



# National Roads Authority

## Annual Report and Accounts 2012

**NRA**   
An tÚdarás um Bóithre Náisiúnta  
National Roads Authority

<b>Chairman’s Foreword</b>	<b>1</b>
<b>Chief Executive’s Statement</b>	<b>2</b>
<b>Chapter 1: Network Operations and Maintenance</b>	<b>5</b>
National Road Network	5
National Motorway Network	6
Maintenance	6
Regional and Local Roads Programme	6
Motorway Traffic Control Centre	7
An Garda Síochána	8
Road Safety	8
Winter Services	9
<b>Chapter 2: Network Improvements</b>	<b>11</b>
Major schemes	11
Minor schemes	12
Geographic Information Systems	12
Pavement	13
Structures	13
Tunnels	14
Signing and Delineation	14
<b>Chapter 3: Research and Speciality Services</b>	<b>17</b>
Research and Standards	17
National Transport Model	18
Project Appraisal Guidelines	19
Land Use Planning	20
Archaeology	21
Tolling	22
Environment	22
<b>Chapter 4: About the National Roads Authority</b>	<b>25</b>
Establishment and Mandate	25
Customer Service	25
Irish Language	25
Accessibility	25
Energy Efficiency Reporting by Public Sector Bodies	26
Corporate Governance	26
Risk Management	27
Prompt Payment Returns	27
Attendance at Board Meetings	27
Financial Statements	28
National Roads Authority Board	50
Audit and Audit Committee	51



## Chairman's Foreword

**Over the past eleven years, as Chairman of the National Roads Authority (NRA), I have witnessed first-hand some of the most historic changes in Ireland's national road network since the foundation of the state. It is a dramatic improvement that will be acknowledged for generations.**

The transformation was achieved through a combination of strong leadership, good planning, strategic investment and a commitment to delivery. It took foresight to propose a bold plan that would connect all major urban centres on the island of Ireland to Dublin. Along with a planning process that balanced the concerns of both local and national communities and the disciplined management of the investment on behalf of the Irish taxpayer, our EU partners and the private financial community, the Authority managed to deliver 1,000 km of motorway and a high quality dual carriageway in less than ten years.

This single achievement combined with the on-going upgrade and reinvestment throughout the entire national primary and secondary road network was exciting to witness and it was an honour to know and work with the men and women who have attained this success through their high professional standards and commitment to excellence.

Therefore, on behalf of all my fellow board members, whom I have had the privilege of working with over the past eleven years, I would like to thank all Authority staff, ably led by Chief Executive Fred Barry, and colleagues within the local authorities, the speciality consultants and the greater construction community for their professionalism, dedication and commitment in achieving so much during my tenure as Chairman. I wish each and everyone one of you continued success.

A handwritten signature in black ink that reads "Peter Malone". The signature is written in a cursive, slightly slanted style.

Peter Malone  
*Chairman (2002-2012)*



## Chief Executive Statement

**The financial crisis is entering its fifth year and the cumulative impact on the Authority has been that traffic levels are subdued, funding for the management and improvement of the network is greatly reduced and staff numbers are also reduced.**

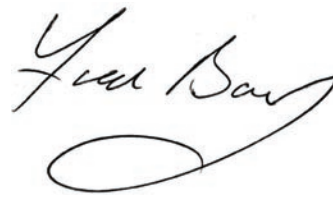
The funding available to the Authority to carry out its obligations in 2013, after commitments are addressed, are below those required to carry out all necessary rehabilitation work, and will not support the commencement of any new improvement schemes, large or small, other than Public Private Partnerships (PPPs).

However, there are still reasons to be guardedly optimistic about future years. The Government has committed to a growth initiative which includes approximately €1.3 billion of schemes to be developed as PPPs. Taken with other schemes, whose construction is underway or imminent, we expect to build major improvement schemes valued at in excess of €1.6 billion in the 2013–2016 period, together with about €1 billion of maintenance, renewal and minor improvement works throughout the national road network. The Authority's programme of work for 2013 will also include the following:

- Assume direct responsibility for the maintenance and rehabilitation of the dual carriageways.
- Rebid the tunnel operations contract, which also includes our traffic management centre and toll operations at the Dublin Port Tunnel.
- Rebid tolling interoperability management contract and deal with developments arising out of the European Electronic Tolling Directive.
- Start construction on the Newlands Cross and Arklow to Rathnew scheme, and, if additional funding is provided, on the N17/N18 Gort to Tuam scheme (both PPP schemes).
- Construct five major schemes and thirty-three minor improvement schemes.
- Conduct safety inspections on a significant length of the network as required by the EU Road Infrastructure Safety Directive.

I would like to thank our Minister for Transport, Tourism and Sport, Mr Leo Varadkar TD, the Department of Transport, Tourism and Sport, my fellow Board Members and, in particular, our former Chairman, Mr Peter Malone, for his dedication and support over the years. I would also like to welcome our new Chairman, Mr Cormac O'Rourke, on behalf of the Authority.

It is important to recognise the Authority's close working relationship with the local authorities, which is central in our ability to maintain and improve the national roads network. I would also like to acknowledge and thank the many service providers and contractors who play such a central role in our day-to-day business.



Fred Barry  
*Chief Executive*





“The Authority is responsible for the operation, maintenance, renewal and improvement of a diverse set of road assets that together make up the national road network”.

# Chapter 1

## Network Operations and Maintenance

### National Road Network

The Authority's direct role in the operation and maintenance of the national road network has increased progressively over the years since the Authority was created under the terms of the Roads Act, 1993. This evolution of role has been most pronounced in recent years, with the completion of the major interurban motorway network and the requirement to manage highly complex pieces of road infrastructure.

The Authority is responsible for the operation, maintenance, renewal and improvement of a diverse set of road assets that together make up the national road network. At one extreme it comprises modern, recently constructed motorways consisting of well-designed, fully defined road pavements, bridge structures and other elements, conforming to the latest design standards. At the other extreme we have the low-volume legacy routes, most particularly our coastal national secondary routes, which have evolved over time and which do not uniformly conform to modern standards, in terms of alignment, cross section or pavement structure. In essence, the Authority manages two distinct and disparate networks and increasingly we are required to adopt distinct yet compatible approaches to the management of these networks.

The core assets on the network are our pavements and bridge structures, and these represent approximately 90% of the asset value of approximately €31 million. In addition, we also manage a range of other assets including:

- Road Markings;
- Road Signage;
- Safety barriers;
- Winter weather stations;
- Intelligent Transport Systems equipment such as Variable Message Signs, CCTV cameras and traffic counters;
- Fences and noise barriers;
- Culverts and underpasses;
- Drainage systems;
- Lines and delineation;
- Safety barriers.

The evolution of the Authority's role mirrors the transition experienced by other road administrations as their focus moved from predominantly one of delivering the development of new road networks to one principally focused on the management, maintenance and operation of their networks.



## National Motorway Network

Motorway operation and maintenance works are typically carried out in an environment of high-speed and high-volume traffic; it is challenging and requires specialist skills. The Authority and local authorities reached an agreement in 2012 that the Authority assume direct responsibility for all maintenance, renewal and operational activities on the motorway network from 2013.

The country has been divided into three regions for operational purposes, and a separate multi-year contract is being let for each region. The intention is that all of the motorway network—PPP and non-PPP—will be managed to a consistent, cost-effective standard.

The Authority is developing some depots for the contractors, but otherwise the contractors will supply their own equipment and facilities to assist in maintaining the motorway network.

## Maintenance

Management and maintenance of the motorway/dual carriageway network will be undertaken by contractors procured directly by the Authority in 2013. It is important to note that direct responsibility for the maintenance on the remainder of the network will remain with the individual local authorities.

The prime objectives in maintaining the national road network are to:

- ensure a continuous service to the various road users;
- ensure the road is kept in a safe condition consistent with the expected properties for the category of road;
- preserve the capital asset value of the network.

## Regional and Local Roads Programme

The Department of Transport, Tourism and Sport (DTTS) and the Authority entered into an agreement in September 2009 at the request of the Minister whereby the Authority would undertake certain key management and administration duties to assist them in running the administration of the regional and local road programme. The level of investment planned by the DTTS for 2013 is €344 million. This is generally spent on maintenance and rehabilitation works, together with some capital investment in new schemes, where warranted.

The principal areas in which the Authority is involved are as follows:

- Management and administration of the annual grants and payments system;
- Monitoring financial progress during the course of the year
- Making payments to the local authorities;
- Meeting with local authorities to monitor the progress on their works programmes and carry out routine inspections of schemes on the ground;
- Providing technical assistance to the local authorities and assisting them, where possible, in the development of strategic and other major specific improvement schemes;
- Issuing circulars or technical memoranda to the local authorities as required.

In addition, in 2011, the Authority commissioned a new pavement condition survey for all of the regional roads in Ireland. Approximately 13,000 km of regional roads were inspected using road surface profile vehicles and extensive road condition data was collected in the form of International Roughness Index (IRI), Mean Profile Depth, Rut Depth, Scrim Coefficient, video data, and a new visual rating system (PCI).



All of this data has now been made available to the local authorities to assist them in selecting and prioritising works for their various works programmes. The Authority has also provided them with thematic mapping in the form of IRI and PCI values.

The Authority will assist the local authorities in using this data, where required. It is not intended to carry out any further non-national road studies in 2013, as there is sufficient data available now to plan works programmes for the regional road network.

### Motorway Traffic Control Centre

Monitoring the network and communicating to the road user is a vital part of day-to-day network operations and it is now a requirement set by the EU.

Directive 2010/40/EU sets out objectives for the deployment and use of Intelligent Transport Systems (ITS) within the European Union. It sets out a number of priority actions in respect of ITS deployment and Article 6 sets a deadline of 27 February 2013 for the adoption of specifications for one or more of these priority actions.

The Authority delivered ahead of this deadline specifically in two key areas:

- data and procedures for the provision, where possible, of road safety related minimum universal traffic information free of charge to users;
- the provision of information services for safe and secure parking places for trucks and commercial vehicles.

The Authority's Motorway Traffic Control Centre (MTCC), located at the Dublin Port Tunnel, commenced operations in 2011. Its primary role is to monitor traffic movements and notify road users, via Variable Message Signs (VMS) and email alerts, of events that may impact them, thus enabling drivers to make appropriate travel decisions.

The Traffic Control Centre also works directly with the relevant local authorities, PPP Operators, the soon to be announced Motorway Maintenance and Renewals Contractors and all other relevant stakeholders in the event of a serious disruption on the network. The MTCC monitors traffic on the M50 and the immediate radial approaches from the national road network, as well as the Dublin Port Tunnel and Jack Lynch Tunnel using its CCTV system. During 2013 there will be continued systems improvements that will increase coverage on the M50 and along the radial approaches.

In addition to traffic monitoring, the Traffic Control Centre managed calls from over 1,200 Emergency Response Telephones (ERT). Typically over 200 emergency calls are received each month from road users, seeking assistance for various reasons, including reporting a vehicle collision, breakdown, running out of fuel and looking for directions. Every phone on the network is geo-referenced so that the operator can identify the exact location of the phone along the route, including the direction of travel, thereby being in a position to give an accurate location to the individual making the call and, if necessary, recovery or emergency services.

In 2013 the MTCC will be rolling out the Automatic Incident Detection system on the M50. This system will automatically detect queues forming on the motorway and will enable to MTCC to give early warning to road users of incidents ahead. The MTCC will also be expanding the Travel Time information by providing journey time to road users on the M2, M3, M4, M6, M7 and M9.

The equipment utilised includes electronic VMS, CCTV cameras and Automatic Number Plate Recognition (ANPR) cameras. Currently, there are a total of 87 VMS signs, 62 CCTV cameras and 140 ANPR cameras on the network.

For further information on Information Travel Services, please visit the Authority's website at: [www.nratraffic.ie](http://www.nratraffic.ie).

## An Garda Síochána

There is a significant amount of cross-over between the activities of Authority and those of An Garda Síochána. These areas include traffic management, incident and emergency management, and speed limits.

Over the past number of years the Authority has developed a Diversion Route mapping system for the major interurban routes and is also working on developing national guidance documentation for dealing with incidents on the high-speed motorway and dual carriageway network.

The setting up of the MTCC and the provision of significant levels of Intelligent Transport Systems Infrastructure, including VMS and ERT, has allowed the Authority to be more proactive in terms of providing support and assistance to the activities of An Garda Síochána on the busier sections of the national road network.

## Road Safety

**The Authority has been requested to take on additional responsibilities through the transposition of the EU directive on Road Infrastructure Safety Management.**

The directive was transposed into Irish law in 2011. Many elements of this directive have been part of the road safety landscape in Ireland for many years now. These existing standards, along with new standards which were developed to facilitate the implementation of directive, are contained in a document called Road Safety Management Procedures for National Roads in Ireland, which was submitted to the EU in May 2012. It contains standards for the following areas:

- HD 15/12 Network Safety Management
- HD 16/12 Temporary Safety Measures Inspection
- HD 17/12 Road Safety Inspection
- HD 18/12 Road Safety Impact Assessment
- HD 19/12 Road Safety Audit

These documents cover the procedures for management of road safety on the road infrastructure in Ireland on national roads. They describe the roles and responsibilities of those engaged in the management of road safety and outline the procedures to be followed to address the requirements of the directive.

It is anticipated that the first round of road safety inspections, in compliance with the directive, will be completed by the end of 2013. The recommendations that flow from these inspections will form the basis for engineering works programmes in the years that follow.

Under the Road Traffic Acts, the Authority is also responsible for the approval of speed limit alterations on the national road network.

The Authority is currently part of a Speed Limit Review Group, which along with the Authority consists of An Garda Síochána, the Road Safety Authority, the National Transport Authority, the local authorities and the Automobile Association (AA). This group was put in place, at the request of the Minister, to review speed limits on all national secondary, regional and local roads.

The terms of reference of the Group are to examine the whole issue of the setting and signing of speed limits in the country. This is to include a review of the legislative framework which governs speed limits, the appropriateness of the current limits, the signing of these, the achievement of consistency of limits across the country and the publication of a report by the end of 2013.



## Winter Services

The objective of the services is to ensure, as far as reasonably practicable, that strategic national roads can be used in a safe, efficient, economic and sustainable manner throughout the winter period by minimising the hazardous effects of wintry conditions on the network. This is achieved through:

- the central coordination of winter service operations;
- the provision of strategic winter decision-making assistance;
- centralised salt management.

The Authority centrally coordinates winter services to ensure operations are delivered in a consistent and appropriate manner by 34 local authorities nationally. This is achieved by:

- setting standards through the publication of the NRA winter service manual and service plan template;
- receiving and reviewing winter service plans;
- monitoring winter operations carried out by local authorities and motorway maintenance services to ensure consistency;

- providing funding to local authorities for the purchase of approx. 37 salt spreaders and 56 snow-ploughs (bringing total numbers available to 303 and 255 respectively);
- providing funding for ongoing annual winter operations (salt spreading);
- hosting the annual NRA winter service conference.

### **The objectives for the 2013 Winter Services programme are to:**

- complete and formally adopt the NRA winter service manual;
- continue to carry out winter service plan reviews with local authorities and monitor ongoing operations to ensure appropriate levels of service are delivered;
- introduce the Motorway Maintenance and Renewals Contract of which winter service on dual carriageway and motorway sections is a central component;
- continue to fund annual winter operations in local authorities;
- continue to host the annual winter service conference.



“Significant progress has been made on upgrading the network in recent years, but much of the legacy network is still sub-standard and requires improvement.”

# Chapter 2

## Network Improvements

**The national road network consists of 5,413 km of public road ranging from single-carriageway rural roads to motorway. Significant progress has been made on upgrading the network in recent years, but much of the legacy network is still sub-standard and requires improvement.**

### Major Schemes

The status of on-going network improvement schemes is as follows...

#### Two Major Schemes Completed 2012:

- N5 Longford Bypass
- N52 Carricksbridge to Dalystown

#### Five Major schemes Under Construction 2012:

- N3 Belturbet bypass
- N4 The Downs Grade Separation
- N5 Ballaghaderreen Bypass
- N40 Cork Southern Ring Road Junctions
- N22/69 Tralee Bypass

#### Expected Major Schemes Starts 2013:

- N11 Newlands Cross and Arklow–Rathnew scheme is at an advanced stage of procurement, and financial close is expected in 2013.
- N17/18 Gort to Tuam scheme is well advanced in procurement, with a preferred tenderer in place, but is subject to funding.

#### Major Schemes in Planning:

The number of schemes being actively planned has diminished significantly in recent years, nonetheless there is still a significant level of activity underway. The following is a list of major schemes in planning.

- N22 Ballyvourney to Macroom Bypass
- N4 Colloney to Castlebaldwin
- N5 Westport to Turlough
- N6 Galway City Outer Bypass
- N7/25 Dunkettle Interchange
- N7 Naas/Newbridge
- N14 Letterkenny to Lifford
- N14/15 to A5 Link
- N56 Mountcharles to Inver
- N56 Dungloe to Glenties
- N59 Moycullen Bypass
- N59 Clifden to Oughterard
- N5/26/58 Turlough to Bohola
- N59 Westport to Mulranny
- N86 Listowel Bypass
- N69 Tralee to An Daingean



## Minor Schemes

There are 33 minor schemes in construction at present, with a combined scheme value of approximately €100 million. The majority of these schemes will be completed in 2013.

There are an additional 30 minor schemes for which planning and design will be advanced, and in many cases completed, in 2013 so as to have a programme of minor schemes available to construct as funding allows.

## Geographic Information Systems (GIS)

GIS technology has been utilised by the Authority for over a decade in the presentation and analysis of various forms of data. In recent years, demand for and usage of GIS capabilities have increased significantly, in particular as a consequence of the introduction of new asset management and other systems. Increasingly, we need to disseminate, receive and present information in a spatial fashion.

In particular the implementation of the new Pavement Management System and the rollout of the Motorway Maintenance and Renewals contracts will place increasing demands on our GIS resources.

Over recent years our GIS systems have supported a range of different activities within the Authority and in 2013 it will continue to support a range of activities across the organisation as well as undertaking a number of initiatives focusing on network improvements.

## Pavement

Pavement ages and deteriorates due to repeated traffic-loading and exposure to fluctuations in temperature and moisture content; they can exhibit a number of functional and structural distresses as a result. These include:

- wheel track rutting;
- increasing roughness;
- cracking;
- loss of skid resistance.

The Authority undertakes annual condition surveys of the network. The surveys involve measuring and recording the condition the full national road network using specialised vehicles that carry sophisticated laser, video and geo-referencing devices. Measurements taken include the road profile (transversely and longitudinally), rutting, cracking and other deterioration characteristic.

In 2013 the Authority will undertake Ground Penetrating Radar surveys for better fingerprinting of the pavement structure of our older legacy roads, in order to improve modelling of their condition and predict future overlay/maintenance requirements.

## Structures

The national road network has approximately 2,500 bridge structures. Significant differences arise in the characteristics of bridges on the historical road network versus the modern motorway network.

The primary difference is that the historical network is mostly made up of arch bridges, whilst no arch bridges exist on the motorway network. As a result the historical arch bridge network needs additional monitoring and continual inspection.

All of our modern bridges, constructed since 1980, are designed to modern standards and can cater for vehicle loads well in excess of those prescribed in the current EU standards. For older structures the load-carrying capacity has to be assessed on the basis of mathematical modelling of the structure.

For certain structures, drawings and other records may be available to assist in the structural analysis; however, such structures are very much in the minority. For the majority of older structures, the analysis has to rely on field measurements and data gleaned from site investigations. Consequently, it is necessary to implement a management and monitoring regime for those bridge structures that are assessed as being 'provisionally' not modern-standard. The Authority implements a management process for those structures involving continual monitoring, increased principal inspection frequency and, where required, replacement with new bridge structures.

In March 2012 the Authority established a new Framework Agreement for consultancy services involving principal inspections and inventory gathering of all regional road bridges and selected local road bridges. This framework will run for approximately three to four years. The inventories generated from this initiative will mean that there will be a single system for determining bridge asset condition and a standard form of defects categorisation and reporting.

The Authority provides template documents for the tenders, provides training in the use of these standard documents, and manages the programme at central level. Fourteen contracts were awarded in 2012, some of which will continue into 2013. It is also hoped to issue a further ten tenders in 2013, but this will depend on funding.

## Tunnels

The national roads network contains three significant regional tunnels: the Jack Lynch Tunnel in Cork, the Limerick Tunnel and the Dublin Port Tunnel. All are important pieces of infrastructure in their respective locations, providing improved access to and from regional urban centres.

In 2012 the Jack Lynch Tunnel was provided with additional safety upgrades in order to update the systems and equipment to levels in line with Dublin Port Tunnel and the Limerick Tunnel. Principally, this involved the installation of fire resistant tiles that will protect the tunnel structure in the event of a serious fire.

The following infrastructure improvements are underway at the Jack Lynch Tunnel and will be completed in 2013:

- tunnel network upgrade;
- replacement of emergency telephones;
- completion of fire proof lining installation;
- replacement of tunnel control
- procurement of tunnel Public Address System;
- procurement of Automatic Incident Detection System;
- installation of traffic barriers at tunnel portals.

The responsibility for the operation and maintenance of the Limerick Tunnel resides with the PPP company Direct Route. Monitoring of their performance will continue to be carried out by the Networks Operations Section in accordance with protocols developed from the requirements of the PPP contract. The Limerick Tunnel is fully compliant with the European Tunnel Directive.

The Dublin Port Tunnel continues to provide an important service by removing a significant amount of Heavy Goods Vehicles (HGVs) from Dublin City Centre and allowing direct access to the motorway network. The tunnel also provides passenger vehicles with an additional access point to and from the city centre.

There were a total of 5.3 million journeys through the tunnel in 2012, which is evenly split between HGVs and passenger vehicles.

## Signage and Delineation

Over the past number of years the Authority has been working steadily on the implementation of the Network Re-signing Programme. This programme was put in place following a decision of the Authority's Board to review all of the directional signage across the entire national road network and to bring it up to the consistent high-quality standard required of a safe and efficient modern road network. The programme also includes the adoption of the new signage standards and layouts set out in the revised Traffic Signs Manual. The programme is currently nearing completion with works being carried out on some of the more rural sections of national secondary routes. The following map shows the present status of the Network Re-signing Programme across the network.

In addition to undertaking signs maintenance and rehabilitation, the sign refurbishment contractors are required to update the Authority's database of Road Traffic Signs. It is the intention of the Authority to incorporate the current database into a fully comprehensive asset management system once appropriate funding is available.







“The Authority has developed a suite of documents to provide the framework within which the Irish road network is planned, designed, constructed and maintained.”

# Chapter 3

## Research and Speciality Services

### Research and Standards

In April 2012 the activities of the Research and Standards Sections were brought under single management within the Network Management division of the Authority. This move recognises the close links between these activities and their importance in the overall management of the national road network.

As a result, the Authority has developed a suite of documents to provide the framework within which the Irish road network is planned, designed, constructed and maintained. These documents provide the standards which are contained in the Design Manual for Road and Bridges (DMRB) and the specifications contained in the Manual of Contract Documents for Roadworks (MDCRW). These are collectively known as the NRA DMRB.

To support the Authority in the maintenance of these standards and the development of new standards, where appropriate, the Authority has commissioned an ongoing consultancy service to provide technical advice and guidance to the Authority on the content of the documents. The purpose of this commission is to ensure that our standards are in compliance with national and EU legislation, are technically up-to-date and are aligned with international best practice.

In parallel with our standards and specifications, the Authority has also developed a research strategy to ensure that all research activities are carried out in a coordinated way.

The aim of the strategy is to promote practical measures that will contribute to reducing costs, enhancing quality and encouraging innovation with regard to the Authority's functions. The 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. This longer-term research is vital as road infrastructure is a valuable asset with a very long service life. Effective management requires looking well ahead at potential advancements in order to anticipate and exploit technological developments in good time so that they can be implemented through our standards and specifications.

The Authority's research strategy covers the general areas of expertise of the organisation including planning, construction, maintenance and operations and is based around a number of broad policy themes aimed at better efficiency, sustainability and safety. These are:

- materials;
- standards and specifications;
- environment and sustainable construction;
- safety;
- value for money;
- transportation and land use;
- heritage.

The Research Programme is developed on an annual basis in response to current research needs as identified by individual staff members and other stakeholders. The programme is closely aligned to the Authority's overall strategic goals as outlined in the 2007 Statement of Strategy. The annual Research Programme reflects changes in priorities and new areas of interest as the function of the Authority evolves. A key element of each research project is the development of an implementation plan to ensure that the research results are disseminated and implemented in a practical and timely way. Once identified, the individual research projects are generally procured using an open competitive tendering process to ensure value for money. In a small number of cases, research is commissioned directly from organisations with a particular area of expertise; however, this only occurs in exceptional circumstances.

There are currently over 30 active research projects covering all aspects of road engineering. These projects cater for our short-term business needs as well as longer-term requirements. There have been 42 separate research projects commissioned under this programme. A summary of our research programme and a description of current projects are available on our website at: [www.nra.ie/Research](http://www.nra.ie/Research).



## National Transport Model

The Authority continues to maintain and develop the National Traffic Model (produced in 2008) and the National Transport Model (NTpM) (produced in 2011). In 2013 the models will be moved from their current 2006 base year to a 2011 base year taking account of 2011 Census data, available since the end of 2012, and official forecasts for demographics, economic prospects and land-use. The Authority will roll-out an emissions module of the NTpM in 2013 for appraisal purposes and for producing zonal and national data on transport emissions. The Authority will continue to undertake tolling studies as required; these rely on the NTpM as an essential appraisal and financial assessment tool.

Transport modelling is undertaken through Authority's transport modelling team, or through consultants engaged for specific projects. The Authority provides technical and training support for staff and consultants in the use and application of the model.



In 2012 we provided a facility for accessing the NTpM by public bodies (or their consultants), including the provision of a dedicated workstation in our offices for visiting transport modellers to use our models.

We anticipate that public bodies in the transport area will request information from the NTpM and we have the facilities to meet such requests.

In 2013 we will compile key transport indicators (i.e. statistics and information relating to national roads), including current year data and forecast year (2025) data, making use of Authority databases, traffic counters and analysis from the NTpM.

The will result in the publication of a National Roads Status Report for 2013, with similar reports being produced annually thereafter.

Noise maps were completed by the Authority's Environmental Unit in 2012 and in 2013 the focus is to assist the local authorities with the development of Noise Action Plans in 2013. The model is used in this important work to model traffic flows for selected road links



## Project Appraisal Guidelines

The Project Appraisal Guidelines (PAG) guide appraisal teams through the process of preparing the necessary documentation to support decision-makers, ensuring that the best choices are made and the best value for money is obtained on all national road projects.

The preparation of Project Appraisal outputs requires a disciplined approach which ensures that all projects are appraised in a consistent and robust manner. The PAG reflect guidance set out in the Department of Transport Common Appraisal Framework (June 2009) and the National Roads Authority Project Management Guidelines.

The current issue of the guidelines has been structured into a series of 'PAG Units' which provide guidance and advice on various aspects of scheme modelling, appraisal and reporting. PAG Units are available to view or download from our website at: [www.nra.ie/Publications/ProjectAppraisal](http://www.nra.ie/Publications/ProjectAppraisal).



## Land Use Planning

The Authority has a statutory role in planning matters and certain planning applications are referred to the Authority in circumstances as set out in the Planning and Development Regulations.

The Authority also has a role in relation to local authority development plans, strategic development zones and similar strategic infrastructure plans.

The Minister for Environment, Community and Local Government published statutory planning guidelines for local authorities on Spatial Planning and National Roads in 2012. The statutory planning guidelines on Spatial Planning and National Roads set out planning policy considerations relating to development affecting national roads. The guidelines highlight the need for early engagement and dialogue between the Authority and planning authorities in respect of devising appropriate policies and objectives for managing development within the broader context of the national road network and functions.

The Authority has significant responsibilities in relation to Planning, quite apart from the requirement to obtain statutory approval for any schemes we might be developing. The Authority also has input into national policy, review of local authority county and local development plans as a statutory consultee, and review of individual planning applications that may impact the national road network.

The Authority provides a consultancy services to internal and external stakeholders with respect to the interface between the operation of the land use planning system and the requirements of the national road network. This involves input into and support of policy formulation:

- on land use planning related to strategic planning, road safety, signage, speed limits applications, project management, project appraisal, service areas, environmental impact, design standards and traffic and transport assessment and co-ordination of policy outputs via the Planning & Development Management Review Group;

- on land use and transportation issues with external bodies such as the Department of Environment, Community and Local Government, the DTTS, Regional Authorities, the National Transport Authority and all planning and regional authorities throughout Ireland.

In addition, the Authority receives and assesses planning application proposals under other sections of the Planning Acts such as Strategic Infrastructure Development, State and Local Authority Developments, and Sign licensing.

## Archaeology

In 2012 the NRA successfully completed numerous archaeological projects on national road schemes to the satisfaction of the statutory authorities. These included archaeological assessments, managing the archaeological elements of Environmental Impact Statements, procuring archaeological contractors and managing site works. Schemes included major and minor projects, safety schemes, bridge schemes and motorway maintenance depots. In addition to procuring and managing external contractors and consultants there has been a significant increase in the number of archaeological investigations being carried out directly by NRA archaeologists.

The significant progress in the completion and delivery of archaeological excavation reports achieved in recent years continued through 2012. Furthermore these archaeological reports are becoming an important resource not only for researchers in Ireland and abroad, but also for development projects unrelated to road construction, as they provide essential baseline data. In 2012 Authority archaeologists also provided archaeological consultancy services to a number of local authorities for non-national road projects.

Throughout the year there was continued dissemination of the archaeological results from national road schemes, at both regional and national level.

This included lectures and seminars and the publication of three archaeology books and the seventh edition of Seanda, the NRA Archaeology Magazine.

One of the key events in 2012 was the Authority's National Archaeology Seminar, which was held at the Wood Quay Venue, Dublin Civic Offices, and represented the Authority's contribution to Dublin City of Science 2012. As always this event was well attended and was followed by the launch by Professor Charlotte Damm, NUI Galway, of Encounters between Peoples—the proceedings of the 2011 National Archaeology Seminar.

Two new archaeology books were published in the NRA Scheme Monographs series in 2012: *Borderlands*, describing archaeological investigations on the route of the M18 Gort to Crusheen road scheme, and *Beneath the Banner*, which details the results of excavations on the M18 Ennis Bypass and N85 Western Relief Road, Co. Clare. These volumes were respectively the ninth and tenth monographs in the series. In addition the NRA and Westmeath County Council co-published *Settlement and Community in the Fir Tulach Kingdom*, which describes the results of three significant archaeological excavations on N52 Mullingar Belvedere Scheme and the M6 Kinnegad to Athlone Scheme.

The Authority has also produced updated palaeoenvironmental guidelines for archaeologists working on national road schemes. The new guidelines incorporate the results of doctoral research undertaken by Ellen O'Carroll, Department of Botany, Trinity College Dublin, whose research was funded and supported through the NRA Fellowship Programme.

Multiple service providers have requested access for survey in advance of installation of broadband infrastructure on selected routes in 2012.

## Tolling

The Authority is directly responsible for two tolling operations: eFlow M50 (all electronic tolling system) and the Dublin Port Tunnel toll facility. There are eight additional tolling operations located throughout the network which are operated by private companies. In addition the Authority provides and manages the systems and infrastructure allowing for national tolling interoperability, which enables electronic tags from different companies to be used on all toll roads nationwide. In 2012 the interoperability system managed approximately 35 million transactions.

Interoperability between toll plazas and electronic tag providers was introduced as part of the PPP toll road programme, so that the public need only one tag to use any road toll, and users receive a single consolidated bill even though they may owe money to several toll operators. The EU is seeking to extend a similar interoperable arrangement to road users across Europe and there is a concerted effort from the EU Commission to make real progress in advancing this concept. As the existing interoperability service provider contract will expire in 2013 the Authority commenced a procurement competition in 2012 for a new provider, with the additional functionality to support the Commission's objectives.

eFlow is located on the M50 (between Junctions 6 and 7). It is an all electronic tolling system that replaced the Westlink toll barrier system in 2008. This system has unlocked significant economic and environmental benefits—improving journey times, reducing congestion, lowering emissions and allowing for cost savings on transport costs along the M50 corridor.

There has been continued growth in traffic during 2012, with a daily average of 110,000 vehicles using the tolled section of the M50 motorway.

This equates to an average of approximately 3.35 million tolling transactions per month (40.4 m in 2012) and represents an increase of approximately 2% over 2011 traffic levels.

Registered customers (i.e. tag or video customer) continue to grow with approx. 80% of transactions relating to this customer base. For unregistered passages customers have a variety of payment options available to them: online payment, through eFlow's contact centre (Abtran) and through the Payzone affiliated retail network.

The Dublin Port Tunnel continues to provide an important service by removing a significant amount of HGVs from Dublin City Centre and allowing them direct access to the motorway network. Also the Tunnel provides passenger vehicles with an additional access point to and from the city centre. There were more than five million journeys through the Dublin Tunnel during 2012, which were split 45% HGV's and 55% buses and passenger vehicles.

HGVs/buses are toll free while a toll charge is applicable for other vehicles of €3 (non-peak periods) and €10 (peak periods: 06:00 to 10:00 southbound and 16:00 to 19:00 northbound, weekdays, excluding public holidays). These tolls are unchanged since 1 January 2010 and will not be altered during 2013.

## Environment

The Authority continues to augment its comprehensive suite of design, construction and operational guidelines to ensure appropriate understanding and response to the many environmental challenges involved in constructing and operating the national road network. Considerable research continues to be undertaken to assess the effectiveness of environmental mitigation measures taken in the past, in order to ensure more optimised solutions are integrated into future road designs.



The outcome of post-EIA (Environmental Impact Assessment) bat research studies completed in 2012 builds a stronger scientific evidence base to the selection of bat mitigation measures for all road managers and ecological consultants, specifically in the Irish context. It has also proven to be of broad interest to an international audience. The findings will be used to augment the guidelines for the selection, design and management of effective bat mitigation measures contained in the Authority's Environmental Assessment and Construction Guidelines. This will ensure that any mitigation measures provided on future road schemes are warranted and, more importantly, that they will be effective at minimising impacts on bat populations.

In 2012 the Authority developed a flood risk protocol for the assessment, management and mitigation of flood risks to the national road network. This work included the development of a comprehensive series of layered GeoPDF flood maps for the network.

Research looking at the development of a test method for assessing the acoustic performance of roadside noise barriers was successfully concluded in 2012. The objective of this work was to produce a simplified test method to assess the ability of in situ noise barriers to mitigate road traffic noise. The outcome of the work has also resulted in the development of a new good practice guide for the design of roadside noise barriers.

Research addressing the construction and operational impacts at sensitive river crossings on national road schemes was also completed in 2012. The environmental impacts of a range of construction techniques were investigated and the overall conclusion of the work clearly identified that the construction of clear span structures does not result in any long-term impacts on sensitive watercourses. The findings of this work will be used to update the Authority's current watercourse crossing guidelines.

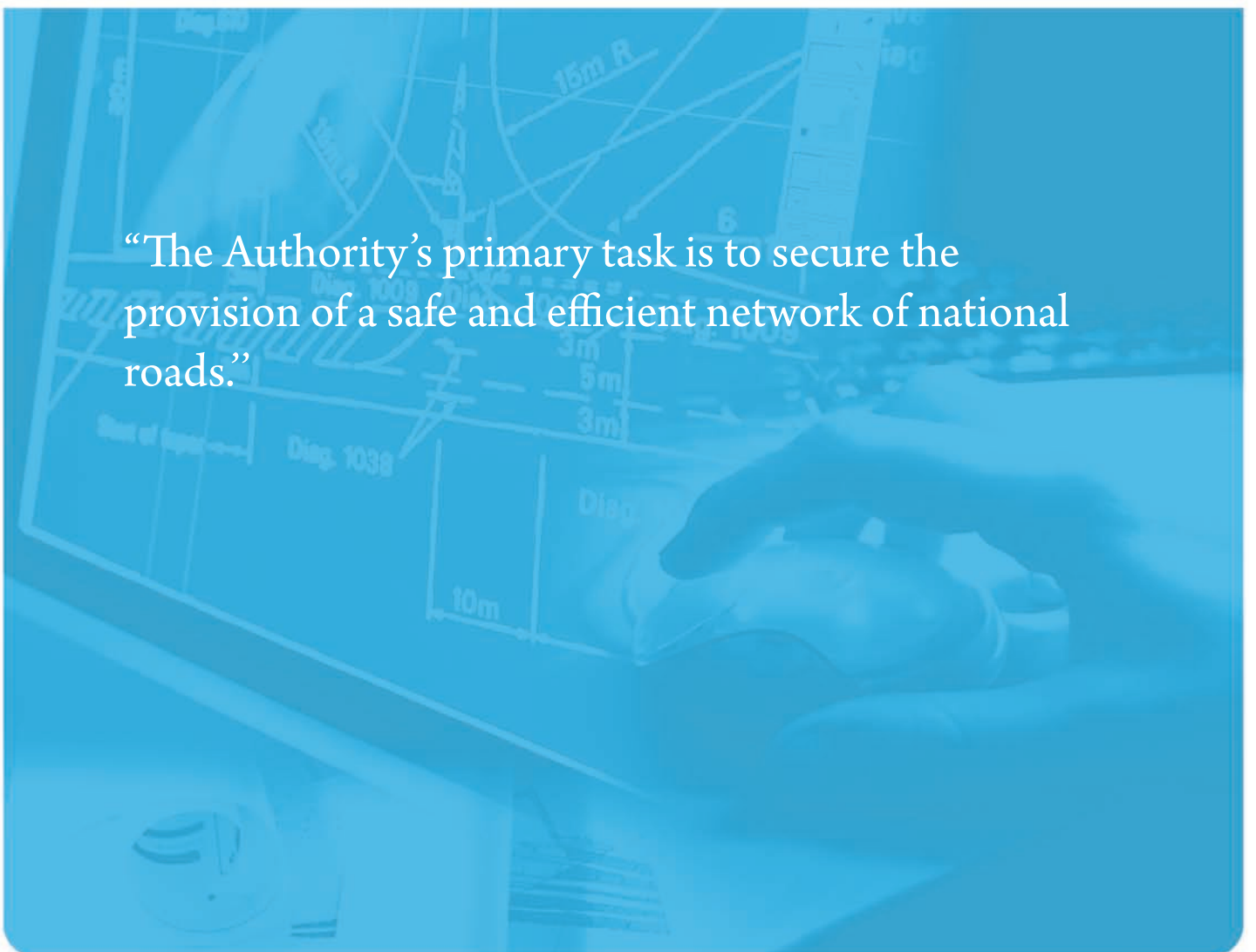
As required by the 2006 Environmental Noise Regulations (S.I. No. 140 of 2006), the Authority successfully completed the preparation of strategic noise maps for all major roads exceeding 8,250 vehicles annual average daily traffic (AADT), this equated to 3,600 km of the national road network. These maps were delivered to the Environmental Protection Agency (EPA), the agency responsible for the implementation of the Regulations. The EPA is currently in the process of combining maps from the various designated agencies and all final integrated maps will be initially reported to the European Environment Agency and then made available to the public.

In 2013 it is anticipated that the Authority will liaise with local authorities to participate in the preparation of noise action plans, which have to be completed by July 2013. In addition to this noise action planning role, the Authority will continue to work on post-EIA evaluation studies in 2013, with a particular focus on producing summary reports on in situ testing of noise barriers, drainage and ecological mitigation measures. The Authority will oversee the development of a transnational noise research programme on behalf of the Conference of the European Directors for Roads. In addition, it will also audit the design and construction of new schemes to ensure compliance with current environmental policies and commitments.

As regards sustainable development, the Authority participates in four European-wide research projects addressing areas such as energy efficient road pavement systems and CO<sub>2</sub> emissions and EIA life cycle analysis. The outcome of this research will be made available in 2014.



“The Authority’s primary task is to secure the provision of a safe and efficient network of national roads.”



# Chapter 4

## About the National Roads Authority

### Establishment and Mandate

The National Roads Authority was formally established as an independent public body under the Roads Act, 1993. Our primary task is to secure the provision of a safe and efficient network of national roads (the specific functions of the Authority are set out in Section 19 of the Act, as amended by the Roads Act, 2007). National road design, construction and maintenance works are generally carried out by local authorities on behalf of the Authority.

Members of the Authority's Board are appointed by the Minister for Transport, Tourism and Sport, having regard to their experience and competence in relevant areas including roads, transport, industrial, commercial, financial or environmental matters.

### Customer Service

The Authority is committed to providing a professional, efficient and courteous service to all our customers. Our Customer Charter and Customer Action Plan set out details of the standards and level of service our customers can expect in their dealings with the Authority. Copies of the documents concerned may be obtained online at: [www.nra.ie](http://www.nra.ie).

### Irish Language

The Authority is fully committed to meeting the requirements of the Official Languages Act, 2003, and published a Policy Statement on the Use of the Irish Language in January 2010, which is available to view/download on the Authority's website at: [www.nra.ie/publications](http://www.nra.ie/publications). The policy statement builds on the principles of quality customer service and on the commitment made in our Customer Charter to ensure that customers who wish to conduct their business with us through the medium of the Irish language can do so.

### Accessibility

The Authority has an Access Committee in place tasked with ensuring that the requirements of the Disability Act, 2005 are fully observed. The Committee has worked actively since its establishment in 2008 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 NRA website to be fully compliant with W3C WAI-AA standards, which ensure 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.

## Energy Efficiency Reporting by Public Sector Bodies

As part of a comprehensive review of energy usage by the public sector the Department of Communications, Energy and Natural Resources and the Sustainable Energy Authority of Ireland (SEAI) have requested that energy usage be reported in the following recommended format and that actions taken, as well as planned actions, toward greater energy efficiencies be included in annual reports. The following information provides a detailed breakdown of the Authority's compliance with this request.

### National Roads Authority 2011 Energy Consumption (kWh)

<b>Electricity:</b>	<b>290,726</b>
<b>Heating (Oil &amp; Natural Gas):</b>	<b>435,156</b>
<b>Total:</b>	<b>725, 882</b>

### Actions undertaken in 2012

- The Authority has an Energy Committee in place to continue to identify and implement energy-saving initiatives.
- The Authority's Energy Awareness Campaign continues with use of an energy mascot, posters on energy-saving tips placed around the offices along with the circulation of a series of Energy emails containing energy-saving tips for work and in the home.
- The Energy Committee ran a competition associated with the Energy emails to highlight awareness of the requirement to save energy.
- The Authority continues to update the Register of Opportunities for energy-saving as recommended by the SEAI.
- An Energy Co-ordinator is in place who attended an SEAI training workshop on the energy reporting process in October this year.

- The Authority has its Energy Policy on display in Authority premises.

### Actions planned for 2013

- Continue with Energy Awareness programme
- Continue to implement recommendations from SEAI review, as appropriate.
- Designate an Energy Saver on each floor to ensure lights, air conditioning units, fans, etc., are switched off at the end of each working day.
- Computer-generated reminder to switch off (estimated saving 3,250 kWh)
- Register of Opportunities will continue to be updated and ideas implemented as appropriate.

### Corporate Governance

The revised Code of Practice for the Governance of State Bodies issued by the Department of Finance takes account of changes in legislation and administrative guidelines that have implications for the governance framework of State Bodies. The Code of Practice comprises the systems, structures and processes in an organisation concerning decision-making, accountability, controls and behaviour in the organisation. The Authority is specifically required, by its founding legislation, to act in accordance with policies stipulated by Government. It is also required to act in accordance with a range of legislative and other requirements which apply to it in the context of its various roles, including those of employer, statutory authority and provider of services. In this connection, the Authority must confirm to the Minister for Transport, Tourism and Sport that it is fully compliant with the provisions of the revised Code of Practice.

The Board of the Authority approved the revised Code of Practice for the Governance of the Authority in March 2011.

The annual review of the Code was approved by the Board in December 2012.

## Risk Management

The Authority carries out risk management in accordance with governance and accountability standards appropriate to State Agencies. The risk management policies and plans of the Authority are regularly updated.

## Prompt Payment Returns

The Government have extended their commitment to pay suppliers within 15 days of receipt of a valid invoice to State Agencies. Every effort, consistent with proper financial procedures, is being made by the Authority to ensure that payments are made within this timeframe.

Details of our payment record for 2012 are set out below:

Details	No. of Payments	Value (€)	% of Total Payments Made
Total payments made in 2012	1,884	332,563,615	100%
Number of payments made within 15 days	1,635	291,124,919	88%
Number of payments made between 16 and 30 days	246	40,909,608	12%
Number of payments made in excess of 30 days	3	529,088	0%

### Attendance of the NRA Board Members at Board Meetings in 2012 Board Met on eleven occasions

Board Member Eligible to Attend	No. of Meetings Attended	No. of Meetings	Comment
Peter Malone (Chairman)	11	11	<i>Resigned 31 December 2012</i>
Fred Barry (CEO)	11	11	
Clifford Kelly	7	6	<i>Term finished 13 July 2012</i>
Anne Butler	9	8	<i>Term finished 31 October 2012</i>
Margaret O'Mahony	9	4	<i>Term finished 31 October 2012</i>
Jacqueline Cross	11	9	
Robert Rowan	11	9	
James Donlon	8	6	<i>Term finished 7 October 2012</i>
David O'Connor	11	9	
Declan J Walsh	11	9	
Gary Comiskey	4	3	<i>Appointed to Board 7 September 2012</i>
Cormac O'Rourke (Chairman Designate)	3	2	<i>Appointed to Board 10 October 2012</i>

## FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2012

Report of the Comptroller and Auditor General	29
Statement of Responsibilities of the Authority	30
Statement on Internal Financial Control	31
Accounting Policies	32
Income and Expenditure Accounts	
• Road Development and Maintenance	34
• Administration	35
Statement of Total Recognised Gains and Losses	36
Balance Sheet	37
Cash Flow Statement	38
Notes to the Financial Statements	39



## Comptroller and Auditor General

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

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#### National Roads Authority

I have audited the financial statements of the National Roads Authority for the year ended 31 December 2012 under the Roads Act 1993. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the road development and maintenance income and expenditure account, the administration income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow 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 in Ireland.

#### Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Authority's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law. My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

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

#### Scope of Audit of the Financial Statements

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

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

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

#### Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2012 and of its income and expenditure for 2012.

In my opinion, proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

#### Change in Accounting Policies

It is planned that the Authority will merge with the Railway Procurement Agency (RPA) following the passage of required legislation. In preparation for this, the Authority has aligned its accounting policies with those of the RPA. In the 2012 financial statements, the Authority restates its 2011 results in line with the new accounting policies.

#### 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
- my audit noted 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 Statement on Internal Financial Control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find 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 September 2013**

## STATEMENT OF RESPONSIBILITIES OF THE AUTHORITY

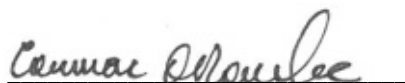
Paragraph 5(2) of the Third Schedule of the Roads Act, 1993, requires the National Roads Authority (the Authority) to prepare financial statements in such form as may be approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform.

In preparing those financial statements, the Authority is required to:

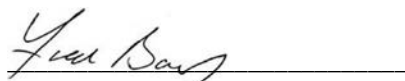
- select suitable accounting policies and then apply them consistently;
- ensure that any judgements and estimates that are made are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial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

The Authority is responsible for keeping proper books of account which disclose with reasonable accuracy, at any time, the financial position of the Authority and which enable it to ensure that the financial statements comply with Paragraph 5 of the Third Schedule of the Act. The Authority is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013



# STATEMENT ON INTERNAL FINANCIAL CONTROL

## Responsibility for System of Internal Financial Control

On behalf of the Board of the Authority, 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.

## Key Control Procedures

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

- adopting a Code of Practice for the Governance of the Authority;
- developing a strong culture of accountability across the organisation;
- 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;
- holding regular Board meetings; and
- establishing an Audit Committee to monitor the activities of the organisation.

A formal risk assessment was undertaken by the Authority to identify the main business risks facing the organisation. A corporate risk register has been prepared and a risk management policy has been approved by the Board.

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

- a comprehensive budgeting system which is reviewed and agreed by the Board;
- 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 including accounting, payroll, expense claims and fixed asset register; and
- a clearly defined policy on procurement.

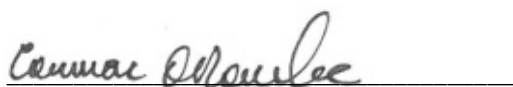
The Authority has an Internal Audit function which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice for the Governance of State Bodies. The work of Internal Audit is informed by analysis of the risk to which the body is exposed. The internal audit plans are devised to cover the key controls on a rolling basis over a reasonable period. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of the Authority.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of Internal Audit; the Audit Committee, which oversees the work of Internal Audit; the Executive Team within the Authority, who have responsibility for the development and maintenance of the financial control framework; and comments made by the Comptroller and Auditor General in his management letter or other reports.

## Annual Review of Controls

I confirm that for the year ended 31 December 2012 the Audit Committee, on behalf of the Board, conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Board



Cormac O'Rourke  
Chairman

26 September 2013

# ACCOUNTING POLICIES

## 1 Basis of Preparation

The financial statements are prepared on an accruals basis except as stated below, under the historical cost convention, and in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland). The financial statements are in the format approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform.

In order to align the Authority's policies with the Railway Procurement Agency as part of the initial steps in merging the organisations (see note 19), the Authority has changed its accounting policies in relation to the recognition of fixed assets, toll income and certain categories of payments to PPP operators. As required by FRS 18, the 2011 comparative figures have been restated.

To present the prior years' results on a comparable basis, the Road Development and Maintenance Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and certain notes to the financial statements for 2011 have been restated to reflect the following changes in accounting policy:

- i) The accounting policy for recording toll income has been changed from a cash receipt basis to an accruals basis thus recognising this income in the financial statements in the year in which it is earned. Interoperability payments which are charged against toll income were previously recognised when paid but are now recognised in the year which they relate to.
- ii) Traffic guarantee payments to PPP operators which were previously recognised when paid are now recognised in the year which they relate to.
- iii) Previously certain capital expenditure incurred was charged to the Income and Expenditure Account in the year of purchase. The accounting policy has now been changed to capitalise such expenditure.

The net effect of the above changes is that the deficit for 2011 has been reduced by €12,569.

## 2 State Grants Income

State Grants reflect the actual amounts received from the Department of Transport, Tourism and Sport in the year.

## 3 Grant Refunds

Grant Refunds reflect the actual amounts recouped from local authorities in the year.

## 4 Toll Income

The Authority recognises toll income due from operators as it is earned. The toll income represents charges levied by toll operators less VAT, amounts not recoverable and interoperability payments. It also includes amounts received in respect of the revenue sharing arrangement under the M4 Kilcock/Kinnegad PPP scheme. Historically the Authority recognised toll income on a cash receipts basis. The effect of the change in accounting policy is an increase of €2.9m in the 2011 comparative toll income figure and an increase of €3.8m in the 2012 toll income figure.

## 5 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.

## 6 Public Private Partnership

The Authority has entered into a number of Public Private Partnership contracts for the construction and / or operation of roads. Under these contracts, the Authority makes payments to the PPP operator in respect of the construction and / or operation of the road. This expenditure is charged to the Income and Expenditure Account (see note 18). Certain contracts also provide for additional payments if traffic volumes fall below specified levels (traffic guarantee payments).

In some cases the Authority may be entitled to a share of the revenue earned by the road operator. This is recognised as toll income.

The Authority recognises all payments to and receipts from PPP operators as they fall due.

Historically the Authority recognised traffic guarantee payments in the Income and Expenditure Account when they were paid. The change in accounting policy required restatement of the 2011 figures. The effect of the change in accounting policy is an increase of €2.9m in the 2011 comparative figure and a decrease of €1.7m in respect of the 2012 figure for Public Private Partnership Scheme Operation expenditure.

## 7 Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis at the rates stated below which are estimated to reduce the assets to their net realisable values at the end of their expected useful lives:

<b>Furniture, Fixtures and Fittings</b>	<b>10%</b>
<b>Equipment (excluding Computer Equipment)</b>	<b>15%</b>
<b>Computer Equipment</b>	<b>25%</b>
<b>Electronic Equipment</b>	<b>10% - 20%</b>
<b>Directional Signage</b>	<b>5%</b>
<b>Safety &amp; Sundry Equipment</b>	<b>10%</b>
<b>Service Areas</b>	<b>3%</b>
<b>Maintenance Depots</b>	<b>3%</b>
<b>M50 eFlow Assets</b>	<b>5% / contract lives</b>

Up until 2012, expenditure in relation to certain capital items was charged to the Income and Expenditure Account in the year in which expenditure was incurred. The Authority has decided (as set out above) to amend this policy and recognise these assets on its Balance Sheet. The expenditure related to the purchase of electronic equipment, directional signs, safety equipment, service area buildings, maintenance depots and M50 eFlow assets. The 2011 comparative figures have been restated.

- The value of fixed assets reported at the end of 2011 has increased by €95.9m
- The 2011 expenditure has been reduced by €28.9m in relation to these categories of assets (charged to expenditure in 2011)
- The capital account at the end of 2011 has increased by €95.9m
- The effect of the change for 2012 is an increase in fixed assets and the capital account of €11.5m

## 8 Stocks

All consumables are written off in the year of purchase.

## 9 Superannuation

The Authority operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the Department of Transport, Tourism and Sport and from contributions deducted from staff salaries.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method. Pension Costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Authority. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department of Transport, Tourism and Sport.

Pension Liabilities represent the present value of future pension payments earned by staff to date. Deferred Pension Funding represents the corresponding asset to be recovered in the future periods from the Department of Transport, Tourism and Sport.

## 10 Capital Account

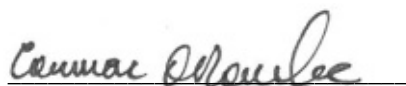
The Capital Account represents the unamortised amount of income used to purchase fixed assets.

**ROAD DEVELOPMENT AND MAINTENANCE  
INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 DECEMBER 2012**

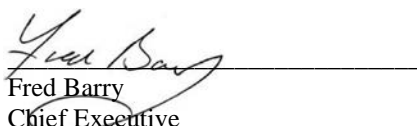
<b>Income</b>		<b>2012</b>	<b>2011</b>
	<b>Note</b>	<b>€</b>	<b>Restated</b>
			<b>€</b>
State Grants:			
National Road Construction and Improvement	1	605,000,000	674,000,000
Regional and Local Road Construction and Improvement	1	281,000,000	343,000,000
National Road Maintenance and Management	1	42,267,000	48,900,000
Regional and Local Road Maintenance and Management	1	96,329,184	109,643,656
Public Private Partnership Operations	1	74,467,000	81,341,624
Grant Refunds	2	2,506,668	3,960,259
Toll Income	3	101,446,561	100,694,521
Sundry Receipts	4(a)	1,053,044	1,798,181
		<hr/>	<hr/>
		1,204,069,457	1,363,338,241
Transfer to Capital Account	5	(16,973,252)	(29,089,468)
		<hr/>	<hr/>
		1,187,096,205	1,334,248,773
		<hr/>	<hr/>
<b>Expenditure</b>			
Road Construction and Improvement	17(a)	776,028,581	849,709,241
Road Maintenance and Management	17(b)	138,833,889	161,195,604
Public Private Partnership and Tolling	18	242,708,594	327,647,482
Deficit on Disposal of Fixed Assets		0	584,997
Depreciation	13	7,764,122	6,247,842
		<hr/>	<hr/>
		1,165,335,186	1,345,385,166
		<hr/>	<hr/>
Surplus / (Deficit) for Year		21,761,019	(11,136,393)
(Deficit) at Beginning of Year as previously stated		(8,380,275)	
Prior Year Adjustment		12,569	
(Deficit) / Surplus at Beginning of Year as restated		(8,367,706)	2,768,687
		<hr/>	<hr/>
Surplus / (Deficit) at End of Year		13,393,313	(8,367,706)
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statement and Notes 1-20 form part of these Financial Statements.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013

# ADMINISTRATION INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2012

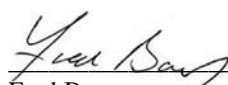
		2012	2011
<b>Income</b>	<b>Note</b>	<b>€</b>	<b>€</b>
State Grants		12,877,000	13,748,000
Net Deferred Funding for Pensions	8(c)	2,898,350	3,375,311
Sundry Receipts	4(b)	127,470	150,725
		<hr/>	<hr/>
		15,902,820	17,274,036
Transfer from Capital Account	5	308,741	296,939
		<hr/>	<hr/>
		16,211,561	17,570,975
		<hr/>	<hr/>
<b>Expenditure</b>			
Salaries and PRSI	6	8,937,932	9,584,294
Pension Costs	8(a)	4,206,264	4,021,534
Travel		497,501	509,917
Other Administration Costs	9	741,558	913,323
Accommodation Costs	10	1,798,937	1,797,693
Depreciation	13	383,781	448,797
Directors' Fees and Expenses	7	51,015	78,504
		<hr/>	<hr/>
		16,616,988	17,354,062
		<hr/>	<hr/>
(Deficit) / Surplus for Year		(405,427)	216,913
Surplus at Beginning of Year		430,850	213,937
		<hr/>	<hr/>
Surplus at End of Year		25,423	430,850
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statement and Notes 1-20 form part of these Financial Statements.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013

# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES YEAR ENDED 31 DECEMBER 2012

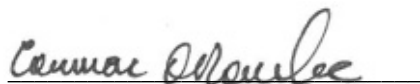
	Note	2012 €	2012 €	2011 € Restated	2011 € Restated
Surplus/(Deficit) for the year					
- Road Development and Maintenance			21,761,019		(11,136,393)
- Administration			(405,427)		216,913
Experience Gains on Pension Scheme Liabilities	8(d)	3,642,350		2,235,311	
Changes in Assumptions Underlying the Present Value of Pension Scheme Liabilities	8(d)	(4,937,000)		(5,208,000)	
Actuarial Loss on Pension Liabilities	8(b)	(1,294,650)		(2,972,689)	
Adjustment to Deferred Pension Funding		1,294,650	0	2,972,689	0
Total Recognised Gain / (Loss) for the Year			21,355,592		(10,919,480)
Prior Year Adjustment			12,569		
Total Recognised Gain since last annual report			21,368,161		

## Movement in Income and Expenditure Accounts

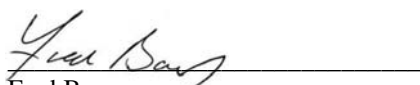
	2012 €	2011 € Restated
Income and Expenditure Accounts at 1 January	(7,936,856)	2,982,624
Total Recognised Gain / (Loss) for the Year	21,355,592	(10,919,480)
Income and Expenditure Accounts at 31 December	13,418,736	(7,936,856)

The Accounting Policies, Cash Flow Statement and Notes 1-20 form part of these Financial Statements.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013

## BALANCE SHEET AS AT 31 DECEMBER 2012

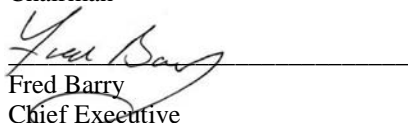
<b>Fixed Assets</b>	<b>Note</b>	<b>2012</b> €	<b>2012</b> €	<b>2011</b> € <b>Restated</b>	<b>2011</b> € <b>Restated</b>
Tangible Assets	13		116,146,062		99,481,551
<b>Current Assets</b>					
Debtors and Prepayments	11	9,881,760		11,922,125	
Cash on Hand and at Bank		28,574,585		3,240,538	
			<u>38,456,345</u>	<u>15,162,663</u>	
<b>Less Current Liabilities</b>					
Creditors and Accruals: Amounts falling due within one year	12	(25,037,609)		(23,099,519)	
				<u></u>	
Net Current Assets / (Liabilities)			13,418,736		( 7,936,856)
Total Assets less Current Liabilities before Pensions			<u>129,564,798</u>		<u>91,544,695</u>
Net Pension Liabilities	8(b)	(60,154,000)			(55,961,000)
Deferred Pension Funding	8(c)	60,154,000			55,961,000
			<u></u>	<u></u>	<u></u>
<b>Total Net Assets</b>			<u>129,564,798</u>		<u>91,544,695</u>
<b>Represented by:</b>					
Capital Account	5		116,146,062		99,481,551
Income and Expenditure Accounts:					
Road Development and Maintenance		13,393,313		(8,367,706)	
Administration		25,423		430,850	
			<u></u>	<u></u>	
			13,418,736		(7,936,856)
			<u></u>	<u></u>	<u></u>
			129,564,798		91,544,695
			<u></u>	<u></u>	<u></u>

The Accounting Policies, Cash Flow Statement and Notes 1-20 form part of these Financial Statements.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013

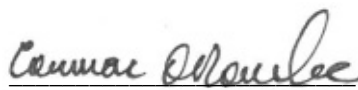
# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

## Reconciliation of Net Operating (Deficit)/Surplus to Net Cash Inflow from Operating Activities

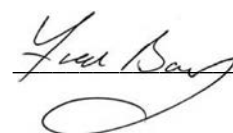
	Note	2012 €	2011 € Restated
Surplus/(Deficit) on Income and Expenditure Account			
– Road Development and Maintenance		21,761,019	(11,136,393)
– Administration		(405,427)	216,913
Transfer to Capital Account			
– Road Development and Maintenance	5	16,973,252	29,089,468
– Administration	5	(308,741)	(296,939)
Bank Interest	4	(68,957)	(71,388)
Deficit on Disposal of Fixed Assets		0	584,997
Depreciation Charge	13	8,147,903	6,696,639
Decrease in Debtors and Prepayments	11	2,040,365	8,337,450
Increase in Creditors and Accruals	12	1,938,090	5,470,827
Net Cash Inflow from Operating Activities		50,077,504	38,891,574
<b>Cash Flow Statement</b>			
Net Cash Inflow from Operating Activities		50,077,504	38,891,574
<b>Return on Investment:</b>			
Bank Interest	4	68,957	71,388
<b>Investing Activities:</b>			
Acquisition of Tangible Assets	13	(24,812,414)	(36,309,168)
Disposal of Tangible Assets		0	235,003
Net Cash Outflow from Investing Activities		(24,812,414)	(36,074,165)
<b>Management of Liquid Resources:</b>			
Increase in Short Term Deposits		(21,541,392)	(1,205,722)
Increase in Cash		3,792,655	1,683,075
<b>Reconciliation of Net Cash Flow to Movement in Net Funds</b>			
Increase in Cash		3,792,655	1,683,075
Increase in Short Term Deposits		21,541,392	1,205,722
Movement in Net Funds		25,334,047	2,888,797
Net Funds at 1 January		3,240,538	351,741
Net Funds at 31 December		28,574,585	3,240,538

The Accounting Policies and Notes 1-20 form part of these Financial Statements.

On behalf of the Authority:



Cormac O'Rourke  
Chairman



Fred Barry  
Chief Executive

26 September 2013



# NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 DECEMBER 2012

### 1 State Grants – Road Development and Maintenance

State grants of €1,099m (2011: €1,256.9m) were received in 2012 from the Department of Transport, Tourism and Sport. The EU part funds some of the road development and maintenance programme of the Authority under Ireland's Structural Funds Programmes 2007-2013. In 2012 €0 (2011: €3.1m) relating to periods prior to 2012 was received by the Central Fund from the EU in respect of the Border, Midlands and Western Regional Operational Programme while €0.1m was received in respect of Trans European Transport Network programme for 2012 and prior periods (2011: €1.1m). In addition, €2.2m was received by the Central Fund in Cohesion Fund receipts in 2012 (2011: €0) in respect of the final payment on the Lissenhall-Balbriggan project.

### 2 Grant Refunds

	2012 €	2011 €
National Road Construction and Improvement	2,428,057	3,595,101
National Road Maintenance and Management	26,355	141,886
Regional Road Construction and Improvement	52,256	223,272
	<hr/> 2,506,668	<hr/> 3,960,259

### 3 Toll Income

	2012 €	2011 € Restated
Dublin Port Tunnel	9,736,739	10,299,095
M50 eFlow	91,079,441	89,651,858
M4 Kilcock/Kinnegad	630,381	743,568
	<hr/> 101,446,561	<hr/> 100,694,521

Toll Income represents:

- Tolls earned, net of interoperability payments due, charges and VAT, at the Dublin Port Tunnel and M50 eFlow barrier free tolling
- a share of revenue due under the terms of the PPP contract for the M4 Kilcock/Kinnegad scheme.

Toll income of €9.1m receivable at year-end in respect of Dublin Port Tunnel and M50 eFlow represents amounts that will be paid to the Authority by toll operators. It excludes toll charges of €3.9m (2011 : €4.1m ) for eFlow which the toll operator deems uncollectible.

#### Value Added Tax – Toll Income

The Authority notified the Revenue Commissioners in February 2012 that it wished to appeal the Revenue Commissioner's ruling that road tolling by a public body is subject to VAT, which became effective as of 1<sup>st</sup> July 2010. Pending resolution of the appeal, the Authority continues to incur the cost of the VAT element within the existing toll charges and continues to remit the VAT element of the toll income to the Revenue Commissioners.

### 4 Sundry Receipts

	2012 €	2011 € Restated
<b>a) Road Development and Maintenance:</b>		
Deposit Interest	62,079	62,757
Sundry Income	153,557	224,990
Insurance Risk Sharing Income	126,068	910,627
Motorway Service Area Revenue Share	711,340	599,807
	<hr/> 1,053,044	<hr/> 1,798,181

**Insurance Risk Sharing:** This involves the review of certain PPP schemes insurance costs every three years and depending on the outcome of the review, compensation may be paid to or payable by the Authority. As a result of reviews carried out in 2012 the Authority is due to receive €126,068 from the N25 Waterford scheme in 2013, while there were no sums payable by the Authority.

**Motorway Service Area Revenue Share:** The Authority entered a PPP Contract for Motorway Service Areas on the M1 and M4. The contract includes revenue share provisions. Revenue due for 2012 amounted to €711,340 (2011: €99,807).

	2012 €	2011 €
<b>b) Administration:</b>		
Deposit Interest	6,878	8,631
Road Material Testing	32,817	32,344
Sale of Publications	5,069	19,611
Sundry Income	82,706	90,139
	<hr/>	<hr/>
	127,470	150,725

## 5 Capital Account

	€	€ Restated
At 1 January 2012		99,481,551
Income Used to Purchase Fixed Assets – Administration	75,040	
Amortisation in Line with Asset Depreciation - Administration	(383,781)	(308,741)
	<hr/>	
Income Used to Purchase Fixed Assets – Road Development and Maintenance	24,737,374	
Amortisation in Line with Asset Depreciation – Road Development and Maintenance	(7,764,122)	16,973,252
	<hr/>	<hr/>
At 31 December 2012		116,146,062

## 6 Salaries and PRSI

	2012 €	2011 €
Salaries	8,272,452	8,908,552
Employer's PRSI	665,480	675,742
	<hr/>	<hr/>
	8,937,932	9,584,294

Pension levy of €646,520 (2011: €680,779) has been deducted and paid over to the Department of Transport, Tourism and Sport. Included in salaries above is remuneration in respect of the Chief Executive as follows:

	2012 €	2011 €
Salary	248,803	256,803
Contribution to Pension	51,361	51,361
Car Allowance	13,753	13,753
	<hr/>	<hr/>
	313,917	321,917

The Chief Executive is not a member of the National Roads Authority Superannuation Scheme. A pension contribution is made to a personal retirement fund at 20% of salary.

## 7 Directors' Fees and Expenses

	<b>2012</b>	<b>2011</b>
	€	€
a) Directors' Fees	47,992	72,373
b) Directors' Expenses	3,023	6,131
	<hr/>	<hr/>
	51,015	78,504
	<hr/>	<hr/>

(a) Fees due to Directors during the year are as follows:

	<b>2012</b>	<b>2011</b>
	€	€
Fred Barry (Chief Executive)	0	6,419
Peter Malone (Chairman)	11,970	11,970
Cormac O'Rourke	1,750	0
Anne Butler	6,419	7,695
Gary Comiskey	2,426	0
Jacqueline Cross	7,695	7,695
James Donlon	5,918	6,292
Eric Fleming	0	7,340
Clifford Kelly	4,119	7,695
Colm Lonergan	0	7,340
Eugene Moore	0	2,232
David O'Connor	0	0
Margaret O'Mahony	0	0
Robert Rowan	7,695	7,695
Declan Walsh	0	0
	<hr/>	<hr/>
	47,992	72,373
	<hr/>	<hr/>

Declan McDonagh, who is not a Director, acted as Chairperson of the Audit Committee. In 2012, Mr. McDonagh waived the fee due to him in respect of the years 2009 – 2012.

(b) Expenses paid to Directors during the year amounted to €3,023 (2011: €6,131) comprising of mileage and subsistence charges. Expenses paid to Fred Barry during the year were incurred in his capacity as Chief Executive and not as a Member of the Board.

(c) Fred Barry, Chief Executive, no longer receives a fee for serving on the Board with effect from 1 November 2011.

## 8 Pension Costs

### a) Analysis of Total Pension Costs Charged to Expenditure

	<b>2012</b>	<b>2011</b>
	€	€
Current Service Cost	1,758,000	1,702,000
Interest on Pension Scheme Liabilities	2,859,000	2,790,000
Employee Contributions	(410,736)	(470,466)
	<hr/>	<hr/>
	4,206,264	4,021,534
	<hr/>	<hr/>

### b) Movement in Net Pension Liability during the Financial Year

	<b>2012</b>	<b>2011</b>
	€	€
Net Pension Liability at 1 January	55,961,000	49,613,000
Current Service Cost	1,758,000	1,702,000
Interest on Pension Scheme Liabilities	2,859,000	2,790,000
Actuarial Loss	1,294,650	2,972,689
Pensions paid in the year	(1,718,650)	(1,116,689)
	<hr/>	<hr/>
<b>Net Pension Liability at 31 December</b>	<b>60,154,000</b>	<b>55,961,000</b>
	<hr/>	<hr/>

**c) Deferred Pension Funding**

The Authority recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a set of assumptions at note 8 (e) 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 Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Administration Income and Expenditure Account was as follows:

	<b>2012</b>	<b>2011</b>
	€	€
Funding Recoverable in Respect of Current Year Pension Costs	4,617,000	4,492,000
State Grant Applied to Pay Pensioners	(1,718,650)	(1,116,689)
	<u>2,898,350</u>	<u>3,375,311</u>

The deferred funding asset for pensions as at 31 December 2012 amounted to €60,154,000 (2011:€55,961,000).

**d) History of Defined Benefit Obligations**

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
	€	€	€	€
Defined Benefit Obligations	(60,154,000)	(55,961,000)	(49,613,000)	(48,913,000)
Experience Gains/(Losses) on Scheme Liabilities	3,642,350	2,235,311	4,765,252	(4,612,973)
Percentage of Scheme Liabilities	6.1%	4.0%	9.7%	(9.4%)
Assumption Losses on Scheme Liabilities	(4,937,000)	(5,208,000)	(2,275,000)	(1,743,000)
Percentage of Scheme Liabilities	(8.2%)	(9.3%)	(4.6%)	(3.6%)

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €19,529,373 (2011: €18,234,723).

**e) General Description of the Scheme**

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. 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.

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation (February 2013) by a qualified independent actuary taking account of the requirements of FRS17 (Revised) in order to assess the scheme liabilities at 31 December 2012.

The principal actuarial assumptions were as follows:

	<b>2012</b>	<b>2011</b>
Future Salary Increases	3.00%	3.50%
Future Pension Increases	2.50%	3.50%
Discount Rate	3.75%	5.00%
Future Inflation	2.00%	2.00%
Future State Pension Increases	2.00%	3.50%

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 2012 and 2032.

<b>Year of Attaining Age 65</b>	<b>2012</b>	<b>2032</b>
Life Expectancy – Male	87.3	89.9
Life Expectancy – Female	88.7	90.9

## 9 Other Administration Costs

	2012	2011
	€	€
Telephone and Postage	118,830	139,606
Printing and Stationery	42,818	104,536
Computer Charges	290,356	313,405
Audit Fees	17,690	22,495
Books and Periodicals	26,731	28,160
Insurances	27,432	27,298
Repairs and Maintenance - Equipment	8,926	10,163
Sundries	138,395	167,590
Staff Development/Courses	84,991	82,710
Consultancy Fees	(14,611)	17,360
	<hr/>	<hr/>
	741,558	913,323
	<hr/>	<hr/>

Included in sundry costs are amounts totaling €1,307 relating to a Christmas Board lunch, €1,650 relating to a staff member retirement party and €2,539 relating to retirement gifts for Board members.

## 10 Accommodation Costs

	2012	2011
	€	€
Rent, Rates and Services	1,636,369	1,632,211
Light and Heat, Cleaning	137,213	139,017
Repairs, Maintenance and Security	25,355	26,465
	<hr/>	<hr/>
	1,798,937	1,797,693
	<hr/>	<hr/>

## 11 Debtors and Prepayments

	2012	2011
	€	€
Debtors	9,336,138	<b>Restated</b> 11,163,865
Prepayments and Accrued Income	545,622	758,260
	<hr/>	<hr/>
	9,881,760	11,922,125
	<hr/>	<hr/>

All Debtors fall due within one year. The amount shown for Debtors includes a bad debt provision of €3.9m (2011 : €4.1m)

## 12 Creditors and Accruals

	2012	2011
	€	€
Salaries	305,660	<b>Restated</b> 376,250
Creditors and Other Expenses	24,731,949	22,723,269
	<hr/>	<hr/>
	25,037,609	23,099,519
	<hr/>	<hr/>

All Creditors fall due within one year.

### 13 Tangible Fixed Assets

	Total	Furniture, Fixtures & Fittings	Equipment	Land	Electronic Equipment	Directional Signs	Safety & Sundry Equipment	Service Areas	Maintenance Depots	M50 Eflow Assets
<b>Cost</b>										
At 1 January 2012 Restated	116,209,159	2,226,217	1,571,552	2,380,559	17,874,287	32,329,716	897,860	47,309,245	0	11,619,723
Additions	24,812,414	0	75,040	5,481,350	9,659,119	6,809,770	12,108	3,518	2,256,128	515,381
Disposals	(118,395)	(4,150)	(114,245)	0	0	0	0	0	0	0
At 31 December 2012	140,903,178	2,222,067	1,532,347	7,861,909	27,533,406	39,139,486	909,968	47,312,763	2,256,128	12,135,104
<b>Depreciation</b>										
At 1 January 2012 Restated	16,727,608	1,289,172	1,346,835	0	4,323,145	3,777,707	421,593	2,570,624	0	2,998,532
Provided	8,147,903	257,914	125,867	0	2,854,935	1,956,974	90,997	1,577,092	75,204	1,208,920
Disposals	(118,395)	(4,150)	(114,245)	0	0	0	0	0	0	0
At 31 December 2012	24,757,116	1,542,936	1,358,457	0	7,178,080	5,734,681	512,590	4,147,716	75,204	4,207,452
<b>Net Book Value at 31 December 2012</b>	116,146,062	679,131	173,890	7,861,909	20,355,326	33,404,805	397,378	43,165,047	2,180,924	7,927,652
<b>Net Book Value at 31 December 2011 Restated</b>	99,481,551	937,045	224,717	2,380,559	13,551,142	28,552,009	476,267	44,738,621	0	8,621,191

## 14 Taxation

Section 32 of the Finance Act, 1994 exempts the Authority from further taxation on its interest and rental income in excess of that deducted at source. No further tax liability arose in the year.

## 15 Commitments

### a) Financial Commitments

- a. The Authority entered into a twenty year lease from 1 January 1996 in respect of accommodation at Saint Martin's House, Waterloo Road, Dublin 4, subject to five year rent reviews. The rent payable from 1 January 2011 is €1,075,000 per annum.
- b. The Authority entered into a nine year and eleven month lease from 1 January 2006 in respect of accommodation at Kildress House, Pembroke Road, Dublin 2, subject to five year rent reviews. The rent payable from 1 January 2011 is €11,826 per annum.
- c. The Authority 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 €226,648 per annum.
- d. The Authority is committed to a fixed contribution to be reviewed annually of €82,500 per annum to Roscommon County Council in respect of accommodation for Roscommon National Roads Office.
- e. The Authority is committed to a fixed contribution of €183,200 per annum to Cork County Council for a period of ten years from 1 January 2003 in respect of accommodation for Cork National Roads Office.
- f. The Authority is committed to a fixed contribution to be reviewed annually of €105,134 per annum to Westmeath County Council in respect of accommodation for Westmeath National Roads Office.
- g. The Authority is committed to a fixed contribution to be reviewed annually of €82,800 per annum to Mayo County Council in respect of accommodation for Mayo Project Office.
- h. The Authority entered into a lease with Waterford County Council for a period of nine years and nine months from 1 January 2005 in respect of accommodation for Waterford National Roads Office. The rent is €47,770 per annum. A contribution is also made, €52,897 in 2012, to the cost of improvements.
- i. The Authority is committed to a fixed contribution to be reviewed annually of €21,278 per annum to Kerry County Council and an additional €1,000 per annum for associated storage facilities in respect of accommodation for Kerry National Project Office.
- j. The Authority is committed to a fixed contribution to be reviewed annually of €106,725 per annum to Limerick County Council in respect of accommodation for Limerick National Roads Office.
- k. The Authority is committed to a fixed contribution to be reviewed annually of €9,189 per annum to Galway County Council in respect of accommodation for Galway Project Office.
- l. The Authority is committed to a fixed contribution of €84,000 per annum to Kildare County Council on a year –to-year basis with a two year notice period commencing 1 January 2011 for accommodation for Kildare National Roads Office.

### b) Forward Commitments

The Department of Public Expenditure and Reform, under the Capital Investment Framework, requires that a multi-annual funding plan be developed at the start of each year. The forecasts contained within that plan shall be based upon the level of contractual commitments made in 2012 and previous years in respect of subsequent years, not exceeding certain specified thresholds. The Authority has analysed forward commitments, which are forecast costs that are subject to quantum and timing variances, from contractual commitments made in 2012 and previous years and these are as follows:

Year	Commitment €million	Forecast % (of 2012 Alloc)	Available % (of 2012 Alloc)
2013	278	46%	85%
2014	220	36%	75%
2015	170	28%	60%
2016	155	26%	45%

## c) Public Private Partnership Forward Commitments

	Nominal Amount €million
N25 Waterford City Bypass	72.7
N18 Limerick Tunnel	53.0
M50 Upgrade	868.6
N6 Galway to Ballinasloe	137.1
M3 Clonee/Kells	353.0
M7/M8 Portlaoise	26.0
M1 Dundalk Western Bypass	3.7
N8 Rathcormac/Fermoy	34.9
M4/M6 Kilcock/Kinnegad	7.0
	1,556.0

This total of €1,556m is the nominal undiscounted value of these forward commitments as of from 1<sup>st</sup> January 2013 and assumes 2% inflation per annum and excludes payments in respect of the M50 Buyout and Variable Operational payments.

Two PPP contracts (M3 Clonee/Kells and the N18 Limerick Tunnel) provided for additional payments to the PPP operator where traffic volumes fell below specified levels. Payments of €7.5m were due for 2012 (2011 €6.3m).

The Authority has not estimated future traffic guarantee payments but it is likely that they will become due for the foreseeable future.

## 16 Board Members – Declaration of Interests

The Board of the Authority adopted procedures in accordance with section 40 of the Roads Act, 1993 in relation to the disclosure of interests by Board Members and their nominees and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Authority's activities in which any Board Member or their nominees had any beneficial interest.

## 17 Expenditure

### a) Road Construction and Improvement

	2012 €	2011 €
		<b>Restated</b>
Payments to Local Authorities – National Roads	455,266,841	463,397,245
Payments to Local Authorities – Regional and Local Roads	279,931,861	343,223,272
Other Payments	40,829,879	43,088,724
	776,028,581	849,709,241

### b) Road Maintenance and Management

	2012 €	2011 €
		<b>Restated</b>
Payments to Local Authorities – National Roads	35,090,622	34,685,473
Payments to Local Authorities – Regional and Local Roads	94,769,100	104,585,879
Other Payments	8,974,167	21,924,252
	138,833,889	161,195,604



## 18 Public Private Partnership and Tolling

		2012 €	2011 €
Ancillary Costs	a)	8,897,342	11,385,658
Public Private Partnership Construction Payments	b)	46,319,073	86,926,596
Public Private Partnership Operation Payments	c)	93,764,731	133,787,198
M50 Buy Out	d)	50,296,814	49,007,243
Authority Tunnel Operation and Tolling	e)	43,430,634	46,540,787
		<hr/>	<hr/>
		242,708,594	327,647,482
		<hr/>	<hr/>

### a) Ancillary Costs

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

### b) Public Private Partnership Scheme Construction Payments

		2012 €	2011 €
N18 Limerick Tunnel		0	296,037
M50 Upgrade		525,198	4,220,816
N6 Galway/Ballinasloe		45,750,000	82,048,584
M3 Clonee/Kells		43,875	325,000
Motorway Service Areas		0	36,159
		<hr/>	<hr/>
		46,319,073	86,926,596
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#### *N18 Limerick Tunnel*

The Direct Route (Limerick) consortium was awarded the Limerick Tunnel PPP contract on a 35 year concession basis on 18 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 to the ICON consortium which established M50 (Concessions) Limited.

The M50 Upgrade PPP Contract 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 M50 Upgrade PPP Contract was awarded on 27 September 2007 with a contract period of 35 years. 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 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 as well as the widening of 1.3km of motorway south of the N3 interchange, all of which were completed in 2008. The M50 is tolled between Junctions 6 and 7 by means of a separate Authority procured toll service provider contract.

#### *N6 Galway/Ballinasloe*

The N6 Galway/Ballinasloe PPP contract was awarded to the N6 (Concessions) Limited consortium on 4 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 consortium. The contract was awarded on 7 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.

### *Motorway Service Areas*

The PPP contract to design, build and operate service areas at three locations across the motorway network was awarded to Superstop Ltd. on 8 October 2009 for a 25 year period. During September and October 2010 new service areas were opened at three locations - Lusk and Castlebellingham on the M1 and Enfield on the M4. Each service area comprises a double sided development with facilities replicated on each side of the motorway.

## c) **Public Private Partnership Scheme Operation Payments**

	<b>2012</b>	<b>2011</b>
	€	€
		<b>Restated</b>
N25 Waterford City Bypass	9,564,454	7,850,434
N18 Limerick Tunnel	11,250,203	14,226,215
M50 Upgrade	20,742,988	25,791,418
N6 Galway/Ballinasloe	9,858,289	29,157,755
M3 Clonee/Kells	29,414,393	43,291,338
M7/M8 Portlaoise	6,629,770	6,532,370
M1 Dundalk Western Bypass	183,617	236,950
N8 Rathcormac/Fermoy	5,691,621	5,854,985
M4/M6 Kilcock/Kinnegad	429,396	845,733
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	93,764,731	133,787,198
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### *N25 Waterford City Bypass*

The Celtic Roads Group (Waterford) Ltd. consortium was awarded the N25 Waterford City Bypass PPP contract on 21 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 (narrow gauge excluding trackworks) in the area of the western link junction. The scheme, which is tolled, opened to traffic in October 2009.

### *M7/M8 Portlaoise*

The M7/M8 Portlaoise PPP contract was awarded to the Celtic Roads Group (Portlaoise) consortium. The contract was awarded on 14 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. There are approximately 15km of side roads, 41 road bridges, 5 rail bridges, 8 river crossings including the environmentally sensitive River Nore and more than 120 culverts and mammal passes. 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 on 5 February 2004. The contract is for a 30 year concession period. The scheme involved the construction, operation and maintenance 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 8 km of associated side roads and tie-ins.

The construction works were completed in 2005. The project 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 which comprises Kellogg Brown & Root Ltd., Strabag AG, John Sisk & Son (Holdings) Ltd., Lagan Holdings Ltd., Roadbridge Ltd. and the First Irish Infrastructure Fund (a joint AIB/European Investment Bank fund established for the purpose of investing in PPP projects and private sector infrastructure developments in Ireland and across Europe). The contract was awarded on 11 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 on the 24 March 2003. The EuroLink consortium comprises SIAC Construction Limited and CINTRA - Concesiones de Infraestructuras de Transporte, S. A. 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.

**Traffic Guarantee:** Under the terms of Authority Public Private Partnership contracts, a share of revenue accrues to the Authority subject to traffic or sales levels exceeding specified thresholds. In addition, in the case of M3 Clonee/Kells and the Limerick Tunnel, a traffic guarantee payment mechanism exists whereby the Authority is obliged to make payments if traffic falls below a certain level. Traffic guarantee payments due for 2012 amounting to €2,492,733 (2011 : €1,859,405) in respect of the M3 Clonee/Kells and €1,971,435 (2011 : €1,453,978) in respect of the N18 Limerick Tunnel have been charged to the accounts and are included in the figures above.

#### **d) M50 Buy Out**

The M50 buy out payments represent the amount due under the West-Link termination agreement of €50,241,312 (2011: €49,179,540) and a Value Added Tax payment on the contracted termination sum to the Revenue Commissioners of €55,502 (2011: refund of €172,297).

#### **e) Authority Tunnel Operation and Tolling**

	<b>2012</b>	<b>2011</b>
	€	€
		<b>Restated</b>
Dublin Port Tunnel	15,131,514	14,053,495
M50 eFlow	28,216,815	32,341,146
Jack Lynch Tunnel	82,305	146,146
	<hr/>	<hr/>
	43,430,634	46,540,787
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These costs relate to operational costs, toll collection costs and local authority rates of the Dublin Port Tunnel; toll collection costs and local authority rates of the M50 eFlow and operational costs of the Jack Lynch Tunnel.

## **19 Merger**

The Government has announced its intention to dissolve the Railway Procurement Agency and to transfer its functions and personnel to the National Roads Authority. The Board assumes that all its existing activities will continue to be carried out. In the circumstances it does not believe that any adjustment is needed to the financial statements to reflect any possible restructuring and has therefore prepared these financial statements on a going concern basis.

## **20 Approval of Financial Statements**

These financial statements were approved by the Board on 25 June 2013.

# NRA Board Members



Peter Malone\*  
(Former Chairman)



Fred Barry (CEO)



Cormac O'Rourke  
(Chairman)



Clifford Kelly\*



Anne Butler\*



Margaret O'Mahony\*



Jacqueline Cross



Robert Rowan



James Donlon\*



David O'Connor



Declan J Walsh



Gary Comiskey

\* Terms Finished 2012

## **Audit and Audit Committee**

The Authority is subject to audit by the Comptroller & Auditor General. The Authority's Audit Committee oversees the Internal Audit function and advises the Board in relation to the operation and development of that function. The Audit Committee met four times in 2012.

The Internal Audit Plan 2012, which was approved by the Board and is monitored by the Audit Committee, sets out the work of Internal Audit for the year and includes;

- Internal audit—as required in accordance with the Code of Practice for the Governance of the National Roads Authority.
- External review—performing reviews at local authority level to monitor compliance with Authority requirements for payment of national road grants.
- EU audit—performing audit work at local authority level in the preparation and verification of EU grant claims in respect of national road projects.

The Authority is also required to carry out work in relation to EU co-financed programmes/projects. The plan has to be sufficiently flexible to cater for other assignments, which can be arranged at relatively short notice.



**NRA**  
An tÚdarás um Bóithre Náisiúnta  
National Roads Authority

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