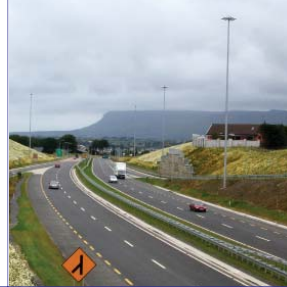
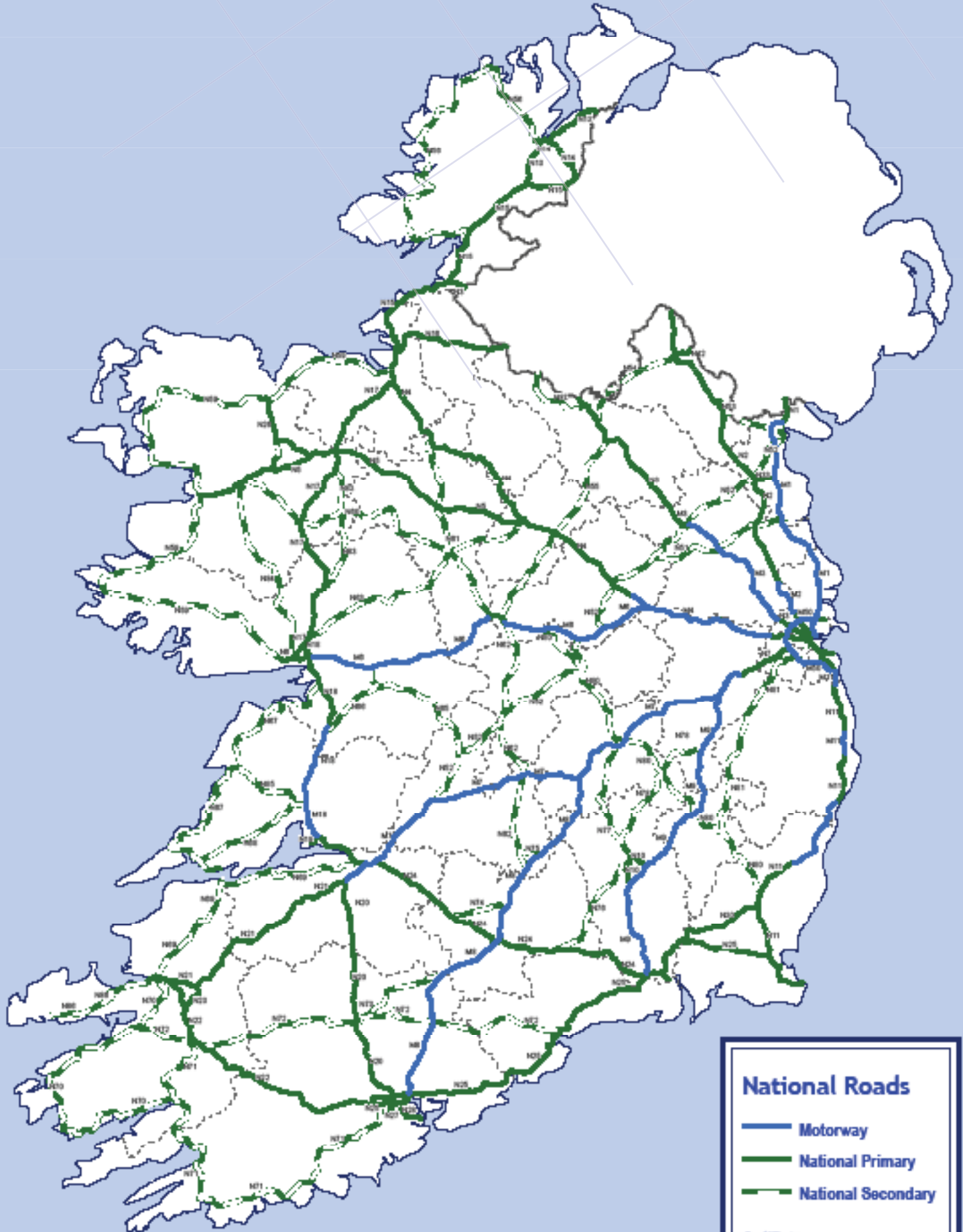


# Annual Report & Accounts 2011



# NRA Road Network: 2011



## National Roads

-  Motorway
-  National Primary
-  National Secondary



March 2012

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# Chairman's Foreword



There have been significant challenges presented to Ireland over the last twelve months, but it is important to recognise that the men and women working at the National Roads Authority, in conjunction with local authority employees and the private contracting community, continue to focus their collective energy on delivering, maintaining and improving our national road network.

The Authority accepts the current funding limitations and our focus remains on protecting the investment made by the Irish taxpayer, our EU partners and the private investment community by maintaining our national road network thus assuring a return on the investment over its lifespan.

During 2011 we commenced work on six new schemes that will improve local and regional traffic movement as well as numerous road safety improvement schemes ranging from road realignments to junctions improvements. In the coming year, we look forward to commencement of works on the N5 Ballaghaderreen Bypass, the N11 Arklow–Rathnew/N7 Newlands Cross/Gorey Service Area and additional road safety schemes throughout the country.

As always, I would like to thank my fellow Board Members, my colleagues working in the Authority, Fred Barry our CEO, the National Road Regional Design Offices, the local authority staff, the personnel in the Department of Transport, Tourism and Sport and the Minister for Transport, Tourism and Sport, Mr Leo Varadkar TD. It is through their collective efforts that we will continue to improve Ireland's national roads network.

A handwritten signature in white ink that reads "Peter Malone". The signature is written in a cursive, flowing style.

Mr Peter Malone  
Chairman  
National Roads Authority

# Chief Executive's Statement



The highlight of 2011 was undoubtedly the reduction in the number of traffic accident fatalities, with the lowest number ever recorded. The improvements to the national road network in recent years have made a very significant contribution to this reduction. The recent transposition into Irish law of the EU Directive on Road Infrastructure Safety Management gives the Authority increased responsibilities in relation to road safety management, and this should result in further safety improvements in the future.

Motorway operations and maintenance, with most work carried out in an environment of high-speed and high-volume traffic, are very challenging and require specialist skills. The Authority and local authorities have reached agreement that, commencing in 2012, the Authority will assume direct responsibility for all maintenance, renewal and operational activities on the motorway network. This is a big step for the Authority, but should result in consistency of standards nationally and best value for money through competitive tendering.

The funding available to operate, maintain and improve the national road network has been reduced in recent years. Nonetheless, we will be carrying out hundreds of small and medium-sized improvements in 2012, and indeed a number of bigger schemes. However, we have suspended planning activities on most new schemes until such time as the outlook for funding improves.

The staff numbers in the Authority and in our regional offices, staffed mainly by local authority personnel, have been reduced by over 40% in recent years, notwithstanding the growth in network operations activities. I would like to acknowledge the very positive attitude of our staff, their cooperation, and their flexibility in the current difficult circumstances.

I would like to thank our Minister for Transport, Tourism and Sport, Mr Leo Varadkar TD, the Department, the NRA Board, and in particular our Chairman Peter Malone, for their advice and support throughout the year. The close working relationship with the local authorities is central to our ability to deliver, and I would like to acknowledge the constructive approach taken by them to our shared challenges. Finally, we outsource much of our work, and I would like to acknowledge and thank the many service providers and contractors who play such a central role in our business.

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

Mr Fred Barry  
Chief Executive  
National Roads Authority



CAUTION  
MAJOR ROADWORKS  
AHEAD





# Chapter 1

## Network Operations

### Traffic Control Centre

The National Road Authority Traffic Control Centre, 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) 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 in the event of a serious disruption on the network. The control centre 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. The Traffic Control Centre also liaises with the private operator of the Limerick Tunnel.

In addition to traffic monitoring, the Traffic Control Centre managed calls from 1,300 emergency response telephones. Typically over

250 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, the emergency services.

The equipment utilised includes electronic VMS, Closed Circuit Television (CCTV) cameras and automatic number plate recognition (ANPR) cameras. Currently, there are a total of 87 VMS signs, 67 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).



### Service Areas

Service areas opened at three locations on the motorway network in 2010. The public response to these new facilities, at Lusk and Castlebellingham on the M1 and at Enfield on the M4, has been very positive during 2011. These service areas contribute to safety by providing good, accessible rest areas for commercial vehicle, bus and car drivers, as well as providing essential services for the travelling public.

Additionally during 2011, the Authority completed placing information (brown) signs across the motorway network identifying off-line petrol and service facilities located within a kilometre of junctions. In 2012, the Authority will commence development of three further service areas on the M6 (Athlone), the M9 (Kilcullen) and the M11 (Gorey).

### Tolling Operations

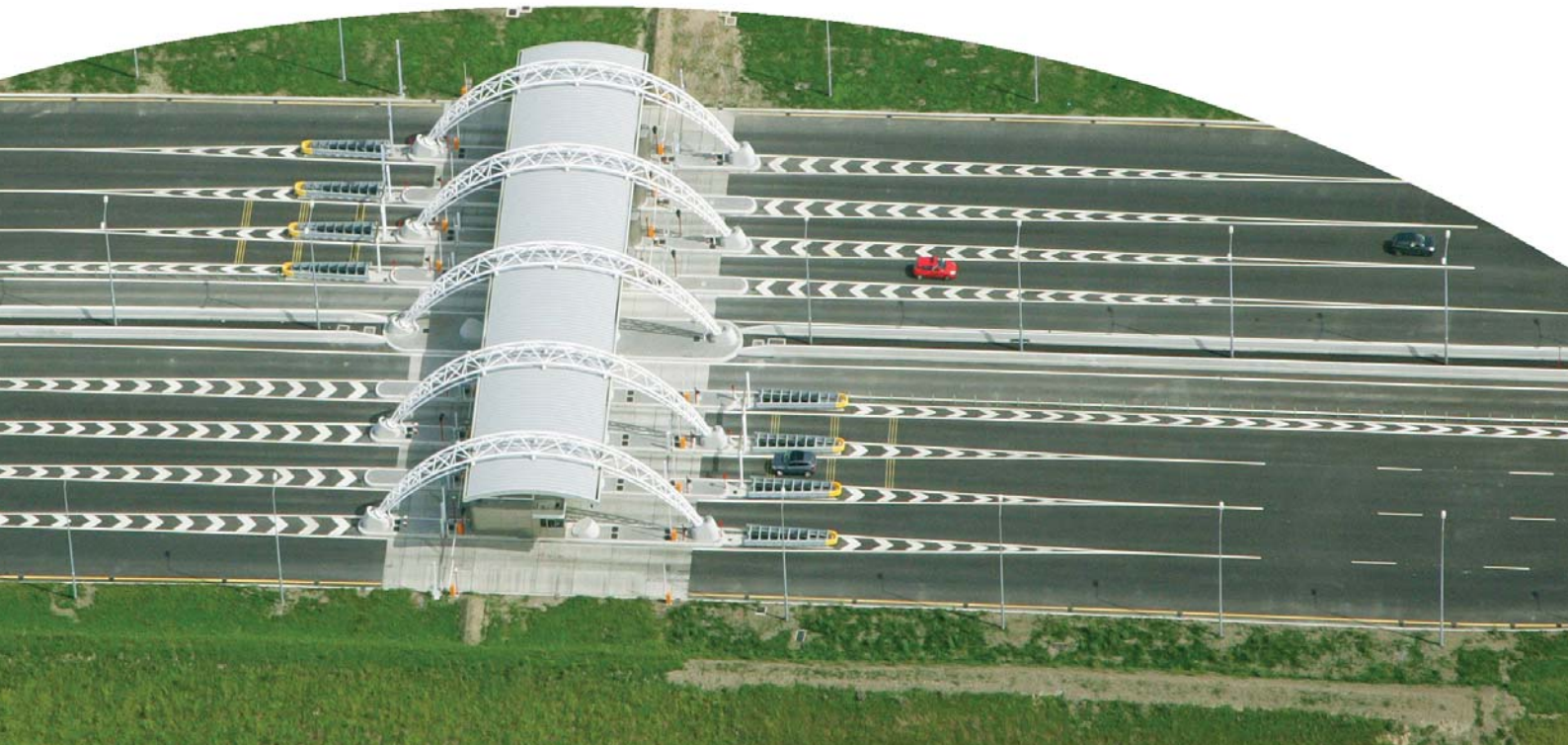
The Authority is directly responsible for two tolling operations: the eFlow-M50 barrier-free tolling system and the Dublin Port Tunnel barrier system. There are eight additional tolling operations located throughout the network which are operated by private companies. In addition the Authority is responsible for providing and managing 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 2011 the interoperability

system managed approximately 35 million transactions.

We introduced interoperability between toll plazas and electronic tag providers some years ago, 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 keen to extend similar conveniences to road users across Europe, and there is a concerted effort from the EU Commission to make real progress in advancing this concept. The Authority will be retendering interoperability services this year, and the additional functionality to support the Commission's objectives will be included.

eFlow is located on the M50 (between Junctions 6 and 7). It is an electronic barrier-free tolling system that replaced the Westlink toll barrier system in 2008. The barrier-free tolling operation 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 strong growth in traffic with an average of 108,200 vehicles using the tolled section of the M50 motorway during 2011. This equates to approximately three million tolling transactions per month and represents an increase of approximately 8% over 2010 traffic levels.





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 onto the motorway network. Also the tunnel provides passenger vehicles with an additional access point to and from the city centre. There were a total of five million journeys through the Dublin Port Tunnel in 2011, which is evenly split between HGVs and passenger vehicles. HGVs travel free, but there is a toll charge for non-HGVs 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 2012.

### Winter Services

The National Roads Authority has provided winter service support to local authorities since its creation in 1994. The Authority has installed a network of weather stations around the national road network to measure weather conditions, including air temperature, humidity, cloud cover, precipitation, road surface temperature and road surface state. In addition, the Authority put in place the Road Weather Information System (IceNet) to assist local authorities in decision making as to whether or not roads require treatment.

The Authority continued the deployment of weather stations across the network in 2011. There are now 70 weather stations on the national road network, an increase of 15 since 2009. In addition, the Authority has installed 54 infra-red cameras to monitor temperature at all broadband-enabled weather stations, these supply automatically updated images every 10 minutes. The Authority has made the camera images available on its website ([www.nratraffic.ie](http://www.nratraffic.ie)).

Following the publication in 2011 of *Towards Integrated Emergency Management - A Report on the Review of the Response to Exceptional Severe Weather Events of 2009–2010* by the National Directorate for Fire and Emergency

Management, the Authority was requested to assist in the procurement of bulk supplies of salt for the regional and local road network, as well as for national roads. In addition to directly procuring the supply and bulk storage of salt for use on national roads for winter 2011/12, in collaboration with Waterford City Council, acting on behalf of the City and County Managers' Association, the Authority ran a framework competition for the supply and bulk storage of salt for the regional and local roads network. The arrangement allowed for the advance stockpiling of salt supplies before the start of winter, minimising the risk of salt shortages and significantly enhancing the capacity of local authorities to treat non-national roads, which are their responsibility, during periods of severe weather.

Also in 2011, in addition to the annual winter maintenance grants which the Authority provides to local authorities to fund their treatment operations on the national road network, the Authority provided €8m to local authorities to fund the purchase of new equipment such as salt spreaders and snow blades, along with the construction of additional salt storage barns. Arising from the Authority's investment there are now 326 salt spreaders available to local authorities and 272 snow blades. This investment has significantly improved winter resilience capacity on the part of local authorities.

### Road Safety

The Authority completed detailed collision cluster analysis of the entire national road network in 2011. This analysis is based on the previous three years of collision data from the Road Safety Authority. The information gathered has been used as a starting point in the prioritisation of our engineering road safety improvements programme.

The Authority is also involved in a trans-national European Road Safety Research Programme (ERA-NET) called 'Safety at the Heart of Road Design'. The Authority is one of the co-funders of this three-year programme along with 10 other

EU countries. One of the projects—European Road Safety Inspections (EuRSI), led by NUI Maynooth—will assist in our understanding and analysis of ‘forgiving roadsides’.

The Authority has been given additional responsibilities through the transposition of the EU directive on Road Infrastructure Safety Management. This directive principally addresses four aspects of road safety: Road Safety Infrastructure Assessment, which is a strategic comparative analysis of the impact of a new road or a substantial modification to the existing road network on the safety performance; Road Safety Audit, which is an independent detailed systematic and technical safety check relating to the design characteristics of a road infrastructure project and covering all stages from planning to early operation; Network Safety Management, which is a method for identifying, analysing and classifying high-collision sections of the existing road network according to their potential for safety development and collision cost-savings; and Safety Inspections, which is

a periodical verification of the characteristics and defects that require maintenance work for reasons of safety. All four aspects combine to create a detailed road safety assessment of the national road network and assists in programme planning and the allocation of resources.

The directive was transposed into Irish law in September 2011. Many elements of this directive have been part of the road safety landscape in Ireland for many years now and the Authority is currently preparing guidelines on all aspects of this directive for submission to the EU to confirm our activity in this area.

In addition to work in the Conference of European Directors of Roads (CEDR) the Authority currently chairs the CEDR Technical Group on Road Safety. The close working relationships allows for a mutual exchange of good practice and in 2012 Road Service Northern Ireland and the Authority will publish a joint European Road Assessment Programme (EuroRAP) review of the entire national road network on the island of Ireland.



# Chapter 2

## Network Maintenance and Improvements

### Priorities

The national road network consists of 5,413 km of public road ranging from modest single-carriageway rural roads to busy motorways. Excellent progress has been made on upgrading this network in recent years, but much of the legacy network is still congested and sub-standard.

Considerable further investment is needed to provide a safe and efficient network that is fit-for-purpose for freight, business and social travel. The level of funding available for investment has been decreasing in recent years, but nonetheless in 2011 we had over 500 small schemes in construction, and even started construction of a number of major schemes.

However, given the declining budgets expected in the coming years, it is unlikely that we will be in a position to construct many additional major schemes in the years 2013 to 2016.

Consequently, most schemes in planning have been suspended until the country's economic circumstances improve.

The priorities for the Authority in relation to investment in the network are:

*Priority 1 Asset Management, Network Rehabilitation and Network Operations*

*Priority 2 National Secondary Road Improvements, Bottleneck Improvements, Safety Projects and Traffic Management Projects*

*Priority 3 Network Improvement Projects*

The focus for the next few years will consequently be on smaller works and on renewal and maintenance activity, and private sector funding will be required if many new major schemes are to be advanced.

### Major Schemes

Construction started on six major schemes in 2011, and will continue through 2012. These are:

N3	Belturbet Bypass, Co. Cavan;
N4	Downs Grade Separation, Co. Westmeath;
N5	Longford Bypass, Co. Longford;
N22/N69	Tralee Bypass, Co. Kerry
N25	Cork South Ring Road Grade Separation, Cork City
N52	Carrickbridge to Dalystown, Co. Westmeath.

Construction will start in 2012 on the following major schemes:

N5 Ballaghaderren Bypass, Co. Roscommon, a 13.6 km standard single carriageway cross-section road which will bypass the town of Ballaghaderreen;

N7 Newlands Cross, South Dublin, which involves grade separating the junction so that all traffic movements are free-flow, eliminating the traffic lights at this very busy interchange;

N11 Arklow–Rathnew, a 16.4 km grade separated dual carriageway cross-section road which will replace the last remaining single carriageway section between Dublin and Gorey. The section being replaced is dangerous, with accidents occurring regularly, and this upgrade will save lives as well as reduce travel times and costs.

The N11 and N7 schemes are combined and are being tendered as a Public Private Partnership.



As private sector finance for major schemes has been difficult to secure in recent times, achieving financial close will be a milestone event. The N5 Ballaghaderreen Bypass is being tendered as a design-build contract.

#### Minor Schemes

The Authority, in conjunction with local authorities, completed hundreds of small schemes in 2011, which included minor realignment, signing and lining, junction improvements, such as N52 Durrow Cross Roads in County Offaly, and traffic calming improvements, such as Manorcunningham in County Donegal and Fossa in County Kerry.

The 2012 programme includes the construction of over thirty small local improvements and realignments, addressing the very worst locations on the network. A further selection of local improvements will be brought through the planning process so as to be ready for construction when funding allows.

Construction will also take place of a few short sections of the new low-volume national secondary standard on the N56 in Donegal, N59 in Mayo and N86 in Kerry.

#### Pavement

The pavement on national roads has a working life of between 7 and 20 years, depending on various factors including materials of construction and traffic volumes. It is vital that pavement be renewed as necessary as otherwise more deep-seated foundation damage would occur, which would be much more expensive to repair.

The Authority undertakes a programme of annual pavement condition surveys in order to identify and prioritise for treatment sections of network pavement requiring rehabilitation and renewal. Automated GPS-referenced electronic instrumentation measures such parameters as Sideway-force Coefficient Routine Investigation Machines (SCRIM) and texture depth (used to determine skid resistance characteristics), longitudinal profile, transverse profiles and

rutting characteristics. In addition to assisting in the determination of each year's pavement programme, trends in the overall characteristics of network pavement quality can be monitored on an ongoing basis.

In 2011, the Authority procured a new Pavement Management System. This will provide a more comprehensive database of current and historical network annual surveys and network inventory, and allow the Authority achieve better annual programming and prioritisation of pavement maintenance and renewal works.

The 2012 work programme will include pavement renewals at over 100 locations, sometimes combined with realignment works.

#### Structures

There are thousands of bridges on the network, ranging from 19th-century structures to modern cable-stayed bridges. Bridges are designed structurally for long lives, but individual components wear out over the decades, and elements such as waterproofing and expansion joints require constant renewal.

The Authority carries out a planned inspection and renewals programme for all structures on the network. The programme of works in 2011 included several bridge replacements, bridge widening, structural assessments, strengthening works, bridge deck waterproofing, masonry arch repairs, parapet repairs and the completion of the re-painting of the N65 Portumna Bridge, all in accordance with the priorities identified by ongoing bridge inspection and the elemental condition ratings assigned as a result of such inspection.

Following extreme weather events during 2011 additional inspections took place and repairs were carried out. The works involved some partial rehabilitation and stabilising works to bridge foundations and in several cases the clearance of watercourses blocked by flood debris.

The development of modern roads has included

hundreds of gantries and tall poles, all of which could cause serious damage and loss of life in the event of their collapse. These structures will be brought within the inspection and renewal programme over the coming years.

### Tunnels

The national roads network contains three significant regional tunnels, they are the Dublin Port Tunnel, the Jack Lynch Tunnel in Cork and the Limerick 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 will be 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 involves the installation of fire resistant tiles that will protect the tunnel structure in the event of a serious fire.

### Signage and Delineation

The Authority's Signage and Delineation Programme is focused on placing new signage, upgrading existing signage and the rehabilitation of lines. The Authority commenced a multi-annual programme of improvements to directional signage across the national road network in 2006/2007. Since that time the quality and consistency of directional

signage has been reviewed and upgraded on a route by route basis.

The programme included the provision of a large amount of new overhead gantry and cantilever signage on the motorway and dual carriageway network. As of 2011 overhead cantilever signs have now been provided on all grade-separated junctions on the motorway and dual carriageway network.

The Authority's Policy on the Provision of Tourism and Leisure Signage was reviewed and revised early in 2011. The Re-Signing Programme includes the provision or upgrade of white-on-brown tourist signage along each route. Tourist signage is provided following extensive consultation with Fáilte Ireland and the local authorities.

In 2011, signage upgrades were completed on 19 routes covering approximately 1,185 km of national roads. It is anticipated that the Re-Signing Programme will be brought to a successful conclusion in 2012 with completion of the remaining routes.

The Authority initiated a new framework contract on the Delineation Programme in 2011 and during the year designs were completed and contracts awarded on nine national routes covering some 940 km of roadway. A new framework contract was also put in place to





deliver the cleaning and routine maintenance of all road traffic signage across the national road network.

#### Maintenance

Each year, the Authority provides maintenance funding to local authorities to undertake basic maintenance, cleaning and upkeep of the network, including pavement repairs, drainage

cleaning, grass verge and hedge cutting. In 2011 the Authority spent €49 million on maintenance and will spend €42 million in 2012.

The Authority will also assume direct responsibility for all maintenance and operational activities on the motorway network during 2012.





# Chapter 3

## Strategic Planning and Policy

### Motorway Operations and Maintenance

Motorway operations and maintenance, with works typically carried out in an environment of high-speed and high-volume traffic, are very challenging and require specialist skills. The Authority and local authorities have reached agreement that, commencing in 2012, the Authority will assume direct responsibility for all maintenance, renewal and operational activities on the motorway network.

The country is being divided into three regions for operational purposes, and a separate multi-year contract will be 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.

### National Transport Model

The Authority has recognised the importance of a more holistic assessment of how best to evaluate the impacts of transport infrastructure, policy and demand management initiatives—all of which can have significant impacts on the demand for road travel. This focus arises out of the realisation that environmental factors are as significant a by-product of transport demand as traffic congestion and road safety, which for many years have been the focus of transport appraisal.

The requirement for a National Transport Model (NTpM) which could assess such impacts was identified in 2009 by the National Roads

Authority as part of the development of a national strategy for traffic management. The National Roads Traffic Management Study published in 2011, sets out a number of objectives which include reductions in carbon dioxide (CO<sub>2</sub>) emissions and noise associated with travel demand. That study recognised that the true economic impact on management measures could only be quantified when the demand responses of traffic management, demand management and fiscal policies were included in the assessment.

Road pricing and tolling proposals form an important element of potential future traffic management strategies. A National Traffic Model completed by the Authority in 2008 permits an understanding of the potential rerouting impacts of road pricing and/or tolling proposals; however, the NTpM completed in 2011 provides a more holistic view of the more positive impacts of tolling—namely, demand reduction, emissions benefits, decongestion and public transport impacts.

The structure of the NTpM can be broken down into four sub-models:

- Rail Model—National Rail Model;
- Bus Model—National Bus Model;
- Traffic Model—National Traffic Model (NTM); and
- Variable Demand Model (VDM).

The NTM therefore represents one module of the NTpM. Separate public transport models for rail and bus were developed, with the VDM allocating demand between the modes.

The NTpM is now employed by the National Roads Authority in strategic planning studies, transport policy impact assessments and appraisal of road tolling schemes. The validation report for the model and other material relating to transport modelling and forecasting is available on our website.

### Research

The Authority's Research Programme continues to give very useful outputs, which have led to improvements and developments in our specifications and our practices. The research projects cater for our short-term and longer-term business requirements relating to both the planning, construction and operation of national roads.

The Research Fellowship Programme was set up in 2007 to procure research at PhD and post-doctoral level in subjects relevant to the aims of the Authority. In 2011, the first Fellowship projects came to an end and four valuable research reports were produced. The first of these was on the development of cold-mix pavement materials for Irish roads by researchers from University College Dublin and the research has been incorporated into our Interim Advice Note IAN01/11 on the use of low energy materials in road pavements. Another Fellowship project, a post-doctoral project at Trinity College Dublin, was also completed and the final report—*Drainage design for national road schemes – sustainable drainage options*—is now available as a guidance document for the design of effective drainage systems. Two further projects, on the effectiveness of bat mitigation measures on Irish roads and the development of a cost-effective solution for building roads over bogs, were also concluded in 2011.

A number of short-term projects were completed in 2011, including a project on the sustainability of road design, construction and maintenance processes. The purpose of this research project was to initiate a more formal and visible way of incorporating sustainability into procedures in line with the

Authority's strategic objective of contributing to sustainable development. The project is based on the GreenRoads project developed in the United States of America by CH2M-Hill and the University of Washington.

The Authority also commissioned a research project to investigate the impact of adopting a higher weight limit for HGVs on our roads and bridges. This revision, in which it is proposed to increase the load of a 6-axle HGV from 44 tonnes to 46 tonnes, was suggested as it effectively reduces the number of trips required to transport goods, providing greater economy to haulage companies and at the same time reducing carbon emissions. The research showed that the adoption of a 46 tonne 6-axle vehicle has a negligible effect on bridge loading and would in fact reduce pavement damage by 30% when compared with the current vehicle configuration of 42 tonnes on 5-axes. As a result of this research, the Department of Transport, Tourism and Sport has decided to increase 6-axle gross vehicle weight to 46 tonnes while reducing the 5-axle gross vehicle weight to 40 tonnes as a permanent solution.

The Authority maintains close links with a number of international organisations and other European road administrations through CEDR (Conference of European Directors of Roads). We have been active in the ongoing CEDR initiative to develop collaborative research programmes and have provided both technical management and funding to all the research programmes to date. This has included the Climate Change programme, which concluded this year, and three ongoing programmes on Road Safety, Asset Management and Sustainability. The Climate Change programme is of particular relevance to the Authority as it provides the tools needed to evaluate the effect of climate change on the road network and take remedial action through all components of road management including design, construction and maintenance. At the same time, consideration must be given to safety and accessibility to ensure that road user expectations are not compromised. We are

now starting to implement the results of this research and have commissioned a project to develop flood maps for the road network, highlighting the locations that are prone to flooding now and as a result of different climate change scenarios. The need for this work has been highlighted by the extreme flooding events experiences throughout the country over the last couple of years.

One of the highlights of the year was that the NRA Research Fellowship Programme was short-listed for the Engineers Ireland CPD Company of the Year Award 2011. This award was initiated to recognise organisations where continuing professional development (CPD) practices among engineering staff have demonstrated clear-cut business benefits. The Research Fellowship Programme entry was short-listed because of its effectiveness in reducing costs, enhancing quality and encouraging innovation in our road operations, not only within the Authority but throughout industry and academia.

More information on these and other NRA research activities can be found at [www.nra.ie/research](http://www.nra.ie/research).

#### [Project Appraisal Guidelines](#)

The Project Appraisal Guidelines (PAG) issued in

2011 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 will ensure 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 on-screen or alternatively can be downloaded from our website at [www.nra.ie/Publications/ProjectAppraisal](http://www.nra.ie/Publications/ProjectAppraisal).

#### [Environment](#)

The Authority has comprehensive 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 work is





being undertaken to measure the effectiveness of mitigation measures taken in the past, in order to do even better in the future.

Based on the outcome of post-EIA (Environmental Impact Assessment) air quality and noise research studies, the Authority has published revised air quality guidelines and drafted a new best practice noise guidance document to supplement existing noise guidelines. In addition, research looking at sustainable drainage designs was successfully concluded in 2011. The objective of this work was to examine the most environmentally suitable and cost-effective drainage design options for protected habitats (e.g. karstified limestone), where the bedrock aquifer is more susceptible to pollutants as pathways are exposed on the surface.

In order to enhance the implementation of the current landscape guidelines, the Authority has published a draft supplementary guidance document outlining some of the practical steps required to implement the Authority's philosophy on landscape design and landscaping works in the various phases of national road project management. This document is focused on the roles and responsibilities of the various relevant parties involved during the project management phases, including the: EIA landscape and visual expert; EIA ecological expert; Employers' or

Authority's Representative; Contractor or PPP Company; Designer; and, those involved in the execution of the landscape treatments (e.g. landscape sub-contractor and nursery/supplier).

The Authority commissioned a Light Detection and Ranging (LiDAR) survey in 2010, which continued into 2011, to prepare a digital terrain model for the 3,500 km of national road identified for strategic noise mapping on a county-by-county basis. This is scheduled for completion in 2012 and will assist in the development of a noise prediction model.

In addition to progressing the strategic noise mapping exercise, the Authority will continue to work on post-EIA evaluation studies in 2012, with a particular focus on watercourse crossings, *in situ* testing of noise barriers and ecological mitigation measures.

#### Archaeology

In 2011 the Authority progressed a considerable amount of archaeological works on national roads. This included completing site works on several schemes, such as the N22 Tralee Bypass and the N25 New Ross Bypass, and commencing works on projects such as the M9 Kilcullen Service Area and the N4 Downs Grade Separation scheme near Mullingar.

The Authority worked closely with local authorities on minimising the archaeological risk on more than 60 safety, minor works and



bridge schemes. Continual progress is being made on completing archaeological excavation reports on national road schemes, with approximately 94% of reports on completed investigations already lodged with the Authority and the statutory heritage bodies. These reports will be made available for download in 2012.

Throughout the year there was continued dissemination of the archaeological results from national road schemes, at both regional and national level, including lectures, seminars and the publication of three monographs and the sixth edition of *Seanda*, the NRA Archaeology Magazine. In association with the Institute of Archaeologists of Ireland, a public forum was held in Galway on the subject of Communicating Archaeology.

To mark the 10th anniversary of the appointment of Project Archaeologists to manage archaeology on national road schemes, a keynote lecture was delivered by Professor Martin Carver (Editor of the internationally renowned journal *Antiquity* and Emeritus Professor of the University of York). At his lecture, Professor Carver placed the archaeological work of the Authority within a global context, illustrating some of the key strengths of the NRA approach, including "multi-vocal planning and design, extensive area excavation, in-depth analysis enlarging the research dividend, imaginative, people-friendly synthesis and timely, accessible publications."

Several new archaeology books were published in 2011, including *In the Lowlands of South Galway*, detailing the results of the archaeological work on M18 Oranmore to Gort Scheme, *Cois tSiúire* describing the results of excavations on the N25 Waterford Bypass and *Past Times, Changing Fortunes*, the proceedings of the 2010 NRA National Archaeology Seminar. In addition to these NRA publications, the Authority has also supported the publication of two books detailing the results of archaeological works on national road schemes: *Archaeological Excavations at Tullahedy County*

*Tipperary: Neolithic settlement in North Munster and Monuments, Memory and Maps: discovering Kilkenny's landscape heritage.*

### Broadband Infrastructure

Following the enactment of the Communications Regulation (Premium Rate Services and Electronic Communications Infrastructure) Act, 2010, consent applications by network operators to undertake road works (i.e. works involving the establishment, extension, replacement, repair, removal and maintenance of underground electronic communications infrastructure and associated physical infrastructure) on all national roads must be submitted by network operators to the National Roads Authority, rather than the relevant road authority as was the case previously. Under the Act, the Authority is required to consult with the road authority/ authorities concerned before deciding on consent applications.

The 2010 Act, which makes a number of significant amendments to the Communications Regulation Act, 2002, also provides for the making by the National Roads Authority of schemes setting out the Authority's policies regarding (a) the use of underground road capacity, including conditions that may be imposed in consents, and (b) charges that may be imposed by the Authority on network operators for the use of ducts on national roads. The schemes concerned may be viewed/ downloaded on the Authority's website at [www.nra.ie/roadworks](http://www.nra.ie/roadworks).

### 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 Department of the Environment, Community and Local Government has issued



Spatial Planning and National Roads guidelines, which reflect current Government policy in this field, and which addresses issues that can be contentious, such as signage and access to national roads. These guidelines, issued in January 2012, remove any uncertainty as to the relevant policy considerations, and the respective roles of the various State Agencies involved, and are very welcome.





# 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 National Roads 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](http://www.nra.ie)

### Accessibility

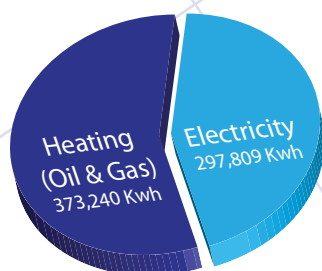
The Authority has an Access Committee in place tasked with ensuring that the requirements of the Disability Act, 2005, are fully observed. The Committee has worked actively since its establishment in 2008 to ensure, as far as possible, that all appropriate measures and facilities are available for customers 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 to 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 National Roads Authority's compliance with this request.

## Energy Efficiencies

National Roads Authority  
2011 Energy Consumption



Total Energy Consumption 2011  
671,049 Kwh

### Actions taken in 2011 on Energy Efficiencies

- The Authority established an Energy Committee to identify and implement energy-saving initiatives.
- A review of the Authority's offices was carried out by the SEAI in April 2011 and recommendations were made for energy savings. The Energy Committee reviewed and prioritised energy-saving proposals taking account of the recommendations.
- An Energy Mascot was developed and is the symbol of energy saving for the Authority.
- The Authority established a Register of Opportunities for energy saving as recommended by the SEAI.
- An Energy Co-ordinator is in place who attended Energy Map Training hosted by the SEAI.
- The Authority developed an Energy Policy.
- An Energy Awareness Campaign was implemented which included a presentation to staff on the importance of saving energy. It also included a series of poster campaigns to encourage and remind staff to conserve energy.
- The Authority implemented a lighting awareness programme encouraging staff to turn switches off when not required, delivering estimated savings of 8,025 kWh.
- 50W halogen spot lights were replaced with energy saving LED lamps, delivering estimated savings of 4,000 kWh.

### Actions Planned for 2012 on Energy Efficiencies

- Continue with Energy Awareness programme.
- Continue to implement recommendations from SEAI review, as appropriate.
- Replace T8 fluorescent lighting with T5 tubes, estimated saving of 1,053 kWh
- Designate Energy Savers on each floor to ensure lights are switched off
- Register of Opportunities will continue to be updated and ideas implemented as appropriate.
- Computer-generated reminder to switch off lights and office equipment, estimated saving 3,250 kWh
- Examine the introduction of motion sensors on lighting in common areas and meeting rooms.

### 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 for 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 National Roads Authority in March 2011.

**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.





## 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 five times in 2011. The Internal Audit Plan 2011, which was approved by the Board and is monitored by the Audit Committee, sets out the work of Internal Audit for the year including;

- 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.

Attendance of the NRA Board Members at Board Meetings in 2011			
Board met on 11 occasions			
Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Peter Malone (Chairman)	11	11	
Fred Barry (CEO)	11	11	
Eddie Breen	4	3	Term finished 21 April 2011
Eric Fleming	11	10	Term finished 14 December 2011
Eugene Moore	4	3	Resigned from Board 15 April 2011
Colm Lonergan	11	8	Term finished 14 December 2011
Clifford Kelly	11	10	
Anne Butler	11	11	
Margaret O'Mahony	11	5	
Jaqueline Cross	11	9	
Robert Rowan	11	10	
James Donlon	8	8	Appointed to Board 8 March 2011
David O'Connor	5	4	Appointed to Board 27 June 2011
Declan J Walsh	1	1	Appointed to Board 9 November 2011

## Prompt Payments of Accounts Act, 1997

Under Ministerial order of 4 June 1997 the Prompt Payment of Accounts Act came into operation on 2 January 1998. The National Roads Authority comes under the remit of the Act. The following is a report on the payment practices of the Authority for the year ended 31 December 2011 in accordance with the requirements as set out in Section 12 of the Act.

It is the policy of the National Roads Authority to ensure that all invoices are paid promptly. Specific systems and procedures have been put in place to enable all invoices to be tracked and to ensure that payments are made before their due date. Invoices are logged on a daily basis, and followed up systematically to ensure that they are certified and forwarded for payment without delay. Payments are made as required to ensure prompt payment.

These controls are designed to provide reasonable, and not absolute, assurance against material non-compliance with the Act.

During the year under review all the accounts of the Authority were paid on time, that is, within the time limits specified in the Act, and accordingly no interest was paid.

 Chief Executive

Date : 19 Dec 2012

## **FINANCIAL STATEMENTS**

### **YEAR ENDED 31 DECEMBER 2011**

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## 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 2011 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 reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

#### Responsibilities of the Members of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view 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 2011 and of its income and expenditure for the year then ended.

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

#### 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 moneys have 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

**21 December 2012**

## STATEMENT OF RESPONSIBILITIES OF THE AUTHORITY

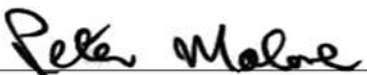
Paragraph 5(2) of the Third Schedule of the Roads Act, 1993, requires the National Roads Authority (the Authority) to prepare financial statements in such form as may be approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform.

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:

  
\_\_\_\_\_ Chairman

  
\_\_\_\_\_ Chief Executive

19 December 2012

# 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 Authority undertook a comprehensive review of the current framework for risk management during 2010.

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 2011 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

 \_\_\_\_\_ Chairman

19 December 2012



# ACCOUNTING POLICIES

## 1 General

The Authority was formally established as an independent statutory body under the Roads Act, 1993, with effect from 1 January 1994. The Authority's primary function, under section 17 of the Roads Act, is to secure the provision of a safe and efficient network of national roads.

## 2 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.

## 3 State Grants Income

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

## 4 Grant Refunds

Grant Refunds reflect the amounts recouped from Local Authorities in the year.

## 5 Toll Income

Toll Income represents cash received, net of interoperability payments and charges and VAT, in respect of tolls collected.

## 6 Road Grants Expenditure

The figures shown are the actual grants paid in the year.

## 7 Public Private Partnership

The Authority has entered into a number of Public Private Partnership contracts under which it makes contributions to road construction and operation costs and under which it may become entitled to a share of the revenue earned by the road operator. Contributions are treated as expenditure in the years in which they fall due. Revenue shares are recognised in the years in which they are received.

## 8 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>

## 9 Stocks

All consumables are written off in the year of purchase.

## 10 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.

## 11 Capital Account

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

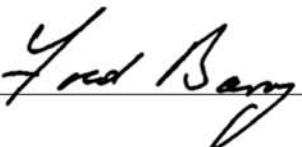
# ROAD DEVELOPMENT AND MAINTENANCE INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2011

<b>Income</b>		<b>2011</b>	<b>2010</b>
	<b>Note</b>	<b>€</b>	<b>€</b>
State Grants:			
National Road Construction and Improvement	1	674,000,000	1,114,000,000
Regional and Local Road Construction and Improvement	1	343,000,000	300,000,000
National Road Maintenance and Management	1	48,900,000	52,325,000
Regional and Local Road Maintenance and Management	1	109,643,656	111,374,128
Public Private Partnership Operations	1	81,341,624	43,178,000
Grant Refunds	2	3,960,259	9,673,348
Toll Income	3	97,803,747	104,059,407
Sundry Receipts	4	1,785,302	687,682
		<hr/>	<hr/>
		1,360,434,588	1,735,297,565
Transfer to Capital Account	5	(185,000)	(2,195,559)
		<hr/>	<hr/>
		1,360,249,588	1,733,102,006
		<hr/>	<hr/>
<b>Expenditure</b>			
Road Construction and Improvement	17(a)	865,326,530	1,187,811,858
Road Maintenance and Management	17(b)	161,284,284	164,443,219
Public Private Partnership and Tolling	18	344,202,739	377,706,287
Deficit on Disposal of Fixed Assets		584,997	0
		<hr/>	<hr/>
		1,371,398,550	1,729,961,364
		<hr/>	<hr/>
(Deficit) / Surplus for Year		(11,148,962)	3,140,642
Surplus / (Deficit) at Beginning of Year		2,768,687	(371,955)
		<hr/>	<hr/>
(Deficit) / Surplus at End of Year		(8,380,275)	2,768,687
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statement and Notes 1-19 form part of these Financial Statements.

On behalf of the Authority:

 Chairman

 Chief Executive

19 December 2012

# ADMINISTRATION INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 2011

		2011	2010
Income	Note	€	€
State Grants		13,748,000	14,548,000
Net Deferred Funding for Pensions	8(c)	3,375,311	3,190,252
Sundry Receipts	4	150,725	155,747
		<hr/>	<hr/>
Transfer from Capital Account	5	17,274,036	17,893,999
		296,939	326,824
		<hr/>	<hr/>
		17,570,975	18,220,823
		<hr/>	<hr/>
Expenditure			
Salaries and PRSI	6	9,584,294	10,121,910
Pension Costs	8(a)	4,021,534	4,088,244
Travel		509,917	564,929
Other Administration Costs	9	913,323	1,011,164
Accommodation Costs	10	1,797,693	1,825,535
Depreciation	11	448,797	451,910
Directors' Fees and Expenses	7	78,504	79,809
		<hr/>	<hr/>
		17,354,062	18,143,501
		<hr/>	<hr/>
Surplus for Year		216,913	77,322
Surplus at Beginning of Year		213,937	136,615
		<hr/>	<hr/>
Surplus at End of Year		430,850	213,937
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statement and Notes 1-19 form part of these Financial Statements.

On behalf of the Authority:

 Chairman

 Chief Executive

19 December 2012



## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES YEAR ENDED 31 DECEMBER 2011

		2011	2011	2010	2010
	Note	€	€	€	€
Deficit /(Surplus) for the year					
- Road Development and Maintenance			(11,148,962)		3,140,642
- Administration			216,913		77,322
Experience Gains on Pension Scheme Liabilities	8(d)	2,235,311		4,765,252	
Changes in Assumptions Underlying the Present Value of Pension Scheme Liabilities	8(d)	(5,208,000)		(2,275,000)	
Actuarial (Loss) /Gain on Pension Liabilities	8(b)	(2,972,689)		2,490,252	
Adjustment to Deferred Pension Funding		2,972,689	0	(2,490,252)	0
Total Recognised (Loss) /Gain for the Year			(10,932,049)		3,217,964

### Movement in Income and Expenditure Accounts

	2011	2010
	€	€
Income and Expenditure Accounts at 1 January	2,982,624	(235,340)
Total Recognised (Loss) /Gain for the Year	(10,932,049)	3,217,964
Income and Expenditure Accounts at 31 December	( 7,949,425)	2,982,624

The Accounting Policies, Cash Flow Statement and Notes 1-19 form part of these Financial Statements.

On behalf of the Authority:

 Chairman

 Chief Executive

19 December 2012


## BALANCE SHEET AS AT 31 DECEMBER 2011

	Note	2011 €	2011 €	2010 €	2010 €
<b>Fixed Assets</b>					
Tangible Assets	11		3,542,321		3,654,260
<b>Current Assets</b>					
Debtors and Prepayments	12	2,846,751		20,259,575	
Cash on Hand and at Bank		2,675,729		351,741	
		<u>5,522,480</u>		<u>20,611,316</u>	
<b>Less Current Liabilities</b>					
Creditors and Accruals: Amounts falling due within one year	13	(13,471,905)		(17,628,692)	
		<u></u>		<u></u>	
Net Current (Liabilities)/Assets			( 7,949,425)		2,982,624
Total Assets less Current Liabilities before Pensions			<u>(4, 407,104)</u>		<u>6,636,884</u>
Net Pension Liabilities	8(b)		(55,961,000)		(49,613,000)
Deferred Pension Funding	8(c)		55,961,000		49,613,000
			<u></u>		<u></u>
<b>Total Net (Liabilities)/Assets</b>			<u>( 4,407,104)</u>		<u>6,636,884</u>
<b>Represented by:</b>					
Capital Account	5		3,542,321		3,654,260
Income and Expenditure Accounts: Road Development and Maintenance Administration		(8,380,275) 430,850		2,768,687 213,937	
		<u></u>		<u></u>	
			(7,949,425)		2,982,624
			<u></u>		<u></u>
			(4,407,104)		6,636,884
			<u></u>		<u></u>

The Accounting Policies, Cash Flow Statement and Notes 1-19 form part of these Financial Statements.

On behalf of the Authority:

 Chairman

 Chief Executive

19 December 2012

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

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

	Note	2011 €	2010 €
(Deficit)/Surplus on Income and Expenditure Account			
– Road Development and Maintenance		(11,148,962)	3,140,642
Surplus on Income and Expenditure Account			
– Administration		216,913	77,322
Transfer to/ (from) Capital Account			
– Road Development and Maintenance	5	185,000	2,195,559
– Administration	5	(296,939)	(326,824)
Bank Interest	4	(71,388)	
Deficit on Disposal of Fixed Assets		584,997	(63,008)
			0
Depreciation Charge	11	448,797	451,910
Decrease / (Increase) in Debtors and Prepayments	12	17,412,824	(20,036,122)
(Decrease) / Increase in Creditors and Accruals	13	(4,156,787)	3,803,488
Net Cash Inflow/(Outflow) from Operating Activities		3,174,455	(10,757,033)

### Cash Flow Statement

Net Cash Inflow/(Outflow) from Operating Activities		3,174,455	(10,757,033)
<b>Return on Investment:</b>			
Bank Interest	4	71,388	63,008
<b>Investing Activities:</b>			
Acquisition of Tangible Assets	11	(1,156,858)	(2,320,645)
Disposal of Tangible Assets		235,003	0
Net Cash Outflow from Investing Activities		(921,855)	(2,320,645)
<b>Management of Liquid Resources:</b>			
(Increase) / Decrease in Short Term Deposits		(1,183,189)	11,749,504
Increase/ (Decrease) in Cash		1,140,799	(1,265,166)

### Reconciliation of Net Cash Flow to Movement in Net Funds

Increase/ (Decrease) in Cash		1,140,799	(1,265,166)
Increase / (Decrease) in Short Term Deposits		1,183,189	(11,749,504)
Movement in Net Funds		2,323,988	(13,014,670)
Net Funds at 1 January		351,741	13,366,411
Net Funds at 31 December		2,675,729	351,741

The Accounting Policies and Notes 1-19 form part of these Financial Statements.

On behalf of the Authority: Peter Malone Chairman Yord Barry Chief Executive

19 December 2012



# NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 DECEMBER 2011

### 1 State Grants

State grants of €1,256.9m (2010: €1,620.9m) were received in 2011 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 2011 €3.1m relating to periods prior to 2011 was received by the Central Fund from the EU in respect of the Border, Midlands and Western Regional Operational Programme while €1.1m was received in respect of Trans European Transport Network programme for 2011 and prior periods.

### 2 Grant Refunds

	<b>2011</b>	<b>2010</b>
	€	€
National Road Construction and Improvement	3,595,101	9,652,901
National Road Maintenance and Management	141,886	20,447
Regional Road Construction and Improvement	223,272	0
	<hr/>	<hr/>
	3,960,259	9,673,348

### 3 Toll Income

	<b>2011</b>	<b>2010</b>
	€	€
Dublin Port Tunnel	9,613,288	10,215,843
M50 eFlow	87,469,424	93,004,333
M1 Dundalk Western Bypass	0	2,607
M4 Kilcock/Kinnegad	721,035	836,624
	<hr/>	<hr/>
	97,803,747	104,059,407

Toll Income represents:

- cash received, net of interoperability payments, charges and VAT, in respect of tolls collected at the Dublin Port Tunnel and M50 eFlow barrier free tolling in 2010 and 2011
- non-availability charges received for the M1 Dundalk Western Bypass in 2010;
- a share of revenue due under the terms of the PPP contract for the M4 Kilcock/Kinnegad scheme in 2010 and 2011.

#### Value Added Tax – Toll Income

The Authority notified the Revenue Commissioners in February 2012 that it wished to proceed to a hearing by the Appeal Commissioners on that matter of Revenue's ruling that road tolling by a public body is subject to VAT. The Revenue Commissioners requested a formal submission from the Authority which has been submitted. Pending resolution of the appeal, the Authority absorbed the VAT element into the existing toll charges and continues to remit the VAT element of the toll income to the Revenue Commissioners.

### 4 Sundry Receipts

	<b>2011</b>	<b>2010</b>
	€	€
<b>a) Road Development and Maintenance:</b>		
Deposit Interest	62,757	62,569
Sundry Income	212,111	625,113
Insurance Risk Sharing Income	910,627	0
Motorway Service Area Revenue Share	599,807	0
	<hr/>	<hr/>
	1,785,302	687,682

## Variable Operational payments:

**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, while 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 for 2011 amounting to €1,035,288 in respect of the M3 Clonee/Kells and €2,387,011 in respect of the Limerick Tunnel have been charged to the accounts and are included under PPP Scheme Operation Payments (Note: 18c). Traffic guarantee payments of €824,117 for the M3 Clonee/Kells and €2,066,967 for the Limerick Tunnel are due in 2012 in respect of 2011.

**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. Reviews carried out in 2011 resulted in the Authority receiving €593,321 in respect of the M1 Dundalk Western Bypass and €317,306 for the N8 Rathcormac/Fermoy PPP schemes 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 2011 amounted to €599,807.

	2011 €	2010 €
<b>b) Administration:</b>		
Deposit Interest	8,631	439
Road Material Testing	32,344	34,872
Sale of Publications	19,611	9,209
Sundry Income	90,139	111,227
	<hr/>	<hr/>
	150,725	155,747
	<hr/>	<hr/>
<b>5 Capital Account</b>	<b>€</b>	<b>€</b>
At 1 January 2011		3,654,260
Income Used to Purchase Fixed Assets – Administration	151,858	
Amortisation in Line with Asset Depreciation - Administration	(448,797)	(296,939)
	<hr/>	<hr/>
Income Used to Purchase Fixed Assets – Road Development and Maintenance	1,005,000	
Disposal of Fixed Assets – Road Development and Maintenance	(820,000)	185,000
	<hr/>	<hr/>
At 31 December 2011		3,542,321
	<hr/>	<hr/>
<b>6 Salaries and PRSI</b>		
	<b>2011 €</b>	<b>2010 €</b>
Salaries	8,908,552	9,447,788
Employer's PRSI	675,742	674,122
	<hr/>	<hr/>
	9,584,294	10,121,910
	<hr/>	<hr/>

Pension levy of €680,779 (2010: €702,223) 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:

	2011 €	2010 €
Salary	256,803	257,301
Contribution to Pension	51,361	51,460
Car Allowance	13,753	13,752
	<hr/>	<hr/>
	321,917	322,513
	<hr/>	<hr/>

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. In addition, the Chief Executive received a Board fee of €6,419 (2010: €7,695), refer to Note 7.

## 7 Directors' Fees and Expenses

	2011	2010
	€	€
a) Directors' Fees	72,373	71,833
b) Directors' Expenses	6,131	7,976
	<hr/>	<hr/>
	78,504	79,809
	<hr/>	<hr/>

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

	2011	2010
	€	€
Fred Barry (Chief Executive)	6,419	7,695
Peter Malone (Chairman)	11,970	11,970
Anne Butler	7,695	7,695
Frank Convery	0	1,828
Jacqueline Cross	7,695	6,441
James Donlon	6,292	0
Eric Fleming	7,340	7,695
Clifford Kelly	7,695	7,695
Jenny Kent	0	872
Colm Lonergan	7,340	7,695
Eugene Moore	2,232	7,695
Raymond Potterton	0	872
Robert Rowan	7,695	3,680
	<hr/>	<hr/>
	72,373	71,833
	<hr/>	<hr/>

Declan McDonagh, who is not a Director, acted as Chairperson of the Audit Committee. He is paid the same authorised fee due to Directors of €7,695 (2010: €7,695) per annum.

(b) Expenses paid to Directors during the year amounted to €6,131 (2010: €7,976) 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

	2011	2010
	€	€
Current Service Cost	1,702,000	1,666,000
Interest on Pension Scheme Liabilities	2,790,000	2,876,000
Employee Contributions	(470,466)	(453,756)
	<hr/>	<hr/>
	4,021,534	4,088,244
	<hr/>	<hr/>

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

	2011	2010
	€	€
Net Pension Liability at 1 January	49,613,000	48,913,000
Current Service Cost	1,702,000	1,666,000
Interest on Pension Scheme Liabilities	2,790,000	2,876,000
Actuarial Loss/(Gain)	2,972,689	(2,490,252)
Pensions paid in the year	(1,116,689)	(1,351,748)
	<hr/>	<hr/>
<b>Net Pension Liability at 31 December</b>	<b>55,961,000</b>	<b>49,613,000</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>2011</b>	<b>2010</b>
	€	€
Funding Recoverable in Respect of Current Year Pension Costs	4,492,000	4,542,000
State Grant Applied to Pay Pensioners	(1,116,689)	(1,351,748)
	<u>3,375,311</u>	<u>3,190,252</u>

The deferred funding asset for pensions as at 31 December 2011 amounted to €55,961,000 (2010:€49,613,000).

### d) History of Defined Benefit Obligations

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	€	€	€	€
Defined Benefit Obligations	(55,961,000)	(49,613,000)	(48,913,000)	(40,093,000)
Experience Gains/(Losses) on Scheme Liabilities	2,235,311	4,765,252	(4,612,973)	21,000
Percentage of Scheme Liabilities	4.0%	9.7%	(9.4%)	0.1%
Assumption (Losses)/Gains on Scheme Liabilities	(5,208,000)	(2,275,000)	(1,743,000)	36,127
Percentage of Scheme Liabilities	(9.3%)	(4.6%)	(3.6%)	0.1%

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €18,234,723 (2010: €15,262,034).

### 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 2012) by a qualified independent actuary taking account of the requirements of FRS17 (Revised) in order to assess the scheme liabilities at 31 December 2011.

The principal actuarial assumptions were as follows:

	<b>2011</b>	<b>2010</b>
Rate of Increase in Salaries	3.50%	3.50%
Rate of Increase in Pension in Payment	3.50%	3.50%
Discount Rate	5.00%	5.50%
Inflation Rate	2.00%	2.00%

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 2011, 2031 and 2051.

<b>Year of Attaining Age 65</b>	<b>2011</b>	<b>2031</b>	<b>2051</b>
Life Expectancy – Male	87.2	89.8	91.7
Life Expectancy – Female	88.6	90.8	92.6

## 9 Other Administration Costs

	2011	2010
	€	€
Telephone and Postage	139,606	144,215
Printing and Stationery	104,536	83,930
Computer and Data Processing Charges	313,405	370,985
Audit Fees	22,495	13,200
Books and Periodicals	28,160	42,570
Insurances	27,298	29,977
Repairs and Maintenance - Equipment	10,163	9,676
Sundries	167,590	193,649
Staff Development/Courses	82,710	98,163
Consultancy Fees	17,360	24,799
	<u>913,323</u>	<u>1,011,164</u>

## 10 Accommodation Costs

	2011	2010
	€	€
Rent, Rates and Services	1,632,211	1,644,694
Light and Heat, Cleaning	139,017	140,273
Repairs, Maintenance and Security	26,465	40,568
	<u>1,797,693</u>	<u>1,825,535</u>

## 11 Tangible Fixed Assets

	Total	Furniture, Fixtures and Fittings	Equipment	Land & Buildings
	€	€	€	€
<b>Cost</b>				
At 1 January 2011	5,914,875	2,260,006	1,459,310	2,195,559
Additions	1,156,858	0	151,858	1,005,000
Disposals	(893,405)	0	(73,405)	(820,000)
Reclassification	0	(33,789)	33,789	0
At 31 December 2011	<u>6,178,328</u>	<u>2,226,217</u>	<u>1,571,552</u>	<u>2,380,559</u>
<b>Depreciation</b>				
At 1 January 2011	2,260,615	1,072,309	1,188,306	0
Provided	448,797	224,319	224,478	0
Disposals	(73,405)	0	(73,405)	0
Reclassification	0	(7,456)	7,456	0
At 31 December 2011	<u>2,636,007</u>	<u>1,289,172</u>	<u>1,346,835</u>	<u>0</u>
<b>Net Book Value at 31 December 2011</b>	<u>3,542,321</u>	<u>937,045</u>	<u>224,717</u>	<u>2,380,559</u>
<b>Net Book Value at 31 December 2010</b>	<u>3,654,260</u>	<u>1,187,697</u>	<u>271,004</u>	<u>2,195,559</u>

The additions to land and buildings amounting to €1m relates to the Motorway Service Areas PPP.

## 12 Debtors and Prepayments

	2011	2010
	€	€
Debtors	2,101,370	14,835
Prepayments and Accrued Income	745,381	20,244,740
	<u>2,846,751</u>	<u>20,259,575</u>

All Debtors fall due within one year. The amount shown for Debtors does not include any provision for doubtful debts.

### 13 Creditors and Accruals

	2011	2010
	€	€
Salaries	376,250	382,677
Creditors and Other Expenses	13,095,655	17,246,015
	<hr/>	<hr/>
	13,471,905	17,628,692
	<hr/>	<hr/>

All Creditors fall due within one year.

### 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 €211,826 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 Road Regional Design 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 Road Regional Design 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 Road Regional Design Office.
- f. The Authority is committed to a fixed contribution of €105,134 per annum to Westmeath County Council from 1 January 2010 for a period of two years in respect of accommodation for Westmeath National Road Regional Design Office.
- g. The Authority was committed to a ten year agreement from 11 May 2001 with Mayo County Council in respect of accommodation for Mayo National Road Regional Design Office at a rent of €82,800 per annum.
- 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 Road Regional Design Office. The rent is €102,308 per annum.
- i. The Authority is committed to a fixed contribution to be reviewed annually of €60,000 per annum to Meath County Council in respect of accommodation for Meath National Road Regional Design Office.
- j. The Authority is committed to a fixed contribution of €21,278 per annum to Kerry County Council and an additional €1,000 per annum for associated storage facilities, from 1 January 2011, in respect of accommodation for Kerry National Road Regional Design Office.
- k. The Authority is committed to a fixed contribution of €106,725 per annum to Limerick County Council from 1 January 2011 on a year-to-year basis, in respect of accommodation for Limerick National Road Regional Design Office.
- l. The Authority is committed to a fixed contribution of €70,458 per annum to Galway County Council from 1 September 2011 for a period of one year in respect of accommodation for Galway National Road Regional Design Office.
- m. The Authority is committed to a fixed contribution of €184,000 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 Road Regional Design 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 2011 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 2011 and previous years and these are as follows:

Year	Commitment € million	Forecast % (of 2011 Alloc)	Available % (of 2011 Alloc)
2012	575	85%	85%
2013	230	34%	75%
2014	150	22%	60%
2015	80	12%	45%

## c) Public Private Partnership Forward Commitments

	Nominal Amount € million
N25 Waterford City Bypass	82.0
N18 Limerick Tunnel	59.3
M50 Upgrade	891.4
N6 Galway to Ballinasloe	193.4
M3 Clonee/Kells	379.8
M7/M8 Portlaoise	32.9
M1 Dundalk Western Bypass	3.8
N8 Rathcormac/Fermoy	40.6
M4/M6 Kilcock/Kinnegad	7.3
	<hr/>
	1,690.5
	<hr/>

This total of €1,690.5m is the nominal undiscounted value of these forward commitments and assumes 2% inflation per annum and excludes payments in respect of the M50 Buyout and Variable Operational payments.

## 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

	2011 €	2010 €
Payments to Local Authorities – National Roads	463,397,245	840,511,503
Payments to Local Authorities – Regional and Local Roads	343,223,272	299,581,458
Other Payments	58,706,013	47,718,897
	<hr/>	<hr/>
	865,326,530	1,187,811,858
	<hr/>	<hr/>

### b) Road Maintenance and Management

	2011 €	2010 €
Payments to Local Authorities – National Roads	34,685,473	41,825,170
Payments to Local Authorities – Regional and Local Roads	104,585,879	111,348,718
Other Payments	22,012,932	11,269,331
	<hr/>	<hr/>
	161,284,284	164,443,219
	<hr/>	<hr/>

## 18 Public Private Partnership and Tolling

		2011	2010
		€	€
Ancillary Costs	a)	11,385,658	22,039,522
Public Private Partnership Construction Payments	b)	104,838,520	183,248,192
Public Private Partnership Operation Payments	c)	130,896,114	70,941,851
M50 Buy Out	d)	49,007,243	48,890,444
Authority Tunnel Operation and Tolling	e)	48,075,204	52,586,278
		<hr/>	<hr/>
		344,202,739	377,706,287
		<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

		2011	2010
		€	€
N25 Waterford City Bypass		0	268,270
N 18 Limerick Tunnel		296,037	21,757,621
M50 Upgrade		4,412,211	62,689,795
N6 Galway/Ballinasloe		82,048,584	9,222,781
M3 Clonee/Kells		325,000	40,317,960
M7/M8 Portlaoise		0	18,737,703
M1 Dundalk Western Bypass		0	250,701
Motorway Service Areas		17,756,688	30,003,361
		<hr/>	<hr/>
		104,838,520	183,248,192
		<hr/>	<hr/>

#### *N18 Limerick Tunnel*

The Direct Route (Limerick) consortium comprising Strabag AG, John Sisk & Son (Holdings) Ltd., Lagan Holdings Ltd., Roadbridge Ltd. (Mulcair) and two third-party equity providers, namely Meridiam Infrastructure Finance S.C.A. SICAR and Allied Irish Banks plc 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 opened to traffic in July 2010.

#### *M50 Upgrade*

The M50 Upgrade PPP contract was awarded in September 2007 to the ICON consortium which comprises FCC Construcción, S.A (Spain), Itinere Infraestructuras (Spain) and PJ Hegarty & Sons (Ireland) and 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.



### *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 consortium comprises FCC Construcción, S.A (Spain), Itinere Infraestructuras (Spain) and PJ Hegarty & Sons (Ireland). 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 opened to traffic in December 2009.

In 2011 the Authority settled a claim for €80m by the PPP company. The settlement involved a payment of €16m (consisting of an initial payment of €15m and a further €1m payable upon completion of outstanding works items). In addition the Authority's costs of defending this claim were estimated to be €1.3m.

### *M3 Clonee/Kells*

The M3 Clonee/Kells PPP contract was awarded to the EuroLink consortium. EuroLink comprises CINTRA Concesiones de Infraestructuras de Transporte, S.A. and SIAC. The contract was awarded on 7 March 2007 and will extend for 45 years inclusive of the construction phase.

The project, which provides bypasses of Dunboyne, Dunshaughlin, Navan, Kells and Carnaross, involved the construction of a tolled 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 Type 2 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 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. Superstop comprises Applegreen, Top Oil and Piers Group. 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>2011</b>	<b>2010</b>
	<b>€</b>	<b>€</b>
N25 Waterford City Bypass	7,850,434	3,686,457
Limerick Tunnel	12,159,248	4,471,011
M50 Upgrade	25,791,418	18,233,673
N6 Galway/Ballinasloe	29,157,755	19,251,377
M3 Clonee/Kells	42,467,221	19,723,987
M7/M8 Portlaoise	6,532,370	0
M1 Dundalk Western Bypass	236,950	0
N8 Rathcormac/Fermoy	5,854,985	5,575,346
M4/M6 Kilcock/Kinnegad	845,733	0
	<hr/>	<hr/>
	130,896,114	70,941,851
	<hr/>	<hr/>

### *N25 Waterford City Bypass*

The Celtic Roads Group (Waterford) Ltd. consortium comprising Dragados (Spain), NTR plc. and Royal BAM (Ascon) were 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. There is 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 opened to traffic in October 2009.



### *M7/M8 Portlaoise*

The M7/M8 Portlaoise PPP contract was awarded to the Celtic Roads Group (Portlaoise) consortium. Celtic Roads Group comprises NTR plc, Koninklijke BAM Groep N.V. and Iridium Concesiones de Infraestructuras S.A. The contract was awarded on 14 June 2007 and will extend for 30 years inclusive of the construction phase.

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 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 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 extends for 30 years from that date. The consortium's contract obligations include the design, building, maintenance, operation, re-investment and financing of the scheme. The scheme 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 opened to traffic in December 2005.

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

The M50 buy out payments represent the amount due under the West-Link termination agreement of €49,179,540 (2010: €49,083,012) and a Value Added Tax refund on the contracted termination sum received from the Revenue Commissioners of €172,297 (2010: €192,568).

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

	<b>2011</b>	<b>2010</b>
	€	€
Dublin Port Tunnel	14,871,267	15,806,242
M50 eFlow	33,203,937	36,780,036
	<hr/>	<hr/>
	48,075,204	52,586,278
	<hr/>	<hr/>

These costs relate to operational and toll collection costs of the Dublin Port Tunnel and toll collection costs and local authority rates of the M50 eFlow.

## **18 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.

## **19 Approval of Financial Statements**

These financial statements were approved by the Board on 15 May 2012.

# Board Members 2011



Peter Malone  
Chairman



Fred Barry  
Chief Executive



David O'Connor



Anne Butler



Clifford Kelly



Jaqueline Cross



Declan J. Walsh



James Donlon



Robert Rowan



Margaret O'Mahony

## Former Board Members 2011



Eddie Breen



Eric Fleming



Colm Lonergan



Eugene Moore

## AUDIT COMMITTEE 2011

Independent Chairperson: Declan McDonagh

Members who served on the Committee during 2011: Clifford Kelly, Jacqueline Cross, Robert Rowan, Eric Fleming\* & Eugene Moore\*

\* Members whose term on the Committee finished during 2011





