

# Transport Infrastructure Ireland



Annual Report and  
Financial Statements

# 2019



Luas, Red Cow, Dublin

# Glossary

<b>AADT</b>	Annual Average Daily Traffic
<b>CEDR</b>	Conference of the European Directors of Roads
<b>DPER</b>	Department of Public Expenditure and Reform
<b>DTTaS</b>	Department of Transport, Tourism and Sport
<b>ETC</b>	Electronic Toll Collection
<b>EVs</b>	Electric vehicles
<b>HGVs</b>	Heavy Goods Vehicles
<b>NDP</b>	National Development Plan (2018-2027)
<b>NRA</b>	National Roads Authority
<b>NTA</b>	National Transport Authority
<b>MMaRC</b>	Motorway Maintenance and Renewals Contract (Contractors)
<b>OMTCC</b>	Operations and Maintenance of Tunnels and Traffic Control Centre
<b>PLUTO</b>	DTTaS's Planning Land Use and Transport Outlook 2040
<b>PPP</b>	Public Private Partnership
<b>RPA</b>	Railway Procurement Agency
<b>TII</b>	Transport Infrastructure Ireland

# About this Report

*The Annual Report and Financial Statements for 2019 provide a brief overview of Transport Infrastructure Ireland (TII) and our strategy to provide, operate and maintain national road and light rail infrastructure. The report is intended to provide information to our stakeholders regarding TII's financial statements, strategy and governance framework. Our reporting approach on our activities focuses on providing a clear view of TII's accomplishments during 2019 and the goals set for 2020. The information in this report has been prepared in accordance with the Code of Practice for the Governance of State Bodies (2016).*

# Contents

---

<b>Chairman and Chief Executive Statement 2019</b>	<b>1</b>
Organisational Overview 2019	5
Strategic Objectives and Actions	7
<b>National Roads Network Management &amp; Operations</b>	<b>9</b>
Network Traffic and Operations	9
Asset Renewals	12
<b>Commercial Operations</b>	<b>15</b>
Luas and Tolling Business	15
<b>Modernising the National Road and Light Rail Network</b>	<b>21</b>
Capital Investment Plan	21
Major Projects Construction	21
Minor Road Projects	25
<b>Professional Services</b>	<b>29</b>
Strategic and Transport Planning	29
Land Use Planning	29
Archaeology and Heritage	29
Environment Policy and Compliance	31
Road Safety	31
Standards and Research	32
Construction Health and Safety	32
Light Rail Safety	33
<b>TII Regulatory</b>	<b>35</b>
Freedom of Information Act 2014	35
Access to Information on the Environment Regulations 2007 to 2018	35
Re-Use of Public Sector Information Regulations	35
Official Languages Act of 2003	36
Data Protection Acts	36
Disability Act of 2005	37
Customer Service	37
Energy Efficiency	37
<b>TII Governance Statement and Board Members' Report</b>	<b>39</b>
The Board (Photos and Brief Biographies)	39
Executive Team	41
Board Responsibilities	43
Board Structure	45
Risk Management	49
Statement of Compliance	49
<b>Financial Statements</b>	<b>51</b>



## Statement 2019

*Transport Infrastructure Ireland (TII) is responsible for maintaining 5,363km of national roads, which carry almost 50% of all road traffic and over 90% of freight traffic in Ireland. TII is also responsible for operating Dublin's Luas system, with passenger levels rising to 48 million in 2019.*

---

TII will continue to maintain, manage and modernise the infrastructure that allows for people, goods and services to travel between all the country's major cities, towns, airports and ports. TII's ongoing activities are an important part of developing a sustainable future in Ireland. Our roads reduce congestion and travel times, improve road safety and open up economic opportunities. Electric cars, hybrids, LPG trucks and buses will travel on these roads with passengers moving efficiently, safely and reliably between our towns and cities, connecting people and places.

TII discharges its mandate on behalf of Government under the direction of the Department of Transport, Tourism and Sport (DTTaS), in partnership with local authorities and the National Transport Authority (NTA). TII maintains and improves the safety and efficiency of our infrastructure for the direct benefit

of the population through the implementation of Government policy.

It is an investment priority to ensure that the existing extensive transport networks, which have been greatly enhanced over the last two decades, are maintained to a high level. This is to ensure quality levels of service, accessibility and connectivity to transport users. Prioritisation of this type of investment is a recommendation of the Public Investment Management Assessment, conducted by the International Monetary Fund.

DTTaS's Strategic Investment Framework for Land Transport analysis established the investment level required to maintain, manage and extend the life of the existing transport infrastructure in order to keep it in an adequate condition. This is known as Steady State investment. The annual Steady State investment requirements for the existing road

and rail network are expected to be substantially achieved by 2021. Not meeting these requirements for the previous decade, however, will continue to impact upon the road and rail networks.

Furthermore, maintenance and renewal expenditure will increase over the lifetime of the National Development Plan (2018-2027), in order to meet the required investment levels for the current transport network and as new projects are developed.

The recognition of the importance of maintaining the value and quality of the network and the restoration of funding to meet this objective is welcomed.

TII works in close partnership with all local authorities to maintain and deliver transportation infrastructure throughout the country. It would not be possible to deliver on our mandate without strong working relationships with key stakeholders, which include our employees, the NTA, and DTTaS, along with the engineering and construction community.

Throughout 2019, TII continued to enhance the national road network, with the completion of major projects that include the M11 Gorey to Enniscorthy, the M7 Naas to Newbridge Motorway Upgrade, and three additional on-line service areas. These include the M11 in Gorey, the M6 in Athlone, and the M9 in Kilcullen. Additionally, two major projects - the N5 Westport to Turlough and the N22 Ballyvourney to Macroom – were started in 2019. Other projects that continue to progress include the N25 New Ross Bypass, the N4 Collooney to Castlebaldwin, the M8/N40/N25 Dunkettle Interchange, the N59 Moycullen Bypass, the N72 Mallow Relief Road, and the N20/M20 Cork to Limerick scheme. Improved infrastructure and additional service areas combine to provide our users with a safer network of national roads.

In 2019, TII allocated funding throughout the national road network on important local projects

that will address safety issues and improve regional accessibility. Examples of these projects include the N2 Monaghan to Emyvale Phase 3, the N4 Sligo Urban Improvement Scheme, the N52 Cloghan to Billistown, the should be N59 Westport to Mulranny Kilmeena section, the N60 Lagnamuck, and the N70 Kilderry Bends Safety Improvement. The scales of these projects vary but they deliver significant value through local safety benefits and improved access. These types of projects will remain an integral part of TII's work.

TII will continue to support and promote sustainable transport initiatives such as the National Cycleway Network. In 2019, a major section of the Galway to Dublin Cycleway opened between Maynooth and Whitegates in Athlone, and technical advisors were appointed to progress the planning and design of the Maynooth to Galway Cycleway.

Working with the NTA, TII continued to progress the MetroLink, which is at the fore of Ireland's sustainable future. In March 2019, the Preferred Route for the MetroLink was the subject of a public consultation process. Following this, the Preliminary Design was completed for 90% of the project. Works also commenced on the Business Case and the market consultation on the procurement options commenced during the year. It is anticipated that the Business Case will be submitted to Government in 2020.

TII continued increasing the capacity of the existing Luas network by extending each of a fleet of twenty-six Alstom Citadis 402 trams from 44 to 55 metres in length. The first extended tram entered into service during the summer months. Before the end of 2019, four extended trams entered service. The manufacturing of eight additional 55m long trams progressed during 2019 and it is expected that they will commence entering service by autumn 2020. In addition, the expansion of the maintenance depot building at Sandyford was completed and TII progressed the selection of route options for Luas Finglas in partnership with the NTA.

The Covid 19 pandemic has caused significant changes to many aspects of TII 's business.

Our staff with the support of our excellent IT and Human Resources teams have adapted successfully to working from home. Our Board and executive team are monitoring the new arrangements and providing the governance and resources necessary to allow our staff succeed in their work. The quality and execution of our business continuity planning was critical in supporting this change.

Delivering critical infrastructure and services in a safe and sustainable manner remains the focus of our organisation. The TII Board and committees have assessed the threats to our services from the Covid 19 pandemic. Together with TII's executive and stakeholders we have responded to these new threats in a determined and positive manner. The Board is proud to support TII's management and staff as they work through the challenges posed by the pandemic.

The pandemic will have an impact on our financial performance in 2020, which is reported on in Note 25 of our 2019 Financial Statements.

Revenues from our commercial operations have reduced. Patronage on Luas and on the M50 and other roads is lower as the public and business community respond to the pandemic and our Government's containment strategy. 2020 presents some undesirable challenges to TII and it's service providers as we manage the significant reduction in revenues.

As always, TII remains a key delivery agency working on behalf of the Government. TII not only maintains Ireland's existing infrastructure networks in a 'Steady State', but also adheres to the principle that we maintain these networks to a high level that ensures quality of services, accessibility and connectivity for all users. It is vital to maintaining the Steady State investment to support in the delivery of sustainable transportation.

In line with TII' s Sustainability statement, it is important to report that TII has embarked on the development of its Sustainability Implementation Plan. The Plan will provide a Framework to ensure that TII aligns with the relevant United Nations Sustainability Goals and Government policies. It will help to set the direction for TII over the coming years and aims at embedding sustainability principles into the core of our activities.

TII continues to apply the rigorous financial and economic appraisal requirements as per the Public Spending Code. This ensures that all investment proposals maintain a sustainable benefit for generations to come. We thank our Minister, Mr Shane Ross, T.D. and his officials in the Department of Transport, Tourism and Sport who regularly engage with TII in the planning and execution of key infrastructure projects for the country.

We would also like to thank our Board members for their support and guidance during the year. On behalf of the Board, we would like to thank the management team and all the staff of TII for their continued commitment and professionalism.



**Chairman**



**Chief Executive**



M11, Gorey

# Overview

## ASSET CLASS

- 1,298kms Motorways/Dual Cways
- 4,191kms Single Cways
- 43.6kms Luas
- 6 Motorway Service Areas
- 3 Tunnels (Cork, Dublin, Limerick)
- 7 Strategic Depots/Compounds

## MAJOR PROJECTS DELIVERY

- N4 Collooney to Castlebaldwin (35km)
- M11 Gorey to Enniscorthy PPP (40km)
- N25 New Ross Bypass PPP (14km)
- Green Line Capacity Enhancement
  - New/Extended Light Rail Vehicles
  - Sandyford Depot Extension
- M7 Naas Newbridge Upgrade
- N56 Mountcharles to Inver
- N56 Dungloe to Glenties
- N22 Ballyvourney to Macroom (22km)
- N5 Westport to Turlough (20km)
- Small Schemes Programme (worst bends & safety)
  - 10 at construction or complete
  - 4 going to construction
  - 52 in Active Planning and Design)



## CAPITAL INVESTMENT

### BEING PREPARED FOR CONSTRUCTION

- M8/N25/N40 Dunkettle Upgrade (At Tender)
- N59 Moycullen Bypass
- N69 Listowel Bypass
- N5 Ballaghaderreen to Scramogue (subject to planning consent)

### IN PLANNING

- MetroLink
- N72/73 Mallow Relief Rd
- N2 Slane Bypass
- N21/N69 Adare to Foynes
- N28 Cork to Ringaskiddy
- N6 Galway City Transport Project
- M20 Cork to Limerick

## USERS OF NETWORK

- National Roads 6% of road network, 50% of all traffic
- M50 = 440,000 unique journeys per day
- Luas = 119,000 passengers per day



## OPERATIONS AND ASSET RENEWAL WORKS

- Motorways & Tunnels
- Attended 8,200 Motorway Incidents
- Luas (48m passengers in 2019)
- 6 Motorway Service Areas
- 11 PPP Managed Motorways
- Winter Operations
- M50 eFlow Tolling Operations
- 54.9m passages in 2019
- Pavement Renewals & Skid Resistance
- Bridge Inspections & Repair
- Intelligent Transportation Systems (ITS)
- Dublin Tunnel Tolling Operations
- Electronic Toll Collection Interoperability
- National Transport Model

## ROADS PLAN 2019–2027

- N2 Ardee to Castleblaney
- M11 J4 M50 to Kilmacanogue
- N13 Ballybofey Stranorlar Bypass
- N13/N14/N56 Letterkenny Bypass & Dual Carriageway to Manorcunningham
- N14 Manorcunningham to Lifford
- N3 M50 to Clonee
- M4 Mullingar to Longford
- N2 Clontibret to N.I. Border
- Luas Resilience Programme (including Luas Red Cow Depot Upgrade, Backup Central Control Room)
- Green Line Capacity Enhancement
  - St. Stephen's Green Stop Reconfiguration
- Luas Finglas
- Luas Lucan

# Strategic Objectives and Actions

Strategic Objectives	Strategic Actions
<p><b>Safety</b> Improve national road and light rail safety.</p>	<ul style="list-style-type: none"> <li>- Prioritise safety across the full range of TII activities</li> <li>- Ensure the carrying out of appropriate safety inspections and analysis</li> <li>- Prioritise delivery of local road safety interventions having regard to findings of inspections and analysis</li> <li>- Improve the condition, including skid resistance, of national road pavements</li> <li>- Deliver a programme of minor realignments of national roads</li> <li>- Introduce flow optimisation measures on the M50</li> <li>- Provide motorway service areas</li> <li>- Develop and administer design standards for roads and bridges</li> <li>- Monitor adherence to the Luas Safety Management System</li> <li>- Achieve occupational health and safety accreditation to ISO 45001</li> <li>- Monitor compliance with worker welfare regulations on TII funded projects</li> <li>- Fund the national winter maintenance fleet and procure salt stocks</li> </ul>
<p><b>Sustainability</b> Apply sustainability principles in developing and operating road and light rail systems.</p>	<ul style="list-style-type: none"> <li>- Achieve steady state investment in renewal and maintenance on road and light rail networks by 2021</li> <li>- Ensure proper management, including maintenance and renewal, of motorways and high speed dual carriageways</li> <li>- Upgrade central facilities for motorway operations and control</li> <li>- Implement measures outlined in M50 Demand Management study</li> <li>- Operate and enhance pavement and structures management systems</li> <li>- Plan and deliver energy efficiency measures</li> <li>- Expand and enhance deployment and operation of intelligent transport systems</li> <li>- Develop standards to promote innovation and collaboration based on best international practice</li> <li>- Develop a vision for the national road network to 2040 to align with Project 2040</li> <li>- Provide and oversee road maintenance grants to local authorities</li> </ul>
<p><b>Consolidation</b> Invest in maintenance, renewal and development of road and light rail infrastructure and systems to maintain and enhance quality of service and controls and to establish a steady state investment pattern.</p>	<ul style="list-style-type: none"> <li>- Prioritise funding to achieve the NDP objective of steady state levels of investment by 2021</li> <li>- Ensure the proper management of Luas operations and maintenance</li> <li>- Ensure the proper management of M50 tolling operations</li> <li>- Ensure proper management of the tolling interoperability system to optimise information exchange and revenue collection</li> <li>- Promote toll payment compliance through informing and enforcing</li> <li>- Maintain and develop the TII National Transport Model</li> <li>- Review and comment on planning applications and land use plans that impact on TII assets</li> <li>- Manage national road grant allocations to local authorities</li> </ul>

## Strategic Objectives

## Strategic Actions

### New infrastructure

Lead the cost efficient and effective delivery of national road, light rail and metro elements of the National Development Plan.

- Obtain a railway order for Metrolink and commence construction
- Complete construction of Capital Investment Plan projects including: N25 New Ross Bypass, M11 Gorey to Enniscorthy, M7 Naas to Newbridge, M8 Dunkettle, N4 Collooney to Castlebaldwin, N22 Ballyvourney to Macroom
- Achieve planning approval for Capital Investment Plan projects including: N6 Galway City Bypass and N28 Cork to Ringaskiddy
- Develop a pipeline of major projects for future capital investment plans.
- The development of a pipeline of major road projects within the overall national roads programme and available funding will be prioritised
- Undertake appraisal, planning and design of Luas network expansion to Bray, Lucan, Finglas and Poolbeg in accordance the NDP and the Transport Strategy for the Greater Dublin Area
- Ensure projects are delivered cost efficiently and effectively

### Engagement and Collaboration

Continue commitment to effective communication, teamwork and partnership with external parties in pursuit of our mission.

- Ensure positive customer experience in accessing services and information
- Ensure effective customer engagement, information channels and campaigns
- Collaborate proactively with stakeholders and partners in pursuing objectives of common interest
- Engage selectively with non-stakeholders on matters relevant to improving TII's mission fulfilment capability
- Ensure all engagement and collaboration activities are governance appropriate

### People

Maintain, enhance and harness the capability of the TII team, promoting values of collaboration, innovation, integrity and spirit of public service.

- Apply principles of strategic human resource and workforce planning
- Maintain and enhance organisational competencies including specialist knowledge and programme and project management expertise
- Promote knowledge management and information sharing
- Support continuous and responsive professional development
- Provide a supportive and positive working environment
- Promote employee engagement and core values of collaboration, innovation, integrity and spirit of public service.
- Put in place systems, structures and resources to respond to changing circumstances and priorities
- Embed strategic planning processes and associated risk management processes through promotion of engagement



# National Roads Network Management & Operations

## *Network Traffic and Operations*

### National Roads

TII operates and manages the national road network in partnership with local authorities. Approximately 50% of the national primary network, amounting to 1,298 km of motorway and dual carriageway, is managed directly by TII. TII oversees the operations and maintenance of 450km of the motorway network through twelve Public Private Partnership (PPP) contracts, with the remaining balance of the network maintained by three regional Motorway Maintenance and Renewals Contractors (MMaRC).

TII manages the Dublin Port Tunnel and Jack Lynch Tunnel through the Operation and Maintenance of Tunnels and Traffic Control Centre (OMTTCC). Works to expand the OMTTCC were completed in 2019. The Limerick Tunnel is managed under a PPP contract.

TII developed nine on-line Motorway Service Areas, which are operated and maintained under a PPP concession arrangement. These are distinct from off-line service areas, which are located near interchanges and privately owned.

### Network Traffic

M50 traffic volumes have increased rapidly since 2012. Although the rate of increase has slowed somewhat since 2017, in 2019 there was an increase in traffic of approximately 3.6% at the e-flow gantry. In 2019, there were on average more than 440,000 individual trips made daily. On the busiest section, between junctions J7 (Galway road) and J9 (Red Cow), weekday traffic volumes now exceed 160,000 vehicles per day.

TII continued enabling works on the M50 in preparation for the deployment of variable speed limits and lane control signals on the motorway. Deployment of the signals and associated variable message signs is due to commence in 2020, with operations commencing later in the year. The scheme represents an important enhancement in the management of the M50. It limits the variation in speeds in order to reduce the number of collisions, ensure more consistent and reliable journeys and further enhance the overall safety of the motorway.

TII also enhanced the M50 emergency diversion route signing, which now covers the full extent of the M50 from J3 (M1) to J17 (M11). These diversion routes assist in the relief of traffic congestion in the event of a prolonged closure of the M50.



## Incident Management

Increased traffic volumes reflect renewed economic growth. In tandem with increased traffic volumes, congestion has increased along with the number of motorway traffic incidents. TII Operations teams attended 8,200 motorway traffic incidents last year.

## Dublin Tunnel

Traffic volumes continue to grow in the Dublin Tunnel. In 2019, the tunnel experienced an annual increase of 4% over 2018, bringing average weekday traffic to almost 24,000 vehicles per day. The Average Speed Camera Enforcement system continued to deliver a reduction in vehicle speeds through the tunnel and associated safety benefits.

Before the commencement of enforcement, 55% of vehicles exceeded the tunnel speed limit of 80 km/h, with 4% exceeding 100 km/h. Since the new enforcement regime commenced, the relevant percentages have reduced to 15% and 0.01%, respectively.

TII completed the physical installation of a new public address and radio re-broadcast system within the tunnel. The system, once fully commissioned, will enable the operator to play recorded messages or speak directly to drivers and be heard both inside and outside their vehicles. New variable message signs are being

introduced in the toll lanes. These will provide larger full colour graphics that are less confusing to new users and particularly those who have just arrived off of a ferry in the port.

## Winter Operations

TII manages over 111 weather stations, located across the network. The stations provide the detailed weather data used to generate the forecasts needed to determine whether or not roads require treatment. TII operates a Road Weather Information System and, with forecast support from Met Éireann, enables local authorities and motorway operators to monitor weather conditions and make decisions on the deployment of salt gritters during the winter season.

TII is also responsible for the purchase of salt for the winter treatment of all Irish roads, which it undertakes through a multi-annual framework arrangement. To ensure certainty of salt supply for national roads and minimise storage costs, TII has constructed four strategic salt storage depots at motorway maintenance compounds.

TII's MMaRC and PPP contractors carried out a combined 2,978 winter treatments, using 17,700 tonnes of salt over 58 days. Local authorities used over 29,300 tonnes of salt during the year on non-motorway national roads. This lower usage, as compared with 2018, reflects the fact

that Winter 2018/2019 was the mildest winter on record since 1900.

Isolated hail showers again led to localised issues on motorways on a number of occasions throughout the year. Hail showers lead to a rapid reduction in pavement temperature and the formation of a layer of ice on the road surface. At motorway speeds, encountering a sudden carpet of hail on the road can lead to loss of control and serious collisions. Pre-treatment with salt does not work for hail. TII collaborates closely with the Road Safety Authority and An Garda Síochána in a campaign to highlight the risks of hail and to encourage drivers to moderate their speeds when there is hail. TII have initiated a protocol with Met Éireann who provide regional hail alerts that are displayed on our network of variable message signs. TII installed additional signs on the M7 and M18 to allow us to better highlight for road users the risk of hail occurring.

### **Motorway Service Areas**

TII operates nine service areas, under PPP agreements, at six locations along the motorway network. These facilities are either double-sided, serving each direction of the motorway, or single-sided, serving both directions through a purpose built road junction. They are located at:

- M1 Lusk (double-sided)
- M1 Castlebellingham (double-sided)
- M4 Enfield (double-sided)
- M6 Athlone (single-sided)
- M9 Kilcullen (single-sided)
- M11 Gorey (single-sided)

TII implemented enhancements to the signage approaching on-line and off-line Motorway Service Areas. TII introduced 'Tiredness Kills' and earlier advance notification signage across the network throughout the year. This is to encourage drivers to take a break in their journey.

TII commissioned audits of all TII Motorway Service Areas, in order to identify any measures required to ensure compliance with current Building Regulations for the Design of an accessible and inclusive built environment. In 2020, upgrade works will commence, to ensure that TII is at the forefront of modern accessibility requirements.

### **Brexit**

TII has provided ongoing support to DTTaS in monitoring and developing the transport response to Brexit developments. The major Brexit related risk to TII arises from likely traffic congestion in Dublin Port, caused by the need for the new regime of customs and other checks that will be required following the UK's departure from the EU. Such congestion very quickly leads to port related heavy goods traffic backing up towards the Dublin Tunnel. At this point it would be required to close to traffic or to meter traffic in order to avoid standing traffic in the tunnel. This quickly results in congestion on the M50 and M1 approaches to the tunnel. Prolonged closure of the tunnel due to port congestion inevitably leads to widespread traffic congestion across the city.

TII put in place arrangements for a temporary parking site for heavy goods vehicles (HGVs) near Junction 5, M50, in the event of port congestion. This is to limit the level of consequential congestion on the motorway. Arrangements were put in place to provide for temporary HGV parking in the event of potential delays associated with increased processing requirements within Dublin Port. In addition, this was supplemented with the provision of additional truck parking at M1 Lusk and M4 Enfield service areas.

### **Energy Saving Initiatives**

TII continued the programme of energy reduction measures commenced in 2017, in line with our June 2016 policy document "Energy Reduction in Public Lighting on National Roads" and is working towards achieving national energy saving objectives. TII undertook further replacement of existing lighting with LED on the non-motorway sections of the national road network. Over 5,700 older style lanterns were replaced throughout the country across nineteen local authorities with an average energy saving of 2.4GWh and equivalent estimated carbon saving of greater than 1000 tonnes.

Furthermore on the motorway network, TII undertook the removal of excess lighting at a number of additional motorway junctions in follow up to our 2018 programmes giving a total of 28 junctions modified to date. The estimated carbon reduction is more than 970 tonnes per annum which aligns with energy cost saving averages of circa €310k per annum. We will continue to

monitor the operational safety performance of the network at these locations and subject to review will continue the programme in 2020.

## Sustainability

TII-provided service areas are constructed in accordance with TII's design standards and each facility provides electric vehicle (EV) charging points for motorists. The available charging facilities include standard charging as well as rapid charging units. TII is monitoring how current standards might be further enhanced as number of EVs grows.

TII requires that Motorway Operations contracts include EV charging points at TII maintenance depots for use by our contractors and staff. Additional EV charging points are being installed across TII's operations network.

## Asset Renewals

### Asset Renewals

The asset value of the national road network is approximately €32bn and requires ongoing reinvestment to protect the value of the original investment. In line with current practice, TII's specialist technical advisors undertook the annual condition survey to monitor the condition of our network pavements. TII also continued the annual programme of bridge inspections. More than 190 principal inspections were undertaken with maintenance carried out on approximately 1,600 structures under our regional routine maintenance contracts.

### Network Pavements

An updated three year rolling programme for pavement renewals was developed following the completion of the 2019 annual pavement condition survey. This ensures that there is a strong production line of pavement schemes for delivery by local authorities. Approximately 236 km of pavement renewals works were completed.

A key aspect of TII's pavement asset management system is monitoring skidding resistance. TII undertook works at over 375 sites on the network so as to meet objectives in respect of pavement safety.

## Bridge Rehabilitation and Strengthening

TII continued with its programme of bridge rehabilitation and strengthening works. Under the umbrella of TII's EIRSPAN bridge management system, TII undertook a programme of routine inspections across approximately half of all bridges on the network. Major refurbishment works were completed on a total of 35 bridges.

## Signs and Lines

Maintaining the quality of lining and delineation is important in ensuring the continued safe operation of the national road network. TII completed 400km of network relining with the condition of our network delineation remaining largely similar to the previous year.

## 2019 Outcomes

### Motorways:

- Attended 8,200 individual motorway incidents (across MMarC and PPP).
- Undertook comprehensive landscape maintenance regime across the MMarC and PPP network including up to eight grass cuts per year and hedgerow cutting.
- Performed network-wide litter pick including mainline road sweeping.
- Collected 360 tonnes of litter on the MMarC network.
- Carried out a combined 2,978 winter treatments using 17,700 tonnes of salt over 58 days (across MMarC and PPP).
- Maintained drainage installation across MMarC and PPP network, including the cleaning of 40,000 gullies twice per year.
- Improved skid resistance at 23 sites across the MMarC managed network.

- Replaced 7km of pavement on the M7 between Junctions 14 and 15 and 6km on the M50 between Junctions 14 and 17.
- Retendered our three MMaRC motorway maintenance contracts, with the three new contracts awarded in October 2019.
- Completed the construction of a new Motorway Operations and Control Centre (MOCC) at the Dublin Tunnel, in preparation for the deployment of the new variable speed limits and lane control regime that will be introduced on the M50 in 2020.

than 1,600 bridge structures as part of our three regional bridge maintenance contracts, and indirectly through its PPP programme on the some 500 structures that are currently being managed by PPP companies.

## 2020 Outlook

- TII will continue with the programme of works and its engagement with relevant stakeholders to manage the increasing demand on the M50 and its immediate approaches.
- Following on from the audit findings of TII Motorway Service Areas, detailed designs will be developed with a view to the implementation of enhancement works to provide for compliance with current Building Regulations and BS: 8300 Design of an accessible and inclusive built environment.
- Pavement Asset Renewals: 98 schemes totalling 193km will be implemented by TII.
- TII will commence the upgrading or replacement of a number of our key tunnel systems, including:
  - complete the commissioning of the Public Address System at both the Dublin and Jack Lynch tunnels.
  - replace the Supervisory Control and Data Acquisition (SCADA) system by the end of 2022.
  - Systematically replace CCTV camera systems in both tunnels to continue in 2020, with completion in 2021.
  - Procure new tolling systems software for the Dublin Tunnel, with upgrade complete in mid-2022.
  - Integrate new services and operational requirements as they come on stream from the eMOS project.
- TII will undertake maintenance works on more



M50 Toll. Dublin



# Commercial Operations

## *Luas and Tolling Business*

### Luas

*Working with the NTA, TII oversees the Luas operations and maintenance contract with Transdev.*

Additional responsibilities include:

- life cycle asset management of all Luas infrastructure and rolling stock;
- service planning and timetabling; and
- development of fare policy in conjunction with the NTA.

### 2019 Outcomes

Luas operated light rail passenger services amounting to 4.2 million kilometres of light rail vehicles in service. Luas operated 98.6% of scheduled service kilometres. Passenger journeys amounted to 48.3 million in 2019, up 15.6% over 2018 levels. Passenger numbers on the Green Line went up 21.5% to 24.3 million largely attributable to growth on the Luas Cross City. A customer satisfaction survey showed that 93% of Luas customers are satisfied with the service overall.

The new Operations and Maintenance (O&M) Contract for Luas commenced on 1 December. The O&M Contract integrates all operations and maintenance activities for Luas under a single contract. It is expected that this will enable the Luas Operator, Transdev, to deliver improved operational performance and higher levels of customer satisfaction in the years ahead.

### 2020 Goals

- A key priority is to continue the effective delivery of Luas passenger services and improve fulfilment of customers' expectations.
- A further priority is the enhancing of operational resilience, including measures to increase the resilience of key Luas facilities.
- Six of the fleet of 26 Citadis 402 light rail vehicles on the Green Line have been extended, increasing their capacity by 30%. The full fleet of 26 Citadis 402 light rail vehicles is expected to be extended by the end of 2020. In addition, eight new Citadis 502 light rail vehicles are expected to be delivered in the second half of 2020. Once commissioned, these new vehicles will enable TII to introduce improved timetables, with higher frequencies, on both the Red and Green Lines.



## Tolling

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

TII's specific responsibilities include:

- managing the M50 eFlow toll operation and Dublin Tunnel toll collections including the management of the respective operators providing operational services under contract to TII.
- managing the M50 eFlow toll enforcement operations using an outsourced enforcement service provider and provision of appropriate public information to promote awareness about obligations to pay the M50 eFlow toll, its location and the means and methods of complying.
- managing the national interoperability tolling hub and oversight of the related coordination and collection agreements.
- managing the relationship with a range of stakeholders with a remit in tolling and road user charging, including DTTaS and the European Commission. Active participation

in European tolling and road user charging forums and engagement with national and European bodies about vehicle licensing, cross-border enforcement and regulatory matters.

## 2020 Goals

- Continue to manage and monitor the existing M50 eFlow toll operation to safeguard revenue collections, maintain service delivery and customer satisfaction and underpin compliance levels through the effective use of public information coupled with robust enforcement measures.
- Manage the delivery of eFlow's public information strategy, with particular focus on:
  - building awareness among road users of the location of the M50 eFlow toll point, obligations to pay and the payment methods available, including self-service and automated registered account methods;
  - expanding engagement with relevant stakeholders in the tourism market; and
  - creating further awareness of the use of toll revenues by TII to fund improvements to and maintenance of the national roads network.

- Continue the mobilisation and transition work-streams in line with the new M50 eFlow tolling operations contract.
- Continue with exit management preparations to transition from the existing M50 eFlow tolling operations contract.
- Continue to manage the national interoperability hub and related legal and commercial arrangements to which TII is a party.

## 2019 Outcomes M50 eFlow Toll Road

We saw another year of growth of traffic and revenues across TII's tolling operations, continuing the upward trend experienced since 2010.

Revenues from TII's Tolling Business pay for the M50 Upgrade, including the maintenance and operation of the M50 Motorway, and contribute to the funding of maintenance of the wider national roads network, including the Dublin Tunnel and the Jack Lynch Tunnel. M50 Tolling Income was approximately €158 million, of which €9 million was from Default Tolls (i.e. penalties). In terms of transactions, 54.9 million passages were made through the M50 eFlow Toll in 2019, which is an increase of 4% from 2018. Average Daily Traffic for 2019 was 150,650, up 4% from the prior year.

The overall compliance rate of 97.6% represents an increase of 0.3% from 2018 despite increases in traffic and is up from 96.6% in 2015. M50 Tolling costs amounted to approximately €52 million.

Annual rates of traffic growth on the M50 Toll since 2010 are set out below. The rate of growth is expected to decline over the short to medium term due to the build-up of congestion on the M50 corridor and radials.

## Dublin Tunnel Toll

The Dublin Tunnel opened to traffic in December 2006 and has been integral to the improvements in road safety and the environment in Dublin City by facilitating the introduction by Dublin City Council of the HGV Cordon in 2007.

Toll income in 2019 was circa. €22 million, an increase of 5% from 2018. This increase is primarily due to an increase in traffic.

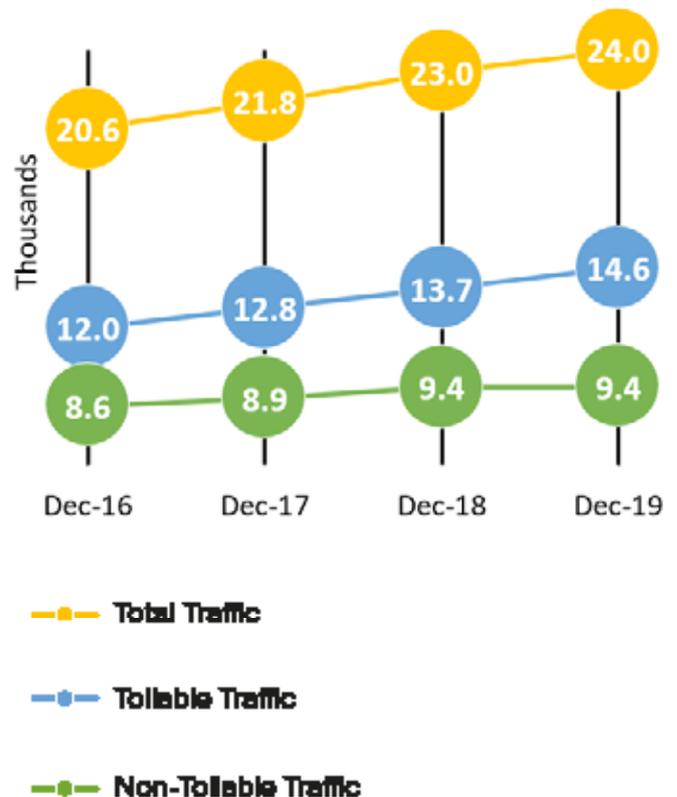
- Total traffic was approximately 8.8 million trips, which is an increase of 5% from 2018 (8.4 million trips);
- Annual Average Daily Traffic was 23,995, an increase of 4% over 2018; and
- The split between tollable and non-tollable traffic is set out in the graph below.

## Growth in AADT: Dublin Tunnel

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
8%	8%	2%	3%	5%	7%	7%	5%	2%	4%

## AAADT: M50 eFlow Roll

(Rolling 12 Months)



## Tolling Interoperability

TII provided Interoperability Management Services for over a decade to facilitate the operation of all electronic tags on all toll plazas in Ireland. Interoperable Electronic Toll Collection (ETC) transactions and revenues continued to grow significantly, with ETC traffic growth approximately double the rate of growth of collection, using cash or cards.

The table below sets out the key statistics for 2019.

## Tranche 2 Motorway Service Areas

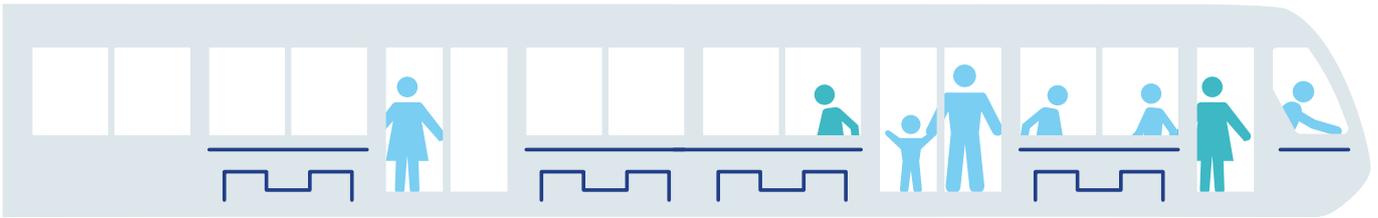
TII procured Motorway Service Areas on a design, build, finance, maintain and operate basis with a twenty-five-year contract signed in July 2018. The service areas included in the contract are located on the M6 motorway, approximately 5km east of Athlone, the M9 motorway, approximately 10km south of the M7/ M9 junction, and the M11 motorway, approximately 10km north of Gorey. All three service areas opened in 2019.

	2016	2017	2018	2019	% 2018 - 2019
National Interoperable ETC Transactions	48.7 million	53.0 million	56.4 million	60.5 million	7%
Nationwide Interoperable ETC Revenue	€182.0 million	€194.8 million	€206.9 million	€223.2 million	8%
Total National RoadToll Revenue*	€308.0 million	€323.0 million	€337.0 million	€352 million	5%

# 2019 Facts

## LUAS FACTS

48.3m passenger journeys



## NETWORK MANAGEMENT FACTS

Our winter service fleet consists of

 327 demountable snow ploughs

 360 salt spreaders

17,700 tonnes of salt were used on National Roads Network



7,810

Emergency calls received by Motorway Traffic Control Centre including SOS phones



1,478 SOS phones in the country



66 nights in 2019 where the temperature reached below ZERO mildest winter on record since 1900.



111 weather stations in operation on the National Roads Network



Luas Red Cow, Dublin



# Modernising the National Road and Light Rail Network

## Capital Investment Plan

The National Development Plan 2018-2027 (NDP) sets out the investment priorities that will underpin the implementation of the National Planning Framework, through a total investment of approximately €116 billion. This represents a very substantial commitment of resources and is expected to move Ireland close to the top of the international league table for public investment.

This level of capital spending will ensure ongoing employment, maintenance and creation with appropriate regional development. It will also provide clarity to the construction sector, allowing the industry to provide the capacity and capability required to deliver Government's long-term investment plans.

The NDP also illustrates the commitment to reforming how public investment is planned and delivered. This is being achieved through a decisive shift to integrated regional investment plans, stronger coordination of sectoral strategies and more rigorous selection and appraisal of projects to secure value-for-money.

## Major Projects

### PPP (Public Private Partnership) Construction Programme

The PPP construction programme progressed in 2019:

- M11 Gorey to Enniscorthy PPP: the scheme consists of 27km of motorway and 4km of dual carriageway. The contract was awarded in October 2015. The new road opened to the public on 18 July 2019.
- N25 New Ross Bypass PPP: the scheme consists of 13.6km dual carriageway and 1.2km single carriageway. The project includes a 900m long bridge over the River Barrow. The bridge is the longest bridge of its type in the world. The contract was awarded in January 2016. The road opened to the public on 30th January 2020.

### At construction

- M7 Naas to Newbridge Upgrade Scheme: working with DTTaS, this project includes the new M7 Osberstown Interchange and the bypass of Sallins. The contract was awarded in 2017. Three traffic lanes in both directions on the M7 were opened to traffic in August 2019. The full project will be completed in 2020.



- N4 Collooney to Castlebaldwin: following completion of the tender process in 2018, the Government approved progression to construction and the contract was awarded on 19 February. Good progress was achieved during the year.
- N5 Westport to Turlough: the project consists of 20.3km of dual carriageway and 2.5km of single carriageway, providing bypasses of and connecting Westport and Castlebar. Following Government approval, the design and build contract was awarded on 15 October.
- N22 Ballyvourney to Macroom: the project consists of 22km of dual carriageway bypassing Ballyvourney and Macroom. Following Government approval, the design and build contract was awarded on 17 October.
- Three Motorway Service Areas were opened to the public during 2019, on the M6 at Athlone, on the M9 at Kilcullen and on the M11 at Gorey.

### Luas Green Line Capacity Enhancement

The delivery of additional capacity progressed well.

Work commenced on extending each of the existing fleet of twenty-six Alstom Citadis 402 trams from 44 to 55 metres in length. The first extended tram entered into service on 23 August and before the end of the year four trams were successfully extended and in service.

The manufacturing of eight additional 55m long trams progressed during 2019. The first of these is due to enter service in autumn 2020.

The extension of the tram maintenance depot building at Sandyford, to cater for the longer trams, was completed in April.

## MetroLink

In March 2019, the Preferred Route for MetroLink was the subject of a public consultation process. Following this, the Preliminary Design was completed for 90% of the project. Work commenced on the development of the Business Case.

A market consultation in relation to procurement options commenced in November. Significant engagement by the industry has contributed to the developing Procurement Strategy. The Business Case will be submitted to Government in 2020 and will be the subject of external expert review prior to submission of the Railway Order application to An Bord Pleanála.

## Luas Finglas

TII progressed the selection for route options for Luas Finglas in partnership with the NTA.

## Additional Major Projects

Additional Major Projects active in Planning & Design include:

- N13/14/15 projects in Donegal: preferred route options were developed on the three priority projects.
- The NDP identified 23 sections of the national road network to be progressed through pre-appraisal and early planning in order to prioritise projects to proceed to construction. Planning and design work progressed on all projects during 2019.
- TII was tasked with progressing the development of the Galway to Dublin Greenway. Having convened a working group with representative organisations of landowners, a draft Code of Best Practice was developed and is under consideration by the working group.

## Preparing Schemes for Tender/Construction

The following major national road improvement projects are being progressed to construction under the Capital Investment Plan:

- M8/N40 Dunkettle Interchange Upgrade Project: following the inability of TII and the Contractor to agree the target cost under the NEC contract, a tender process for the construction of the scheme commenced in December 2019. In parallel with this tender process, advance works are ongoing to assist with de-risking the project including service diversions, Irish Rail works and enabling works to facilitate site access and pedestrian / cycle access through the interchange.
- N56 Dungloe to the Glenties: this scheme is being delivered in five sections. The third section was completed in December 2019. Tenders were returned on the fourth section in October 2019.
- N56 Mountcharles to Inver: this scheme is being delivered in two sections. The first section completed construction in July 2019 and construction commenced on the second section.
- N59 Moycullen Bypass: preparation of the tender documents was ongoing in 2019 with a view to commencing the tender process in 2020.
- N52 Ardee Bypass: In response to issues raised by elected representatives, TII requested that Louth County Council undertake a technical review of the scheme and junction arrangements.
- N69 Listowel Bypass: tender documentation is under preparation.





## Projects in Planning

- N2 Slane Bypass: route selection and design is ongoing.
- N6 Galway City Bypass: additional information was requested by An Bord Pleanála and submitted in August. This information was placed on public display.
- M21/N69 Adare, Foynes to Limerick: the scheme received Government approval to proceed to publication of statutory orders on 20 October and was submitted to An Bord Pleanála in November.
- M28 Cork to Ringaskiddy: the scheme approval by An Bord Pleanála of July 2018 was the subject of Judicial Review. In a decision issued on 20 December 2019, the Judge found that the applicants failed to discharge the onus of proof and refused the relief sought. This decision may be appealed.
- N5 Ballaghaderreen to Scramoge: this scheme was approved by An Bord Pleanála without modifications on 18 January 2019. Advance works and the preparation of contract documents are underway.
- N20 Cork to Limerick project completed early appraisal in 2019 and is progressing to option selection.

## Minor Road Projects

Minor works projects are localised improvements that primarily address safety issues such as poor alignment, poor visibility and narrow cross-sections. Construction of four such projects was completed in 2019. Contracts were awarded on a further eight projects.

## 2019 Outcomes

Minor schemes that opened to traffic in 2019:

- N56 Coolboy to Kilmacrennan
- N61 Coolteige
- N70 Kilderry Bends
- N30/R700 Roundabout

## Minor schemes procured in 2019

- N4 Sligo Urban Improvement
- N52 Cloghan to Billistown Ph 2
- N59 Maam Cross to Bunakill
- N59 Ballinderreen to Kinvara
- N59 West of Letterflack
- N60 Oran
- N80 Maidenhead
- N81 Knockroe Bends



## 2020 Goals

- Award the design and build contracts for the M8/N40 Dunkettle Interchange project and the N5 Ballaghaderreen to Scramoge project.
- Tender the employer design contracts for the N59 Moycullen and the N69 Listowel.
- Conclude the review of the N52 Ardee bypass project and progress the project to construction.
- Support the Local Authority teams during the statutory process for N6 Galway City Ring Road and M21/N69 Adare, Foynes to Limerick
- Tender and award contracts for three minor projects and prepare contract documents for a further three minor projects to maintain an ongoing pipeline.
- Progress Luas Finglas through public consultation and select the Preferred Route
- Commence the progression of a Light Rail / BRT project for Cork City
- Secure Government approval of the Business Case for MetroLink

## Cycleway

TII supports active travel in rural areas through the ongoing development and construction of dedicated rural cycleways alongside the National Road Network. TII Standards were amended in April 2014 to include details for mandatory cycle facilities in the verge of Type 2 and Type 3 Single and Dual Carriageways.

The integration of non-motorised users (NMU) in the project appraisal for new and improved roads was made mandatory in May 2019, and now requires that the Designer must determine and make adequate provision for any NMU requirements at an early stage in all projects.

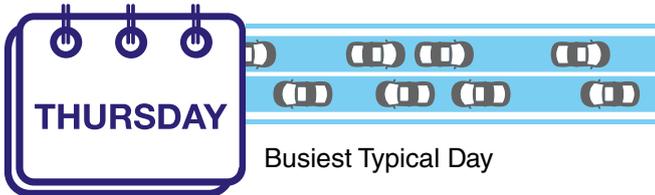
TII initiated a pilot programme of low volume projects in February 2012 and published an advice note on Provisions for Cyclists and Pedestrians on Type 2 and Type 3 Single Carriageway National Roads in Rural Areas. TII and our local authority partners wanted to provide both improvements to sections of the low-traffic-volume national road network along the coastal routes and the provision of dedicated cycleway.

These projects are listed in the NDP as N59 Westport to Mulraney, N59 Clifden to Oughterard, N86 Tralee to An Daingean and the N56 Dungloe to the Glenties. Currently, the N56 Dungloe to the Glenties project is being delivered under a major projects programme including the provision of a dedicated cycleway over its length of 27km. It is anticipated that this full section will be completed by 2023. The other three identified low volume pilots projects are being delivered in sections under the minor projects programme.

# Facts

## M50 PERFORMANCE SUMMARY

The M50 is the most heavily trafficked road in the country with nearly 150,000 vehicles using several sections on an average day.



**1,161**

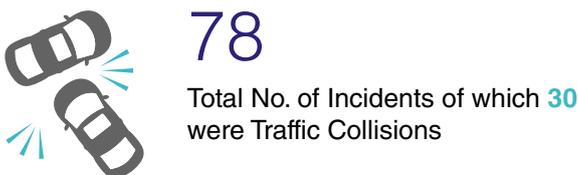
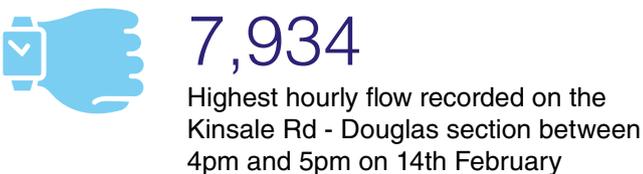
Total No. of Incidents of which **525** were Traffic Collisions



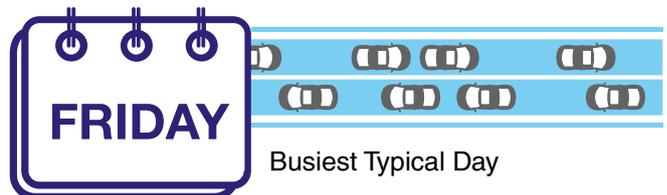
**11 minutes**  
Average Response Time

## N40 PERFORMANCE SUMMARY

Several sections of the N40 Cork Southern Ring Road carry in excess of 80,000 vehicles on an average day.



**0.34 billion**  
Vehicle km travelled.  
This represents a 0% increase on 2019





56 Boyoughter to Kilkenny



## Professional Services

The Professional Services Division provides technical support to other TII divisions as follows:

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

### Strategic and Transport Planning

The function of the Strategic and Transport Planning Unit is to monitor the performance of the national road and light rail network, to assess future network needs and to carry out strategic studies. In 2019, the National Transport Model was updated with new national travel demand projections consistent with the future demographic scenarios developed for the Project Ireland 2040 National Planning Framework. The National Road Network Indicators report for 2018 was published in April 2019 and included some enhancements to the 201 indicators. During the year the team provided input to DTTaS's Planning Land Use and Transport Outlook 2040 (PLUTO) strategic infrastructure plan, which will outline Ireland's land transport needs up to 2040, to align with Project Ireland 2040.

The business cases for seven major national roads projects were reviewed to ensure compliance with the Common Appraisal Framework and the Public Spending Code. The Unit provided transport planning support for Luas Finglas and Luas Lucan projects.



## Land Use Planning

TII has responsibilities for land use planning in addition to the requirement to obtain statutory approval for TII projects. As a statutory consultee for national roads and light rail, TII provides input into national and regional policy and reviews County and Local Development Plans. TII reviewed 2,654 planning applications ranging from large mixed-use urban developments, industrial estates, single rural houses and approximately 79 Environmental Impact Statement scoping requests. TII reviewed approximately 68 Plans, including National and Regional Strategies, Development Plans, Local Area Plans, Strategic Development Zones and Masterplans.

TII made submissions to the three Regional Assemblies about their Regional Spatial and Economic Strategies.

In accordance with our statutory consultee role within the Irish planning system, TII processed 2,654 planning applications and appealed eleven planning decisions.

## Archaeology and Heritage

Archaeology and heritage are managed on all TII projects, ensuring compliance with legislation, reducing archaeological project risks and continuing public trust.

During 2019, TII was involved in the management of archaeological, built heritage and cultural heritage issues on more than 80 schemes and oversaw site works on more than 30 schemes. Additionally, archaeological surveys, including LiDAR and archaeo-geophysics encompassed an area of 4000 ha. These works ranged in scale from projects such as the archaeological testing of the N11 Ferns Village (where an early medieval enclosure was discovered) to archaeological monitoring and investigations as part of the preliminary design for MetroLink. Works were also undertaken in counties Cork, Donegal, Kerry, Meath, Roscommon, Sligo, Tipperary and Westmeath.

In terms of dissemination, 500 reports were added to the TII Digital Heritage Collections and two more books were published in the TII Heritage Series. More than 1,500 people participated in TII's programme of events to mark Heritage Week in August and Science Week in November. TII also collaborated in UCD's award winning History of the Irish Diet in Plants garden at the Bloom Festival.

## Environment Policy and Compliance

TII embeds environmental considerations into the planning, construction and operations of all national road and light rail projects. It ensures that its Environmental Design, Assessment and Construction guidelines/standards and other policies are included in all TII-funded projects and operations. During the year, its Environmental Strategy was updated to include a more proactive approach to environmental sustainability. This strategy supports the development of sustainability plans for major projects such as MetroLink.

To mitigate climate change, TII aims to reduce greenhouse gas emissions in the planning, construction and operational phases of national road and light rail projects. To this end, TII developed a country-specific calculation tool for assessing lifecycle carbon emissions for national road and light rail infrastructure projects in Ireland. This tool can help TII understand the carbon impact when assessing several transport infrastructure options and the tool was piloted on a road scheme in 2019.

TII continued its treatment programme of Invasive Alien Plant Species on all national roads. The objective of this programme is to control the spread of Japanese knotweed and other knotweed species on the national road network. The programme commenced in 2016 and surveys indicated that the treatment is progressing well.

In 2019, TII developed new landscape character assessment and landscape and visual impact assessment standards for the development of proposed new national road projects.

## Road Safety

TII's statutory remit includes the provision of a safe and efficient network of national roads. A key objective, therefore, is to reduce the number of fatalities and serious and minor injuries occurring on national roads.

The total number of fatalities due to road traffic collisions was 147, of which 53 occurred on national roads. This was a slight increase on the 2018 figures.

Work continued on TII's actions outlined in the Government's Road Safety Strategy (2013–2020), which now includes two new priorities. These are part of a Road Safety Authority initiative for a final push in 2020, namely:

- Action 1. Construction of a minimum four rural bus stop improvements
- Action 2. Open a Park and Share facility off the M1

TII provided funding for 93 Safety Remedial Schemes on the national road network, of which 60 commenced construction in 2019. These schemes were identified through both Road Safety Inspections and through the TII Road Safety Unit's Network Safety Analysis. Each local authority designs and implements safety measures where engineering-based solutions are identified.

Furthermore, TII continued ensuring that safety at roadwork sites are in line with best practice and carried out safety inspections for that purpose.

## Standards and Research

TII maintains and regularly updates a wide range of standards, guidelines and technical documents relating to the planning, design, construction, maintenance and operation of national roads. In 2019, TII published 17 new and 20 revised standards and technical documents on the TII publications website <https://www.tiipublications.ie/>. TII carried out five training courses and seven workshops relating to TII standards for local authorities and TII staff.

The Standards and Research section reviewed 562 applications for Departures from Standards in 2019: the majority of these (79%) related to our road geometry standards. Of these applications, 419 were approved for application on our road project.

TII organises a research programme covering technical areas associated with road and light rail infrastructure. The aim is to promote practical measures that will contribute to reducing costs, thereby enhancing quality and encouraging best practice. TII's Research Strategy provides the framework for the procurement of short-term commercial research in response to our business needs, as well as for longer-term fundamental research projects through universities and research institutes.

Projects concluded, included the development of guidelines on non-destructive testing for bridges, a study on barn owl fatalities on the M8 Motorway system and a report on the delivery of green infrastructure along road and rail assets.

TII also carries out collaborative research projects with other European road administrations. These transnational research projects are organised through the Conference of the European Directors of Roads (CEDR).

TII is currently engaged on research projects relating to a wide range of topics including road safety, Connected and Automated Vehicles, biodiversity, climate change, water quality, traffic noise and effects of road operations on soils.

## Construction Health and Safety

As a client, TII recognises that it can influence health and safety on our construction projects. This starts at the tender process by providing clear expectations on safety standards required on the projects, and subsequently by the way safety is applied during design and construction, by carrying out safety inspections and audits.

TII carries out regular safety audits to monitor and check the safety performance of its projects to ensure that the duties under the Safety Health and Welfare at Work (Construction) Regulations 2013, the Safety, Health and Welfare at Work Act 2005 and associated legislation, codes of practice and guidance are being effectively applied.

Also, TII engages health and safety advisors to carry out independent safety inspections on TII- funded major national road project quarterly. These inspections monitor compliance with health and safety legislation and highlight good practices and areas for improvement.

TII carries out independent monitoring to ensure the provisions for worker welfare and employment regulations are adhered to on TII- funded projects.

TII also has a role in ensuring safety measures at roadworks on national roads are in line with best practice and carries out periodic safety inspections for this purpose.

TII collects data on accidents, incidents and near misses from all TII major road construction projects, light rail construction projects, and the three motorway maintenance and renewals contracts (MMaRCs). This data allows measurement of TII's annual construction safety performance and facilitates trend analysis. In 2019, there were 20 Reportable (to the HSA) Lost Time Accidents recorded, and this is an increase of seven over the previous year. There were three Reportable (to the HSA) Dangerous Occurrences and 32 Near Misses recorded.

## Light Rail Safety

TII is subject to the provisions of compliance with the Railway Safety Act 2005 and applicable regulations, codes of practice and guidance. TII continually monitors the safety performance of the Luas system and carries out monthly analysis of incidents and accidents to identify trends and emerging safety issues.

Regrettably, there was three fatalities on the Luas network. There were a total of 38 Road Traffic Collisions. Red light infringements by motorists accounted for 19 of these collisions. Nineteen collisions were caused by road vehicles infringing into the swept path of the tram along the on-street sections of the tramway. Twenty-two contacts between pedestrians and trams and four contacts between a tram and a cyclist took place.

TII continued to work collaboratively with the Luas Operator, key stakeholders and interested parties to ensure a high level of safety performance on the Luas network., Luas safety campaigns included a safety video targeting motorists, cyclists and pedestrians.

The Luas Operator held its Luas Safety Forum in July attended by TII, the Commission for Railway Regulation, the Railway Accident Investigation Unit, Health and Safety Authority, the Emergency Services and An Garda Síochána.

Also during 2019, TII continued to collaborate with international tram operators to share experiences on safety issues, participate in formulating best practice and contribute to enhancing the safety of tramways. TII is a member of the UK Tram Guidance, Safety, Standards and Assurance Group, and the Tram Heads of Safety Group. TII is also represented on the Railway Safety Advisory Council

## 2019 Outcomes

- Provided inputs to the three Regional Spatial and Economic Strategies, prepared by the regional assemblies as required by the National Planning Framework 2040.
- Updated the National Transport Model to reflect the 2016 census data on population, employment and travel, published by the Central Statistics Office in 2017.
- Provided input to DTTaS's strategic investment plan, i.e. Planning Land Use Transport Outlook 2040. (PLUTO 2040), to be published in 2020.
- Published 2018 National Road Network indicators on TII's website.
- Coordinated and managed TII's response to 2,654 planning applications.
- Updated and published over 80 standards on the TII publications website.
- Carried out three training programmes on TII standards for local authorities.
- Funded the planning, design and construction of 69 road safety schemes on national roads, of which 33 commenced construction in 2019.
- Carried out another round of Road Safety Inspections on the motorway network and commenced the Road Safety Inspection implementation programme on the single carriageway national road network
- Completed carbon proofing tool for TII projects and piloted it on a roads project.
- Published TII's Environmental Strategy.
- Introduced new quality criteria in the procurement of TII's archaeological services.
- Achieved ISO 45001 accreditation of TII's Safety Management System.

## 2020 Goals

- Publish the 2019 National Road Network indicators on TII's website.
- Complete TII's National Road Network 2040 strategy to align with PLUTO 2040.
- Publish TII's 2020 Service Area Policy for the motorway and dual carriageway network.
- Develop and implement road safety schemes at high-collision locations.
- Update TII specifications and pricing documents to align with TII's waste management standard published in 2017.
- Publish TII's Project Managers Manual for Major Projects.
- Collaborate with DTTaS in bidding to host Transport Research Arena Conference in 2024.
- Coordinate TII involvement in CEDR research programmes and disseminate results.
- Publish TII's Connected and Automated Driving strategy.
- Publish new standards on landscape character assessment, landscape visual impact assessment and noise for the planning and construction of national road projects.
- Update TII's Archaeological Strategy.
- Using TII's National Transport Model establish a methodology for the calculations of emissions on the National Road Network
- Complete inventory of lands adjacent to National Road network suitable for native woodland planting with potential for carbon offsetting.
- Carry out enhancements to TII's carbon assessment tool
- Prepare noise action strategy for the M50 with relevant Local Authorities
- Assist Motorway Maintenance contractors to implement maintenance regimes that promote biodiversity on landscaped areas.

N25 Carrols Cross, Waterford





## TII Regulatory

### Freedom of Information

The Freedom of Information (FOI) Act 2014 provides that every person has, subject to certain exemptions specified in the Act, the following legal rights:

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

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

### Access to Information on the Environment

The European Communities (Access to Information on the Environment) Regulations 2007 to 2018 give legal rights to those seeking access to information on the environment from public authorities. Under the Regulations, information relating to the environment held by, or for, a public authority must, subject to certain exceptions, be made available on request to any person. A dedicated email address ([aie@tii.ie](mailto:aie@tii.ie)) is available to facilitate requests under the Regulations.

### Re-Use of Public Sector Information

Under the European Communities (Re-Use of Public Sector Information) Regulations 2005, as amended, public sector bodies are required to facilitate the re-use of most public sector information. Re-use includes copying, modifying, translating, adapting and distributing.

During 2019, TII continued to supplement the information we make freely available for re-use on the Government's Open Data portal, [www.data.gov.ie](http://www.data.gov.ie).



## Official Languages

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

Section 11 of the Act requires public bodies to prepare a scheme detailing the services the public body will provide through the medium of Irish, through the medium of English, and both languages. TII's current scheme covers the period from 2017 to 2020 and is published on the Official Languages section of our website.

## Data Protection

The commencement of the Data Protection Act 2018 and the application of the General Data Protection Regulation (GDPR) during 2018 created a new legal framework that has significantly enhanced the data protection rights of individuals and strengthened the responsibilities of organisations when processing personal data. In 2019, TII continued to develop policies, systems and procedures aimed at increasing staff awareness of data protection obligations and ensuring TII's compliance with the requirements of data protection legislation. A dedicated email address ([dataprotection@tii.ie](mailto:dataprotection@tii.ie)) is in place to facilitate data protection queries.

## Accessibility

TII is committed to ensuring that our services, infrastructure, premises and information are fully accessible and that our staff receives appropriate accessibility awareness training.

A cross-sectoral Accessibility Committee is 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 and staff with disabilities. In accordance with the requirements of the Disability Act, TII appointed an Access Officer. The Officer is responsible for providing assistance to customers with disabilities in accessing the services and publications provided by TII and for acting as a point of contact for people with disabilities wishing to access such services and publications. Further information in relation to TII's accessibility policy and contact details for our Access Officer are provided on the Accessibility page of our website.

TII continued to participate in DTTaS's Accessibility Consultative Committee (ACC). The ACC brings together officials from the Department, Agencies, relevant representative organisations from representing people with disabilities and members of the Disability Stakeholder Group (DSG). TII also continued to engage with Luas customers through User Group meetings, which afford people with disabilities the opportunity to highlight and discuss accessibility issues and how they might be addressed.

A number of initiatives were undertaken towards progressively improving accessibility to TII services and infrastructure. These include:

- Upgrade of on-board Luas announcements. This initiative will increase the number of destination announcements on-board the trams, providing greater assistance to all customers, particularly customers who are blind or visually impaired. The upgrade work is expected to be completed in 2020.

- continuing collaboration with toll road operators to broaden toll exemptions to enable designated drivers of disabled passengers to qualify for toll-free passages. A new toll exemption scheme, which is designed to simplify the application process and enable disability modified vehicles to drive freely through all Irish toll plazas, was put into operation in early 2020.
- undertaking an accessibility audit of online Motorway Service Areas, to confirm compliance with best practice and to identify improvements, where necessary.
- participating, along with other transport agencies, in the JAM ('Just a Minute') card scheme, which was launched by the Minister for Transport, Tourism and Sport in December. A JAM card allows people with a learning difficulty, autism or communication barrier tell others they need 'Just a Minute' discreetly and easily.

## Customer Service

The provision of quality customer service is central to TII's activities and we strive to continually improve our business practices to provide the highest standards in our dealings with our customers. How TII honours its commitments to providing quality service and monitors performance are set out in the TII Customer Charter and Customer Action Plan 2016–2019, which is available on the Customer Service page of our website.

## Energy Efficiency

### Strategic Commitment

TII is committed to working in collaboration with its operating and maintenance partners and with the support of the Sustainable Energy Authority of Ireland (SEAI) towards the delivery of more energy efficient operations. This commitment is outlined in the TII Statement of Strategy 2019–2023 and is set in the wider context of developing more sustainable road and light rail networks.

TII's approach reflects imperatives associated with energy efficient targets set for public sector bodies by Government.

TII continues to improve its programme of formal energy management for its activities. In December, TII achieved certification through the National Standards Authority of Ireland (NSAI) to ISO 50001:2018 Energy Management Systems standard for energy consumption directly managed by TII. TII continues to collaborate with our operators and contractors on efforts relating to improving energy efficiency on the assets they operate and maintain. Under the new Luas Operations and Maintenance Contract, Transdev will commence a programme of formal energy management. It has committed to work with TII, to undertake a number of energy efficiency initiatives over the next two years, towards improving the performance of the tram fleet and its infrastructure.

For 2020, ensuring delivery of these initiatives will be a key focus of the TII's Light Rail Business. TII will continue with its wider programme of initiatives to improve energy efficiency across our operations. These include continuing to develop bespoke energy efficient lighting solutions for the national road network, supporting our local authority partners, engaging with the Roads Management Office (RMO) on major route lighting upgrade projects, and engaging with and supporting the Luas operator and tram fleet manufacturer to develop energy efficient solutions for on-board systems. TII will continue to support the MetroLink design team during the design stages to develop a sustainable and energy efficient MetroLink.

TII will continue to undertake research to increase our knowledge and understanding of sustainable technologies for national roads and light rail and how new technologies can be used to manage and reduce energy consumption.



M11, Gorey Bypass, Wexford

# TII Governance Statement and Board Members' Report

## The Board (Photos and Brief Biographies)



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

Cormac O'Rourke is a Director of Goodbody Corporate Finance specialising in energy, infrastructure and healthcare. He has over 30 years of experience in investment banking, covering energy, infrastructure/public private partnerships and Telecom. He was previously European Head of Project Finance of KBC Bank NV and Investment Director of ESBI. He was appointed Chairman of both the National Roads Authority and the Railway Procurement Agency in January 2013 and became the first Chairman of TII following the merger in August 2015. Cormac O'Rourke was re-appointed Chairperson from February 2018 for a three year term.



### **Michael Nolan (CEO)**

Michael Nolan was appointed the first Chief Executive Officer of Transport Infrastructure Ireland on the 1st August 2015. Before taking up this role, Michael worked for the National Roads Authority for thirteen years and held a range of responsibilities, including the positions of Head of Major Projects and Head of Programme Management. Most of his career has been in public service, mainly with Local Authorities. Michael is a Chartered Engineer and a Fellow of Engineers Ireland and is a graduate of NUI Galway, Trinity College Dublin and Oxford University.



### **Jacqueline Cross**

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



### **Gary Comiskey**

Gary Comiskey is a Director with Ernst and Young, where he leads the Government and Public Sector Advisory group. With a background in information technology, risk management and controls assurance, Gary has worked with a wide range of public and private sector organisations. Currently, his focus is on the delivery of projects in the areas of organisational improvement and change. Gary's term of office ended in September 2019.



### **Joe O'Mahony**

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



### **Ms Virginia O'Dowd**

Virginia O'Dowd is a former Educator and Town/County Councillor. She served two terms as Mayor of Nenagh, County Tipperary. She is Chair/Member of several voluntary organisations and State Boards. Virginia's term of office ended in July 2019.



### **Seamus Neely**

Seamus Neely is the Chief Executive of Donegal County Council and is currently the Chairman of Donegal Tourism Ltd. Following a period in the private sector, Seamus has over 29 years of varied Public Service experience with over twenty years at Senior Management Level.



### **Aebhric McGibney**

Aebhric McGibney (M. Litt (Econ), MBA, C Dir) is the Public & International Affairs Director with Dublin Chamber of Commerce. He is a Chartered Director and has previously served on the Board of Córas Iompair Éireann, chairing its Finance and Property Committee. Previously, he has worked as a lecturer with Trinity College Dublin, an economic consultant with Fitzpatrick Associates and as Senior Economist with IBEC. Aebhric was appointed to the Board in October 2018.



### **Mary O'Donovan**

Mary O'Donovan is a Chartered Director with Board experience in the public, private and charitable sectors. She is currently a Board member of the Residential Tenancies Board and a Board Member of An Post. She has broad experience at a senior level in operations, systems and general management and has held senior roles including Customer Services Director, Chief Information Officer, Chief Operations Officer and General Manager in the Telecommunications and BPO sectors. Mary was appointed to the Board in October 2018.

## Executive Team



**John Maher**  
**Director**  
Business Services

John Maher retired from TII in December 2019, he was the Director of Business Services. He is a Fellow of the Association of Chartered Certified Accountants. He joined the NRA in 1995 as Head of Finance and prior to the NRA he worked as an accountant for 15 years in the private sector. John has almost 25 years experience at executive director level with responsibilities across a range of portfolios.



**Audrey Keogh**  
**Director**  
Business Services

Audrey Keogh is Director of Business Services for TII. The Business Services Division includes, HR, Finance, IT, Governance and Legal and Land and Property. She is a Fellow of the Institute of Chartered Accountants in Ireland with over 25 years' experience in Finance roles in the public sector, private practice and industry.



**Pat Maher**  
**Director**  
Network  
Management

Pat Maher is Director of Network Management for TII. He is a chartered engineer and holds Masters degrees in civil engineering from UCG and from the University of Calgary, Canada. Having previously worked with consulting engineering firms in the UK and Ireland before he joined the NRA in 1999 and became Head of Network Operations for the NRA in 2006.



**Nigel O'Neill**  
**Director**  
Commercial  
Operations

Nigel O'Neill is Director of Commercial Operations for Transport infrastructure Ireland. Nigel has BSc and MSc degrees in engineering and is a Chartered Engineer and member of the Institution of Engineers of Ireland.

Nigel has 28 years' experience in the private and public sectors including civil engineering, project management, public procurement, strategic transport planning, Public Private Partnerships (PPP), tolling operations and light railway operations



**Ger Hannon**  
**Director**  
Corporate  
Services

Ger Hannon is Director of Corporate Services in TII. He has almost 40 years' experience across different environments mainly in the commercial state sector and including 16 years at executive director level responsible for a range of portfolios.



**Helen Hughes**

**Director**  
Professional  
Services

Helen is Director of Professional Services Division for TII. Her previous role was the Head of Strategic and Transport Planning in the National Roads Authority. She has over 30 years of experience in transport planning, project appraisal and project management in the UK, France and Ireland. She is a Chartered Engineer and holds a Bachelor of Civil Engineering degree and a Diploma in Project Management.



**Peter Walsh**

**Director**  
Capital  
Programme  
Management

Peter Walsh is Director of Capital Programme in TII. He has over 39 years' experience in Civil Engineering.

The Capital Programme Division covers all the transportation infrastructure development, investment and programme management across TII's national road and public transport portfolio. The division also includes project services and property services.



**Sean O'Neill**

**Director**  
Corporate  
Communications

Sean O'Neill is Director Corporate Communications for TII. He has over 20 years working as a communications professional across a diverse range of business sectors from biotechnology to major infrastructure projects. He joined the National Roads Authority as Head of Communications in 2005. He is a member of the Public Relations Institute of Ireland and holds a Masters in Communications Management.



**Edel  
McCormack**

Head of  
Governance &  
Legal Secretary to  
the Board

Edel McCormack is Head of Governance and Legal at TII and Secretary to the Board. She is a qualified Solicitor and joined the Railway Procurement Agency (RPA) in 2013 as in-house Property Lawyer, managing all legal property issues for RPA. Edel became Head of Governance and Legal in 2015, with oversight of the provision of legal services to TII and corporate governance matters. Edel holds a degree in Civil Law, a Masters in European Law and Diplomas in Arbitration and Public Relations. She is also admitted to practice in England and Wales.



## Board Responsibilities

### Matters Reserved for the Board

The Code of Practice for the Governance of TII outlines all the matters specifically reserved for Board decision. The following key matters are reserved for Board decision:

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

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

- submit a major road scheme CPO and EIS to An Bord Pleanála;
- submit a major Railway Order Application to An Bord Pleanála;
- commence construction of a major scheme;
- enter a PPP contract (all PPP contracts reserved, even if non-major); and
- Under the Government's Capital Works Management Framework, TII is obliged to use the Public Works Contracts (PWC) suite of contract forms. Where these PWC forms are not suitable for use on TII projects, TII may seek a derogation from the Government Contracts Committee for Construction (GCCC) under Section 6 (c) of DPER Circular 01/2016. Before seeking the sanction of the GCCC for such derogation, the approval of the Board is to be obtained. Board approval is also required for any significant variance in contract terms and conditions from those which are either approved by DPER or the GCCC.



## Delegation by the Board

The Board has delegated the following:

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

## Statement of Responsibilities

The Roads Acts 1993 to 2015, require 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.

The Board of 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.

In preparing those financial statements, TII is required to:

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

The Board is responsible for approving the annual plan and budget. The performance of TII as against the annual plan and budget is evaluated at every Board meeting. The Board considers the financial statements give a true and fair view of the financial performance and the financial position of TII on 31 December 2019.

### Board Structure

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

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

Board Members annually complete a Board self-assessment evaluation questionnaire while Audit and Risk Committee members complete a checklist for the effectiveness of the Audit and Risk Committee. The Code of Practice requires an external evaluation of Board Effectiveness every three years and this was completed by TII in 2019.

### Board Members - Schedule of Fees and Expenses

	Board Member	Role	Date of First Appointment	Current Term Ends
1	Michael Nolan	Chief Executive Officer	01.08.15	31.07.20
2	Jacqueline Cross*	Ordinary Member	01.03.10	01.12.20
3	Gary Comiskey**	Ordinary Member	07.09.12	06.09.19
4	Cormac O'Rourke	Chairperson	10.10.12	25.02.21
5	Joe O'Mahony	Ordinary Member	14.02.13	30.06.24
6	Virginia O'Dowd***	Ordinary Member	08.07.14	07.07.19
7	Seamus Neely	Ordinary Member	01.11.15	31.10.20
8	Aebhric McGibney	Ordinary Member	15.10.18	14.10.21
9	Mary O'Donovan	Ordinary Member	15.10.18	14.10.21

\*Jacqueline Cross' term was extended in February 2020 to 1st December 2020

\*\*Gary Comiskey retired from the Board 6th September 2019

\*\*\*Virginia O'Dowd retired from the Board 7th July 2019

The Board has an effective Committee structure to assist in discharging its responsibilities. The Board has established two committees, as follows:

### 1. Audit and Risk Committee

The Audit and Risk Committee comprises of three Board members and an Independent Chairperson – Aidan Horan. The role of the Audit and Risk Committee (ARC) is to support the Board in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board’s assurance needs and reviewing the reliability and integrity of these assurances. The responsibilities of the ARC are outlined in its written terms of reference, which are reviewed annually by the Committee and approved by the Board.

The ARC formally reports to the Board providing such information or advice, as deemed appropriate through the ARC Chair’s regular presentations to the Board about committee activities, issues and related recommendations. The ARC provides the Board with an annual report, timed to support the finalisation of the annual report and financial statements and the review by the Board of the effectiveness of the system of internal control, summarising its conclusions from the work it has done during the year.

### 2. Strategy Committee

The Strategy Committee comprises of four Board members. The role of the Strategy Committee is to assist the Board in the preparation and adoption of a strategic plan for Transport Infrastructure Ireland. The responsibilities of the Strategy Committee are outlined in its written terms of reference, which are reviewed annually by the Committee and approved by the Board.

Both Committees formally report to the Board, providing such information or advice as deemed appropriate, through the Committee Chairperson’s presentations from time to time to the Board about Committee activities, issues and related recommendations. Both committees provide the Board with a report, timed to support the finalisation of the Annual Report and Financial Statements, summarising its conclusions from the work it has done during the year.

### Board Members - Schedule of Attendance

2019	Board		Audit & Risk Committee		Strategy Committee	
	A	B	A	B	A	B
Cormac O’Rourke	11	11	N/A	N/A	10	10
Jacqueline Cross	11	10	8	7	N/A	N/A
Gary Comiskey	6 <sup>1</sup>	6	6	6	N/A	N/A
Joe O’Mahony	11	11	N/A	N/A	10	10
Virginia O Dowd	6 <sup>2</sup>	6	N/A	N/A	6	6
Seamus Neely	11	11	N/A	N/A	10	10
Michael Nolan	11	11	N/A	N/A	10	10
Aebhric McGibney	11	10	8	8	N/A	N/A
Mary O’Donovan	11	11	8	8	N/A	N/A

Column A indicates the number of meetings held during 2019 when the Board Member was a member of the Board and/or Committee. Column B shows the number of meetings attended during 2019 when the Board Member was a member of the Board and/or Committee.

<sup>1</sup>Gary Comiskey retired from the Board 6th September 2019

<sup>2</sup>Virginia O’Dowd retired from the Board 7th July 2019

## Board Members - Schedule of Fees and Expenses

				2019	2019
				Fees	Expenses paid
1	Michael Nolan	Chief Executive Officer	Note 1 Note 2	0	0
2	Jacqueline Cross	Ordinary Member		11,970	0
3	Gary Comiskey	Ordinary Member		8,215	0
4	Cormac O'Rourke	Chairman		20,520	0
5	Joe O'Mahony	Ordinary Member		11,970	0
6	Virginia O'Dowd	Ordinary Member		6,214	798
7	Seamus Neely	Ordinary Member	Note 1	0	5,800
8	Aebhric McGibney	Ordinary Member		11,970	0
9	Mary O'Donovan	Ordinary Member		11,970	5,550
			Totals	82,829	12,148

Note 1: Non-commercial Public Service Bodies Category 2 Board fees (Chairperson €20,520, Director €11,970) apply from 14 July 2015. In accordance with the Department of Public Expenditure & Reform's "One Person One Salary" principle, Michael Nolan and Seamus Neely did not receive a fee for serving on the Board.

Note 2: Expenses paid to Michael Nolan during the year were incurred in his capacity as Chief Executive during 2019 and not as a Member of the Board.

### Key Personnel Changes

In addition to changes at Board level referenced in the table "Board Members - Schedule of Appointment Terms" there was one change to senior management. Audrey Keogh replaced John Maher as Director of Business Services on 3rd September 2019.

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

The Board is responsible for ensuring that TII has complied with the requirements of the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

#### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Legal advice	1,794	1,193
Tax, financial/actuarial advice	143	105
Other – Project Management and Business Support	589	639
<b>Total</b>	<b>2,526</b>	<b>1,937</b>
Consultancy costs capitalised	0	26
Consultancy costs charged to the Statement of Income and Expenditure	2,526	1,911
<b>Total</b>	<b>2,526</b>	<b>1,937</b>

### Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred about general legal advice received by TII which is disclosed in Consultancy costs above.

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Legal fees – legal proceedings	1,083	971
Conciliation and arbitration payments	188	71
Settlements	0	100
<b>Total</b>	<b>1,271</b>	<b>1,142</b>

These legal costs comprise costs for 6 cases. There are no costs on legal disputes involving other State bodies (2018: Nil). Additional costs and settlements were paid by TII's insurers. The conciliation and arbitration costs above relate to those costs directly incurred by TII and do not include conciliation and arbitration payments paid by Local Authorities.

### Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Domestic		
- Board	12	5
- Employees	592	562
International		
- Board	0	0
- Employees	139	137
<b>Total</b>	<b>743</b>	<b>704</b>

### Hospitality Expenditure

The Income and Expenditure Account includes the following expenditure:

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Staff hospitality	10	7
Client hospitality	6	2
<b>Total</b>	<b>16</b>	<b>9</b>



## Risk Management

The Board has overall responsibility for determining the nature and extent of the significant risks it is willing to accept in order to achieve TII's strategic objectives.

While the ultimate responsibility for risk management rests with the Board, it is supported by the ARC, which reports the findings of its reviews to the Board. The ARC receives regular reports from the Corporate Risk Manager and the internal and independent auditors and checks progress against agreed action plans to manage identified risks.

- **TII Risk Management Policy**

TII's Risk Management Policy is subject to annual review and approval by the Board to verify that it follows best practice and meets the requirements of the Code of Practice for the Governance of State Bodies (2016).

- **TII Risk Management Framework**

TII has adopted an enterprise risk management framework to support its Statement of Strategy and Annual Plan and Budget. The framework includes a tailored risk management process to ensure principal risks are identified, prioritised, managed, monitored and reported consistently across all areas in TII. Enterprise Risks are reviewed by an Enterprise Risk Committee and feed into the Board and ARC wider discussions. All Enterprise Risks are assigned an owner from the Executive team who regularly review their assigned risks.

The Executive team use the strategic objectives to identify potential risk and uncertainty. The output from these exercises is used to review and refresh all risk registers across TII. A defined risk appetite supports and enables prioritisation and mitigation planning.

TII regularly reviews its risk management framework and the application of its risk management practices to ensure that the risk management framework remains current and relevant.

TII implemented a new Risk Management Framework in 2017. The Framework is subject to annual review and approval by the Board.

- **TII Risk Appetite**

Strategies for controlling risk are tailored to the level of TII's willingness to accommodate risk, in line with TII's Risk Appetite Statement. TII managers consider whether current risk controls and mitigation activities are adequate to bring the potential likelihood or consequence of the risk to a tolerable level. Further actions are defined and implemented if the risk is not deemed to be within appetite.

TII's Risk Appetite is subject to annual review and approval by the Board.

## Statement of Compliance

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

TII was in compliance with the Code of Practice for the Governance of State Bodies for 2019.



### Compliance with Legislation

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

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

### Protected Disclosures

The mechanism whereby TII's staff may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014, is outlined in TII's Protected Disclosures Procedure. No disclosure was made in 2019 which could be construed as a Protected Disclosure under the Protected Disclosures Act 2014.

### Prompt Payments

Details	No. of Payments	Value €	% of Total Payments Made
Total payments made in 2019	2,592	469,464,841	100%
Number of payments made within 15 days	2,043	360,511,525	77%
Number of payments made within 16 to 30 days	549	108,953,316	23%
Number of payments made in excess of 30 days	0	0	0%

**Cormac O'Rourke**

Chairman

23 June 2020

# Financial Statements for the year ended 31 December 2019

Information	52
Report of the Comptroller and Auditor General	53
Statement on Internal Control	55
Statement of Income and Expenditure	59
Statement of Comprehensive Income	60
Statement of Changes in Capital and Reserves	61
Statement of Financial Position	62
Statement of Cash Flows	63
Notes to the Financial Statements	64

# Information

## Chairman

Cormac O'Rourke

## Board Members

Jacqueline Cross  
Seamus Neely  
Michael Nolan  
Joe O'Mahony  
Aebhric McGibney  
Mary O' Donovan  
Gary Comiskey\*\*  
Virginia O'Dowd\*\*

## Solicitors

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

NTMA  
Treasury Building  
Grand Canal St Lower  
Dublin 2

Housing Finance Agency plc.  
46 St. Stephen's Green  
Dublin 2

Danske Bank  
Corporate & Institutions  
International House  
3 Harbourmaster Place  
IFSC, Dublin 1

## Auditors

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

## Registered Address

Parkgate Business Centre  
Parkgate Street  
Dublin 8

\*Board Members' appointment terms are set out in the Governance Statement

\*\* Retired from Board during 2019



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas Transport Infrastructure Ireland

#### Opinion on the financial statements

I have audited the financial statements of Transport Infrastructure Ireland for the year ended 31 December 2019 as required under Article 5 of the third schedule to the Roads Act 1993. The financial statements comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of changes in capital and reserves
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of Transport Infrastructure Ireland at 31 December 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Transport Infrastructure Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

Transport Infrastructure Ireland has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General

25 June 2020

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under Article 5 of the third schedule to the Roads Act 1993
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under Article 5 of the third schedule to the Roads Act 1993 to audit the financial statements of Transport Infrastructure Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Transport Infrastructure Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Transport Infrastructure Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### *Information other than the financial statements*

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### *Reporting on other matters*

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

# Statement on Internal Control

## Scope of Responsibility

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

## Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in TII for the year ended 31 December 2019 and up to the date of approval of the financial statements.

## Capacity to Handle Risk

TII has an Audit and Risk Committee (ARC) comprising three Board members and one external member, with financial and audit expertise, one of whom is the Chair. The ARC met eight times in 2019.

TII has an Internal Audit function the work of which is informed by analysis of the risk to which TII is exposed. The analysis of risk and the internal audit plans are endorsed by the ARC and approved by the Board.

TII has developed, and the Board has approved, a risk management policy, risk appetite statement, and risk management plan. A Corporate Risk Manager has been appointed in TII to support the identification, measurement and management of risk and promote a risk management culture within TII. The risk management policy has been issued to all staff.

## Risk and Control Framework

An Enterprise Risk Committee comprised of TII senior management ensures that appropriate procedures are in place to identify emerging risks, assess and manage risk from a strategic and operational perspective and to monitor implementation of risk management procedures.

An on-line risk management system has been fully rolled out throughout the organisation. Enterprise and divisional risk registers are in place which identify the key risks facing TII, the category of risk, the risk appetite and the controls in place.

The ARC review risk registers, policies, appetite and plans. The enterprise risk register is reviewed by the ARC at each ARC meeting. Their work supplements the contribution of the Board Members to the Board's management and oversight of risk and serves to inform its review and approval of the enterprise risk register together with risk policies, appetite and plans.

The Board and Senior Management have taken steps to ensure an appropriate control environment is in place with the following elements:

- establishing an ARC and a Strategy Committee as sub-committees of the Board,
- a dedicated procurement section within TII and best practice corporate procurement guidelines,
- a dedicated governance and legal section within TII, including a dedicated Corporate Risk Manager, an Information Security Officer and an Assurance and Performance Reporting Manager,
- a Governance Committee consisting of senior members of staff to support TII as regards its responsibilities for issues of corporate governance and compliance including risk, and internal control particularly the comprehensiveness of assurances in meeting the requirements of the Code of Practice for the Governance of TII and the ARC and Board's assurance needs,
- Establishing various committees such as Enterprise Risk, Learning and Development, Health and Safety, Corporate Procurement, Data Protection, Property, Business Continuity and Cyber Security which provide annual assurances to the ARC,
- a Governance Calendar which explicitly sets out how the senior executive work programme aligns within key governance obligations and reporting requirements to the Board and the Board Committees,
- adoption and implementation of the Public Spending Code as related to public expenditure in accordance with DTTaS and TII guidelines for capital projects, capital and operational programmes and PPP projects,
- establishing project governance arrangements for complex/high risk/value projects and operations including MetroLink, Tolling, Luas, PPPs and national roads projects,
- a Code of Business Conduct requiring Board members, management and staff to maintain the highest ethical standards,
- ensuring compliance with the requirements relating to Declaration of Interests as specified in the Ethics in Public Office Acts and Section 40 of the Roads Act 1993,
- policies and procedures for staff performance management, for professional and technical training and continuing professional development,
- systematic reviews by Internal Audit of internal controls,
- documented procedures for all key business processes,
- specific training and awareness programs designed to mitigate identified risks related to current and emerging threats and significant compliance issues,
- restricting authorisation of disbursement of monies to authorised signatories,
- the assignment of financial responsibilities and corresponding accountability at management level,

# Statement on Internal Control (continued)

- a comprehensive budgeting system with an annual plan and budget which is subject to Board approval,
- systems and processes in place regarding annual/multiyear budgets, allocations and future commitments,
- systems and procedures in place aimed at ensuring the security of the information and communication technology systems,
- financial control systems in place to ensure stewardship of financial resources and the safeguarding of assets,
- control procedures over grant funding to local authorities to ensure the funding has been applied for the purpose intended and in accordance with guidelines issued, and
- procedures for determining and reporting significant control failures and ensuring appropriate corrective action.

## Ongoing Monitoring and Review

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

The Board and Board Committees review their effectiveness on an annual basis in line with guidance set out in the Code of Practice for the Governance of State Bodies (2016). In addition, the Code requires an external evaluation of Board Effectiveness every three years and this was completed by TII in 2019.

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

In particular, it includes:

- key risks and related controls have been identified, documented and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- ongoing monitoring by the Board and senior management of actual expenditure/predicted outturn compared to the approved annual plan and budget,
- establishment of various committees throughout the organisation, operating subject to CEO approved terms of reference and providing an annual report to the ARC,
- regular reporting to DTTaS regarding annual/multiyear budgets, allocations and future commitments processes, and
- regular reviews by senior management of periodic and annual performance of both financial and non-financial reports which indicate performance against budgets and other relevant standards.

## Regional & Local Roads

TII administers the payment of Local Authority claims for Regional and Local roads for DTTaS through the Project Reporting System (PRS). This incorporates:

- Allocations and drawdown profiles which are set and amended throughout the year by DTTaS.
- Regional and Local road allocation data supplied by DTTaS and then imported into PRS. Reports of budget amounts imported are sent to DTTaS for verification.
- DTTaS staff carry out approval of Local Authority claims for Regional and Local road projects.

- Regional and Local Road expenditure reports (including detailed reports by claim number) and financial reports are sent monthly to DTTaS.

## Procurement

I confirm that TII has procedures in place to ensure compliance with current procurement rules and guidelines and that overall during 2019 TII complied with those procedures. In instances where a requirement for improvements to the design or implementation of those procedures was identified, an appropriate response was agreed between the responsible parties and implemented by management under the supervision of the ARC.

## Review of Effectiveness

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

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2019.

## Internal Control Issues

Internal Audit presented 14 reports to the ARC in respect of work undertaken in 2019. Six of these reports were performed directly by the Internal Audit function while eight were commissioned from external parties. These reports resulted in a number of recommendations which have been implemented or are in the process of being implemented.

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements.



**Cormac O' Rourke**  
Chairman

23 June 2020

# Statement of Income and Expenditure

## For the year ended 31 December 2019

	Note	Administration 2019 €'000	Light Rail & Metro 2019 €'000	Road Network 2019 €'000	Total 2019 €'000	Total 2018 €'000
State Grants	2	27,435	53,736	1,038,745	1,119,916	1,012,064
Grant Transfers	2a	(1,001)	1,001	0	0	0
Grant Refunds	3	0	0	1,885	1,885	900
Toll Income	4	0	0	192,637	192,637	258,973
Other Income	5	4,619	17,454	5,949	28,022	20,690
<b>Total Income</b>		<b>31,053</b>	<b>72,191</b>	<b>1,239,216</b>	<b>1,342,460</b>	<b>1,292,627</b>
Expenditure	6	(29,759)	(68,296)	(1,135,147)	(1,233,202)	(1,111,930)
Transfer from/(to) Capital	12	524	9,105	(6,711)	2,918	(47,957)
<b>Operating surplus</b>		<b>1,818</b>	<b>13,000</b>	<b>97,358</b>	<b>112,176</b>	<b>132,740</b>
Finance Charges	11	(1,732)	0	(29,255)	(30,987)	(33,803)
Interest Receivable		0	0	58	58	4
<b>Retained (deficit)/surplus for the year</b>		<b>86</b>	<b>13,000</b>	<b>68,161</b>	<b>81,247</b>	<b>98,941</b>

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 26 form part of these financial statements.

On behalf of the Board of Transport Infrastructure Ireland:



**Cormac O' Rourke**

Chairman

23 June 2020



**Michael Nolan**

Chief Executive Officer

23 June 2020

# Statement of Comprehensive Income

## For the year ended 31 December 2019

	Note	2019 €'000	2018 €'000
Retained Surplus for the Year		81,247	98,941
Experience Gains/(Losses) on Defined Benefit Retirement Obligations		2,342	(198)
Changes in Assumptions Underlying the Present Value of Defined Benefit Retirement Benefit Obligations		(10,718)	3,712
<b>Total Actuarial (loss) gain in the Year</b>	20c	(8,376)	3,514
(Increase)/ decrease in Irrecoverable Surplus on Defined Benefit Retirement Scheme	20c	(577)	(948)
		(8,953)	2,566
Adjustment to Defined Benefit Retirement Obligations	20e	8,942	(2,720)
<b>Net movement in the Year</b>		(11)	(154)
<b>Other Comprehensive Income for the year</b>		81,236	98,787

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements. On behalf of the Board of Transport Infrastructure Ireland:



**Cormac O' Rourke**

Chairman

23 June 2020



**Michael Nolan**

Chief Executive Officer

23 June 2020

# Statement of Changes in Capital and Reserves For the year ended 31 December 2019

	Retained Revenue Reserves Administration €'000	Retained Revenue Reserves Light Rail & Metro €'000	Retained Revenue Reserves Road Network €'000	Capital Account €'000	Development Levies and Contributions €'000	Total €'000
At 31 December 2017	(368)	39,522	387,171	2,192,072	56,030	2,674,427
Retained (deficit)/surplus for the year	217	7,947	90,777	0	0	98,941
Movement in Development Levies and Contributions [Note 21]	0	0	0	0	13,877	13,877
Income used to purchase fixed assets or fund capital payments	0	0	0	132,203	0	132,203
Amortisation in line with depreciation/finance charge	0	0	0	(83,830)	0	(83,830)
Transfer to provisions/creditors	0	0	0	64	0	64
Asset disposals and impairments	0	0	0	(416)	0	(416)
Other recognised losses	(154)	0	0	0	0	(154)
At 31 December 2018	(305)	47,469	477,948	2,240,093	69,907	2,835,112
Retained surplus for the year	86	13,000	68,161	0	0	81,247
Movement in Development Levies and Contributions [Note 21]	0	0	0	0	8,155	8,155
Income used to purchase fixed assets or fund capital payments	0	0	0	76,852	0	76,852
Amortisation in line with depreciation/finance charge	0	0	0	(79,770)	0	(79,770)
Transfer to provisions/creditors	0	0	0	(2,329)	0	(2,329)
Asset disposals and impairments	0	0	0	0	0	0
Other recognised losses	(11)	0	0	0	0	(11)
<b>At 31 December 2019</b>	<b>(230)</b>	<b>60,469</b>	<b>546,109</b>	<b>2,234,846</b>	<b>78,062</b>	<b>2,919,256</b>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements. On behalf of the Board of Transport Infrastructure Ireland:



**Cormac O' Rourke**  
Chairman  
23 June 2020



**Michael Nolan**  
Chief Executive Officer  
23 June 2020

# Statement of Financial Position

## At 31 December 2019

	Note	2019 €'000	2018 €'000
<b>Fixed Assets</b>			
Property, Plant and Equipment	13	3,563,204	3,575,400
<b>Current Assets</b>			
Receivables	14	50,706	49,549
Cash and Cash Equivalents		131,985	101,264
		<b>182,691</b>	<b>150,813</b>
<b>Creditors (Amounts Falling Due Within One Year)</b>			
Payables	15	(127,673)	(153,744)
<b>Net Current Liabilities</b>		<b>55,018</b>	<b>(2,931)</b>
<b>Creditors (Amounts Falling Due After One Year)</b>			
Payables	16	(558,799)	(579,051)
Provisions for Liabilities and Charges	19	(140,399)	(158,634)
<b>Retirement Benefits</b>			
Defined Benefit Retirement Obligations	20d	(105,789)	(92,367)
Defined Benefit Deferred Retirement Funding	20d	105,789	92,367
Defined Benefit Pension Surplus	20f	232	328
<b>Total Net Assets</b>		<b>2,919,256</b>	<b>2,835,112</b>
<b>Financed By</b>			
<b>Reserves</b>			
Capital Account	12	2,234,846	2,240,093
Development Levies and Contributions	21	78,062	69,907
Retained Revenue Reserves (as per Statement of Changes in Net Equity)		606,348	525,112
		<b>2,919,256</b>	<b>2,835,112</b>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements. On behalf of the Board of Transport Infrastructure Ireland:



**Cormac O' Rourke**  
Chairman  
23 June 2020



**Michael Nolan**  
Chief Executive Officer  
23 June 2020

# Statement of Cash Flows

## For the year ended 31 December 2019

	2019 ‘€000	2018 ‘€000
<b>Net Cash Flows from Operating Activities</b>		
Retained Surplus for the Year	81,247	98,941
Depreciation, impairment and disposal of Fixed Assets	59,976	63,432
Amortisation of levies and deferred credits	(1,512)	(1,565)
Transfer to Capital	(2,918)	47,957
Pension charge	85	77
Increase in Receivables	(3,946)	(4,231)
Decrease in Provisions	(20,563)	(6,494)
Increase in Payables	16,793	17,945
<b>Net Cash Inflow from Operating Activities</b>	<b>129,162</b>	<b>216,062</b>
<b>Cash Flows from Investing Activities</b>		
Payments to acquire Property, Plant & Equipment	(109,458)	(162,344)
Purchase of Guaranteed Notes	0	(23,646)
Disposal of Property, Plant & Equipment	0	11
Development Levies and Contributions	10,956	10,684
Bank interest received	60	0
<b>Net Cash Outflow from Investing Activities</b>	<b>(98,442)</b>	<b>(175,295)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>30,720</b>	<b>40,767</b>
Cash and cash equivalents at 1 January	101,264	60,497
<b>Cash and cash equivalents at 31 December</b>	<b>131,984</b>	<b>101,264</b>

The Statement of Cash Flows and notes 1 to 26 form part of these financial statements. On behalf of the Board of Transport Infrastructure Ireland:



**Cormac O' Rourke**

Chairman

23 June 2020



**Michael Nolan**

Chief Executive Officer

23 June 2020

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies

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

### a) General Information

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

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

TII is a public benefit entity.

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

### b) Statement of Compliance with FRS 102

The financial statements of TII for the year ended 31 December 2019 have been prepared in accordance with generally accepted accounting practice in Ireland including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

### c) Basis of Preparation

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

### 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 Statement of Income and Expenditure.

### 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 Statement of Income and Expenditure to the capital account and amortised to the Statement of Income and Expenditure as the related assets are depreciated.

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

Greater Dublin Area (GDA) capital programme.

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies (Cont'd)

### e) Revenue (Cont'd)

#### Development levies and contributions

Development levies and developer contributions received by TII and which (subject to the provisions of relevant agreements) are utilised to fund capital expenditure are retained in a development levies and contributions reserve and amortised to the Statement of Income and Expenditure 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 from local authorities in the year.

**Toll Income** TII recognises toll income due from operators on an accruals basis. The toll income represents charges levied by toll operators after deduction of certain charges and interoperability payments. Between 2010 and March 2017, TII remitted VAT on M50 (Westlink) and Dublin Tunnel tolls to the Revenue Commissioners. On foot of a Court of Justice (EU) decision in January 2017, TII received a refund of VAT for that period of €76.3m. This amount was reported as toll income in 2018. TII no longer remits VAT on tolls.

Toll income 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 Statement of Income and Expenditure 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 charged to the Statement of Income and Expenditure in the year of expenditure. All expenditure on the acquisition of capital assets, or expenditure which significantly adds to the value, capacity in use, or useful economic life of existing assets, including certain staff costs, are capitalised as a fixed asset. Assets received from third parties as a result of commercial agreements pertaining to the provision of light rail and metro

projects, are capitalised in fixed assets.

These assets are measured at market value. A corresponding creditor is recognised as deferred income and released to the Statement of Income and Expenditure in line with the depreciation charge on such assets.

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

Expenditure relating to the consideration on the acquisition of property assets is capitalised as a fixed asset only when the property transaction has been fully completed.

Expenditure relating to consideration incurred in respect of property assets prior to completion of the transaction is included in prepayments.

### **Road network**

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

New road assets acquired under traditional procurement methods are capitalised from the date on which relevant statutory and government approvals are obtained.

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

### **Depreciation**

Road assets incorporating motorway service areas 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 from the month 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.



N25 River Barrow, Rose Fitzgerald Kennedy Bridge

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies (Cont'd)

### Road Network

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	15-24
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.

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies (Cont'd)

### g) Leases

Leases in which TII assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease.

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

### h) Receivables

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

### i) Operating Leases

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

lease period. Any lease incentives received are recognised over the life of the lease.

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

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

### k) Employee Benefits

#### Short-term Benefits

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

#### Retirement Benefits

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

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income. A corresponding adjustment is recognised in the amount

recoverable from DTTAS for the Unfunded Defined Benefit Scheme only. TII operates the following pension schemes:

#### **Defined Contribution Pension 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 as they become payable.

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

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

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

TII operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by DTTAS. Pension costs reflect pension benefits earned by employees and are shown net of staff pension contributions which are retained by TII. 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.

#### **Single Public Services Pension Scheme ("Single Scheme")**

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

#### **l) Reserve**

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

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

Within certain concession contracts, variable operational payments provide for payments to the operator where traffic volumes fall below specified levels. Estimates of future liabilities are provided for in the financial statements (note 19). The total forecast value of variable operational payments were recognised as a charge to Reserves on the Statement of Financial Position of TII together with a liability for future obligations under the related service concessions. The valuations and that of the related liability are based on the discounted value of the variable operational payments forecast to be made directly by TII. An appropriate discount rate of 4% has been chosen to discount the future liabilities arising from these concession agreements and has been arrived at in consultation with the NDFA. The forecasting of variable operational payments is performed annually and any movements in the provision are expensed in the Statement of Income and Expenditure.

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

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies (Cont'd)

### m) Provisions for Liabilities and Charges

of risks and uncertainties including development risk, premature cessation of levy scheme, project completion risk and change of law.

Provisions for track restoration and exchequer advances 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 or tax refunds, the outcome of which are uncertain.

### n) Payments to Local Authorities

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

### o) Service concession agreements (Public Private Partnerships)

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

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

term of the concession period.

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

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

The service concession 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. An appropriate discount rate of 4% has been chosen to discount the future construction related liabilities arising from concession agreements and has been arrived at in consultation with the NDFA. This rate is consistent with the effective rates of interest in the concession agreements for which asset valuations have been reached under FRS 102. Operational and financing payments made under the concession agreements are recognised in the Statement of Income and Expenditure in the year they are paid. Obligations to make payments of an operational nature over the life of the concession are disclosed in the notes to the financial statements.

### p) Critical Accounting Judgements and Estimates

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

revenues and expenses during the year.

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

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

Road assets acquired under PPP service concession arrangements and comprised in the M50 buy-out are capitalised and accounted for using the finance lease liability model in the year the concession agreement is signed. The value of the infrastructure asset and the service concession liability is recognised as the net present value of the future minimum lease payments, calculated on the basis of construction payments made directly by TII and any reliably measured capital element of operational payments. The PPP capitalisation model supports TII's assumptions regarding the split of payments between capital and revenue when valuing the asset.

TII selected a discount rate of 4% following consultation with the NDFA, on the basis that it reflects an appropriate rate for long term infrastructure assets.

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

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

### **Provisions and estimates**

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

#### **Exchequer Advances Repayable:**

State grants provided by the Exchequer for the implementation of certain projects for which development levy schemes are adopted may subsequently be designated repayable in accordance with the terms of a project specific Ministerial Direction. Where such obligations exist, estimates of the repayable amounts of any grants received are made based on the information available and the terms of the Ministerial Direction. The amount of grant income that has been received and is estimated to be repayable is retained as a long term liability (note 19).

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 exchequer advances 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 exchequer advances 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.

# Notes to the Financial Statements for the year ended 31 December 2019

## 1. Accounting Policies (Cont'd)

### **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 continue to be payable on both of these contracts and estimates of future liabilities are provided for in the financial statements (note 19). 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 and mortality rates) are updated annually by an independent actuary based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans. The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds; and
- (ii) future compensation levels, future labour market conditions.

### **q) Inventory**

All consumables are written off in the year of purchase.



M11, Gorey Bypass, Wexford

# Notes to the Financial Statements for the year ended 31 December 2019

## 2. State Grants

State grants of €1,118m (2018: €1,006m) were received in 2019 from the Department of Transport, Tourism and Sport (Vote 31) and the National Transport Authority (NTA) under the following subheads:

	2019 €'000	2018 €'000
<b>Administration:</b>		
B 3.3 Administration	27,765	26,891
Less Single Pension Scheme contributions remitted	62	68
TII invoiced amounts to DTTAS for road material testing Less Single Pension Scheme contributions remitted	(392)	(190)
	27,435	26,769
<b>Road Network:</b>		
B 3.1 National Road Construction and Improvement	395,148	312,013
B 3.2 National Road Maintenance and Management	34,000	35,783
B 3.4 Public Private Partnership Operations	120,000	122,098
B 3.5a Regional and Local Road Construction and Improvement*	441,653	377,010
B 3.5b Regional and Local Road Maintenance and Management*	40,341	50,359
E7 Greenways Project	5,750	0
Decarbonising Freight Project	85	0
TII invoiced amounts to DTTAS for Salt Stock for Regional Roads	1,768	5,392
	1,038,745	902,655
<b>Light Rail and Metro:</b>		
NTA Capital programme	53,736	80,723
Transfer from/(to) Creditors - NTA PSO Grant**	0	1,917
	53,736	82,640
<b>Total Grants</b>	<b>1,119,916</b>	<b>1,012,064</b>

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

\*Historically, both the National Roads Authority and DTTAS made payments to local authorities for the construction, improvement, maintenance and management of local and regional roads. In 2014, DTTAS assumed responsibility for the management of these payments including approval for payment. TII now acts as a paying agent and issues the relevant payments on instruction from DTTAS. In 2019, TII issued payments totalling €482.0m (notes 9a and 9b) to local authorities from funding received by it from DTTAS (2018: €427.3m). DTTAS has always been and continues to be responsible for determining the annual allocations to local authorities in respect of regional and local roads. In addition to the above,

\*\*In 2017, TII received funding from NTA in the form of a Public Service Obligation (PSO) grant for the mobilisation of Luas Cross City. €1.9m was deferred and brought to account in 2018.

## 2a. Grant Transfers

In 2019 €1.001m (2018: €4.540m) 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.

## 2b. EU Grants

In 2019 €0m (2018: €0.275m) was received by the Central Fund in respect of the Trans European Transport Network programme. €0.06m was received by the Central Fund in respect of the EU ITS Platform (EIP) project.

## 3. Grant Refunds

Grant refunds from local authorities were as follows:

	2019 €'000	2018 €'000
National Road Construction and Improvement	1,557	823
National Road Maintenance and Management	328	77
	1,885	900

## 4. Toll Income

	2019 €'000	2018 €'000
Dublin Tunnel	22,995	21,286
M50 eFlow	160,778	154,554
VAT refund on tolls	0	76,257
M1 Dundalk Western Bypass	2,388	1,675
M4 Kilcock/Kinnegad	6,476	5,201
	192,637	258,973

Toll income represents:

- Charges levied by toll operators after deduction of certain charges and interoperability payments.

Between 2010 and March 2017, TII remitted VAT on M50 (Westlink) and Dublin Tunnel tolls to the Revenue Commissioners. On foot of a Court of Justice (EU) decision in January 2017, TII have received a refund of VAT for that period of €76.3m. This amount was reported as toll income in 2018. TII no longer remits VAT on tolls.

- A share of revenue due under the terms of the PPP contract for the M4 Kilcock/Kinnegad and M1 Dundalk Western Bypass schemes.

# Notes to the Financial Statements for the year ended 31 December 2019

## 5. Other Income

	Note	2019 €'000	2018 €'000
Administration	5a	4,619	3,806
Light Rail & Metro	5b	17,454	13,098
Road Network	5c	5,949	3,786
		28,022	20,690

### 5a. Other Income - Administration

	Note	2019 €'000	2018 €'000
Net Deferred Funding for Pensions	20e	4,491	3,676
Sundry Income		128	130
		4,619	3,806

### 5b. Other Income - Light Rail & Metro

	2019 €'000	2018 €'000
Surplus on Provision of Luas Infrastructure	12,979	8,662
Surplus generated from Luas Associated Assets	2,775	2,700
Rental Income	188	224
Amortised Levies and Deferred Credits	1,512	1,512
	17,454	13,098

### 5c. Other Income - Road Network

	2019 €'000	2018 €'000
Sundry Income	633	1,020
Motorway Service Area Revenue Share	2,231	1,910
Insurance Risk Sharing Income	3,085	803
Amortisation of Deferred Credit	0	53
	5,949	3,786

## 5c. Other Income - Road Network (Cont'd)

**Motorway Service Area Revenue Share:** TII has awarded two Motorway Service Area (MSA) PPP Contracts. The Tranche 1 MSA Contract was awarded in October 2009 and provided for Motorway Service Areas on the M1 and M4. The Tranche 2 MSA Contract was awarded in July 2018 and provided for Motorway Service Areas on the M6, M9 and M11. Both of these contracts include revenue share provisions. Revenue due for 2019 amounted to €2.2m (2018: €1.9).

**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.

Insurance Risk Sharing	2019 €'000	2018 €'000
N18 Limerick Tunnel	0	302
N25 Waterford City Bypass	0	406
M1 Dundalk Western Bypass	1,147	0
M3 Clonee/Kells	1,045	0
N6 Galway/Ballinasloe	0	0
N8 Rathcormac/Fermoy	804	0
M7/M8 Portlaoise	62	0
M50 Upgrade	27	0
N11 Arklow/Rathnew	0	95
M17/M18 Gort to Tuam	0	0
M11 Gorey to Enniscorthy	0	0
N25 New Ross Bypass	0	0
	3,085	803

# Notes to the Financial Statements for the year ended 31 December 2019

## 6. Expenditure

	Note	2019 €'000	2018 €'000
Administration	7	29,759	24,448
Light Rail & Metro	8	68,296	61,559
Road Network	9/10	1,135,147	1,025,923
		1,233,202	1,111,930

## 7. Expenditure - Administration Costs

	Note	2019 €'000	2018 €'000
Remuneration and Other Pay costs	7a	24,377	23,099
Accommodation costs	7d	2,548	2,422
Other Administration costs	7e	3,172	2,761
Depreciation		663	716
Disposal of Fixed Assets		0	(10)
Total Administration costs		30,760	28,988
Less: Capitalised salary and overhead costs		(1,001)	(4,540)
Included in Statement of Income and Expenditure		29,759	24,448

Hospitality of €16k (2018: €9k) is included in the above figures.

## 7a. Remuneration and Other Pay Costs

	Note	2019 €'000	2018 €'000
Salaries		18,793	18,320
Overtime		56	72
Health Insurance		2	2
Allowances		5	4
Pension Costs	20a	4,029	3,415
Employer's Contribution to Social Welfare		1,778	1,745
Board Members' Emoluments and Expenses		95	94
		24,758	23,652
Less: secondment income		(381)	(553)
		24,377	23,099

Additional Superannuation Contributions, ASC, of €753k has been deducted and paid over to DTTAS. (In 2018 the deduction was called Pension Related Deduction, PRD, €600k)

No termination payments have been made in the year (2018: €Nil).

# Notes to the Financial Statements for the year ended 31 December 2019

## 7b. Employee Benefits Breakdown

Range of total employee benefits earned in the year From To	Number of employees 2019	Number of employees 2018
Total number of Whole Time Equivalents	257	250
€60,000 - €69,999	39	38
€70,000 - €79,999	36	32
€80,000 - €89,999	38	36
€90,000 - €99,999	17	22
€100,000 - €109,999	20	20
€110,000 - €119,999	9	7
€120,000 - €129,999	5	5
€130,000 - €139,999	0	1
€140,000 - €149,999	2	2
€150,000 - €159,999	2	1
€160,000 - €169,999	0	0
€170,000 - €179,999	0	1
€180,000 - €189,999	1	0

The table includes employees seconded to other public sector bodies.

## 7c. Key Management Personnel Compensation

Key management personnel, incorporating the Board, the Chief Executive, the Directors of Commercial Operations, Network Management, Business Services, Professional Services, Corporate Services and Capital Programmes, are those persons having authority and responsibility to plan, direct and control the activities of TII. The total value of employee benefits for key management personnel are set out below:

	2019 €'000	2018 €'000
Salaries and Board Member's Fees	1,167	1,092
Health Insurance	1	1
	1,168	1,019

This does not include the value of retirement benefits accrued in the year. With the exception of the members of the Board, the key management personnel are members of TII's funded or unfunded defined benefit pension schemes and their entitlements in that regard do not extend beyond the terms of those schemes.

## 7c. Key Management Personnel Compensation (Cont'd)

Remuneration in respect of Michael Nolan (Chief Executive) included in key management personnel compensation is as follows:

	2019 €'000	2018 €'000
Salary	183	176
	183	176

The Chief Executive is a member of TII's unfunded defined benefit pension scheme and his entitlement in that regard does not extend beyond the terms of the model public sector service pension scheme. The value of retirement benefits accrued in the year is not included in the salary reported.

## 7d. Accommodation Costs

	2019 €'000	2018 €'000
Rent, Rates and Services	2,008	1,989
Light, Heat and Cleaning	399	318
Repairs, Maintenance and Security	141	115
	2,548	2,422

# Notes to the Financial Statements for the year ended 31 December 2019

## 7e. Other Administration Costs

	2019 €'000	2018 €'000
Telephone and Postage	124	169
Printing and Stationery	67	75
Computer Charges	1,056	839
Staff Training and Development	233	175
Staff Travel and Subsistence National	592	562
Staff Travel and Subsistence International	139	137
Audit Fees	81	76
Books and Periodicals	19	16
Insurances	142	145
Repairs and Maintenance - Equipment	55	62
Sundries	466	340
Consultancy	42	105
Legal Fees	67	60
Staff Appointment Costs	89	0
	3,172	2,761

## 8. Expenditure – Light Rail & Metro

	2019 €'000	2018 €'000
Depreciation	51,634	53,026
Local Authority Rates	441	762
Asset Impairments	0	341
Deficit on Disposal of Fixed Assets	0	38
Project Development Costs	16,524	6,538
Luas Cross City Mobilisation Costs	(303)	854
	68,296	61,559

## 9. Expenditure – Road Network

	Note	2019 €'000	2018 €'000
Road Construction and Improvement	9a	868,761	751,311
Road Maintenance and Management	9b	81,193	98,444
PPP, Tunnel Operations and Tolling	10	177,515	166,846
Depreciation		7,678	9,285
Deficit on Disposal of Fixed Assets		0	37
		1,135,147	1,025,923

# Notes to the Financial Statements for the year ended 31 December 2019

## 9a. Road Construction and Improvement

	2019 €'000	2018 €'000
Payments to Local Authorities – National Roads	329,872	288,435
Payments to Local Authorities – Regional and Local Roads [Note 2]	441,653	377,010
Payments to Local Authorities – Greenways Project	5,730	0
Other Payments	91,506	85,866
	868,761	751,311

Expenditure in 2019 includes payments of €2.1m (2018: €1.4m) made to local authorities to cover costs as a result of conciliation and arbitration proceedings arising from roads construction projects. Figures include VAT, legal, and advisors costs.

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

## 9b. Road Maintenance and Management

	2019 €'000	2018 €'000
Payments to Local Authorities – National Roads	23,067	25,171
Payments to Local Authorities – Regional and Local Roads [Note 2]	40,341	50,359
Other Payments	17,785	22,914
	81,193	98,444

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

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

	Note	2019 €'000	2018 €'000
Ancillary Costs	10a	19,759	16,431
Public Private Partnership Scheme Operation Charges	10b	73,035	85,203
Tunnel Operations and Tolling	10c	84,721	65,212
		177,515	166,846

## 10a. Ancillary Costs

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

## 10b. Public Private Partnership Scheme Operation Charges

	2019 €'000	2018 €'000
N25 Waterford City Bypass	6,004	6,490
N18 Limerick Tunnel	1,621	2,526
M50 Upgrade	18,604	18,792
N6 Galway/Ballinasloe	2,884	1,916
M3 Clonee/Kells	18,943	18,345
M7/M8 Portlaoise	744	871
M1 Dundalk Western Bypass	338	181
N8 Rathcormac/Fermoy	2,499	2,926
M4/M6 Kilcock/Kinnegad	333	357
N11 Arklow/Rathnew	11,743	12,292
M17/M18 Gort to Tuam	24,716	24,358
M11 Gorey to Enniscorthy	3,214	0
Payments to Local Authorities – PPP schemes	1,875	1,060
N25 New Ross Bypass	0	1,172
N18 Limerick Tunnel unwind of provision*	(20,483)	(5,918)
M3 Clonee/Kells unwind of provision*	0	(165)
	73,035	85,203

There are no amounts included in operation charges arising from settlements (2018: €Nil).

\*Certain concessions provide for variable operational payments if traffic volumes fall below specified levels. The amount of the provision changes from year to year to reflect changes in the value of the remaining provision due to changes in the traffic volumes occurring on the relevant road. In 2019, there was a reduction of €20.5m (2018: €6.1m) (note 19) in the total provision for these payments

# Notes to the Financial Statements for the year ended 31 December 2019

## 10c. TII Tunnel Operations and Tolling

	2019 €'000	2018 €'000
Dublin Tunnel	19,661	18,955
M50 eFlow	61,272	42,979
Jack Lynch Tunnel	3,788	3,278
	84,721	65,212

These costs relate to operational costs, toll collection costs 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.

## 10d. General description of schemes

### N25 Waterford City Bypass

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

### N18 Limerick Tunnel

The DirectRoute (Limerick) Ltd consortium was awarded the Limerick Tunnel PPP contract on a 35 year concession basis in August 2006.

The Limerick Tunnel PPP Scheme involved the construction of approximately 10km of new dual carriageway along with associated link roads and side roads. The tunnel crossing of the River Shannon involved an immersed tube tunnel, approximately 0.9km in length, linking the townland of Coonagh on the northern bank with the townland of Bunlicky on the southern bank of the Shannon. The scheme, which is tolled between junction 2 and 4, opened to traffic in July 2010.

## **M50 Upgrade**

The M50 Upgrade PPP contract was awarded in September 2007 with a contract period of 35 years to M50 Concession Limited. The M50 Upgrade PPP Contract construction comprised the widening of 24km of the M50 from south of the M1/M50 (Turnapin) interchange to the N3 interchange and from south of the Ballymount interchange to the Sandyford interchange, including the upgrade of junctions along these sections. The upgrade works were completed in 2010. The PPP Co's investment costs are recouped through availability payments paid by TII\*.

In addition to the M50 Upgrade PPP contract, separate M50 Upgrade works were procured through two Design & Build contracts. These contracts provided for (i) the widening of approximately 8km of mainline carriageway between the N4 (Junction 7) and Ballymount (Junction 10) along with the upgrading of the N4, N7 and Ballymount interchanges, and (ii) the widening of 1.3km of motorway south of the N3 interchange. These upgrade works were completed in 2008.

\*While the M50 is tolled between Junctions 6 and 7 this is unrelated to the M50 PPP Contract. TII has procured a toll service provider to operate the toll collection on TII's behalf.

## **N6 Galway/Ballinasloe**

The N6 Galway/Ballinasloe PPP contract was awarded to the N6 (Concessions) Limited consortium in April 2007. The contract is for a 30 year concession period. The scheme involved the construction of approximately 56km of new dual carriageway, a 7km link road to the Loughrea bypass, 32km of side roads and five grade-separated junctions.

The scheme extends from Doughiska, east of Galway City to the existing N6 east of Ballinasloe in County Roscommon. The scheme, which is tolled between junctions 15 and 16, opened to traffic in December 2009.

## **M3 Clonee/Kells**

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

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

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

# Notes to the Financial Statements for the year ended 31 December 2019

## 10d. General description of schemes (Cont'd)

### **M7/M8 Portlaoise**

The M7/M8 Portlaoise PPP contract was awarded to the Celtic Roads Group (Portlaoise) consortium. The contract was awarded in June 2007 and is for a 30 year concession period. The project, which provides bypasses of Abbeyleix, Durrow, Cullahill, Mountrath, Castletown and Borris-in-Ossory, involved the construction of a tolled motorway of approximately 41km total length. There are grade separated junctions at Portlaoise, Borris-in-Ossory and Rathdowney as well as a partial motorway to motorway interchange at Aghaboe. The scheme also included a new 3km regional link road from the motorway back to Borris-in-Ossory along with approximately 15km of side roads. The scheme, which is tolled between Junction 18 (Portlaoise West) and Junction 19 (the M7/M8 interchange junction), opened to traffic in May 2010.

### **M1 Dundalk Western Bypass**

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

### **N8 Rathcormac/Fermoy**

The N8 Rathcormac/Fermoy contract was awarded to the Direct Route (Fermoy) Ltd. consortium in June 2004 and is for a 30 year concession period. The PPP contract involved the design, construction, operation and maintenance of approximately 17.5 km of motorway. The scheme includes three grade separated interchanges at Rathcormac South, Corrin, and Moorepark and a 450m long viaduct spanning the Blackwater Valley. The scheme, which is tolled between junctions 14 and 17, opened to traffic in October 2006.

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

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

### **N11 Arklow/Rathnew**

The N11 Arklow/Rathnew PPP contract was awarded to N11 Arklow Rathnew PPP Limited in April 2013. The N11 Arklow/Rathnew PPP contract includes the design, construction, operation and maintenance of approximately 16.5km 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 TII.

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

The M17/M18 PPP Scheme was awarded to the DirectRoute (Tuam) Ltd. consortium in April 2014. The M17/M18 PPP Contract comprises the design, construction, operation and maintenance of approximately 53km of motorway along with the design and construction of 4km of dual carriageway. The scheme provides 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 opened to traffic in September 2017.

### **M11 Gorey to Enniscorthy**

The M11 Gorey to Enniscorthy PPP contract was awarded to Gorey to Enniscorthy M11 PPP Limited in October 2015. The PPP contract includes the design, construction, operation and maintenance of approximately 31.4km 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 M11 mainline section opened to traffic in July 2019 with N30 section opening in August 2019.

### **N25 New Ross Bypass**

The contract for the N25 New Ross Bypass PPP Scheme was awarded to New Ross N25 Bypass Designated Activity Company in January 2016. The proposed N25 New Ross Bypass includes the construction of sections of both the N25 and N30 routes. More particularly it is envisaged that the PPP project will comprise works of approximately 13.6km of dual carriageway (N25 and N30 routes) and 1.2km of single carriageway (New Ross N30 route). The contract operational period is 25 years from scheme completion and the PPP Co will recoup its investment costs through availability payments paid by TII. The scheme opened to traffic in early 2020.

# Notes to the Financial Statements for the year ended 31 December 2019

## 11. Finance Charges

	Note	2019 €'000	2018 €'000
Pension Scheme Finance Charges	20b	1,732	1,708
Finance Lease Costs		30	34
Finance charge relating to Service Concession Liabilities		26,776	27,701
Finance charge relating to M50 Buy-Out Liability		2,449	4,360
		30,987	33,803

Under FRS 102, the net of the interest on the defined benefit scheme pension liabilities and the expected return on assets of €1.732m is recorded as a finance charge adjacent to interest (2018: €1.708m) see note 20b.

## 12. Capital Account

	2019 €'000	2019 €'000	2018 €'000	2018 €'000
At 01 January		2,240,093		2,192,072
<b><u>Administration</u></b>				
Income used to purchase fixed assets	138		378	
Amortisation in line with depreciation	(662)		(716)	
Disposals			0	
<b>Per Statement of Income and Expenditure</b>		<b>(524)</b>		<b>(338)</b>
<b><u>Light Rail and Metro</u></b>				
Income used to purchase fixed assets	39,336		81,298	
Amortisation in line with depreciation	(48,441)		(50,147)	
Disposals/Impairment loss	0		(379)	
<b>Per Statement of Income and Expenditure</b>		<b>(9,105)</b>		<b>30,772</b>
Transfer from provisions		(2,329)		0
Transfer from/(to) creditors		0		64
<b><u>Road Network</u></b>				
Income used to purchase fixed assets	11,706		9,479	
Income used to fund service concession liability	25,445		40,821	
Income used to fund finance lease liability	227		227	
Release in line with finance charges	(22,990)		(23,682)	
Amortisation in line with depreciation	(7,677)		(9,285)	
Disposals	0		(37)	
<b>Per Statement of Income and Expenditure</b>		<b>6,711</b>		<b>17,523</b>
At 31 December		2,234,846		2,240,093



## 13. Property, Plant and Equipment

	Light Rail & Metro Infrastructure €'000	Light Rail & Metro Assets Under Construction €'000	Rolling Stock & Equipment €'000	Road Network Infrastructure €'000	Road Network Under Construction €'000	Furniture Fixtures & Equipment €'000	Enhancement to Leasehold Premises €'000	Total €'000
<b>Cost</b>								
At 1 January 2019	1,459,915	40,293	242,125	2,177,992	247,331	3,227	9,271	4,180,154
Additions in period	4,922	21,928	9,210	13,543	*(3,641)	106	1,711	47,779
Disposals and impairments	0	0	0	0	0	(489)	0	(489)
Transfers	16,538	(20,599)	4,061	146,813	(146,813)	0	0	0
<b>At 31 December 2019</b>	<b>1,481,375</b>	<b>41,622</b>	<b>255,396</b>	<b>2,338,348</b>	<b>96,877</b>	<b>2,844</b>	<b>10,982</b>	<b>4,227,444</b>
<b>Accumulated Depreciation</b>								
At 1 January 2019	396,838	0	138,500	63,703	0	2,792	2,921	604,754
Depreciation charge	40,568	0	11,067	7,284	0	249	807	59,975
Disposals and impairments	0	0	0	0	0	(489)	0	(489)
<b>At 31 December 2019</b>	<b>437,406</b>	<b>0</b>	<b>149,567</b>	<b>70,987</b>	<b>0</b>	<b>2,552</b>	<b>3728</b>	<b>664,240</b>
<b>Net Book Value At 31 December 2019</b>	<b>1,043,969</b>	<b>41,622</b>	<b>105,829</b>	<b>2,267,361</b>	<b>96,877</b>	<b>292</b>	<b>7,254</b>	<b>3,563,204</b>
At 1 January 2018	1,424,864	40,032	201,783	2,168,985	247,331	4,392	9,191	4,096,578
Additions in period	25,643	44,320	6,210	9,555	0	207	80	86,015
Disposals and impairments	(178)	(341)	0	(548)	0	(1,372)	0	(2,439)
Transfers	9,586	(43,718)	34,132	0	0	0	0	0
<b>At 31 December 2018</b>	<b>1,459,915</b>	<b>40,293</b>	<b>242,125</b>	<b>2,177,992</b>	<b>247,331</b>	<b>3,227</b>	<b>9,271</b>	<b>4,180,154</b>
<b>Accumulated Depreciation</b>								
At 1 January 2018	355,104	0	127,349	55,391	0	3,861	2,044	543,749
Depreciation charge	41,874	0	11,151	8,823	0	302	877	63,027
Disposals and impairments	(140)	0	0	(511)	0	(1,371)	0	(2,022)
<b>At 31 December 2018</b>	<b>396,838</b>	<b>0</b>	<b>138,500</b>	<b>63,703</b>	<b>0</b>	<b>2,792</b>	<b>2,921</b>	<b>604,754</b>
<b>Net Book Value At 31 December 2018</b>	<b>1,063,077</b>	<b>40,293</b>	<b>103,625</b>	<b>2,114,289</b>	<b>247,331</b>	<b>435</b>	<b>6,350</b>	<b>3,575,400</b>

\* This adjustment to the reported cost of the N25 reflects a reduction in the present value of rescheduled construction payments

# Notes to the Financial Statements for the year ended 31 December 2019

## 14. Receivables

	2019 €'000	2018 €'000
Toll Income Debtors	12,054	10,364
Prepayments and Other Debtors	14,946	11,410
Purchase of Guaranteed Notes	23,706	23,646
VAT refund on tolls	0	4,129
	50,706	49,549

Toll income receivable at year-end in respect of Dublin Tunnel and M50 eFlow is stated after a provision of €5.4m (2018: €5.1m) for eFlow toll charges deemed uncollectable. This provision is based on M50 toll collection rates over a rolling two year period.

The actual bad debt charge for the year was €3.9m (2018: €3.8m).

Prepayments and Other Debtors include €0.1m due after one year (2018: €0.2m).

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

	Note	2019 €'000	2018 €'000
Trade Creditors and Accruals		67,679	58,860
M50 Buy-Out Liability	18	10,267	53,410
VAT		8,541	4,416
Service Concession Liability	18	35,084	30,567
Variable Operational Payments	18	3,870	4,399
CityWest Luas Deferred Income		1,309	1,309
Salaries		696	556
Obligations under Finance Leases	18	227	227
		127,673	153,744

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

	Note	2019 €'000	2018 €'000
Service Concession Liability	18	532,808	543,450
M50 Buy-Out Liability	18	0	7,818
CityWest Luas Deferred Income*		24,856	26,165
Trade Creditors and Accruals		294	580
Obligations under Finance Leases	18	841	1,038
		558,799	579,051

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

## 17. Commitments

### 17a. Operating Lease Commitments

At 31 December, TII had lease payment liabilities under non-cancellable operating leases for each of the following periods:	Land & Buildings 2019 €'000	Land & Buildings 2018 €'000
Payable within one year	1,579	1,579
Payable within two to five years	6,315	6,315
Payable after five years	9,493	11,072

Operating lease payments recognised as an expense were €1.5m (2018: €1.5m)

- 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 €0.6m 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 €0.5m per annum.

Block C: A 28 year lease from 29 September 2001 to 28 September 2029. The rent payable is €0.5m per annum.

# Notes to the Financial Statements for the year ended 31 December 2019

## 17a. Operating Lease Commitments (Cont'd)

At 31 December, TII had lease payment liabilities under non-cancellable operating leases for each of the following periods:	Motor Vehicles 2019 €'000	Motor Vehicles 2018 €'000
Payable within one year	27	27
Payable within two to five years	16	43
Payable after five years	0	0

Operating lease payments recognised as an expense were €0.03m (2018: €0.01m)

TII entered into a 3 year lease from 13 August 2018 in respect of 4 electric vehicles. The lease expires on 12 August 2021 and the charge is €0.03m per annum.

## 17b. Road Network Forward Commitments

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

Year	Commitment € Million	Department of Public Expenditure and Reform approved capital funding for TII 2019-2021 € Million	Commitment as % of annual allocation	Department of Public Expenditure and Reform sanctioned commitment as % of annual allocation
2020	447	609	73	75
2021	411	775	53	60
2022	345	695	50	50

## 17c. Public Private Partnership Forward Commitments

Nominal Amount:	2019 €'000	2018 €'000
N25 Waterford City Bypass	18,676	24,897
N18 Limerick Tunnel	25,222	26,837
M50 Upgrade	627,261	656,625
N6 Galway/Ballinasloe	26,055	28,687
M3 Clonee/Kells	204,411	225,917
M7/M8 Portlaoise	3,988	4,759
M1 Dundalk Western Bypass	2,549	2,738
N8 Rathcormac/Fermoy	7,210	9,694
M4/M6 Kilcock/Kinnegad	4,331	4,671
N11 Arklow/Rathnew	352,340	369,777
M17/M18 Gort to Tuam	814,891	850,463
M11 Gorey Enniscorthy	465,341	473,707
N25 New Ross Bypass	305,572	308,019
	2,857,847	2,986,791

These commitments are exclusive of VAT and incorporate total payments to concession companies. The payments comprise construction, financing, operational and lifecycle costs for the remaining life of the agreement. They are indexed @ 2% to approximate CPI and are not discounted to present value. The capital element of these forward commitments is €885.6m (2018: €914.6m) and is reflected as a liability in note 18 at its discounted amount.

## 17d. Light Rail and Metro Capital Commitments

	2019 €'000	2018 €'000
At the year end the following capital commitments had not been provided for in the financial statements:		
Contracted but not provided for	36,747	67,073
Authorised but not contracted for	6,734	12,173
	43,481	79,246

# Notes to the Financial Statements for the year ended 31 December 2019

## 18. Finance Lease Commitments

The future minimum lease payments at 31 December 2019 are as follows:	Service Concession €'000	Variable Operational Payments €'000	M50 Buy-Out €'000	Donegal National Roads Office* €'000	Total €'000
Not later than one year	35,084	3,870	10,492	227	49,673
Later than one year but not later than five years	138,294	20,840	0	907	160,041
Later than five years	722,084	80,879	0	0	802,963
<b>Total Gross Payments</b>	<b>895,462</b>	<b>105,589</b>	<b>10,492</b>	<b>1,134</b>	<b>1,012,677</b>
Less: Finance Charges	(327,570)	(31,271)	(225)	(66)	(359,132)
<b>Carrying amount of liability</b>	<b>567,892</b>	<b>74,318</b>	<b>10,267</b>	<b>1,068</b>	<b>653,545</b>
Classified as:					
- Payables (amounts falling due within one year)	35,084	3,870	10,267	227	49,448
- Payables (amounts falling due after one year)	532,808	0	0	841	533,649
- Provisions	0	70,448	0	0	70,448

The future minimum lease payments at 31 December 2018 are as follows:	Service Concession €'000	Variable Operational Payments €'000	M50 Buy-Out €'000	Donegal National Roads Office* €'000	Total €'000
Not later than one year	30,567	4,399	53,410	227	88,603
Later than one year but not later than five years	137,554	24,438	10,492	907	173,391
Later than five years	752,786	110,092	0	226	863,104
<b>Total Gross Payments</b>	<b>920,907</b>	<b>138,929</b>	<b>63,902</b>	<b>1,360</b>	<b>1,125,098</b>
Less: Finance Charges	(346,890)	(43,544)	(2,674)	(95)	(393,203)
<b>Carrying amount of liability</b>	<b>574,017</b>	<b>95,385</b>	<b>61,228</b>	<b>1,265</b>	<b>731,895</b>
Classified as:					
- Payables (amounts falling due within one year)	30,567	4,399	53,410	227	88,603
- Payables (amounts falling due after one year)	543,450	0	7,818	1,038	552,306
- Provisions	0	90,986	0	0	90,986

\*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 €0.2m per annum.

The above finance lease liabilities are measured at amortised cost.

## 19. Provisions for Liabilities and Charges

	Variable Operational Payments €'000	Exchequer Advances Repayable €'000	Project Provisions €'000	Track Restoration €'000	Total €'000
At 01 January 2019	90,986	62,618	567	4,463	158,634
Payments made in year	(4,399)	0	0	(100)	(4,499)
Increase/(decrease) in provision	(19,954)	2,329	0	74	(17,551)
Unwinding of discount associated with provision	3,815	0	0	0	3,815
At 31 December 2019	70,448	64,947	567	4,437	140,399

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

### Variable Operational Payments

In the case of two PPP concession schemes (i.e. M3 Clonee-Kells & N18 Limerick-Tunnel) the PPP agreement provides 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 relevant PPP contract. The provision changes from year to year to reflect changes in the value of the remaining provision due to changes in the traffic volumes occurring on the relevant road. In 2019, these changes reduced the total provision by €20.5m (2018: €6.1m).

The element of the total provision relating to amounts due within one year increased by €0.5m (2018: decrease €0.2m). €4.4m was payable to Direct Route (Limerick) Ltd under the variable operation payment mechanism in 2019 (2018: €3.9m). No payments arose on the M3 Clonee-Kells scheme as traffic volumes are currently in line with the guarantee threshold levels.

### Exchequer Advances Repayable

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

Change in the provision in 2019 was €2.3m (2018: €Nil).

### 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.

# Notes to the Financial Statements for the year ended 31 December 2019

## 19. Provisions for Liabilities and Charges (Cont'd)

### 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 2019, TII made payments of €0.1m (2018:

€0.3m) in respect of remediation costs and reduced the provision by €0.1m.

## 20. Retirement Obligations

Details of TII's pension schemes are provided below:

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

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

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

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

An independent professionally qualified actuary carried out a full valuation (February 2019) of the assets and liabilities of the scheme as at 31 December 2019. Those assets and liabilities were valued using the projected unit method.

A pension surplus of €0.2m considered to be recoverable over the life of the scheme has been reported in the Statement of Financial Position. The valuation of the surplus under FRS 102 rules indicated a technical surplus of €8.7m.

However, the maximum amount of surplus that can be recognised is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS 102 basis. Under these rules only €0.2m is considered recoverable and as a result the pension surplus has been reduced by €8.5m to limit the surplus to the estimated recoverable amount of €0.2m.

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

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current 'model' public sector scheme regulations.

This scheme was only available to former NRA employees who joined before 1 January 2013. 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.

## 20. Retirement Obligations (Cont'd)

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.

An independent professionally qualified actuary carried out a full valuation (January 2019) of the liabilities of the scheme as at 31 December 2018. 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 average salary scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). The costs, liabilities and assets of TII in relation to the Single Pension Scheme have been included in the disclosures on the Defined Benefit unfunded scheme.

### 20a. Analysis of total pension costs charged to Statement of Income and Expenditure

	2019 €'000	2018 €'000
<b>Defined Benefit Unfunded Scheme:</b>		
Current Service Cost	4,531	3,350
Employee Contributions	(496)	(444)
	4,035	2,906
<b>Single Pension Scheme:</b>		
Employee Contributions	(392)	(190)
	(392)	(190)
<b>Defined Benefit Funded Scheme:</b>		
Current Service Cost	91	86
	91	86
<b>Total Defined Benefit Scheme costs</b>	<b>3,734</b>	<b>2,802</b>
Defined Contribution Scheme costs*	295	613
<b>Total</b>	<b>4,029</b>	<b>3,415</b>

\*The pension charge in respect of the defined contribution scheme plan is equal to the contributions payable by TII for the year.

# Notes to the Financial Statements for the year ended 31 December 2019

## 20b. Analysis of finance charge recognised in Statement of Income and Expenditure

	2019 €'000	2018 €'000
<b>Defined Benefit Unfunded Scheme:</b>		
Interest on pension scheme liabilities	1,738	1,718
<b>Defined Benefit Funded Scheme:</b>		
Interest on pension scheme liabilities	85	89
Return on scheme assets	(91)	(99)
	(6)	(10)
<b>Total finance charge</b>	<b>1,732</b>	<b>1,708</b>

## 20c. Analysis of amount recognised in Statement of Comprehensive Income

	2019 €'000	2018 €'000
<b>Defined Benefit Unfunded Scheme:</b>		
Experience loss	(1,445)	444
Change in assumptions underlying the present value of the scheme liabilities	10,387	(3,164)
	8,942	(2,720)
<b>Defined Benefit Funded Scheme:</b>		
Experience (gain) / loss	(897)	(246)
Change in assumptions underlying the present value of the scheme liabilities	331	(548)
	(566)	(794)
<b>Total actuarial (gain)/ loss</b>	<b>8,376</b>	<b>(3,514)</b>
Change in irrecoverable surplus	577	948
	8,953	(2,566)

## 20d. Movement in net retirement benefit obligations/assets during the financial year

### Defined Benefit Unfunded Scheme

	2019 €'000	2018 €'000
Net defined benefit retirement obligation at 01 January	92,367	91,411
Current service cost	4,531	3,350
Actuarial loss	8,942	(2,720)
Interest cost	1,738	1,718
Pensions paid in the year	(1,789)	(1,392)
Net defined benefit retirement obligation at 31 December	105,789	92,367

### Defined Benefit Funded Scheme

	Scheme Assets €'000	Scheme Liabilities €'000	Pension Surplus €'000
At 1 January 2019	12,983	(4,780)	8,203
Current service cost	0	(91)	(91)
Actuarial gain	693	(127)	566
Expected return on scheme assets	91	0	91
Interest cost	0	(85)	(85)
Contributions by scheme participants	28	(28)	0
Benefits paid	(77)	77	0
At 31 December 2018	13,718	(5,034)	8,684

# Notes to the Financial Statements for the year ended 31 December 2019

## 20e. 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 20 (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:

	2019 €'000	2018 €'000
Funding recoverable in respect of current year retirement benefit costs	6,269	5,068
State grant applied to pay retirement benefits	(1,778)	(1,392)
	4,491	3,676

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

	2019 €'000	2018 €'000
Adjustment to Deferred Retirement Benefit Obligation	8,942	(2,720)

The Defined Benefit Deferred Retirement Funding at 31 December 2019 amounted to €105.79m (2018:€92.37m).

## 20f. History of defined benefit obligations, assets and experience gains and losses

### Defined Benefit Unfunded Scheme:

	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Defined benefit obligations amount (€'000)	(105,789)	(92,367)	(91,411)	(85,612)
Experience adjustments on scheme liabilities amount (€'000)	1,445	(444)	(808)	1,967
As a percentage of scheme liabilities (%)	1.4%	0.5%	0.9%	2.3%
Assumption adjustments on scheme liabilities amount (€'000)	(10,387)	3,164	(1,815)	(12,502)
As a percentage of scheme liabilities (%)	9.8%	3.43%	1.99%	14.6%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2019 is €41.4m (31 December 2018: €32.5m).

# Notes to the Financial Statements for the year ended 31 December 2019

## 20f. History of defined benefit obligations, assets and experience gains and losses (Cont'd)

### Defined Benefit Funded Scheme:

	31 Dec 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Defined benefit obligations amount (€'000)	(5,034)	(4,780)	(5,275)	(5,222)
Defined benefit assets amount (€'000)	13,718	12,983	12,760	13,028
Defined benefit surplus	8,684	8,203	7,485	7,806
Irrecoverable surplus on retirement benefit scheme	(8,452)	(7,875)	(6,927)	(7,163)
Defined benefit pension surplus	232	328	558	643
Experience adjustments on scheme liabilities amount (€'000)	204	69	143	139
As a percentage of scheme liabilities (%)	4.1%	1.4%	2.7%	2.7%
Experience adjustments on scheme assets amount (€'000)	693	177	(308)	736
As a percentage of scheme assets (%)	5.1%	1.3%	2.4%	5.6%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income up to and including 31 December 2019 is €1.978m (31 December 2018: €1.967m). Expected contributions for the following year are €Nil.

## 20g. General description of the scheme and actuarial assumptions

### Defined Benefit Unfunded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2019 %	31 Dec 2018 %
Discount rate	1.10	1.90
Future salary increases	2.40	2.70
Future pension increases	1.90	2.20
Inflation rate	1.40	1.70
Future State pension increases	1.40	1.70

## 20g. General description of the scheme and actuarial assumptions (Cont'd)

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 2019 and 2039.

Year of Attaining Age 65.

	2019 Years	2039 Years
Life Expectancy - Male	21.5	23.9
Life Expectancy - Female	24.0	26.0

### Defined Benefit Funded Scheme

The principal actuarial assumptions at the balance sheet date:

	31 Dec 2019 %	31 Dec 2018 %
Discount rate	1.00	1.80
Future salary increases	2.35	2.70
Future pension increases	1.85	2.20
Inflation rate	1.35	1.70

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 65.

	31 Dec 2019 Years	31 Dec 2018 Years
Male	21.5	21.4
Female	24.0	23.9

# Notes to the Financial Statements for the year ended 31 December 2019

## 20g. General description of the scheme and actuarial assumptions (Cont'd)

At 31 December 2019 the scheme assets were invested in the Irish Life Pension Cash Fund, Irish Life indexed 10 Year AAA Bond Series 8 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 2019 %	31 Dec 2018 %
Equities	0.0	0.0
Bonds	64.4	62.1
Cash	35.6	37.9

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

## 21. Development Levies and Contributions

	2019 €'000	2018 €'000
At 1 January	69,907	56,030
Development levies and contributions	8,358	14,080
Amortisation of levies	(203)	(203)
At 31 December	78,062	69,907

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

## 22. Litigation and Claims

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

## 23. Related Party Transactions

Please refer to note 7c 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 relevant Board documentation 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.

## 24. Comparative figures

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

## 25. Subsequent Events

### Events after the reporting period year to 31 December 2019

TII considers that the COVID-19 pandemic does not represent an event that requires an adjustment to these financial statements.

TII management have considered whether reliable financial estimates of the impact of the virus could be prepared for the full year of 2020. Estimates would require management to make assumptions regarding (i) levels of

economic activity (ii) continued requirement for remote working (iii) consumer responses (iv) the success of businesses in adapting to new health regulations and (v) changing public attitudes to health risks. The level of uncertainty associated with these assumptions requires TII to consider a range of possible impacts.

Since March 2020 revenues from M50 [eFlow], Luas operations and other roads and public transport services have reduced significantly. In response, TII's Board supported by its committees and management are assessing the financial and operating scenarios which might emerge during 2020 and subsequent years. TII's Board and management will keep the emerging situation under continual review. For the full year 2020, the COVID-19 pandemic will cause significant reductions in revenues within our commercial operations but the exact impact in 2020 and thereafter cannot be accurately predicted.

TII receives significant grant funding from the Department of Transport Tourism and Sport (DTTaS) and the National Transport Authority (NTA). Since the inception of the Covid-19 pandemic, TII's Board and management have been working closely with both DTTaS and the NTA to address the challenges arising.

There have been no other events after the end of the reporting period which would require adjustments or disclosures to figures reported at 31 December 2019.

## 26. Approval of Financial Statements

These financial statements were approved by the Board on 23 June 2020.

