711</b>	<b>3,831</b>	<b>7,535</b>	<b>1,362</b>	<b>3,734,793</b>
<b>Accumulated Depreciation</b>									
At 1 January 2015	0	0	40,224	0	0	1,992	528	1,379	44,123
Take-on from RPA @ 01.08.15	280,043	0	0	0	102,198	3,517	642	0	386,400
Depreciation charge	13,447	0	7,820	4,361	0	319	470	144	26,561
Disposals	0	0	(944)	0	0	(2,231)	0	(446)	(3,621)
<b>At 31 December 2015</b>	<b>293,490</b>	<b>0</b>	<b>47,100</b>	<b>0</b>	<b>106,559</b>	<b>3,597</b>	<b>1,640</b>	<b>1,077</b>	<b>453,463</b>
<b>Net Book Value</b>									
At 31 December 2015	802,518	126,949	1,932,571	321,726	91,152	234	5,895	285	3,281,330

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### 15. Receivables

	2016 €'000	2015 €'000
Toll Income Debtors	8,481	12,547
Prepayments and Other Debtors	12,397	11,345
	20,878	23,892

Toll income of €8.5m receivable at year-end in respect of Dublin Tunnel and M50 eFlow includes amounts that will be paid to TII by toll operators and excludes toll charges for eFlow of €5.2m (2015: €4.9m) which the toll operator deems uncollectable.

Prepayments and Other Debtors include €138k due after one year (2015: €282k).

### 16. Payables (Amounts Falling Due Within One Year)

	Note	2016 €'000	2015 €'000
Trade Creditors and Accruals		59,510	53,844
M50 Buy Out Liability	19	53,168	54,900
VAT		45,821	7,537
Service Concession Liability	19	12,503	10,736
Variable Operational Payments	19	5,943	6,515
Citywest Luas Deferred Income		1,309	1,309
Salaries		541	476
Obligations under Finance Leases	19	227	227
Deferred Income		95	145
		179,117	135,689

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## 17. Payables (Amounts Falling Due After One Year)

	Note	2016 €'000	2015 €'000
Service Concession Liability	19	594,912	517,756
M50 Buy Out Liability	19	107,421	152,300
Citywest Luas Deferred Income*		28,784	30,093
Trade Creditors and Accruals		3,368	1,919
Obligations under Finance Leases	19	1,417	1,599
		735,902	703,667

\*Creditors includes deferred income reflecting the value of property and services provided by third parties in relation to the CityWest Luas development. This income is released to the income and expenditure account in line with the depreciation on the matching assets.

## 18. Commitments

### 18a. Operating Lease Commitments

At 31 December 2016, TII had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Land & Buildings €'000
Payable within one year	1,579
Payable within two to five years	6,315
Payable after five years	14,230

Operating lease payments recognised as an expense were €1,565k (2015: €2,789k)

- TII entered into a 16 year and 7 month lease from 01 January 2015 in respect of accommodation at Block A, Parkgate St., Dublin 8. The lease expires on 31 July 2031 and the rent payable is €568k per annum.
- TII took over two leases from RPA in respect of accommodation at Parkgate St., Dublin 8:
  - Block B: A 25 year lease from 01 August 2006 to 31 July 2031. The rent payable is €516k per annum.
  - Block C: A 28 year lease from 29 September 2001 to 28 September 2029. The rent payable is €494k per annum.
- The lease in respect of accommodation at Saint Martin's House, Waterloo Road, Dublin 4 ended on 07 January 2016. The rent paid for 2016 was €20k (2015: €1,050k).
- The lease in respect of accommodation at Kildress House, Pembroke Road, Dublin 2 ended on 30 November 2015. The rent for 2016 was €nil (2015: €194k).

## Transport Infrastructure Ireland

### 18b. Road Network Forward Commitments

DPER, under the Public Spending Code (version November 2013), has revised the forward contractual commitments limits from those previously set by the Department of Finance. TII has analysed forward contractual commitments, which are forecast costs that are subject to quantum and timing variances, and these are as follows:

Year	Commitment € Million	Department of Public Expenditure and Reform approved capital funding for TII 2017-2019 € Million	Commitment as % of annual allocation	Department of Public Expenditure and Reform sanctioned commitment as % of annual allocation
2017	286	399	72%	75%
2018	222	434*	51%	60%
2019	237	470*	50%	50%

\*Grant Allocation to be confirmed

### 18c. Public Private Partnership Forward Commitments

	2016 €'000	2015 €'000
<b>Nominal Amount:</b>		
N25 Waterford City Bypass	39,279	47,375
N18 Limerick Tunnel	32,839	38,272
M50 Upgrade	544,282	572,377
N6 Galway/Ballinasloe	51,594	72,881
M3 Clonee/Kells	266,736	289,186
M7/M8 Portlaoise	7,653	11,214
M1 Dundalk Western Bypass	3,133	3,055
N8 Rathcormac/Fermoy	15,667	19,186
M4/M6 Kilcock/Kinnegad	5,375	5,771
N11 Arklow/Rathnew	296,435	308,171
M17 / M18 Gort to Tuam	608,132	655,848
M11 Gorey Enniscorthy	252,280	253,320
N25 New Ross Bypass	161,237	0
	<b>2,284,642</b>	<b>2,276,656</b>

These commitments incorporate the financing, operational and lifecycle costs for the remaining life of the agreement. They are indexed @ 2% to approximate CPI and are not discounted to present value.

### 18d. Light Rail and Metro Capital Commitments

	2016 €'000	2015 €'000
At the year end the following capital commitments authorised by the Board had not been provided for in the financial statements:		
Contracted but not provided for	71,424	157,696
Authorised but not contracted for	46,618	24,501
	<b>118,042</b>	<b>182,197</b>

# Transport Infrastructure Ireland

## 19. Finance Lease Commitments

The future minimum lease payments at 31 December 2016 are as follows:	Service Concession	Variable Operational Payments	M50 Buy Out	Donegal National Roads Office*	Total
	€'000	€'000	€'000	€'000	€'000
Not later than one year	12,503	5,943	53,168	227	71,841
Later than one year but not later than five years	173,223	31,585	121,196	907	326,911
Later than five years	818,837	164,289	0	680	983,806
Total Gross Payments	1,004,563	201,817	174,364	1,814	1,382,558
Less: Finance Charges	(397,148)	(68,606)	(13,775)	(170)	(479,699)
Carrying amount of liability	607,415	133,211	160,589	1,644	902,859
Classified as:					
- Payables (amounts falling due within one year)	12,503	5,943	53,168	227	71,841
- Payables (amounts falling due after one year)	594,912	127,268	107,421	1,417	831,018

The above finance lease liabilities are measured at amortised cost.

\*TII entered into a twenty year lease from 1 March 2004 with Donegal County Council in respect of accommodation for Donegal National Roads Office. The rent is €227k per annum.

The future minimum lease payments at 31 Dec 2015 are as follows:	Service Concession	Variable Operational Payments	M50 Buy Out	Donegal National Roads Office	Total
	€'000	€'000	€'000	€'000	€'000
Not later than one year	10,736	6,515	54,900	227	72,378
Later than one year but not later than five years	155,982	34,035	174,364	907	365,288
Later than five years	718,350	174,690	0	907	893,947
Total Gross Payments	885,068	215,240	229,264	2,041	1,331,613
Less: Finance Charges	(356,576)	(74,546)	(22,064)	(215)	(453,401)
Carrying amount of liability	528,492	140,694	207,200	1,826	878,212
Classified as:					
- Payables (amounts falling due within one year)	10,736	6,515	54,900	227	72,378
- Payables (amounts falling due after one year)	517,756	134,179	152,300	1,599	805,834

The above finance lease liabilities are measured at amortised cost.

# Transport Infrastructure Ireland

## 20. Provisions for Liabilities and Charges

	Variable Operational Payments €000	Grants Repayable €000	Project Provisions €000	Track Restoration €000	Restructuring €000	Total €000
At 01 January	134,179	115,705	567	5,298	236	255,985
Payments made in year	(5,248)	0	0	(410)	(236)	(5,894)
Increase/(reduction) in provision	(7,291)	(9,246)	0	256	0	(16,281)
Unwinding of discount associated with provision	5,628	0	0	0	0	5,628
	127,268	106,459	567	5,144	0	239,438

The provisions have been made in accordance with the accounting policies as set out in Notes 1(m), (o) and (p) to these financial statements.

### Variable Operational Payments

Certain concessions provide for variable operational payments if traffic volumes fall below specified levels. TII has made a full provision for the amount it expects to pay in relation to these variable operational payments over the remaining life of the PPP contract. The amount of the provision changes from year to year to reflect variable operational payments made in the year and changes in the value of the remaining provision due to changes in the traffic volumes occurring on the relevant road.

### Grants Repayable

State grants repayable include State grants provided as advance funding for the implementation of certain projects for which development levy schemes are in place and have been deemed repayable in accordance with Accounting Policy Note 1(m). These grants are repayable over the life of the levy schemes and as a result the provision is unlikely to fully unwind in the medium term.

In 2016 €9.2 million of these grants was identified as no longer refundable.

### Project Provisions

TII has adequately provided for project liabilities where the timing of their payment is uncertain. This provision relates to Light Rail and Metro liabilities.

### Track Restoration

Track restoration provisions relate to remediation and improvement costs to be incurred. TII expects that the provision will be utilised over the life of the related assets and as a result the provision is unlikely to fully unwind in the medium term.

In 2016, TII made payments of €0.410m in respect of remediation costs and increased the provision by €0.256m.

### Restructuring

Restructuring provisions related to a voluntary redundancy scheme arising from the dissolution and transfer of staff from RPA and was fully utilised within the year.

# Transport Infrastructure Ireland

## 21. Retirement Obligations

Details of TII's pension schemes are provided below:

### **Defined Contribution Scheme [Closed to new entrants]**

A defined contribution pension plan was set up in 2003 for former RPA staff who did not qualify for membership of the funded defined benefit scheme noted below. This plan does not give rise to any funding liability to TII under FRS 102.

### **Defined Benefit Scheme – Funded [Closed to new entrants]**

In order to comply with the provisions of sections 24 and 25 of the Transport (Railway Infrastructure) Act, 2001 RPA established a defined benefit scheme in 2003 to provide for pension entitlements of those employees transferring from the CIE 1951 defined benefit scheme. The new scheme was set up using the template model scheme for public sector pension arrangements as issued by the Department of Finance, modified as necessary in order to replicate the benefits provided under the CIE 1951 defined benefits pension scheme.

An independent professionally qualified actuary carried out a full valuation (February 2017) of the assets and liabilities of the scheme as at 31 December 2016. Those assets and liabilities were valued using the projected unit method.

A pension surplus of €643k considered to be recoverable over the life of the scheme has been reported in the balance sheet. The valuation of the surplus under FRS 102 rules indicated a technical surplus of €7,806k. However, the maximum amount of surplus that can be recognised on the balance sheet is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS 102 basis. Under these rules only €643k is considered recoverable and as a result the pension surplus has been reduced by €7,163k to limit the surplus to the estimated recoverable amount of €643k.

### **Defined Benefit Scheme – Unfunded [Closed to new entrants]**

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current 'model' public sector scheme regulations. This scheme was only available to former NRA employees.

The scheme provides a pension (one eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouses' and children's pensions. Normal retirement age is a member's 65<sup>th</sup> 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.

An independent professionally qualified actuary carried out a full valuation (February 2017) of the liabilities of the scheme as at 31 December 2016. Those assets and liabilities were valued using the projected unit method.

### **Single Pension Scheme – Unfunded**

TII operates the Single Scheme, which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). The costs, liabilities and assets of TII in relation to the Single Pension Scheme have been included in the disclosures on the Defined Benefit unfunded scheme.

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## 21. Retirement Obligations (continued)

21a. Analysis of total pension costs charged to Statement of Income and Expenditure	2016 €'000	2015 €'000
<b>Defined Benefit Unfunded Scheme costs:</b>		
Current Service Cost	2,614	2,451
Employee Contributions	(389)	(398)
	2,225	2,053
<b>Defined Benefit Funded Scheme costs:</b>		
Current Service Cost	81	80
	81	80
<b>Total Defined Benefit Scheme costs</b>	<b>2,306</b>	<b>2,133</b>
Defined Contribution Scheme costs*	896	389
<b>Total</b>	<b>3,202</b>	<b>2,522</b>

\*The pension charge in respect of the defined contribution scheme plan is equal to the contributions payable by TII for the period, being €0.896m (2015: €0.389).

## 21b. Analysis of finance charge recognised in Statement of Income and Expenditure:

	2016 €'000	2015 €'000
<b>Defined Benefit Unfunded Scheme:</b>		
Interest on pension scheme liabilities	1,822	1,483
<b>Defined Benefit Funded Scheme:</b>		
Interest on pension scheme liabilities	166	91
Return on scheme assets	(177)	(149)
	(11)	(58)
<b>Total finance charge</b>	<b>1,811</b>	<b>1,425</b>

## 21c. Analysis of amount recognised in Statement of Comprehensive Income:

	2016 €'000	2015 €'000
<b>Defined Benefit Unfunded Scheme:</b>		
Experience (gain)/loss	(1,967)	632
Change in assumptions underlying the present value of the scheme liabilities	12,502	640
	10,535	1,272
<b>Defined Benefit Funded Scheme:</b>		
Experience (gain)/loss	(875)	489
Change in assumptions underlying the present value of the scheme liabilities	494	(1,316)
	(381)	(827)
<b>Total actuarial loss</b>	<b>10,154</b>	<b>445</b>
Change in irrecoverable surplus	153	975
	10,307	1,420

# Transport Infrastructure Ireland

## 21. Retirement Obligations (continued)

### 21d. Movement in net retirement benefit obligations/assets during the financial year

#### Defined Benefit Unfunded Scheme

	2016 €'000	2015 €'000
Net defined benefit retirement obligation at 01 January	72,040	68,017
Current service cost	2,614	2,451
Actuarial loss	10,535	1,272
Interest cost	1,822	1,483
Pensions paid in the year	(1,399)	(1,183)
Net defined benefit retirement obligation at 31 December	85,612	72,040

#### Defined Benefit Funded Scheme

	Scheme Assets €'000	Scheme Liabilities €'000	Pension Surplus €'000
At 1 January 2016	14,706	(7,212)	7,494
Current service cost	-	(80)	(80)
Actuarial (loss)/gain	736	(355)	381
Expected return on scheme assets	177	-	177
Interest cost	-	(166)	(166)
Contributions by scheme participants	30	(30)	-
Benefits paid	(2,621)	2,621	-
At 31 December 2016	13,028	(5,222)	7,806

### 21e. Deferred funding for retirement benefits

#### Defined Benefit Unfunded Scheme

The Board recognises amounts owing from the State for the defined benefit unfunded deferred liability for pensions on the basis of a set of assumptions at note 21 (g) and a number of past events. These events include the statutory basis for the establishment of the pension 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. The Board has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

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

	2016 €'000	2015 €'000
Funding recoverable in respect of current year retirement benefit costs	4,436	3,934
State grant applied to pay retirement benefits	(1,399)	(1,183)
	3,037	2,751

The net deferred funding for retirement benefits recognised in the Statement of Comprehensive Income was as follows:

	2015 €'000	2014 Re-stated €'000
Adjustment to Deferred Retirement Benefit Obligation	10,535	1,272

The Defined Benefit Deferred Retirement Funding at 31 December 2016 amounted to €85.61m (2015:€72.04m).

# Transport Infrastructure Ireland

## 21. Retirement Obligations (continued)

### 21f. History of defined benefit obligations, assets and experience gains and losses:

#### Defined Benefit Unfunded Scheme:

	2016	2015	2014	2013
Defined benefit obligations amount (€'000).	(85,612)	(72,040)	(68,017)	(58,720)
Experience adjustments on scheme liabilities amount (€'000).	1,967	(632)	2,310	4,774
As a percentage of scheme liabilities (%).	2.3%	0.9%	3.4%	8.1%
Assumption adjustments on scheme liabilities amount (€'000).	(12,502)	(640)	(8,348)	0
As a percentage of scheme liabilities (%).	14.6%	0.9%	(12.3%)	0

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2016 is €32.6m (31 December 2015: €22.07m).

#### Defined Benefit Funded Scheme:

	31 Dec 2016	31 Dec 2015
Defined benefit obligations amount (€'000).	(5,222)	(7,212)
Defined benefit assets amount (€'000).	13,028	14,706
Defined benefit surplus	7,806	7,494
Irrecoverable surplus on retirement benefit scheme	(7,163)	(7,010)
Defined benefit pension surplus	643	484
Experience adjustments on scheme liabilities amount (€'000).	139	131
As a percentage of scheme liabilities (%).	2.7%	1.8%
Experience adjustments on scheme assets amount (€'000).	736	(620)
As a percentage of scheme assets (%).	5.6%	4.2%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2016 is €1.798m (31 December 2015: €2.026m). Expected contributions for the following year are €Nil.

### 21g. General description of the scheme and actuarial assumptions

#### Defined Benefit Unfunded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2016	31 Dec 2015
	%	%
Discount rate	1.83	2.55
Future salary increases	2.70	2.65
Future pension increases	2.20	2.15
Inflation rate	1.70	1.65
Future State pension increases	1.70	1.65

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining age 65 in 2016 and 2036.

Year of Attaining Age 65	2016 Years	2036 Years
Life Expectancy - Male	21.1	23.6
Life Expectancy - Female	23.6	25.7

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## 21. Retirement Obligations (continued)

### 21g. General description of the scheme and actuarial assumptions (continued)

#### Defined Benefit Funded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2016	31 Dec 2015
	%	%
Discount rate	1.60	2.30
Future salary increases	2.70	2.65
Future pension increases	2.20	2.15
Inflation rate	1.70	1.65

Assumptions regarding future mortality are set based on advice from published statistics and experience. The mortality assumptions are based on standard mortality tables which allows for future mortality improvement in the assumptions.

There are three current pensioners in the scheme.

Longevity for members retiring at 60.

	31 Dec 2016	31 Dec 2015
	Years	Years
Male	26.1	27.6
Female	29.0	29.2

At 31 December 2016 the scheme assets were invested in the Irish Life Consensus Fund, the Irish Life Cash Fund, Irish Life 10 Year AAA Bond Fund and Irish Life Netherlands 2042 Bond Fund. The Trustees, with the input of their professional advisors, decide on the mix of assets based on the risk profile of the scheme.

The fair value of the scheme assets as a percentage of total scheme assets are set out below:

	31 Dec 2016	31 Dec 2015
(as a percentage of total scheme assets)	%	%
Equities	0.4	0.2
Bonds	61.2	65.2
Cash	38.4	34.6

Scheme assets do not include any of TII's own financial instruments, or any property occupied by TII.

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## 22. Developer Levies and Contributions Reserve

	2016 €'000	2015 €'000
At 1 January	42,857	0
Take-on of RPA balance @ 01.08.15	0	39,860
Developer levies and contributions	6,394	3,082
Amortisation of levies	(203)	(85)
At 31 December	49,048	42,857

As outlined in Note 1(e), development levies and developer contributions received by TII are retained in a development levies and developer contributions reserve and amortised to the Statement of Income and Expenditure as the related assets are depreciated.

## 23. Litigation and Claims

TII is involved in a number of legal cases the outcome of which are uncertain. TII has not made provision for any costs arising.

## 24. Related Party Transactions

Please refer to Note 8d for a breakdown of the remuneration and benefits paid to key management. TII adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, TII may approve grants or enter into other contractual arrangements with entities in which TII Board members are employed or are otherwise interested.

In cases of potential conflict of interests, Board members do not receive Board documentations or otherwise participate in or attend discussions regarding these transactions. A record is maintained of all such instances.

During the year there were no related party transactions.

## 25. Comparative figures

Certain comparative figures have been reclassified to accord with their treatment in the current year.

## 26. Subsequent Events

### Adjusting Events

There have been no significant events since the year end that would result in adjustment to the financial statements.

### Non Adjusting Event - Value Added Tax – Toll Income

TII operates the M50 and Dublin Tunnel through contracts entered into with different parties. Dublin Tunnel opened in 2006 and the M50 eFlow tolling arrangements commenced in August 2008. In both cases the Revenue Commissioners had deemed that the toll charges were not subject to VAT. In 2010 the Revenue Commissioners revised their position and deemed that tolling by a public body was to be subject to VAT with effect from 1st July 2010.

TII engaged with the Revenue Commissioners on this change in the VAT treatment of public sector tolls and the matter was referred to the Office of the Appeal Commissioners for determination. Subsequently, the Appeal Commissioner referred the matter to the Court of Justice of the European Union (CJEU).

## **Transport Infrastructure Ireland**

### **26. Subsequent Events (continued)**

The CJEU issued a decision on the 19th January 2017, in favour of TII's position. On foot of the CJEU decision and with Revenue's agreement, VAT is no longer accounted for on M50 and Dublin Tunnel tolls. TII remitted approximately €100m in relation to VAT on M50 and Dublin Tunnel tolls (net of VAT input credit) to Revenue over the period 2010 to 2017.

The matter of any retrospective application of the CJEU decision has yet to be agreed with the Revenue Commissioners.

### **27. Approval of Financial Statements**

These financial statements were approved by the Board on 28 June 2017.

