

Transport Infrastructure Ireland (TII)

Annual Report and Accounts for 2015





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Chairman's Foreword

During 2015, the National Roads Authority and the Railway Procurement Agency came together to form a new organisation, Transport Infrastructure Ireland (TII). TII consolidates a wealth of experience in infrastructure procurement, project development, operational management and maintenance for the benefit of all national road and light rail users. The organisation's responsibilities range from Luas operations to the implementation of the EU Tunnel Safety Directive in Cork, Dublin and Limerick, along with ongoing upgrading and maintenance of the national road/motorway network, which comprises over 5,400km of roadway. TII is a strong organisational model for infrastructure development and management. The merging of these two respected organisations could not have happened without the hard work, flexibility and good will of all staff. The Board is grateful to all those involved who worked so hard to bring about this successful transition.

TII's mission is to provide high quality transport infrastructure and services, delivering a better quality of life and supporting economic growth. It is a mission that the Board, the management and all employees share. However, it is not just the 287 employees within TII that are solely responsible for its delivery. To achieve our mission, TII must deliver on a wide range of activities which span our daily operations in direct delivery and external delivery through contracted service providers and in partnership with the local authorities.

These activities include infrastructure development in both light rail and national roads, oversight of daily commuting services through the Luas light rail and M50 (eFlow) barrier free tolling system, interoperability management for all national road toll services, the daily maintenance and operations of our high speed motorway network and the continual planning and upgrading of the national primary and national secondary road network to improve road user safety. This broad range of service delivery which is under TII's remit employs approximately 4,000 people. It is a significant undertaking and all those involved are working on behalf of the Irish taxpayer to provide and maintain a modern and efficient urban light rail and national road network for Ireland.



The development of both the national road and light rail networks remains incomplete and the delivery of new schemes will continue to be a significant component of TII's work in the years ahead but it is incumbent upon me to highlight that maintaining a network with a replacement value of more than €30 billion is of paramount importance. TII will require that financial resources are made available to protect the investment made by the State and in doing so reassuring all the national road and light rail users that our networks will not deteriorate.

From an infrastructure financing standpoint, 2015 was a very important year. TII, together with the National Development Finance Agency, secured funding commitments in the order of €600m from international investment agencies for the M11 Gorey to Enniscorthy and the N25 New Ross Bypass schemes. Securing this funding is a major step forward and we anticipate commencement of construction on the N25 New Ross Bypass early in 2016. Investment in transport infrastructure is vital to foster future economic growth and development for Ireland and will underpin economic stability in the years ahead.

I would like to thank our Minister, Paschal Donohoe T.D. and his officials in the Department of Transport Tourism and Sport. On behalf of the Board, I would also like to thank the staff and management of TII for their professionalism during this year of transition and, in particular, our previous Chief Executive, Fred Barry, and our new Chief Executive, Michael Nolan, for their stewardship in ensuring a successful transition for our new organisation

Connaic O'Shewler

Chairman

Chief Executive's Review

The increases in the number of people using both the Luas light rail and the national road networks continued throughout 2015 and mirrors the overall growth in Ireland's economy. While the recovery is welcome, the increase in economic activity creates even greater demands on our transport infrastructure. As a result, the challenge for Transport Infrastructure Ireland is to maintain and optimise the existing networks, along with continuing to plan and develop our future infrastructure needs. The opportunity to advance much needed transport infrastructure development is limited, but some progress is being made.

Some key developments in 2015 include:

- Completion of the 16.5km M11 Arklow to Rathnew motorway.
- Completed overhauls of Citadis 402 trams at 300,000km in the Sandyford Depot.
- Significant construction progress on the 57km M17/M18 Gort to Tuam Motorway.
- Commencement of construction of the 27km M11 Gorey to Enniscorthy motorway.
- Luas Cross City contract start for track, platform and overhead line construction.

Improving safety for road users and light rail passengers is of paramount importance for TII. In 2015, TII introduced Ireland's first Luas red light infringement camera at the junction of Benburb Street and Blackhall Place in Dublin City. Additionally, TII commenced the construction of 21 minor national road improvement schemes of which 10 were completed in 2015. Planning and design work on an additional 40 minor national road improvement schemes continued during the year.

The N25 New Ross Bypass commenced work in early 2016. On completion, this major project will remove another notorious bottleneck and improve regional and international connectivity through Rosslare Europort.

I would like to thank our Minister, Paschal Donohoe T.D., the Department of Transport, Tourism and Sport, my fellow Board Members, our Chairman, Cormac O'Rourke, all TII staff, our local authority partners and our service providers who play a central role in the day-to-day operation of the Luas and national road networks.



Michael Nolan
Chief Executive





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EIGEANDALA BRIS AN GHIDINE
HOUSE OF EMERGENCY BREAK GLASS



Chapter 1

About Transport Infrastructure Ireland (TII)

Responsibilities

Under the Roads Act 2015, the staff and functions of the Railway Procurement Agency (RPA) were merged with the National Roads Authority (NRA) with effect from 1 August 2015. Established in 2001, the RPA was responsible for the development of light railway and metro infrastructure, while the NRA, which was established in 1994, has overall responsibility for the development and maintenance of the national road network. The name "Transport Infrastructure Ireland" (TII) was specified by the Minister for Transport, Tourism & Sport as the name by which the NRA may describe itself for operational purposes following the merger of the two organisations (Statutory Instrument No. 297/2015). TII is a non commercial semi-State body which operates under the aegis of the Department of Transport, Tourism & Sport. Our mission is to provide high quality transport infrastructure and services, delivering a better quality of life and supporting economic growth.

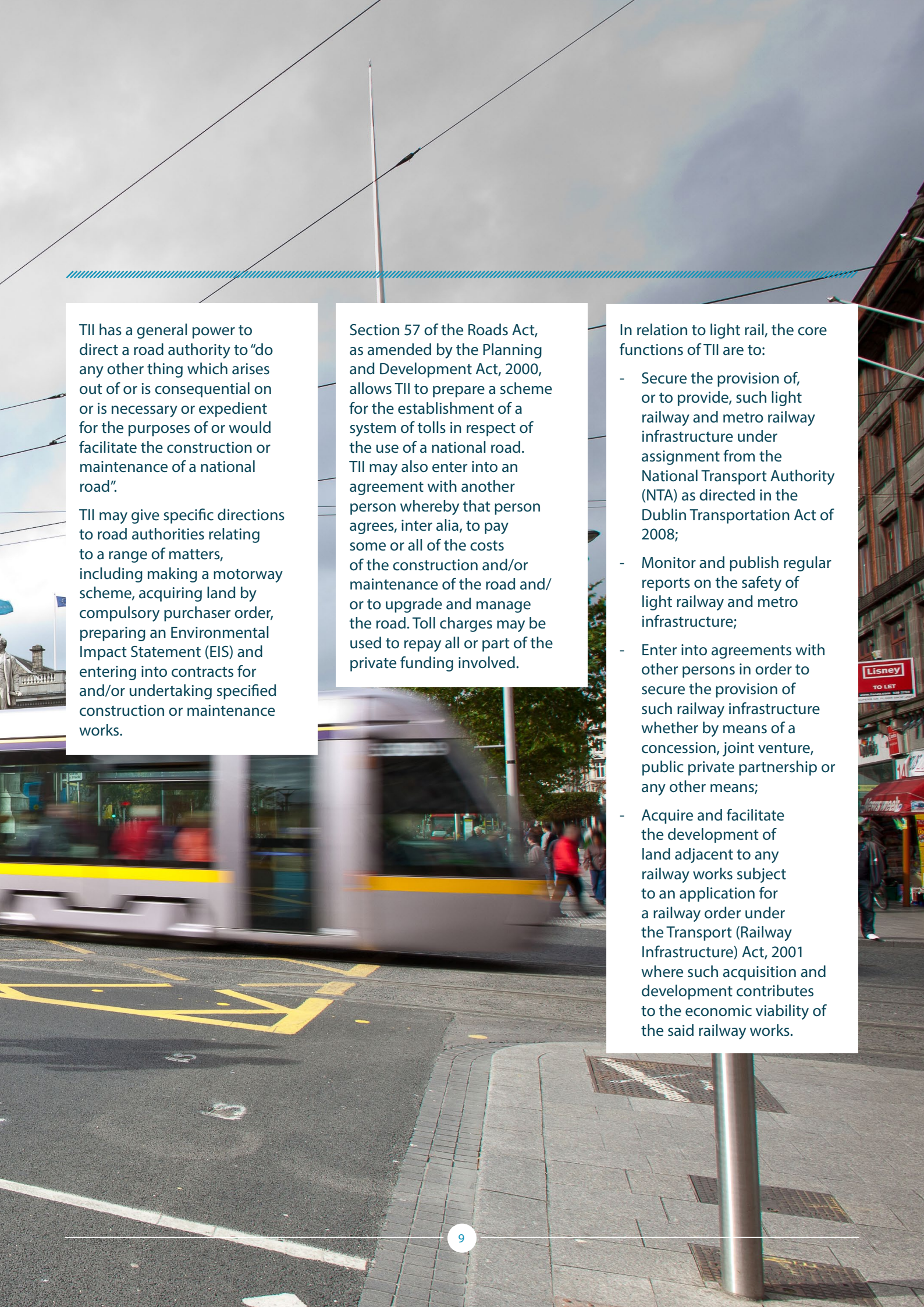
TII's primary function is to provide an integrated approach to the development, maintenance and operation of the national road network and light rail infrastructure throughout Ireland.

Specifically, in relation to national roads, our key role is to secure the provision of a safe and efficient network of national roads. In addition to having overall responsibility for the planning and supervision of construction and maintenance of national roads, TII has a number of specific functions, including:

- preparing, or arranging for the preparation of, road designs, maintenance programmes and schemes for the provision of traffic signs on national roads;
- securing the carrying out of construction, improvement and maintenance works on national roads;

- allocating and paying grants for works on national roads, and
- undertaking training, research or testing activities in relation to any of our functions.

While many of our national roads functions are discharged through local authorities, who are the road authorities for their respective administrative areas, motorways (with the exception of Public Private Partnership sections of the network) and high speed dual carriageways are maintained, operated and managed under Motorway Maintenance and Renewal Contracts awarded by TII.



TII has a general power to direct a road authority to “do any other thing which arises out of or is consequential on or is necessary or expedient for the purposes of or would facilitate the construction or maintenance of a national road”.

TII may give specific directions to road authorities relating to a range of matters, including making a motorway scheme, acquiring land by compulsory purchaser order, preparing an Environmental Impact Statement (EIS) and entering into contracts for and/or undertaking specified construction or maintenance works.

Section 57 of the Roads Act, as amended by the Planning and Development Act, 2000, allows TII to prepare a scheme for the establishment of a system of tolls in respect of the use of a national road. TII may also enter into an agreement with another person whereby that person agrees, inter alia, to pay some or all of the costs of the construction and/or maintenance of the road and/or to upgrade and manage the road. Toll charges may be used to repay all or part of the private funding involved.

In relation to light rail, the core functions of TII are to:

- Secure the provision of, or to provide, such light railway and metro railway infrastructure under assignment from the National Transport Authority (NTA) as directed in the Dublin Transportation Act of 2008;
- Monitor and publish regular reports on the safety of light railway and metro infrastructure;
- Enter into agreements with other persons in order to secure the provision of such railway infrastructure whether by means of a concession, joint venture, public private partnership or any other means;
- Acquire and facilitate the development of land adjacent to any railway works subject to an application for a railway order under the Transport (Railway Infrastructure) Act, 2001 where such acquisition and development contributes to the economic viability of the said railway works.

Chapter 2

Daily Operations

TII Everyday

Every day, TII has a direct role in the operation and maintenance of the Luas Light Rail Network and National Road Network - this forms the core of our daily operational responsibilities within the organisation.

The Luas service is provided through publicly procured contract for light rail transport services by Transdev Ireland for TII. There is also direct oversight by TII on a preventative maintenance plan. Additional functions also carried out by TII include monitoring daily performance of Transdev and undertaking reviews of existing infrastructure and of rolling stock for heavy maintenance and renewals based on long term deterioration through wear and material condition.

Everyday Facts

- The Luas Red and Green lines carried 36.4 million passengers in 2015. Averaging 95,000 people per day. That equates to Croke Park at full capacity everyday for an entire year.
- TII completed the programme of 300,000 kilometre overhauls on the fleet of 26 Citadis 402 trams based at the Sandyford Depot.
- National Roads Network totals 5,415km of road. It comprises 2,739km designated as National Primary Road and 2,676km designated as National Secondary Road.
- National Primary roads are numbered from M1 to M50 (N Inclusive) and National Secondary roads are numbered from N51 to N87.

TII is responsible for the operation, maintenance, renewal and improvement of the national road network which ranges from modern, recently constructed motorways conforming to the latest design standards to our historical network which has been built up over time, without the modern equipment and standards we have today.

Everyday Working Together

TII as an organisation works everyday with a wide range of stakeholders from the general public to government agencies and elected officials. TII also engages daily with land owners, business owners, local authorities, Road Safety Authority (RSA), National Transport Authority (NTA), An Garda Síochána and Emergency Service all working collaboratively to deliver on the safe and efficient development and use of our Luas and National Roads Network.



Working Together Facts

- TII reviewed the new regulations for vehicle weight and the impacts on our national road network. As a result, TII was able to advise the RSA on the potential consequences of the additional weight increase and the impacts on bridges and pavement surfaces.
- TII also supported the RSA in providing access to weighing station facilities located in our strategic salt stores assisting with weight enforcement activities.
- TII interacts daily with An Garda Síochána, particularly in the areas of traffic management, incident detection and emergency management. As traffic volume increases across the network, particularly along Dublin's M50 and the radial routes, the working relationship is vital for effectively managing incidents as they arise.
- TII, NTA and Dublin City Council work collectively to progress works relating to the Luas Cross City Project and minimise disruption to the travelling public.
- TII introduced Ireland's first red light infringement camera at the junction of Benburb Street and Blackhall Place, following a collaborative initiative between TII, NTA, Dublin City Council and An Garda Síochána. This has resulted in a significant reduction in accidents resulting from illegal red light running.

TII Operational Snapshots

Motorway Traffic Control Centre

TII operates a Motorway Traffic Control Centre (MTCC), located at the Dublin Tunnel building, with a primary function of monitoring traffic movements and notifying road users, via Variable Message Signs (VMS), text and social media alerts (Tweet @tiitraffic), of events that may impact them. This information enables drivers to make appropriate travel decisions. TII also works directly with the relevant local authorities and our contacted service providers in the event of a serious disruption on the network. The MTCC monitors traffic on the M50 and the immediate radial approaches from the national road network, as well as the Dublin Tunnel and Jack Lynch Tunnel in Cork.

The MTCC also manage calls from over 1,400 Emergency Response Telephones (ERT), the orange roadside phones you see located across the motorway network. Typically over 200 emergency calls are received each month from road users, seeking assistance for various reasons, including reporting a vehicle collision, breakdown, running out of fuel and seeking directions.

MTCC Fact

- Every phone on the network is geo-referenced so that the operator can identify the exact location of the phone along the route, including the direction of travel, thereby being in a position to give an accurate location to the individual making the call and, if necessary, recovery or emergency services. For further information please visit www.tiitraffic.ie

Pavement

Our road pavements age and suffer deterioration due to repeated traffic-loading and exposure to fluctuations in environmental conditions – particularly temperature and moisture content. As a consequence, over time, pavements exhibit a number of functional and structural distresses. These include:

- Wheel track rutting;
- Increasing roughness;
- Cracking, and
- Loss of skid resistance.

TII undertakes annual condition surveys of the network. These surveys involve measuring and recording the condition the full national road network.

Pavement Facts

- The condition surveys, involves specialised vehicles that carry sophisticated laser, video and geo-referencing devices when combined with deterioration rate projections for differing road conditions and circumstances, allow TII to predict and plan for future rehabilitation and maintenance requirements.
- Measurements taken include the road profile (transversely and longitudinally), degree of rutting, cracking and other deterioration characteristics.

Bridges

TII's bridges on the older national road network are traditional masonry arch structures compared with steel and concrete structures that support our modern road network and Luas light rail network. Old masonry arch bridges require more active monitoring and inspection, in order to identify developing deterioration and through early intervention, and to ensure that the bridges' function is not compromised.

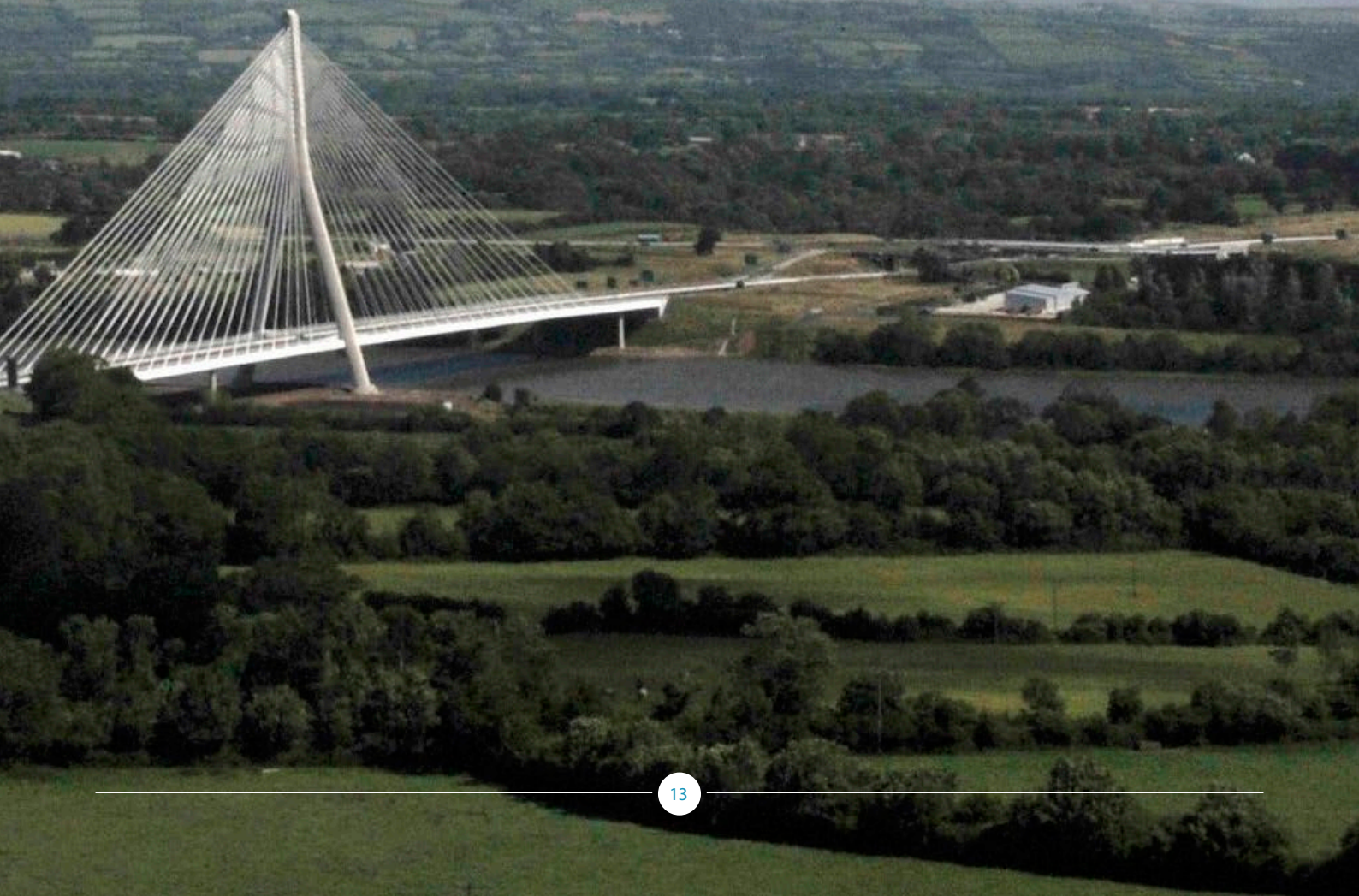
Bridge Fact

- TII's network has over 3,000 bridge structures on both road and light rail.

Winter Operations

TII's objective of the winter services for both the Luas light rail network and National Road Network is to ensure, as far as reasonably practicable, that they can be used in a safe, efficient, and sustainable manner throughout the winter period by minimising the hazardous effects of wintry conditions on the network. This is achieved through:

- Central coordination of winter service operations;
- Monitoring track clearance and maintenance;
- Provision of strategic winter decision-making assistance, and
- Centralised salt management.



Chapter 3

Major and Minor Schemes

National Road Projects

The national road network comprises 5,415 km of national roads ranging from single-carriageway roads to motorways. Significant progress has been made on upgrading the network in recent years, however much of the legacy network is still sub-standard and requires on-going improvement.

Major Road Schemes Completed 2015:

M11 Arklow–Rathnew

Major Road Schemes Under Construction 2015:

N11 Gorey to Enniscorthy

M17/M18 Gort to Tuam

Major Road Schemes in Planning in 2015:

The number of schemes being actively planned has diminished in recent years, nonetheless there are still major schemes in planning and the land purchase stage.

- N2 Ardee Bypass
- N4 Colloney to Castlebaldwin
- N5 Westport to Turlough
- N5/26/58 Turlough to Bohola
- N5 Ballaghaderreen Bypass to Scramogue
- N6 Galway City Transport Project
- M7 Naas/Newbridge (Widening to 3 Lanes)
- M8/N40 Dunkettle Junction Upgrade
- N13/N14/N15 Donegal Schemes (TEN-T)
- N14/15 to A5 Link
- N22 Ballyvourney to Macroom
- N28 Cork City to Ringaskiddy
- N56 Mountcharles to Inver
- N56 Dungloe to Glenties
- N59 Moycullen Bypass
- N59 Clifden to Oughterard
- N59 Westport to Mulranny
- N21/69 Limerick to Foynes
- N69 Listowel Bypass
- N86 Tralee to An Daingean

Building on Recovery: Infrastructural and Capital Investment Plan (CIP) 2016-2021

The Government's Capital Investment Plan, announced on 29th of September 2015, provides for an increase in funding for the advancement to construction of five major national primary route schemes and the funding for the continual construction of three national secondary route schemes which are the following:

- N4 Colloney to Castlebaldwin
- N5 Westport to Turlough
- M7 Naas/Newbridge (Widening to 3 Lanes)
- M8/N40 Dunkettle Junction Upgrade
- N22 Ballyvourney to Macroom
- N56 Dungloe to Glenties
- N56 Mountcharles to Inver
- N59 Moycullen Bypass

The Plan also included five major road schemes which will be progressed through planning and design stages, which include the linking of two Tier 1 Ports to the Trans European Transport Network (TEN-T) Core National Road Network. The schemes are:

- N2 Slane Bypass
- N6 Galway City Transport Project
- N21/N69 (TEN-T) Foynes/Adare to Limerick
- N28 (TEN-T) Cork to Ringaskiddy
- N72/N73 Mallow Relief Road

Major Road Scheme Fact

- Trans European Transport Network (TEN-T) which aims to close the gaps between Member States' transport networks, remove bottlenecks that still hamper the smooth functioning of the internal market and establish the basis for action until 2030

Major Road Construction Starts in 2016:

N25 New Ross Bypass

Minor Schemes

There were twenty one minor schemes in construction and ten of these schemes were completed in 2015, with on-going construction of the balance continuing into 2016. Planning and design of about forty minor schemes continued in 2015, so as to have a programme of minor schemes available to construct as funding allows.





Public Transport Projects

Luas

On-going growth in the Irish economy is driving increasing demand for public transport in Dublin, and passenger journeys on Luas for the year to date have grown by a further 5% in 2015. This growth means that the Luas is experiencing the highest level of usage at peak times. TII has embarked on a programme of capacity enhancement.

Luas Cross City

Significant progress was made on the Luas Cross City project in 2015. Prior to commencing the main Luas infrastructure works, utility services were diverted away from the line of the tracks, and this phase of the project is now complete. The main infrastructure contract for the construction of the track, platform and overhead line was awarded in January 2015 and construction of the main infrastructure is underway. The project remains on target for completion by the end of 2017.

New Metro North

In 2014, the National Transport Authority commenced the Fingal / North Dublin Transport Study in order to inform the Government's decision in 2015 on the potential transport options in this area. A final report was published in June 2015 and recommended the optimised Metro North option as the preferred transport solution for the City Centre/Airport Swords corridor. This project was also included in the Government's seven year capital investment plan published in October 2015.



TII Areas of Expertise: Snapshots

TII has a broad range of professional expertise assisting with internal organisational needs and affording external stakeholder advice on a broad spectrum from national transport modelling development to archaeology. These capabilities assist TII in delivering on its mission to provide high quality transport infrastructure services, delivering a better quality of life and supporting economic growth.

National Transport Model

The National Transport model was updated to take account of 2011 Census data, forecasts for demographics, economic and car ownership. A suite of documents which support the National Transport Model was produced and includes detailed information on the process employed in its construction which can be found [here](#).

Project Appraisal Guidelines for Roads

The Project Appraisal Guidelines (PAG) guide appraisal teams through the process of preparing the necessary documentation to support decision-makers, ensuring that the best choices are made and the best value for money is obtained on all national road projects, and to ensure compliance with Department of Public Expenditure and Reform (DPER's) Public Spending Code.

Land Use Planning

Certain planning applications are referred to the TII in circumstances as set out in the Planning and Development Regulations. TII also has a role in relation to local authority development plans, strategic development zones and similar strategic infrastructure plans.

Research and Standards

TII has developed a suite of documents to provide the framework within which the national road network is planned, designed, constructed and maintained. These documents provide the standards and specifications which are mandatory for national roads but are also widely used by Local Authorities on the local and regional road network. These documents, which form the Design Manual for Road and Bridges (DMRB) and the Manual of Contract Documents for Roadworks (MCDRW), are available free-of-charge online at [here](#).





Tolling

TII is directly responsible for two tolling operations on the national network: eFlow M50 and the Dublin Tunnel toll facility. There are eight additional toll roads on the national road network operated by private companies which were awarded long term concession contracts to design, build and operate these toll roads.

TII's eFlow toll is located on the M50 (between Junctions 6 and 7) and is an all electronic ("free-flow") tolling system which replaced the Westlink toll barrier system in 2008.

TII also provides the facilities and legal framework to support electronic tolling "interoperability" which means that a road user only needs one electronic tag to use all the toll roads in the country. TII acts a central 'clearing house' for tolling transaction data between the individual toll plazas on the network and the tag account providers.

Tolling Fact

- Electronic tolling has proved to be a popular offering for road users in Ireland and there are currently over 1.1 million vehicles registered to tolling accounts today.

Environment

TII continues to augment its comprehensive suite of planning, construction and operational guidelines to ensure appropriate understanding and response to the many environmental challenges involved in developing and operating the national road network. Considerable research continues to be undertaken to assess the effectiveness of environmental mitigation in order to ensure more that the best solutions are part of future road and light rail planning and construction.

Archaeology

TII's archaeology section focuses on the management of archaeological works on national road and light rail schemes; from the major PPP projects like the N25 New Ross Bypass, Luas Cross City and the M11 Gorey to Enniscorthy Bypass along with safety schemes, and regional schemes like the N59 Moycullen Bypass and the N59 Maam Cross to Oughterard, which have been approved by An Bord Pleanála. Archaeological input was also required at oral hearings such as the N5 Westport–Turlough and the N4 Collooney–Castlebaldwin. Archaeological assistance has been given at the early design stages of the N69 Limerick to Foynes scheme and the more advanced N5 Longford to Ballaghaderreen and N28 Cork to Ringaskiddy schemes.

TII archaeologists have also assisted various local authorities in the management of various archaeological projects including the Carrigaline Relief Road for Cork County Council, the proposed industrial development at Knockhouse Lower for Waterford City and County Council and the proposed Kilmeaden to Bilberry Greenway again for Waterford City and County Council.

A pilot project was established with the Digital Repository of Ireland (DRI) and the Discovery Programme to create a framework for the long-term archiving and curation of all archaeological reports from national road schemes. Arising from this project will be a template and methodology for the uploading of archaeological reports (and broader cultural heritage data) for other public sector agencies and, indeed, for private sector companies.

Chapter 4

Regulatory and Annual Accounts/ Financial Statement and Board Information

Regulatory

Records Held by Transport Infrastructure Ireland

TII holds a wide range of administrative and technical records, in hardcopy and electronic format, commensurate with our extensive roles and responsibilities, in relation to and in connection with the development, maintenance and operation of Ireland's national road and light rail infrastructure. In accordance with the provisions of the Freedom of Information Act, the Government's Open Data initiative and the Re-Use of Public Sector Information Regulations, we endeavour to facilitate the public availability of these records through our website, [here](#) and the national portal, [here](#).

Customer Service

TII 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 TII. Copies of the documents concerned may be obtained online at [here](#).

Irish Language

TII is fully committed to meeting the requirements of the Official Languages Act, 2003. Our commitment to the Irish language builds on the principles of quality customer service and on the commitment made in our Customer Charter to ensure that customers who wish to conduct their business with us through the medium of the Irish language can do so..

Accessibility

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

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. Established August 1st 2015 Transport Infrastructure Ireland can provide the following information on energy usage

Transport Infrastructure Ireland

2015 Energy Consumption (kWh) since August 1st

Electricity:	264, 716
Heating (Oil & Natural Gas):	265, 178
Total:	529, 894





Actions Undertaken

- Public lighting is a major consumer of energy and has become one of the main focus areas in terms of meeting the National Energy Efficiency Action Plan (NEEAP) requirements of a 33% reduction in energy consumption by 2020. To develop a strategy to meet NEEAP targets by 2020, TII has embarked on a number of initiatives in co-operation with local authorities to introduce energy and maintenance efficient relating to national road lighting.
- TII's National Road Network has approximately 1400 Emergency Roadside Telephones that use solar energy only.
- TII is currently trialling three Variable Message Signs (VMS) on solar energy only.
- Mayo, Laois, Wexford & Meath County Councils in conjunction with the TII carried out an Intelligent Street Lighting pilot scheme to identify the potential

benefits of LED technology over traditional road lighting systems and to evaluate potential energy savings associated with the use of such technologies.

- TII has a network of approximately 270 Traffic Counters circa 130 of which use a combination of solar and wind energy
- TII has around 100 School Warning Signs that are only solar powered.
- TII's Luas Operations January to July 2015, patronage figures are indicating another record year (up 5% on 2014 for the same period). Electricity consumption in kWh/passenger and kWh/km travelled are both up 2% and 8% when compared to the same period in 2014. Due to average daily temperatures over the same period being lower it required additional energy consumption. Gas consumption was down by 23% compared to 2014.

- Specification on refurbishment of the new TII HQ includes a number of features to improve the energy efficiency of the new building.

Actions Planned

With the merger of the National Roads Authority and the Railway Procurement Agency in 2015 as Transport Infrastructure Ireland, we are committed to energy management and continual improvement in energy efficiency.



Corporate Governance

The revised Code of Practice for the Governance of State Bodies issued by the Department of Finance takes account of changes in legislation and administrative guidelines that have implications for the governance framework of State Bodies. The Code of Practice comprises the systems, structures and processes concerning decision-making, accountability, controls and behaviour in the organisation. TII 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, TII must confirm to the Minister for Transport, Tourism and Sport that it adheres with the provisions of the revised Code of Practice.

Risk Management

A risk management policy has been approved by the Board and a Corporate Risk Manager has been appointed in TII to identify, measure and manage risk and promote a risk management culture in the organisation.

Audit and Audit Committee

TII is subject to audit by the Comptroller & Auditor General. The Audit Committee (AC) oversees the Internal Audit function and advises the Board in relation to the operation and development of the audit function. The AC of TII met two times in 2015 post merger. Prior to the merger the AC of the Rail Procurement Agency (RPA) met two times in 2015 while the AC of the National Roads Authority (NRA) met three times.

The Internal Audit Plans of the RPA and the NRA for 2015 were approved by the respective Boards and were monitored by the respective Audit Committee's until merger date. TII continued on with these plans after the merger. TII audit plan has been approved by the Board for 2016.

In addition audit work is also undertaken in the areas of:

- 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.

Prompt Payment Returns

The Government has extended its commitment to pay suppliers within 15 days of receipt of a valid invoice to State Agencies. Every effort, consistent with proper financial procedures, is being made by the Authority to ensure that payments are made within this timeframe. The details below are in respect of TII post merger and the NRA pre-merger.

The Protected Disclosures Act 2014 ("the Act")

Report under Section 22 of the Protected Disclosures Act 2014 for the period 15 July 2014 to 31 December 2014 and for the period 1 January 2015 to 31 December 2015

The Protected Disclosures Act 2014 ("the Act") provides for the protection of employees from dismissal or other detriment suffered as a result of raising in good faith a concern regarding potential wrongdoing that has come to their attention in the workplace. The Act sets out a number of ways in which disclosures (as defined in the Act) can be made.

Transport Infrastructure Ireland is a public body within the meaning of the Act.

A public body is required by Section 22, Subsection 2, of the Act to publish an annual report setting out the number of protected disclosures received in the preceding year and the action taken (if any).

This report must not result in persons making disclosures being identifiable.

This report under Section 22 of the Act covers the following periods;

1. The period 15 July 2014 to 31 December 2014, and
2. The period 1 January 2015 to 31 December 2015.

For each of the periods specified at 1 and 2 above no protected disclosures, within the meaning of that term specified in the Act, were made by staff members under the Protected Disclosures Policy (as required by the Code of Practice for the Governance of State Bodies) or under the Act.

Board Meeting Information

Details	No. Of Payments	Value (€)	% of Total Payments Made
Total payments made in 2015	2,202	372,304,865	100%
Number of payments made within 15 days	1,795	317,851,722	85%
Number of payments made between 16 and 30 days	407	54,453,143	15%

Attendance of the NRA Board Members at Board Meetings in 2015

Board Met on 7 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Cormac O'Rourke (Chairman)	7	7	
Fred Barry (CEO)	6	6	Resigned from Board 30/06/2015
Jacqueline Cross	7	6	
David O'Connor	7	7	
Gary Comiskey	7	7	
Sandra Murphy	7	6	
Joe O'Mahony	7	7	
Senan Turnbull	7	6	
Virginia O'Dowd	7	7	

Attendance of the RPA Board Members at Board Meetings in 2015

Board Met on 7 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Cormac O'Rourke (Chairman)	7	7	
Jacqueline Cross	7	6	
Ciarán MacSamhráin	7	5	
Sandra Murphy	7	6	
David O'Connor	7	7	
Joe O'Mahony	7	7	

Attendance of the TII Board Members at Board Meetings in 2015

Board Met on 4 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Cormac O'Rourke (Chairman)	4	4	
Michael Nolan	4	4	
Jacqueline Cross	4	4	
David O'Connor	4	4	
Sandra Murphy	1	1	Resigned from Board 30/09/2015
Gary Comiskey	4	3	
Joe O'Mahony	4	4	
Senan Turnbull	4	4	
Virginia O'Dowd	4	3	
Seamus Neely	2	1	Appointed to Board 01/11/15

Attendance of the NRA Board Members at Audit Committee Meetings in 2015

Board Met on 3 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Jacqueline Cross	3	3	
David O'Connor	3	3	
Gary Comiskey	3	2	
Sandra Murphy	3	2	
Senan Turnbull	3	3	
Virginia O'Dowd	3	3	



Attendance of the RPA Board Members at Audit Committee Meetings in 2015

Board Met on 2 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Jacqueline Cross	2	2	
David O'Connor	2	1	
Sandra Murphy	2	2	

Attendance of the TII Board Members at Audit Committee Meetings in 2015

Board Met on 2 occasions Prior to Merger of RPA and NRA August 2015

Board Member	No. of Meetings Eligible to Attend	No. of Meetings Attended	Comment
Jacqueline Cross	2	2	
David O'Connor	2	2	
Gary Comiskey	2	2	
Sandra Murphy	1	1	Resigned from Board 30/09/2015
Senan Turnbull	2	2	
Virginia O'Dowd	2	2	
Seamus Neely	1	0	Appointed to Board 01/11/15



Code of Practice for the Governance of State Boards

Corporate governance comprises the systems and procedures by which enterprises are directed and managed. State bodies must serve the interests of the taxpayer, pursue value for money in their endeavours (including managing risk appropriately) and act transparently as public entities. The Board and management should accept accountability for the proper management of the organisation.

The Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the body is firmly in its hands (some of these matters may require Ministerial approval and this should be noted).

This schedule should include, at least, the following:

- Significant acquisitions, disposals and retirement of assets of the State Body or its subsidiaries; the schedule should specify clear quantitative thresholds for contracts above which Board approval is required;
- Major investments and capital projects;
- Delegated authority levels, treasury policy and risk management policies;
- Approval of terms of major contracts;
- In commercial State Bodies, policy on determination of senior management remuneration (with the exception of the Chief Executive);
- In non-commercial State Bodies, compliance with statutory and administrative requirements in relation to the approval of the number, grading, and conditions of appointment of all staff;
- Approval of annual budgets and corporate plans;
- Production of annual reports and accounts;
- Appointment, remuneration and assessment of the performance of, and succession planning for, the Chief Executive; and
- Significant amendments to the pension benefits of the Chief Executive and staff (which may require Ministerial approval).

Appendix:

2015 Financial Statements

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Transport Infrastructure Ireland Financial Statements for the year ended 31 December 2015

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Transport Infrastructure Ireland

Information

Chairman	Cormac O'Rourke	
Board Members	Fred Barry (retired 31/07/2015)* Gary Comiskey Jacqueline Cross Sandra Murphy (resigned 30/09/2015) Seamus Neely (appointed 01/11/2015) Michael Nolan (appointed 01/08/2015)* David O'Connor Virginia O'Dowd Joe O'Mahony Senan Turnbull	
Solicitor	McCann Fitzgerald Riverside One Sir John Rogerson's Quay Dublin 2	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2
Bankers	Bank of Ireland College Green Dublin 2	Allied Irish Bank 52 Upper Baggot Street Dublin 4
	Ulster Bank Head Office Georges Dock Dublin 2	
Auditors	Comptroller & Auditor General, 3A Mayor Street Upper, Dublin 1, D01 PF72, Ireland	
Registered Address	Parkgate Business Centre, Parkgate Street, Dublin 8	

*Michael Nolan was appointed Chief Executive Officer on 01/08/2015 replacing Fred Barry who retired on 31/07/2015.



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Transport Infrastructure Ireland

I have audited the financial statements of Transport Infrastructure Ireland (the Authority) for the year ended 31 December 2015 under the Roads Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of changes in net equity, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under the third schedule of the Act and in accordance with generally accepted accounting practice.

Responsibilities of the Authority

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

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

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

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

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with,

the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Authority as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

Matters on which I report by exception

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

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

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

Seamus McCarthy
Comptroller and Auditor General

15 July 2016

Statement of Responsibilities of TII

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

In preparing those financial statements, TII is required to:

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

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

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke
Chairman



Michael Nolan
Chief Executive Officer

11 July 2016

Statement on Internal Financial Control

Responsibility for System of Internal Financial Control

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

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

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

- adopting a Code of Practice for the Governance of TII;
- developing a strong culture of accountability across 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;
- establishing an Audit Committee to monitor the activities of the organisation;
- clearly defining management responsibilities and ensuring that appropriate resources and training are made available; and
- establishing formal procedures for determining and reporting significant control failures and ensuring appropriate corrective action is taken in a reasonable timeframe.

A risk management policy has been approved by the Board and a Corporate Risk Manager has been appointed in TII to identify, measure and manage risk and promote a risk management culture in the organisation.

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

- a comprehensive budgeting system 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;
- a clearly defined policy on procurement;
- clearly defined treasury and capital investment control guidelines; and
- formal project management procedures.

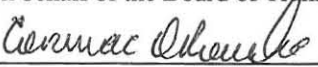
TII has an Internal Audit function which operates in accordance with the Code of Practice for the Governance of State Bodies. The work of Internal Audit is informed by analysis of the risk to which the body is exposed. The analysis of risk and the internal audit plans are endorsed by the Audit Committee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


The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of Internal Audit; the Audit Committee, which oversees the work of Internal Audit; the Executive Team within TII, 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 in respect of the year ended 31 December 2015 the Board conducted a review of the effectiveness of the system of internal financial controls.

On behalf of the Board of Transport Infrastructure Ireland:


Cormac O' Rourke
Chairman


Michael Nolan
Chief Executive Officer

11 July 2016

Transport Infrastructure Ireland

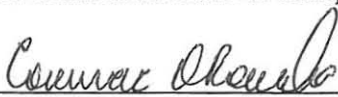
Statement of Income and Expenditure For the year ended 31 December 2015

	Note	Administration 2015 ‘€000	Light Rail & Metro 2015 ‘€000	Road Network 2015 ‘€000	Total 2015 ‘€000	Total 2014 Re-stated ‘€000
State Grants	3	22,841	16,625	746,368	785,834	791,890
Grant Transfers	3	(2,491)	2,491	0	0	0
Grant Refunds	4	0	0	6,117	6,117	884
Toll Income	5	0	0	126,416	126,416	115,421
Other Income	6	2,913	3,587	1,622	8,122	4,151
Expenditure	7	(19,117)	(18,324)	(806,668)	(844,109)	(843,549)
Transfer (to)/from Capital	13	(3,372)	(1,698)	7,587	2,517	(3,052)
Operating surplus		774	2,681	81,442	84,897	65,745
Interest and Other Finance	12					
Charges		(1,425)	0	(33,496)	(34,921)	(26,643)
Interest Receivable	12d	4	51	2	57	6
Retained (deficit)/surplus for the year		(647)	2,732	47,948	50,033	39,108

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

The Statement of Cash Flows and notes 1 to 28 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:


Cormac O' Rourke
Chairman


Michael Nolan
Chief Executive Officer

11 July 2016

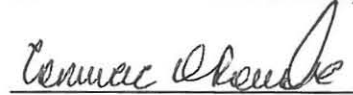
Transport Infrastructure Ireland

Statement of Comprehensive Income For the year ended 31 December 2015

	Note	2015 €'000	2014 Re-stated €'000
Retained Surplus for the Year		50,033	39,108
Experience (Losses)/Gains on Defined Benefit Retirement Obligations		(1,121)	2,310
Changes in Assumptions Underlying the Present Value of Defined Benefit Retirement Benefit Obligations		676	(8,348)
Total Actuarial Loss in the Year	22c	(445)	(6,038)
Increase in Irrecoverable Surplus on Defined Benefit Retirement Scheme	22c	(975)	0
		(1,420)	(6,038)
Adjustment to Defined Benefit Retirement Obligations	22e	1,272	6,038
Net movement in the Year		(148)	0
Other Comprehensive Income for the year		49,885	39,108

The Statement of Cash Flows and notes 1 to 28 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke
Chairman



Michael Nolan
Chief Executive Officer

11 July 2016

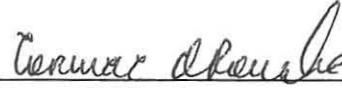
Transport Infrastructure Ireland


Statement of Changes in Net Equity For the year ended 31 December 2015

	Administration €'000	Light Rail & Metro €'000	Road Network €'000	Capital €'000	Other Funding €'000	Total €'000
At 01 January 2014	(243)	0	144,491	1,155,306	0	1,299,554
Retained (deficit)/surplus for the year	(25)	0	39,133	0	0	39,108
Income used to purchase fixed assets or fund capital payments	0	0	0	22,959	0	22,959
Amortisation in line with depreciation/finance charge	0	0	0	(19,614)	0	(19,614)
Asset disposals and impairments	0	0	0	(292)	0	(292)
At 31 December 2014	(268)	0	183,624	1,158,359	0	1,341,715
Take-on of Reserves from RPA @ 01.08.15	2,734	22,303	0	814,629	39,860	879,526
Retained (deficit)/surplus for the year	(647)	2,732	47,948	0	0	50,033
Movement in Other Funding [Note 23]	0	0	0	0	2,997	2,997
Income used to purchase fixed assets or fund capital payments	0	0	0	41,914	0	41,914
Amortisation in line with depreciation/finance charge	0	0	0	(43,747)	0	(43,747)
Transfer to provisions	0	0	0	3,914	0	3,914
Asset disposals and impairments	0	0	0	(684)	0	(684)
Other recognised losses	(148)	0	0	0	0	(148)
At 31 December 2015	1,671	25,035	231,572	1,974,385	42,857	2,275,520

The Statement of Cash Flows and notes 1 to 28 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:


Cormac O' Rourke
Chairman


Michael Nolan
Chief Executive Officer

11 July 2016

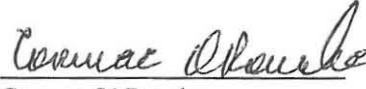
Transport Infrastructure Ireland


Statement of Financial Position At 31 December 2015

	Note	2015 €'000	2014 Re-stated €'000
Fixed Assets			
Property, Plant and Equipment	14	3,281,330	2,108,771
Current Assets			
Receivables	15	23,892	14,093
Cash and Cash Equivalents	16	65,155	20,014
		89,047	34,107
Creditors (Amounts Falling Due Within One Year)			
Payables	17	(135,689)	(101,071)
Net Current Liabilities		(46,642)	(66,964)
Creditors (Amounts Falling Due After One Year)			
Payables	18	(703,667)	(565,055)
Provisions for Liabilities and Charges	21	(255,985)	(135,037)
Retirement Benefits			
Defined Benefit Retirement Obligations	22d	(72,040)	(68,017)
Defined Benefit Deferred Retirement Funding	22d	72,040	68,017
Defined Benefit Retirement Asset	22f	484	0
Total Net Assets		2,275,520	1,341,715
Financed By			
Reserves			
Capital Account	13	1,974,385	1,158,359
Developer Levies and Contributions Reserve	23	42,857	0
Retained Revenue Reserves		258,278	183,356
		2,275,520	1,341,715

The Statement of Cash Flows and notes 1 to 28 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:


Cormac O' Rourke
Chairman


Michael Nolan
Chief Executive Officer

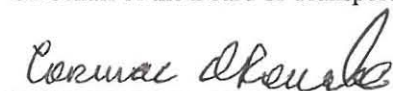
11 July 2016

Transport Infrastructure Ireland
Statement of Cash Flows
For the year ended 31 December 2015

	2015	2014
	€'000	Re-stated €'000
Net Cash Flows from Operating Activities		
Retained Surplus for the Year	50,033	39,108
Depreciation, impairment and disposal of Fixed Assets	26,523	9,965
Amortisation of levies and deferred credits	(630)	0
Transfer (from) / to Capital	(2,517)	3,052
Interest	(56)	(6)
Pension charge	(58)	0
(Increase) / decrease in Receivables	(1,015)	4,684
Increase / (decrease) in Payables	4,977	(557)
Net Cash Inflow from Operating Activities	77,257	56,246
Cash Flows from Investing Activities		
Payments to acquire Property, Plant & Equipment	(67,781)	(53,053)
Take on of RPA Cash @ 01 August 2015	48,972	0
Disposal of Property, Plant & Equipment	233	0
Development Levies and Contributions	360	0
Bank Interest received	20	6
Net Cash Outflow from Investing Activities	(18,196)	(53,047)
Cash Flows from Financing Activities		
Refunded Exchequer advances	(13,920)	0
Net Cash Outflow from Financing Activities	(13,920)	0
Net Increase in Cash and Cash Equivalents	45,141	3,199
Cash and cash equivalents at 1 January	20,014	16,815
Cash and cash equivalents at 31 December	65,155	20,014

The Statement of Cash Flows and notes 1 to 28 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



Cormac O' Rourke
Chairman



Michael Nolan
Chief Executive Officer

11 July 2016

Transport Infrastructure Ireland

Notes to the Financial Statements For the year ended 31 December 2015

1. Accounting Policies

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

a) General Information

The National Roads Authority [NRA] was formally established as an independent public body under the Roads Act, 1993. The Roads Act 2015 provided for the dissolution of the Railway Procurement Agency [RPA] and the transfer of its staff, assets rights and obligations to the NRA and allowed for the re-naming of the NRA. The provisions of the Act were executed under Statutory Instrument 297/2015. The NRA was re-named Transport Infrastructure Ireland [TII], with effect from 1st August, 2015, to better reflect its expanded remit following the transfer of functions of RPA to the NRA. The final accounts for RPA were for a seven month period to 31 July 2015. On 1 August 2015, RPA's net assets transferred to the re-named entity TII. RPA's income and expenditure has been included in these financial statements from its transfer date, 1 August 2015. The 2014 comparatives reflect only NRA activities for the year.

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

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

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

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

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. No such exemptions have been taken in these financial statements.

b) Statement of Compliance with FRS 102

The financial statements of TII for the year ended 31 December 2015 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland. These are TII's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 01 January 2014. The prior year financial statements were re-stated for material adjustments on adoption of FRS 102 in the current year. The result of this adoption can be seen in Note 24.

c) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Transport, Tourism and Sport with the concurrence of the Minister for Public Expenditure and Reform under the Roads Acts 1993 to 2015. The accounting policies have been applied consistently in dealing with items which are considered material in relation to TII's financial statements.

d) Foreign currency

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

e) Revenue

State Grants

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

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

Transport Infrastructure Ireland

1. Accounting Policies (Continued)

Development levies and developer contributions

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

Refunds of grants paid to Local Authorities

Grant refunds reflect the actual amounts received in the year.

Toll Income

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

Provision of Luas infrastructure

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

Revenue generated from Luas associated assets

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

Other Revenue

Other revenue is recognised on an accruals basis.

f) Property, Plant and Equipment

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

Capitalisation

Light rail & metro projects

Expenditure is capitalised in respect of rail transport infrastructure assets and passenger transport facilities under construction and development activity on Government approved capital projects. For the purposes of these policies, Government approval for light rail or metro projects has been defined by reference to the date of submission of a railway order application except where agreement has been obtained from the Government to fund capital expenditure in advance of the receipt of a railway order. Expenditure on feasibility studies and preliminary design for potential but unapproved capital projects is written off to the income and expenditure account in the year of expenditure. All expenditure on the acquisition of capital assets, or expenditure which significantly adds to the value, capacity in use, or useful economic life of existing assets, including certain staff costs, are capitalised as a fixed asset.

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

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

Road network

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

Transport Infrastructure Ireland

1. Accounting Policies (Continued)

When the contract is signed, the value of the infrastructure asset and the service concession liability is recognised as the net present value of the future minimum lease payments - calculated on the basis of construction payments set out in the contract, made directly by TII and any reliably measured capital element of operational payments. TII selected a discount rate of 4% following consultation with the National Development Finance Agency [NDFA] on the basis that it reflects an appropriate rate for long term infrastructure assets.

TII has a contract in place for the operation of the Dublin tunnel, the Jack Lynch tunnel and the motorway traffic control centre. While TII receives toll income from the Dublin Tunnel, ownership of these three assets rests with the relevant local authority. Accordingly, this contract has not been accounted for as a service concession arrangement. The relevant payments are charged to the Statement of Income and Expenditure in the period they arise.

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

Depreciation

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

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure in the year.

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

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

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

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

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

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

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly

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1. Accounting Policies (continued)

attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

g) Receivables

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

h) Operating Leases

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

i) Interest receivable and interest payable and similar charges

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

j) Employee Benefits

Short-term Benefits

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

Retirement Benefits

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

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

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

TII operates the Single Scheme, which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

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

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

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

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

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

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Pensions – Defined Contribution Scheme [Closed to new members]

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

k) Reserve

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

l) Provisions for Liabilities and Charges

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

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

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

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

m) Payments to Local Authorities

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

n) Service concession agreements (public private partnerships)

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

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

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

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

The infrastructure assets are recognised as assets on the Statement of Financial Position of TII together with a liability for future obligations under the related service concessions. The asset valuations and that of the related liability are based on the discounted value of the construction payments made directly by TII and any reliably measured capital element of operational payments. The variable operational payments are expensed in the Statement of Income and Expenditure. An appropriate discount rate has been chosen to discount the future construction related liabilities arising from concession agreements. This rate is broadly consistent with the effective rates of interest in the concession agreements for which asset valuations have been reached under FRS 102. Operational payments made under the concession agreements are recognised in the Statement of Income and Expenditure in the year they are paid.

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

o) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the

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1. Accounting Policies (Continued)

year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Road Network: Valuation, Depreciation and Residual Values

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

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

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

Provisions and estimates

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

Grants repayable:

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

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

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

Variable Operational Payments:

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

Accruals

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

Retirement Benefit Obligation

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

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- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) healthcare cost trend rates.

p) Inventory

All consumables are written off in the year of purchase.

2. Business Combinations

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

Take-on balance sheet from RPA	Note	RPA Financial Statements as at 31/07/15 €'000	Take-on balances included in TII Financial Statements at 01/08/15 €'000	Difference €'000
Property, Plant and Equipment				
Receivables	14	1,014,444	1,013,298	(1,146)
Prepayments and Accrued Income		15,464	6,069	(9,395)
Vat Receivable		52	52	0
Cash and Cash Equivalents		48,972	48,972	0
Payables less than one year				
Corporation Tax		(176)	(176)	0
Trade Creditors and Accruals		(17,847)	(17,607)	240
Provisions for Liabilities and Charges	21	(141,546)	(139,880)	1,666
Payables greater than one year		(31,856)	(31,856)	0
Retirement Benefits		572	654	82
Total Net Assets		888,079	879,526	(8,553)
Capital Account	13	824,047	814,629	(9,418)
Other Funding	23	39,860	39,860	0
Retained Revenue Reserves		24,172	25,037	865
		888,079	879,526	(8,553)

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

3 State Grants

State grants of €786m (2014: €792m) were received in 2015 from the Department of Transport, Tourism and Sport (Vote 31) and the National Transport Authority under the following subheads:

	2015 €'000	2014 Restated €'000
Administration:		
B1.3 - Administration	22,841	11,830
Light Rail and Metro:		
NTA GDA Capital Funding programme	16,625	0
Road Network:		
B 1.1 National Road Construction and Improvement	332,590	324,000
B 1.5a Regional and Local Road Construction and Improvement	274,100	314,139
B1.5b Regional and Local Road Maintenance and Management	42,784	43,310
B 1.4 Public Private Partnership Operations	59,111	59,111
B 1.2 National Road Maintenance and Management	37,783	39,500
	746,368	780,060
Total Grants	785,834	791,890

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

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3. State Grants (continued)

EU Grants

The EU part funds some of the road development and maintenance programme of TII under Ireland's Structural Funds Programmes 2007-2013.

In 2015 €1.2m (2014: €0.0m) was received by the Central Fund in respect of the Trans European Transport Network programme. In 2015 €3.9m (2014: €0.0m) was received by the Central Fund in Cohesion Fund receipts in respect of the final payment on the M50 South Eastern Motorway and €3.6m (2014: €0.0m) in respect of the final payment on the M1 Cloghran Lissenhall Motorway.

Grant Transfers

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

4. Grant Refunds by Local Authorities

	2015 €'000	2014 Re-stated €'000
National Road Construction and Improvement	6,093	680
National Road Maintenance and Management	24	204
	6,117	884

5. Toll Income

	2015 €'000	2014 Re-stated €'000
Dublin Tunnel	13,032	11,753
M50 eFlow	111,248	102,679
M1 Dundalk Western Bypass	589	0
M4 Kilcock/Kinnegad	1,547	989
	126,416	115,421

Toll income represents:

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

Value Added Tax – Toll Income

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

TII engaged with the Revenue Commissioners on this change in VAT treatment of public sector tolls and the matter was referred to the Office of the Appeal Commissioners for determination. A hearing before the Office of the Appeal Commissioners was held in March 2014 and the Appeal Commissioners decided to refer the matter to the European Court of Justice. The hearing date for the European Court of Justice was 25th May 2016. The Advocate Générale will issue his Opinion on the 8th September 2016 following which the European Court of Justice will issue its ruling which will then be referred to the Appeal Commissioner. Since July 2010, TII has incurred the cost of the VAT element within the existing toll charges and remits the VAT element (net of VAT on input costs) of the toll income to the Revenue Commissioners.

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6. Other Income

		2015	2014
	Note	€'000	Re-stated €'000
Administration	6a	2,913	3,405
Light Rail & Metro	6b	3,587	0
Road Network	6c	1,622	746
		8,122	4,151

6a. Other Income - Administration

		2015	2014
	Note	€'000	Re-stated €'000
Net Deferred Funding for Pensions	22e	2,751	3,259
Road Material Testing		58	53
Sale of Publications		2	4
Sundry Income		102	89
		2,913	3,405

6b. Other Income - Light Rail & Metro

		2015	2014
		€'000	Re-stated €'000
Surplus on Provision of Luas Infrastructure		1,888	0
Net Surplus generated from Luas Associated Assets		944	0
Rental Income		125	0
Amortised Levies and Deferred Credits		630	0
		3,587	0

All income from Light Rail & Metro is included from 01 August 2015.

6c. Other Income - Road Network

		2015	2014
		€'000	Re-stated €'000
Sundry Income		350	236
Motorway Service Area Revenue Share		704	614
Insurance Risk Sharing Income		568	(104)
		1,622	746

Motorway Service Area Revenue Share: TII entered a PPP Contract for Motorway Service Areas on the M1 and M4. The contract includes revenue share provisions. Revenue due for 2015 amounted to €704k (2014: €614k).

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6c. Other Income - Road Network (Continued)

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

		2015 €'000	2014 Re-stated €'000
N18 Limerick Tunnel		317	0
N25 Waterford City Bypass		251	3
M1 Dundalk Western Bypass		0	(47)
M3 Clonee/Kells		0	(179)
N6 Galway/Ballinasloe		0	4
N8 Rathcormac/Fermoy		0	115
		568	(104)

7. Expenditure

	Note	2015 €'000	2014 Re-stated €'000
Administration	8	19,117	13,300
Light Rail & Metro	9	18,324	0
Road Network	10	806,668	830,249
		844,109	843,549

8. Expenditure - Administration Costs

	Note	2015 €'000	2014 Re-stated €'000
Remuneration and Other Pay costs	8a	14,656	9,837
Accommodation costs	8e	3,452	1,772
Other Administration costs	8f	2,745	1,362
Depreciation		758	329
Disposal of Fixed Assets		(3)	0
Total Administration costs		21,608	13,300
Less: Capitalised salary and overhead costs		(2,491)	0
Included in Statement of Income and Expenditure		19,117	13,300

8a. Remuneration and Other Pay Costs

	Note	2015 €'000	2014 Re-stated €'000
Salaries		10,990	7,400
Pension Costs	22a	2,522	1,776
Employer's Contribution to Social Welfare		1,061	600
Board Members' Emoluments and Expenses	8c	83	61
		14,656	9,837

Pension levy of €577k (2014: €588k) has been deducted and paid over to the Department of Transport, Tourism and Sport.

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8b. Employee Benefits Breakdown

Range of total employee benefits earned in the year		Number of employees 2015	Number of employees 2014
From	To		
€60,000	- €69,999	14	15
€70,000	- €79,999	10	32
€80,000	- €89,999	29	4
€90,000	- €99,999	12	16
€100,000	- €109,999	6	3
€110,000	- €119,999	1	1
€120,000	- €129,999	3	1
€130,000	- €139,999	1	0
€140,000	- €149,999	1	0
€250,000	- €250,999	0	1

8c. Board Members' Emoluments and Expenses

	No. of Meetings attended 2015 [of 11]	Board Fees 2015 €'000	Board Fees 2014 €'000
Fred Barry (Chief Executive 01/01/2015 – 31/07/2015)*	7	0	0
Michael Nolan (Chief Executive 01/08/2015-31/12/2015)*	4	0	0
Cormac O'Rourke (Chairman)	11	15.9	11.9
Gary Comiskey	10	9.7	7.7
Jacqueline Cross	10	9.7	7.7
Sandra Murphy (Resigned 30/09/2015)	7	6.7	7.7
Seamus Neely (Appointed 01/11/2015)	1	0	0
David O'Connor *	11	9.7	7.7
Virginia O'Dowd	10	9.7	2
Joe O'Mahony	11	9.7	7.7
Senan Turnbull	10	9.7	7.7
		80.8	60.1

* David O'Connor received fees from 14th November 2013 following his retirement from his public sector position. In accordance with the Department of Public Expenditure & Reform's "one Person One Salary" principle, Fred Barry and Michael Nolan (Chief Executives during 2015) and Seamus Neely did not receive a fee for serving on the Board.

Expenses paid to Directors during the year amounted to €2k (2014: €1k) comprising of travel charges. Expenses paid to Fred Barry and Michael Nolan during the year were incurred in their capacity as Chief Executive during 2015 and not as Members of the Board.

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

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8c. Board Members' Emoluments and Expenses (Continued)

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

8d. Key Management Personnel Compensation

Key management personnel compensation comprised:

	2015	2014
	€'000	Re-stated €'000
Salaries	1,041	929
	1,041	929

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

Remuneration in respect of Fred Barry (Chief Executive during the period 01/01/2015 – 31/07/2015) and Michael Nolan (Chief Executive during the period 01/08/2015 – 31/12/2015) included in key management personnel compensation is as follows:

	Fred Barry 01 Jan – 31 Jul 2015 €'000	Michael Nolan 01 Aug – 31 Dec 2015 €'000	Total 2015 €'000	Restated 2014 €'000
Basic Salary	146	71	217	236
Contribution to Pension	10	0	10	47
Car Allowance	3	0	3	14
	159	71	230	297

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

8e. Accommodation Costs

	2015	2014
	€'000	Re-stated €'000
Rent, Rates and Services	2,661	1,629
Light, Heat and Cleaning	244	121
Repairs, Maintenance and Security	60	22
Dilapidations for Leasehold Premises *	487	0
	3,452	1,772

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

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8f. Other Administration Costs

	2015 €'000	2014 Re-stated €'000
Telephone and Postage	191	108
Printing and Stationery	73	44
Computer Charges	549	348
Staff Training and Development	123	111
Staff Travel and Subsistence	528	443
Audit Fees	73	9
Books and Periodicals	22	30
Insurances	98	37
Repairs and Maintenance - Equipment	28	8
Sundries	352	116
Consultancy Fees	198	12
Legal Fees	243	81
Staff Appointment Costs	267	15
	2,745	1,362

9. Expenditure – Light Rail & Metro

	2015 €'000	2014 Re-stated €'000
Depreciation	17,807	0
Local Authority Rates	243	0
Asset Impairments	196	0
Project Development Costs	78	0
Expenditure on Light Rail & Metro	18,324	0

All expenditure on Light Rail & Metro is included from 01 August 2015.

10. Expenditure – Road Network

	Note	2015 €'000	2014 Re-stated €'000
Road Construction and Improvement	10a	566,164	593,624
Road Maintenance and Management	10b	88,935	84,042
PPP, Tunnel Operations and Tolling	11	143,320	142,904
Depreciation and Impairment Loss		7,996	9,636
Deficit on Disposal of Fixed Assets		258	43
Amortisation of Deferred Credit		(5)	0
		806,668	830,249

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10a. Road Construction and Improvement

	2015 €'000	2014 Re-stated €'000
Payments to Local Authorities – National Roads	207,990	201,131
Payments to Local Authorities – Regional and Local Roads	274,099	314,139
Other Payments	84,075	78,354
	566,164	593,624

10b. Road Maintenance and Management

	2015 €'000	2014 Re-stated €'000
Payments to Local Authorities – National Roads	28,248	26,967
Payments to Local Authorities – Regional and Local Roads	42,785	43,310
Other Payments	17,902	13,765
	88,935	84,042

Expenditure in 2015 includes payments of €8.83m (2014: €17.1m) made to local authorities to cover costs as a result of conciliation and arbitration proceedings arising from roads construction projects. Figures include VAT, legal, engineering consultants and resolver fees.

11. Public Private Partnership, Tunnel Operations and Tolling

	Note	2015 €'000	2014 Re-stated €'000
Ancillary Costs	11a	13,889	11,029
Public Private Partnership Operation Payments	11b	79,797	82,621
Tunnel Operations and Tolling	11c	49,634	49,254
		143,320	142,904

11a. Ancillary Costs

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

11b. Public Private Partnership Scheme Operation Payments

	2015 €'000	2014 Re-stated €'000
N25 Waterford City Bypass	7,059	7,349
N18 Limerick Tunnel	3,994	4,985
M50 Upgrade	18,563	24,188
N6 Galway/Ballinasloe	20,458	20,133
M3 Clonee/Kells	16,270	15,232
M7/M8 Portlaoise	3,927	4,808
M1 Dundalk Western Bypass	202	219
N8 Rathcormac/Fermoy	4,824	5,390
M4/M6 Kilcock/Kinnegad	528	317
N11 Arklow/Rathnew	3,972	0
	79,797	82,621

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11c. TII Tunnel Operation and Tolling

	2015 €'000	2014 Re-stated €'000
Dublin Tunnel	11,398	13,114
M50 eFlow	34,730	33,524
Jack Lynch Tunnel	3,506	2,616
	49,634	49,254

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

11d. General description of schemes

N25 Waterford City Bypass

The Celtic Roads Group (Waterford) Ltd. consortium was awarded the N25 Waterford City Bypass PPP contract on 21 April 2006. The contract is for a 30 year concession period. The scheme comprised the construction of the N25 bypass extending from Kilmeaden in County Waterford to Slieverue in County Kilkenny. The route crosses the River Suir at Grannagh thus providing Waterford with a second major bridge over the Suir and allowing traffic on the N25 Cork to Rosslare route to bypass the city. The scheme comprised approximately 23km of dual carriageway, a bridge over the River Suir of approximately 475m in length and approximately 4km of single carriageway construction. The contract included an additional 11km of side roads and tie-ins and a 2km railway realignment (narrow gauge excluding trackworks) in the area of the western link junction. The scheme, which is tolled, opened to traffic in October 2009.

N18 Limerick Tunnel

The Direct Route (Limerick) consortium was awarded the Limerick Tunnel PPP contract on a 35 year concession basis on 18 August 2006. The Limerick Tunnel PPP Scheme involved the construction of approximately 10km of new dual carriageway along with associated link roads and side roads. The tunnel crossing of the River Shannon involved an immersed tube tunnel, approximately 0.9km in length, linking the townland of Coonagh on the northern bank with the townland of Bunlicky on the southern bank of the Shannon. The scheme, which is tolled between junction 2 and 4, opened to traffic in July 2010.

M50 Upgrade

The M50 Upgrade PPP contract was awarded in September 2007 with a contract period of 35 years to the ICON consortium which established M50 Concession 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 official opening of the upgraded sections of the M50 was in September 2010.

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

N6 Galway/Ballinasloe

The N6 Galway/Ballinasloe PPP contract was awarded to the N6 (Concessions) Limited consortium on 04 April 2007. The contract is for a 30 year concession period. The scheme involved the construction of approximately 56km of new dual carriageway, a 7km link road to the Loughrea bypass, 32km of side roads and five grade-separated junctions. The scheme extends from Doughiska, east of Galway City to the existing N6 east of Ballinasloe in County Roscommon. The scheme, which is tolled between junctions 15 and 16, opened to traffic in December 2009.

M3 Clonee/Kells

The M3 Clonee/Kells PPP contract was awarded to the EuroLink consortium. The contract was awarded on 07 March 2007 and is for 45 years inclusive of the construction phase.

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11d. General description of schemes (Continued)

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

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

M7/M8 Portlaoise

The M7/M8 Portlaoise PPP contract was awarded to the Celtic Roads Group (Portlaoise) consortium. The contract was awarded on 14 June 2007 and is for a 30 year concession period. The project, which provides bypasses of Abbeyleix, Durrow, Cullahill, Mountrath, Castletown and Borris-in-Ossory, involved the construction of a tolled motorway of approximately 41km total length. There are grade separated junctions at Portlaoise, Borris-in-Ossory and Rathdowney as well as a motorway to motorway interchange at Aghaboe. The scheme also included a new 3km regional link road from the motorway back to Borris-in-Ossory. There are approximately 15km of side roads, 41 road bridges, 5 rail bridges, 8 river crossings including the environmentally sensitive River Nore and more than 120 culverts and mammal passes. The scheme, which is tolled, opened to traffic in May 2010.

M1 Dundalk Western Bypass

The M1 Dundalk Western Bypass PPP contract was awarded to Celtic Roads Group (Dundalk) Ltd. consortium on 5 February 2004. The contract is for a 30 year concession period. The scheme involved the construction, operation and maintenance of an 11km stretch of road forming part of the N1/M1 national primary route in the vicinity of the town of Dundalk, Co. Louth, together with approximately 8km of associated side roads and tie-ins.

The construction works were completed in 2005. The project also includes the operation and maintenance of existing motorway with an approximate length of 42km, i.e. the Dunleer Bypass and the Dunleer/Dundalk Motorway as well as the operation and maintenance of the tolling facilities between junction 7 and 10 on the M1 (Gormanston to Monasterboice) scheme.

N8 Rathcormac/Fermoy

The N8 Rathcormac/Fermoy contract was awarded to the Direct Route (Fermoy) Ltd. consortium which comprises Kellogg Brown & Root Ltd., Strabag AG, John Sisk & Son (Holdings) Ltd., Lagan Holdings Ltd., Roadbridge Ltd. and the First Irish Infrastructure Fund (a joint AIB/European Investment Bank fund established for the purpose of investing in PPP projects and private sector infrastructure developments in Ireland and across Europe). The contract was awarded on 11 June 2004 and is for a 30 year concession period. The consortium's contract obligations include the design, building, maintenance, operation, re-investment and financing of the scheme. The scheme, which is tolled between junctions 14 and 17, opened to traffic in October 2006.

M4 M6 Kilcock/Kinnegad

The M4/M6 Kilcock/Kinnegad PPP Contract was awarded to EuroLink on the 24 March 2003. The EuroLink consortium comprises SIAC Construction Limited and CINTRA - Concesiones de Infraestructuras de Transporte, S. A. The contract is for a 30 year concession period. The scheme involved the construction of 39km of motorway, including 19 overbridges, 7 underbridges and 3 underpasses. The scheme, which is tolled between junctions 8 and 10, opened to traffic in December 2005.

N11 Arklow/Rathnew

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

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11d. General description of schemes (Continued)

M17/M18 Gort to Tuam

The M17/M18 PPP Scheme was awarded to the Direct Route consortium in April 2014. The M17/M18 PPP Contract comprises the design, construction, operation and maintenance of approximately 53 km of motorway along with the design and construction of 4 km of dual carriageway. The scheme will provide bypasses for the towns of Clarinbridge, Claregalway and Tuam. The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by TII. The scheme is expected to open to traffic in Q4 2017.

M11 Gorey-Enniscorthy

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

12. Interest and Other Finance Charges

	Note	2015 €'000	2014 Re-stated €'000
Other Finance Charges	12a	1,425	2,260
Finance Lease Costs	12b	50	54
Unwinding of Service Concession Liabilities	12c	23,480	12,762
Unwinding of M50 Buy Out Liability	12c	9,966	11,567
		34,921	26,643

12a. Other Finance Charges

Under FRS 102, the net of the interest on the defined benefit scheme pension liabilities and the expected return on assets of €1.425m is recorded as a finance charge adjacent to interest (2014: Charge €2.260m) see note 22b.

12b. Finance Lease Costs

	2015 €'000	2014 Re-stated €'000
Charges on Finance Lease	50	54
	50	54

12c. Finance costs related to Service Concession and Variable Operational Payment Liabilities

	2015 €'000	2014 Re-stated €'000
Finance costs for the year	33,446	24,329
	33,446	24,329

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12d. Interest Receivable on Short Term Deposits

	2015 €'000	2014 Re-stated €'000
Interest receivable for the year	57	6
	57	6

13. Capital Account

	€'000	€'000
At 01 January 2015		1,158,359
<u>Administration:</u>		
Take on of Capital grants from RPA @ 01.08.15		345
Income used to purchase fixed assets	4,130	
Amortisation in line with depreciation	(758)	3,372
<u>Light Rail and Metro</u>		
Take on of Capital grants from RPA @ 01.08.15		814,284
Income used to purchase fixed assets	19,012	
Amortisation in line with depreciation	(17,118)	
Impairment loss	(196)	1,698
Transfer to provisions		3,914
<u>Road Network</u>		
Income used to purchase fixed assets	11,220	
Income used to fund service concession liability	7,325	
Income used to fund finance lease liability	227	
Release in line with finance charges	(17,875)	
Amortisation in line with depreciation	(7,996)	
Disposals	(488)	(7,587)
At 31 December 2015		1,974,385

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14. Property, Plant and Equipment

	Light Rail & Metro Infrastructure	Light Rail & Metro Assets Under Construction	Road Network Infrastructure	Road Network Under Construction	Rolling Stock & Equipment	Furniture Fixtures & Equipment	Enhancement to Leasehold Premises	Equipment	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost									
At 1 January 2015	0	0	1,969,738	177,101	0	2,224	2,331	1,500	2,152,894
Take-on from RPA @ 01.08.15	1,095,960	101,523	0	0	197,711	3,836	668	0	1,399,698
Additions in period	48	25,622	11,365	144,625	0	2	4,536	308	186,506
Disposals	0	0	(1,432)	0	0	(2,231)	0	(446)	(4,109)
Impairment	0	(196)	0	0	0	0	0	0	(196)
At 31 December 2015	1,096,008	126,949	1,979,671	321,726	197,711	3,831	7,535	1,362	3,734,793
Accumulated Depreciation									
At 1 January 2015	0	0	40,224	0	0	1,992	528	1,379	44,123
Take-on from RPA @ 01.08.15	280,043	0	0	0	102,198	3,517	642	0	386,400
Depreciation charge	13,447	0	7,820	0	4,361	319	470	144	26,561
Disposals	0	0	(944)	0	0	(2,231)	0	(446)	(3,621)
At 31 December 2015	293,490	0	47,100	0	106,559	3,597	1,640	1,077	453,463
Net Book Value									
At 31 December 2015	802,518	126,949	1,932,571	321,726	91,152	234	5,895	285	3,281,330
At 31 December 2014	0	0	1,929,514	177,101	0	232	1,803	121	2,108,771

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15. Receivables

	2015 €'000	2014 Re-stated €'000
Toll Income Debtors	12,547	11,295
Prepayments and Other Debtors	11,345	2,798
	23,892	14,093

Toll income of €12.5m receivable at year-end in respect of Dublin Tunnel and M50 eFlow represents amounts that will be paid to TII by toll operators and excludes toll charges for eFlow of €4.9m (2014: €3.4m) which the toll operator deems uncollectable. (Prepayments and Other Debtors include €282k due after one year (2014: €32k).

16. Cash and Cash Equivalents

	2015 €'000	2014 Re-stated €'000
Cash and Bank	65,155	20,014
	65,155	20,014

17. Payables (Amounts Falling Due Within One Year)

	Note	2015 €'000	2014 Re-stated €'000
Salaries		476	621
Variable Operational Payments	20	6,515	6,371
Obligations under Finance Leases	19b	227	227
Trade Creditors, Accruals and Deferred Income		62,835	34,627
Service Concession Liability	20	10,736	7,326
M50 Buy Out Liability	20	54,900	51,899
		135,689	101,071

18. Payables (Amounts Falling Due After One Year)

	Note	2015 €'000	2014 Re-stated €'000
Obligations under Finance Leases	19b	1,599	1,776
Trade Creditors, Accruals and Deferred Income		32,012	0
Service Concession Liability	20	517,756	366,044
M50 Buy Out Liability	20	152,300	197,235
		703,667	565,055

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19. Commitments

19a. Operating Lease Commitments

At 31 December 2015, TII had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:	Land & Buildings €'000
Payable within one year	1,579
Payable within two to five years	6,315
Payable after five years	15,813

Operating lease payments recognised as an expense were €2,789k (2014: €1,262k)

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

19b. Finance Lease Commitments

	Note	2015 €'000	2014 €'000
The future minimum lease payments are as follows:			
Not later than one year		227	227
Later than one year but not later than five years		907	907
Later than five years		907	1,134
Total Gross Payments		2,041	2,268
Less: Finance Charges		(215)	(265)
Carrying amount of liability		1,826	2,003
Classified as:			
- Payables (amounts falling due within one year)	17	227	227
- Payables (amounts falling due after one year)	18	1,599	1,776

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

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19c. Road Network Forward Commitments

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

Year	Commitment € Million	Department of Public Expenditure and Reform approved capital funding for TII 2016-2018 € Million	Commitment as % of annual allocation	Department of Public Expenditure and Reform sanctioned commitment as % of annual allocation
2016	229	305	75%	75%
2017	180	340*	53%	60%
2018	178	375*	47%	50%

*Grant Allocation for 2017/2018 to be confirmed

19d. Public Private Partnership Forward Commitments

	2015 €'000
Nominal Amount:	
N25 Waterford City Bypass	47,375
N18 Limerick Tunnel	38,272
M50 Upgrade	572,377
N6 Galway/Ballinasloe	72,881
M3 Clonee/Kells	289,186
M7/M8 Portlaoise	11,214
M1 Dundalk Western Bypass	3,055
N8 Rathcormac/Fermoy	19,186
M4/M6 Kilcock/Kinnegad	5,771
N11 Arklow/Rathnew	308,171
M17 / M18 Gort to Tuam	655,848
M11 Gorey Enniscorthy	253,320
	2,276,656

These commitments incorporate the financing, operational and lifecycle costs for the remaining life of the agreement.

19e. Light Rail and Metro Capital Commitments

	2015 €'000	2014 Re-stated €'000
At the year end the following capital commitments authorised by the Board had not been provided for in the financial statements:		
Contracted but not provided for	157,696	0
Authorised but not contracted for	24,501	0
	182,197	0

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20. Other Financial Liabilities

The future minimum lease payments at 31 Dec 2015 are as follows:	Service Concession €'000	Variable Operational Payments €'000	M50 Buy Out €'000	Total €'000
Not later than one year	10,736	6,515	54,900	72,151
Later than one year but not later than five years	155,982	34,035	174,364	364,381
Later than five years	718,350	174,690	0	893,040
Total Gross Payments	885,068	215,240	229,264	1,329,572
Less: Finance Charges	(356,576)	(74,546)	(22,064)	(453,186)
Carrying amount of liability	528,492	140,694	207,200	876,386
Classified as:				
- Payables (amounts falling due within one year)	10,736	6,515	54,900	72,151
- Payables (amounts falling due after one year)	517,756	134,179	152,300	804,235

The above financial liabilities are measured at amortised cost.

21. Provisions for Liabilities and Charges

	Variable Operational Payments €'000	Grants Repayable €'000	Project Provisions €'000	Track Restoration €'000	Restructuring €'000	Total €'000
At 01 January	135,037	0	0	0	0	135,037
Take-on balance from RPA@ 01.08.15	0	133,537	567	5,364	412	139,880
Payments made in year		(13,920)		(175)		
Increase/(reduction) in provision	(6,515)	(3,912)	0	109	(176)	(24,589)
Unwinding of discount associated with provision	5,657	0	0	0	0	5,657
At 31 December	134,179	115,705	567	5,298	236	255,985

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

Variable Operational Payments

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

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21. Provisions for Liabilities and Charges (Continued)

Grants Repayable

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

In 2015 €13.9m was repaid to the Department and a further €3.9 million of these grants was identified as no longer refundable.

Project Provisions

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

Track Restoration

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

In 2015, TII made payments of €0.175m in respect of remediation costs and increased the provision by €0.1m.

Restructuring

Restructuring provisions relate to a voluntary redundancy scheme arising from the dissolution and transfer of staff from RPA and will be fully utilised within one year of the reporting date. The utilisation of the insurance and legal claims provision is dependent on the timing and settlement of the outstanding claims.

22. Retirement Obligations

Details of TII's pension schemes are provided below. Most of the former RPA employees were members of the Defined Contribution scheme and all of the former NRA employees were members of the Defined Benefit Unfunded Scheme.

Defined Contribution Scheme [Closed to new entrants]

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

Defined Benefit Scheme – Funded [Closed to new entrants]

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

An independent professionally qualified actuary carried out a full valuation (February 2016) of the assets and liabilities of the scheme as at 31 December 2015. Those assets and liabilities were valued using the projected unit method.

A pension surplus of €484k considered to be recoverable over the life of the scheme has been reported in the balance sheet. The valuation of the surplus under FRS 102 rules indicated a technical surplus of €7,494k. However, the maximum amount of surplus that can be recognised on the balance sheet is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS 102 basis. Under these rules only €484k is considered recoverable and as a result the pension surplus has been reduced by €7,010k to limit the surplus to the estimated recoverable amount of €484k.

Defined Benefit Scheme – Unfunded [Closed to new entrants]

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current 'model' public sector scheme regulations. 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 65th birthday and pre-2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

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An independent professionally qualified actuary carried out a full valuation (February 2016) of the liabilities of the scheme as at 31 December 2015. Those assets and liabilities were valued using the projected unit method.

Single Pension Scheme – Unfunded

TII operates the Single Scheme, which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

22a. Analysis of total pension costs charged to Statement of Income and Expenditure

	2015 €'000	2014 Re-stated €'000
Defined Benefit Unfunded Scheme costs:		
Current Service Cost	2,451	2,167
Employee Contributions	(398)	(391)
	2,053	1,776
Defined Benefit Funded Scheme costs:		
Current Service Cost	80	0
	80	0
Total Defined Benefit Scheme costs	2,133	1,776
Defined Contribution Scheme costs*	389	0
Total	2,522	1,776

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

22b. Analysis of finance charge recognised in Statement of Income and Expenditure:

	2015 €'000	2014 Re-stated €'000
Defined Benefit Unfunded Scheme:		
Interest on pension scheme liabilities	1,483	2,260
Defined Benefit Funded Scheme:		
Interest on pension scheme liabilities	91	0
Return on scheme assets	(149)	0
	(58)	0
Total finance charge	1,425	2,260

22c. Analysis of amount recognised in Statement of Comprehensive Income:

	2015 €'000	2014 Re-stated €'000
Defined Benefit Unfunded Scheme:		
Experience loss/(gain)	632	(2,310)
Change in assumptions underlying the present value of the scheme liabilities	640	8,348
	1,272	6,038
Defined Benefit Funded Scheme:		
Experience loss	489	0
Change in assumptions underlying the present value of the scheme liabilities	(1,316)	0
	(827)	0
Total actuarial loss	445	6,038
Change in irrecoverable surplus	975	0
	1,420	6,038

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22d. Movement in net retirement benefit obligations/assets during the financial year

Defined Benefit Unfunded Scheme

	2015 €'000	2014 Re-stated €'000
Net defined benefit retirement obligation at 01 January 2015	68,017	58,720
Current service cost	2,451	2,167
Actuarial loss	1,272	6,038
Interest cost	1,483	2,260
Pensions paid in the year	(1,183)	(1,168)
Net defined benefit retirement obligation at 31 December 2015	72,040	68,017

Defined Benefit Funded Scheme

	Scheme Assets €'000	Scheme Liabilities €'000	Pension Surplus €'000
At 1 January 2015	-	-	-
Take-on of RPA balances @ 01.08.15	16,383	(9,694)	6,689
Current service cost	-	(80)	(80)
Actuarial (loss)/gain	(620)	1,447	827
Expected return on scheme assets	149	-	149
Interest cost	-	(91)	(91)
Contributions by scheme participants	14	(14)	-
Benefits paid	(1,220)	1,220	-
At 31 December 2015	14,706	(7,212)	7,494

22e. Deferred funding for retirement benefits

Defined Benefit Unfunded Scheme

The Board recognises amounts owing from the State for the defined benefit unfunded deferred liability for pensions on the basis of a set of assumptions at note 22 (g) and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Board has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

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

	2015 €'000	2014 Re-stated €'000
Funding recoverable in respect of current year retirement benefit costs	3,934	4,427
State grant applied to pay retirement benefits	(1,183)	(1,168)
	2,751	3,259

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

	2015 €'000	2014 Re-stated €'000
Adjustment to Deferred Retirement Benefit Obligation	1,272	6,038

The Defined Benefit Deferred Retirement Funding at 31 December 2015 amounted to €72.04m (2014:€68.01m).

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22f. History of defined benefit obligations, assets and experience gains and losses:

Defined Benefit Unfunded Scheme:

	2015	2014	2013	2012
Defined benefit obligations amount (€'000).	(72,040)	(68,017)	(58,720)	(60,154)
Experience adjustments on scheme liabilities amount (€'000).	(632)	2,310	4,774	3,642
As a percentage of scheme liabilities (%).	0.9%	3.4%	8.1%	6.1%
Assumption adjustments on scheme liabilities amount (€'000).	(640)	(8,348)	0	(4,937)
As a percentage of scheme liabilities (%).	0.9%	(12.3%)	0	(8.2%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2015 is €22.07m (31 December 2014: €20.79m).

Defined Benefit Funded Scheme:

	31 Dec 2015	Take-on balance from RPA at 31 Jul 2015
Defined benefit obligations amount (€'000).	(7,212)	(9,694)
Defined benefit assets amount (€'000).	14,706	16,383
Defined benefit surplus	7,494	6,689
Irrecoverable surplus on retirement benefit scheme	(7,010)	(6,035)
Pension surplus	484	654
Experience adjustments on scheme liabilities amount (€'000).	131	492
As a percentage of scheme liabilities (%).	1.8%	5.1
Experience adjustments on scheme assets amount (€'000).	(620)	471
As a percentage of scheme assets (%).	4.2%	2.9

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2015 is €0.32m (31 December 2014: €1.14m). Expected contributions for the following year are €Nil.

22g. General description of the scheme and actuarial assumptions

Defined Benefit Unfunded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2015 %	31 Dec 2014 %
Discount rate	2.55	2.20
Future salary increases	2.65	2.25
Future pension increases	2.15	1.75
Inflation rate	1.65	1.25
Future State pension increases	1.65	1.25

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 2015 and 2035.

Year of Attaining Age 65	2015 Years	2035 Years
Life Expectancy - Male	20.9	23.5
Life Expectancy - Female	23.5	25.6

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22g. General description of the scheme and actuarial assumptions (Continued)

Defined Benefit Funded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2015 %
Discount rate	2.30
Future salary increases	2.65
Future pension increases	2.15
Inflation rate	1.65

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

There are three current pensioners in the scheme.

Longevity for members retiring at 60.

	31 Dec 2015 Years	31 Dec 2014 Years
Male	27.6	0
Female	29.2	0

At 31 December 2015 the scheme assets were invested in the Irish Life Consensus Fund, the Irish Life Cash Fund, Irish Life 10 Year AAA Bond Fund and Irish Life Netherlands 2042 Bond Fund. The Trustees, with the input of their professional advisors, decide on the mix of assets based on the risk profile of the scheme.

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

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

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

23. Developer Levies and Contributions Reserve

	2015 €'000	2014 Re-stated €'000
At 1 January	0	0
Take-on of RPA balance @ 01.08.15	39,860	0
Developer contributions and development levies	3,082	0
Amortisation of levies	(85)	0
At end of period	42,857	0

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

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24. Transition to FRS 102

	Note		As at 31 Dec 2014 €'000
Capital and reserves (as previously stated)		139,956	128,363
Recognition of assets associated with service concession arrangements and finance leases	24a & c	1,767,627	1,979,517
Recognition of liabilities associated with service concession and M50 buy out arrangements	24a	(492,678)	(622,501)
Provision for variable operational payments	24b	(143,019)	(141,409)
Finance lease liabilities	24c	(2,176)	(2,003)
Holiday pay accrual	24d	(242)	(252)
Capital and reserves (as re-stated)		1,269,468	1,341,715
Reconciliation of Surplus for the year			As at 31 Dec 2014 €'000
Deficit for the year (as previously stated)	24a		(5,361)
Service concession and M50 buy out charge	24b		49,324
Variable operational payments	24c		4,443
Finance lease costs	24d		(3)
Holiday pay accrual	24e		(10)
Transfer to capital	24a		(9,285)
Surplus for the year (as re-stated)			39,108

24a. Recognition of assets and liabilities associated with service concession arrangements

Under previous Irish GAAP, TII expensed, in the year of payment, all costs relating to PPP contracts in the Income and Expenditure Account. In accordance with FRS 102, infrastructure road assets arising under the service concession arrangements set out in the PPP contracts are recognised as assets and accounted for using the finance lease liability model in the year in which the PPP agreement is signed. Corresponding liabilities are recognised to account for the net present value of the future payments.

The reclassification has led to changes in the Statement of Financial Position as follows:

- An increase in property, plant and equipment assets of €1,979.5m at 31 December 2014 (€1,767.6m as at transition date).
- An increase in liabilities in respect of both payables less than 1 year and payables greater than 1 year, of €622.5m at 31 December 2014 (€492.7m as at transition date).

The reclassification has led to changes in the Statement of Income and Expenditure as follows:

- Additional expenditure charge of €21.4m in respect of the unwinding of the discount on the service concession liability,
- A reduction in expenditure in the amount of €70.7 million representing payments made to the operators previously charged to the income and expenditure account and now reducing liabilities.

24b. Provision for variable operational payments

TII is obligated to make variable operation payments to certain PPP operators where traffic volumes on roads do not meet anticipated levels set out in the contract. Under FRS 102, these payments fall to be accounted for as financial guarantees. Accordingly TII has recognised, on transition, a provision in the amount of €141.0m, being the net present value of the expected payments over the remaining lives of the contracts. The reserves on transition have been reduced by this amount. In addition, the surplus for 2014 has been restated by €4.4 million comprising:

- Additional expenditure of €2.9m in respect of the unwinding of the discount on the variable operational payments,
- A reduction in expenditure made to the operators, previously charged to the income and expenditure account and now reducing liabilities, in the amount of €7.3m.

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24c. Finance Lease Assets

TII has reclassified as a finance lease, a lease which had previously been treated as an operating lease. The reclassification has led to:

- a) The recognition of an asset of €1.8m as at 31 December 2014 (€1.9m as at transition date)
- b) The recognition of lease obligations in Payables on the balance sheet in the amount of €2.0m as at 31 December 2014 (€2.2m as at transition date)
- c) A decrease in the 2014 surplus of €3,000.

24d. Transition to FRS 102 - Holiday pay accrual

TII has not previously accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS 102, the financial statements must recognise such accruals. The impact of this change is an increase in accruals and a reduction in the surplus of €252,000 at 31 December 2014 (€242,000 at the transition date).

24e. Transition to FRS 102 – Transfer to Capital

The transition changes have seen certain expenditure made to the operators, previously charged to the income and expenditure account now being capitalised and a discount unwind now being charged to the income and expenditure account. The transfer to capital account has also been adjusted to reflect these changes. The reclassification has led to:

- a) A decrease in the surplus to reflect the transfer of grants, previously credited to the income and expenditure account to the capital account of €19.1m
- b) An increase in the surplus to reflect a release from the capital account to cover finance charges of €9.8m

25. Litigation and Claims

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

26. Related Party Transactions

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

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

During the year there were no related party transactions.

27. Subsequent Events

There have been no significant events since the year end that would result in adjustment to the financial statements or inclusion of a note to them.

28. Approval of Financial Statements

These financial statements were approved by the Board on 11 July 2016.