



# RAILWAY PROCUREMENT AGENCY



## Annual Report 2015

For the period of January  
to 31 July 2015 (Immediately  
Prior to Dissolution)





# Contents

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Chairman's Statement	<b>02</b>	Acting Chief Executive's Review	<b>05</b>
Operating and Financial Review	<b>07</b>	Agency Information	<b>24</b>
Members' Report	<b>25</b>	Independent Auditors' Report	<b>30</b>
Income and Expenditure Account	<b>32</b>	Statement of Total Recognised Gains and Losses	<b>33</b>
Reconciliation of Movement in Agency's Funds	<b>33</b>	Balance Sheet	<b>34</b>
Cash Flow Statement	<b>35</b>	Notes to the Financial Statements	<b>36</b>

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# Chairman's Statement

On 1 August 2015 the Railway Procurement Agency merged with the National Roads Authority to form Transport Infrastructure Ireland (TII). This was a key element in the Government's Public Sector reform programme and TII brings together two highly experienced and professional bodies to create a centre of excellence in the delivery and operation of strategically important transport infrastructure. Significant work was carried out during the year in terms of finalising the structure, policies and vision of the new organisation which will allow TII to integrate quickly and effectively from the start.

As we reach this important milestone, I am delighted to report that the recovery of the Luas business which we saw in 2014 is continuing in 2015, with overall passenger numbers for the year to 31 July reaching 19.4 million, up 5% on the same period in 2014.

Good progress continues to be made on the implementation phase of the Luas Cross City scheme. Work on the utilities diversion contract is now almost complete and we have now appointed the Sisk Steconfer Joint Venture to construct the main infrastructural elements of the project. By the date of the merger substantial progress has been achieved on this contract, with track construction well advanced in College Green, Westmoreland Street and O'Connell Street.

I would like to take this opportunity to thank the Board and the staff of RPA for their commitment and support during 2015 in the run up to the merger.

I want to recognise also the input, support and funding from the National Transport Authority which has enabled the successful development and implementation of our projects.

Finally, I would like to thank the Minister for Transport, Tourism and Sport, Pascal Donohoe TD, and his former Secretary General Tom O'Mahony and their officials for their support in making the merger a reality. The Board and I also thank them for their on-going assistance and support of our projects.

**Cormac O'Rourke**  
Chairman

24 November 2015





# Acting Chief Executive's Review

As RPA is dissolved, and its functions transferred to TII, I am pleased to report that the recovery we achieved in the Luas business in 2014 has continued in 2015. The on-going growth in the Irish economy is driving increasing demand for public transport in Dublin, and passenger journeys on Luas for the year to date have grown by a further 5% over 2014's record numbers. This strong growth means that we are now experiencing a high level of usage at peak times on the network and as a result we have embarked on a programme of capacity enhancement. In addition, we have recently received very welcome Government approval for a revised Metro North project.

The growing passenger numbers also resulted in the Luas infrastructure business recording an operating surplus before interest and tax of €1.2m in the first seven months of 2015, leaving us well on target to exceed the surplus of €1.9m achieved for the full year in 2014. This leaves the Luas business in a stronger position to cover its operating, maintenance and asset renewal costs into the future. I would like to thank the management and staff of our operating and maintenance partners, Transdev and Alstom, whose commitment to providing our customers with an attractive, reliable and cost effective transport service has been a key factor in the positive operating results.

The safety of the Luas operations has always been RPA's top priority. We have been concerned for some time about the frequency with which road drivers collide with trams after breaking red lights. 2015 saw the introduction of Ireland's first red light infringement camera at the junction of Benburb Street and Blackhall Place, following a collaborative initiative between RPA, Dublin City Council, An Garda Síochána and the National Transport Authority, who funded the project. I am delighted to report that this has resulted in a significant reduction in accidents caused by red light running.

Significant progress was made on the Luas Cross City project in 2015. Prior to commencing the main Luas infrastructure works, utility services must be diverted away from the line of the tracks, and this phase of the project is now practically complete. The main infrastructure contract for the construction of the track, platform and overhead line was awarded in January and construction of the main infrastructure is now well under way. We remain on target to open this new Luas line before the end of 2017.

RPA continued to provide support to the National Transport Authority on the development of a Bus Rapid Transit (BRT) network for Dublin, with the main focus being on completing the route selection phase of the Blanchardstown to UCD BRT project.

It has been a privilege to work for RPA for the last fourteen years, and to be part of the development of Luas, which has had a transformational impact on the lives of people living and working in Dublin. The success of Luas is due in no small part to the dedication and professionalism of the expert people who planned, designed and built the original Luas lines and the four subsequent extensions, and the people who manage the operations and the maintenance of the system. I would like to thank all of my colleagues in RPA, who are the foundation of this success, and who will ensure that TII will enjoy continued success into the future.

**Rory O'Connor**  
Deputy Chief Executive  
24 November 2015



# Operating and Financial Review

This review compares RPA's performance in the 7 month period from 01 January 2015 to 31 July 2015 with a twelve month period in 2014. At the end of this period RPA was dissolved by legislation and all its assets and liabilities transferred to the National Roads Authority (operating as Transport Infrastructure Ireland).

## Operating Review

### Key achievements in the seven months ended 31 July 2015

#### FINANCIAL PERFORMANCE

During 2015, RPA continued to meet strict budgetary targets for all current and capital expenditure activities. An effective system of controls over current and capital expenditure operated throughout the period.

Current expenditure included Agency corporate expenditure of €4.8m (2014 €8.1m) and project development expenditure which was a credit of €1.4m (2014 Charge €1.5m). RPA's current expenditure was offset by net income from RPA's secondment activities totalling €0.9m (2014 €1.3m).

€42.0m (2014 €39.0m) of expenditure was capitalised in the period and the majority of this expenditure related to the construction of Luas Cross City.

Staff numbers reduced on average from 186 in 2014 to 184 in 2015 and related staff costs reduced from €14.0m for a full year in 2014 to €7.7m for 7 months of 2015.

The retained surplus after tax for the period of €1.3m (2014 €1.5m) includes €1.1m from the Luas infrastructure business (2014 €1.8m).

RPA continues to manage its cash deposits in a prudent and conservative manner generating €0.2m (2014 €0.5m) of deposit interest income and reporting cash reserves of €49.0m (2014 €53.6m) at the period end.

## Commercial operations

### INFRASTRUCTURE BUSINESS

Luas trams ran 2.14 million kilometres in the seven months to 31 July 2015, compared to 3.67 million in the whole of 2014. During the same period, Luas carried 19.4 million passengers, compared to 32.6 million in the whole of 2014.

In June 2015 we completed the programme of 300,000 kilometre overhauls on the fleet of 26 Citadis 402 trams based at the Sandyford Depot. These overhaul programmes will ensure that during an extended life Luas trams will continue to deliver the high standards of safety, reliability and comfort which passengers value so highly. These programmes will be repeated based on supplier recommended standards. Planned life cycle asset renewal work on our fixed infrastructure will require investment over the 2015-2019 period and the National Transport Authority (NTA) have undertaken to fund this expenditure where necessary. In response to increasing patronage and high levels of usage at peak times a program of investment to provide additional capacity is being developed with NTA.

Luas infrastructure activities reported a surplus (before tax, interest on reserves and depreciation on self-funded assets) of €1.2m (2014 €1.9m). After crediting interest earned and adjusting for tax charges a surplus of €1.1m (2014 €1.8m) was transferred to reserves. The Luas infrastructure business is forecasting operating surpluses in the medium term 2016-2020. Forecasts for the business assume conservative levels of patronage growth and cost inflation.

The return to surplus (or profit) of the Luas infrastructure business is due to growth in the domestic economy coupled with the determined efforts of RPA (the infrastructure owner) and Transdev (the service provider) to bring costs and revenues into line over the last four years. Throughout this period of financial and operational restructuring, RPA, NTA and Transdev have continued to focus on providing high quality services and offering excellent value to the travelling public and the Exchequer. The emphasis on delivering high quality services for the lowest possible fares has been vital in returning the Luas infrastructure business to a position where it generates a financial surplus. The staff of RPA and Transdev co-operated closely and contributed to bringing about and maintaining the necessary improvement in financial performance.

### PROJECT DELIVERY, APPROVAL AND FUNDING

RPA prepare a comprehensive business case for each proposed infrastructure project. The business case incorporates the project's transport, financial and economic evaluations. It also includes the proposed strategies and plans for the procurement and financing of the project. The business case is provided to the NTA when seeking funding approval for a project.

In securing funding for new projects, RPA's objective is to minimise the contribution required from the Exchequer and to seek funding via development levy schemes and bilateral agreements from those who will benefit directly from the improved infrastructure.

### INDUSTRY CONTEXT

During the year, Luas continued to deliver significant capacity into the public transport infrastructure of the Greater Dublin Area. The peak hour capacity provided by the Luas Red and Green Lines is estimated as 18,210 public transport trips. The number of passengers carried on Luas in the seven months to 31 July increased by 5% from 18.4 million in 2014 to 19.4 million in 2015.

### LEGAL AND REGULATORY ENVIRONMENT

The Transport (Railway Infrastructure) Act 2001 (as amended) provides for the granting of a railway order to a party seeking to provide light rail or metro infrastructure and services. The statutory process requires RPA to prepare a detailed railway order application including a reference design, an Environmental Impact Statement and a Book of Reference to identify property interests. The application for an order is then made to An Bord Pleanála.

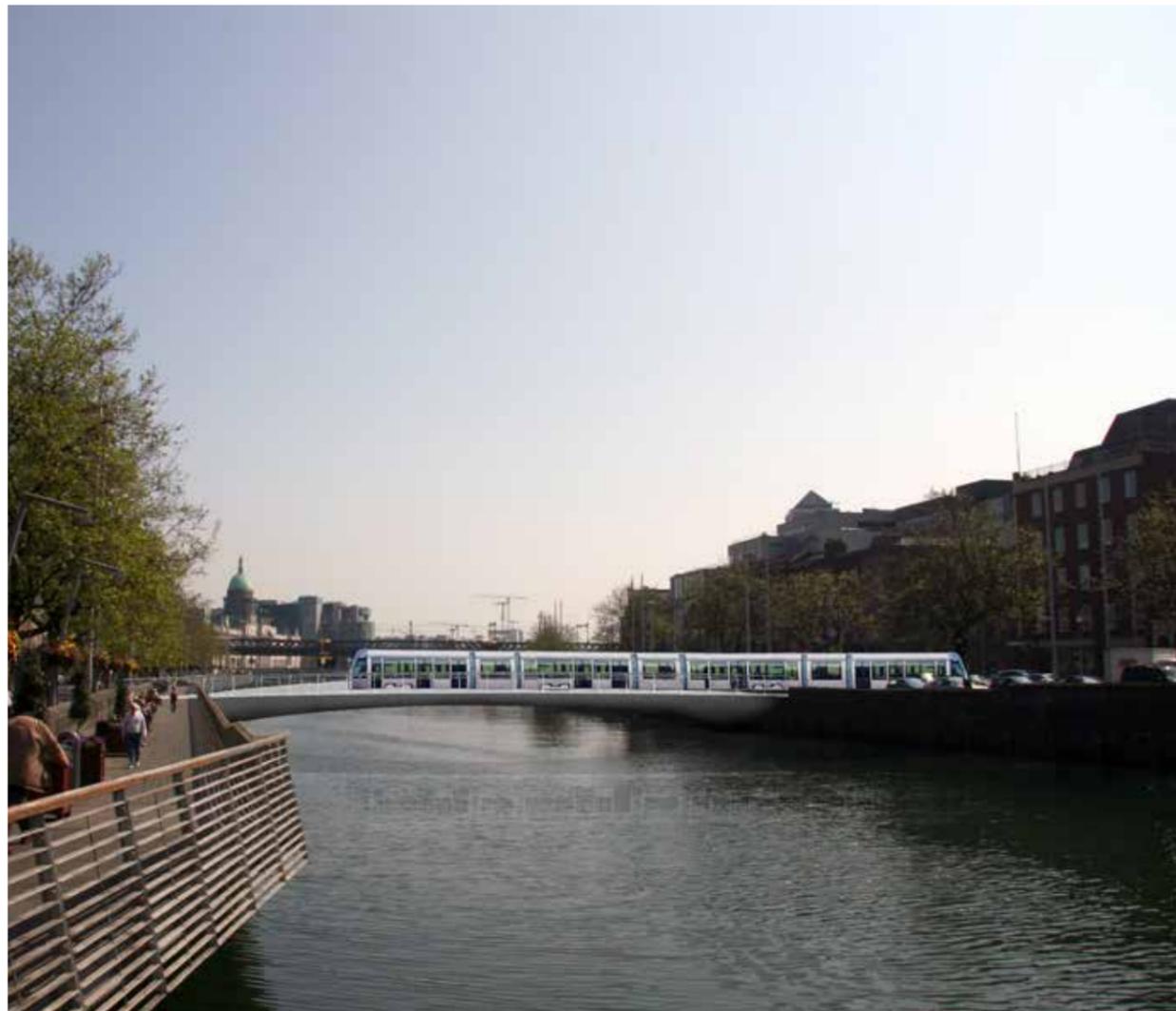
The Railway Safety Act 2005 established a Railway Safety Commission which provides for the approval of new railway infrastructure projects. In relation to the construction of railway projects, RPA complies with and requires our contractors to comply with the Safety, Health and Welfare at Work Act 2005 and related regulations issued by the Health and Safety Authority.



### BUSINESS AND FINANCIAL OBJECTIVES

RPA's rolling annual 5 year Corporate Business Plan 2015-2019 identified three key strategic objectives:

- » **New Infrastructure Provision**  
Luas Cross City is in the construction phase with significant progress made during 2014 and 2015. Bus Rapid Transit for Dublin is being developed on behalf of the NTA. Other potential projects were being examined with the National Transport Authority as part of the Fingal/North Dublin Transport Study.
- » **Luas Infrastructure Business**  
The Luas infrastructure business has forecast the delivery of operating surpluses for the period of the current business plan. The Luas network will be enlarged and enhanced by the addition of Luas Cross City at the end of 2017. Provisions and costs for the delivery of services on the enlarged network were included in Transdev's 2014 contract.
- » **Organisational Change**  
The Boards and management of RPA and NRA allocated significant resources to planning and preparing for the combination of both organisations into a single authority to be branded Transport Infrastructure Ireland (TII).



## Safety & Environment

### CONSTRUCTION SAFETY

During 2015 up to July 31, construction activity included ongoing enabling works for Luas Cross City, construction activity on Luas Cross City infrastructure works and the Parkgate Office Fit Out.

RPA acted as Client, Project Supervisor Design Process (PSDP) and Project Supervisor Construction Stage (PSCS) for the enabling works (utility diversions and heritage works). RPA acted as Client for the infrastructure works and as PSDP for the Parkgate office fit out. On all of these contracts RPA carried out regular safety inspections and safety audits to monitor and check the performance of the contractors on site and 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 were being complied with. RPA continued to work closely with all of our contractors to ensure we maintain our existing high standards of safety on our construction projects.

There were no lost time accidents recorded on RPA construction projects during 2015 up to 31 July.

### PASSENGER SERVICES SAFETY

There was a significant decrease in the number of reportable safety incidents up to 31 July 2015 as compared to the same period in 2014. RPA in partnership with Transdev continued to focus on safety issues related to motorists and pedestrians during 2015 and implemented a number of safety improvements to the Luas operating environment. A red light camera was installed and is operational at a Luas junction to capture red light infringements.

The number of public disorder and vandalism incidents recorded has remained stable when compared to 2014. However public disorder and vandalism incidents remain a concern for RPA and Transdev in providing a safe and secure service for our customers, and a safe working environment for our contractors' staff. In response, Transdev, RPA and a broad range of stakeholders including local communities and An Garda Síochána, have been working hard to combat the problem of antisocial behaviour and to improve the security of Luas passengers.

TII will continue to work with Transdev and its maintenance sub-contractors to ensure that the high level of safety performance already achieved in operation of the Luas Red and Green Lines is maintained.

## ENVIRONMENT

The environmental activities undertaken in 2015 demonstrate RPA's compliance with the RPA Environmental Policy for 2015 as well as RPA's Code of Practice on Archaeology with the Department of Arts, Heritage and the Gaeltacht. Through co-operative working with both internal and external partners, RPA implemented best practice in managing the potential for negative environmental and heritage effects associated with RPA planning, construction and operations.

Such activities included the provision of support to projects and operations in relation to environmental and archaeological matters including the route option phase of the Blanchardstown to UCD BRT scheme. RPA archaeologists also provided archaeological and heritage inputs into the EIS that was prepared by ARUP/Roughan O'Donovan for the Swords/Airport to City Centre BRT scheme on behalf of the NTA.

Environmental management was also undertaken for all the Luas Cross City construction contracts comprising the Utility Diversions, Heritage Works, Systems, Demolition and the Main Infrastructure contracts. The support provided included noise, vibration and air quality monitoring and control, environmental and archaeological site inspections,

environmental audits, approval of work method statements, preparation and review of approximately 135 Environmental Health Unit (EHU) Works Notifications for Dublin City Council, ongoing stakeholder management as well as contract management (including ecological surveys). In terms of archaeological/heritage management the support provided included the preparation and revision of the Luas Cross City Archaeological Strategy, obtaining Ministerial Consents for works, reviewing the Contractor's archaeological method statements and licence application, review and approval of all archaeological reporting for contracts particularly heritage reporting requirements to close out the Investigation and Treatment of Cellars contract.

Management of the environmental aspects of the Luas operations contract for the Green Line and Red Line continued throughout the year with bi-monthly site meetings, quarterly depot inspections and review of environmental reporting including Transdev's environmental management plan and noise and vibration reports. In addition, tram specific measurements were undertaken and reported upon by the RPA environment team at eleven locations on the Luas Red Line, six locations on Luas Docklands, eight locations on the Luas Green Line, ten locations on Luas Cherrywood and fourteen locations on Luas Citywest.



## Sustainability

### SUMMARY OF OUR ACTIONS AND ACHIEVEMENTS UNDER THE SUSTAINABILITY PLAN;

Actions and achievements under the Dublin Light Rail Sustainability Plan were co-ordinated through RPA's Environmental Impact Subgroup which met and reported on a quarterly basis. This group is a multi-disciplinary group with representation from RPA, Transdev and Alstom. The main objectives of the plan are to achieve a reduction in energy consumption and waste generation across infrastructure and corporate activities. The progress achieved during 2015 is documented in the quarterly reports prepared by the Green Team, the Design and Construction subgroup and by Transdev for the operations. The Dublin Light Rail Sustainability Plan covered the period 2011-2015 so TII will need to consider and develop a proposal to implement a new sustainability strategy for the merged entity.

During 2015, RPA/Transdev and Alstom submitted a successful collaborative entry for Luas in the Green Awards with Luas winning the Green Transport Award and being a finalist in the category of the Green Business of the Year. This award recognised Luas' continuing performance to improve carbon awareness across all Luas operations.

### LUAS

For Luas Operations January to July 2015, patronage figures are indicating another record year (up 5% on 2014 for the same period). Electricity consumption in kWh/passenger and kWh/km travelled are both up 2% and 8% when compared to the same period in 2014. However, average daily temperatures over the same period have been lower month on month, requiring extra energy consumption in tram heating requirements. Gas consumption was down by 23% compared to 2014. The total volume of waste managed from January to July 2015 was higher than the previous year by 14%, and is accounted for by the increase in overall passenger numbers on the system and also from the waste arising from the 300km and 600km tram overhaul programmes taking place. Water consumption was down 21% compared to the same period in 2014.





#### CORPORATE HQ ACTIVITIES - GREEN TEAM

RPA's Green Team implemented a range of initiatives to raise environmental awareness in the organisation including running regular competitions and the preparation and circulation of a quarterly newsletter. The newsletter is designed to communicate successes and failures in our effort to improve our environmental performance. It raises awareness of environmental issues and events being promoted to support and educate staff in best practice environmental management.

RPA had four teams participating in the Smarter Travel Workplaces/Travelwise Northern Ireland 10 Minute Cycle Challenge during May 2015. A team from RPA "The Freewheelers" came 9th in the challenge.

The monitoring of both gas and electricity usage forms an important part of our environmental management efforts at our offices in Parkgate Street. These offices are being expanded and refurbished in order to accommodate the combined numbers from the merger with the National Roads Authority. The specification of the refurbishment includes a number of features which should improve the energy efficiency of the new building. During the first seven months of 2015 there were changes in the patterns and levels of consumption due to the temporary housing of all staff in one building and the commissioning activities in the refurbished building.

Energy performance in the period was consistent with the standards reached in 2014 and with the activities and changes to the office accommodation described. We continue to consume 40% less energy than in 2010.

#### INFRASTRUCTURE

In order to address the embodied carbon for construction, sustainability requirements including the requirement for the Contractor to undertake an embodied carbon footprint assessment of the design for the works was included in the main infrastructure contract for Luas Cross City. The Contractor has for the first time established a baseline and developed strategies and action plans to minimise the embodied carbon footprint for the final executed works for Luas. As part of this process, the Contractor considered proposals and strategies to achieve significant reductions in embodied carbon through reducing the amount of steel and concrete and modifying the mix design of the concrete used for the contract in order to reduce the amount of cement and replace it with ground granulated blast furnace slag (GGBS). Additionally, the Contractor is required to ensure that the Broombridge Depot for Luas Cross City is built to achieve a high BER rating of B1. As anticipated, the initial embodied carbon assessment that was prepared by the Sisk Steconfer Joint Venture confirmed that the steel and concrete elements of the works have high embodied carbon values. However the assessment also revealed that the granite paving requirements for the renewal of the public realm in the city was also a major contributor, particularly the embodied carbon arising from the transportation of the granite from Asia.

During 2014, RPA also researched the feasibility of progressing a sustainability proposal comprising the use of large-scale solar arrays for producing electricity on the roof of the Luas Red Cow Depot. The payback for this initiative was determined to be 9 years so the project has not been progressed to date. However, large-scale solar arrays were incorporated into the building fit-out at TII offices at Parkgate St.

Results from an Energy Mapping System carried out by Alstom in 2013, identified that large amounts of energy were being consumed by the passenger heating and ventilation system on Luas trams. As a result Alstom have been trialling a modification to the system to reduce energy. The trial has indicated that there are potential savings of 20% and will continue to run throughout 2015. Other projects that are being progressed by Transdev/Alstom include a research and development project to retrofit Luas trams with an energy saving supercapacitor which stores the regenerative energy that would normally be dissipated as heat through the system.

## Development of Luas and associated projects

### LUAS CROSS CITY

Construction on Luas Cross City (LCC) continued during the period of the report. The utility diversion works were substantially complete by the end of the period with the main outstanding works being the commissioning of new utility plant and associated connections. The main infrastructure works contract was awarded to a joint venture of John Sisk and Sons Ltd and a Portuguese rail specialist firm, Steconfer. These works comprise the laying of the tracks, the overhead system, the depot, the stops, the surfacing and signalling. This is a design and build type contract and early months of the contract period were spent preparing the necessary design whereas on-street works

commenced at the latter end of the period. The careful planning and active co-operation of the main stakeholders which was achieved during the implementation of the utility works will be continued during the main infrastructure works, in order to keep disruption to a minimum in the city centre.

The bridge which carries Fassaugh Road over the Luas Cross City Line was replaced during this period and the equipment at an existing substation in O'Connell Street was renewed to cater for the higher demand associated with the Luas Cross City scheme. The project remains on target for completion by the end of 2017.

### MINOR PROJECTS

Minor projects are undertaken to enhance the safety, operational effectiveness or accessibility of the existing Luas infrastructure.

#### 2015 MINOR PROJECTS

The following Minor Projects were in progress at 31 July 2015 and are expected to be brought into use in the current year.

#### ACCESSIBILITY REVIEW ON THE RED AND GREEN LINE

This project will highlight the priority projects that can be realistically implemented, evaluate these priority projects and select one or more projects for implementation.

#### ADDITIONAL LEAP CARD VALIDATORS AT SOME LUAS STOPS

This project involves the installation of additional Leap Card validators at the following stops:

##### RED LINE:

Abbey Street inbound (2), Jervis outbound (1), Heuston inbound (1), Heuston outbound (1), The Point inbound (1).

##### GREEN LINE:

St. Stephen's Green outbound (2), Glencairn inbound (2), Harcourt inbound (1), Charlemont inbound (1), Dundrum outbound (1), Balally outbound (1).

#### NEW GRAB BARS AND HANGING STRAPS IN THE TRAMS

This is in progress and will allow passengers to circulate within the trams, stand in comfort and brace themselves during acceleration and braking which will ultimately improve passenger safety.



#### RED LIGHT CAMERA

The Red Light Camera system is designed to improve safety at junctions by recording red light infringements by road vehicles. A Red Light Camera installed at Blackhall Place has had a positive impact on reducing Road Traffic Collisions (RTCs). Further installations are planned.



#### REMOTE VIEWING OF ON-BOARD CCTV

This project proposes the modification of the CCTV system on all existing Red Line trams to allow remote viewing of the 6 internal and 2 forward facing cameras by the Luas operator Transdev and by An Garda Síochána.



#### TRAM SAFETY MARKINGS

Following on from the successful installation of tram warning pavement signs at the pedestrian crossings at Luas Stops this project involves the installation of markings at uncontrolled pedestrian crossings. These measures will reduce the potential for accidents and incidents from occurring by giving advance warning to pedestrians to look out for approaching trams before crossing the tramway.



#### BUS RAPID TRANSIT

In 2015 RPA continued to work closely with NTA to advance planning for the Swiftway (BRT System) in Dublin. RPA continued to carry out extensive stakeholder consultation on the Blanchardstown to UCD scheme addressing the challenges of traffic management and the provision of quality pedestrian and cycle provision along the route. RPA completed the draft route options assessment report and preliminary design of the emerging preferred route from Blanchardstown town centre to UCD in preparation for a next step of non-statutory public consultation.

## METRO NORTH

In 2014, the National Transport Authority commenced the Fingal / North Dublin Transport Study in order to inform the Government's decision in 2015 on the potential options for transport in this area. In November 2014, NTA published a Stage One Appraisal Report for public consultation. The Stage One report recommended bringing six options forward for further appraisal, including two light rail options: an optimised Metro North scheme and a Luas extension from the Cabra stop on the Luas Cross City Line to the Airport and Swords. The final report was published in June 2015 and recommended the optimised Metro North option as the preferred transport solution for the City Centre/Airport Swords corridor. This project was also included in the Government's seven year capital investment plan published in October 2015. As the approved project differs from the original Metro North, we have reduced the carrying value of Metro North expenditure to date on our balance sheet to the current market value of the properties acquired for the project.





## Risk Management

A comprehensive risk management system is in place for the evaluation, prediction and management of risks that might expose the Agency to loss. The system supports the effective management of risk by RPA throughout all business activities. The system involves the identification, management and, where possible, the mitigation of significant risks.

RPA is committed to systematically identifying and managing risk across all its activities to help optimize its performance in accordance with ISO 31 000:2009. Our particular objectives for risk management are:

- » Compliance with all mandatory requirements;
- » Successful collaboration with RPA's key stakeholders (e.g. DTTAS, NTA, NRA, local authorities);
- » Appropriate management of all risks to the delivery of RPA's objectives (e.g. commercial; design; health; safety; environmental and business continuity risks);
- » Achieve value for money in delivering RPA's objectives;
- » Anticipate and respond successfully to uncertainty (e.g. changes in conditions);
- » Implement cost effective risk management strategies and resource utilization;
- » Promote awareness and understanding of risk and effective risk management; and
- » Integrate and embed risk management into the organization's culture.

The key elements in RPA's current risk management process all of which were completed or underway in 2015 are:

- » An annual Risk Management Plan approved by the RPA Board;
- » An integrated corporate business planning and enterprise risk management process;
- » Standard risk registers for identification, evaluation, and categorization of risks;
- » Assigned ownership for proactive management of all identified risks;
- » Facilitation of training, inductions and lessons learned reviews;
- » Formal risk and value management workshops, reviews and reports;
- » An assurance regime implemented by RPA's Audit Committee;
- » Continual improvement in our risk management procedures and processes and
- » An Internal Control Framework.

## Financial Review

### CAPITAL STRUCTURE AND TREASURY POLICY

RPA is funded by a combination of exchequer grants and advances, funds generated by the Luas infrastructure business, S49 development levies, other developer contributions and deposit interest earned.

RPA's overall treasury policies are compiled on a conservative basis and are reviewed periodically and amended as deemed necessary. The implementation of robust systems of internal control and the adoption of conservative treasury policies contributed to the achievement of the key objectives of RPA in 2015 including the value for money objective.

RPA's treasury policies and activities are reviewed regularly by both the Board and management.

RPA continues to fund capital and current expenditures through exchequer grants and advances, development levy income and bilateral agreements. During 2015, RPA continued to work closely with the NTA and local authorities to maintain existing development levy schemes and promote the development of new schemes. Funding from the levy schemes is designed to capture some of the long term land / property development gains arising from the provision of the infrastructure. The main source of funding for RPA continues to be exchequer grants and advances provided by the exchequer via the Department of Transport, Tourism and Sport and the National Transport Authority.

RPA held short term cash deposits at 31 July 2015 of €49.0m (2014: €53.6m). The cash deposits include accumulated surpluses from the infrastructure business, development levies, a maintenance provision and exchequer funding. RPA had no borrowings at 31 July 2015. Interest of €0.2m (2014: €0.5m) was earned during 2015 from short term cash balances held. Finance income of €0.07m (2014: Charge €0.2m) arose during the year in relation to the calculation of liabilities for retirement benefits. Other interest charges of €0.01m (2014 €0.06m) were charged to the income and expenditure account.



# Agency Information

## Members\*

Ms. Jacqueline Cross  
Mr. Ciarán MacSamhráin  
Ms. Sandra Murphy  
Mr. David O'Connor  
Mr. Joe O'Mahony  
Mr. Cormac O'Rourke, Chairman

## Acting Chief Executive:

Mr. Rory O'Connor\*

## Secretary:

Mr. Fergal Ruane\*

## Solicitors:

Arthur Cox  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

## Bankers:

Bank of Ireland  
Head Office  
40 Mespil Road  
Dublin 4

Ulster Bank  
Head Office  
Georges Dock  
Dublin 2

## Auditors:

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Earlsfort Terrace  
Dublin 2

\* All of whom ceased office on dissolution of RPA.



CORMAC O' ROURKE  
Chairman



JACQUELINE CROSS  
Member



CIARÁN MACSAMHRÁIN  
Member



SANDRA MURPHY  
Member



DAVID O' CONNOR  
Member



JOE O' MAHONY  
Member

# Members' Report

## Financial Statements for the Period Ended 31 July 2015

The Members of Transport Infrastructure Ireland present the report and financial statements for the Railway Procurement Agency for the seven month period ended 31 July 2015.

## Functions of the Agency

RPA was an independent statutory body that was established under the Transport (Railway Infrastructure) Act 2001. The principal statutory functions of RPA under this founding legislation are the provision of light rail and metro infrastructure. Since the commencement of the Dublin Transport Authority Act in 2008, RPA has exercised those functions under assignment from NTA. In September 2011, RPA's powers were extended to enter into agreements with NTA to advance the development of one or more Bus Rapid Transit (BRT) systems for the NTA, which has been identified as an objective for Dublin in the NTA's Integrated Implementation plan 2013-2018.

## Post Balance Sheet Events

Immediately subsequent to the period end, in accordance with the Road Acts 2015, the Railway Procurement Agency was dissolved. At dissolution, all of the Agency's functions, land and other property, assets and liabilities were transferred to the National Roads Authority (which now operates under the name of Transport Infrastructure Ireland).

## Results for the Period

The Income and Expenditure Account for the period ended 31 July 2015 and the Balance Sheet at that date are set out on pages 32 and 34. The surplus on ordinary activities for the period before taxation amounted to €1.6m (2014: €1.9m).

The financial performance of Luas infrastructure activities continued to provide surpluses in 2015. The net financial impact of the activities of the business after interest and tax was to transfer a surplus of €1.1m to reserves (2014: €1.8m).

The licensing of the Luas Red and Green line infrastructure to Transdev to deliver passenger services generated an operating surplus of €0.3m (2014: €0.5m). Current forecasts assume continued improvements in patronage and effective cost control. These assumptions result in a forecast of operating surpluses for the remainder of 2015 and subsequent years.

In the seven months to 31 July 2015, the park and ride and advertising business generated net income of €1.3m (2014: €2.1m) and interest earned from the cash reserves of the business €0.1m (2014: €0.2m).

## Statement of Members' Responsibilities in respect of the Financial Statements

The Transport (Railway Infrastructure) Act 2001 requires the Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Agency and of the surplus or deficit of the Agency for that period. In preparing those financial statements, the Members are required to:

- » Select suitable accounting policies and then apply them consistently;
- » Make judgements and estimates that are reasonable and prudent;
- » State whether the financial statements have been prepared in accordance with the relevant financial reporting framework, identify those standards and note the effect and the reasons for any material departure from those standards; and
- » Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the Agency will continue in business.

The Members confirm that they have complied with the above requirements in preparing the financial statements. The Members are also responsible for safeguarding the assets of the Agency and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition, the Members are required to include in the Annual Report a statement on the system of internal financial control in accordance with the requirements of the Code of Practice for the Governance of State Bodies (2009).

## Accounting Records

The Acting Chief Executive, under the direction of the Members, is responsible for ensuring that proper books and accounting records, as outlined in Section 19 of the Transport (Railway Infrastructure) Act 2001, are kept by the Agency. To achieve this, the Acting Chief Executive has put in place a professionally staffed finance function and an effective financial reporting and management information system. The books and accounting records are maintained at Parkgate Street, Dublin 8.

## Members and Secretary

The Members and Secretary who served up to the date of dissolution are listed on page 24 and all have served throughout the period.

Fees paid to Members during the period and their attendance at board meetings were as follows;

Member	Fees 2015 €000	Attendance at board meetings [Of 7]
Jacqueline Cross	7	6
Ciarán MacSamhráin	7	5
Sandra Murphy	7	6
David O'Connor	0	7
Joe O'Mahony	7	7
Cormac O'Rourke	0	7

In accordance with the Department of Public Expenditure and Reform Guidelines on the "one person, one salary" principle for public sector employees, no fees are paid to David O'Connor. Cormac O'Rourke waived his fees. Expenses paid to Members during the period amounted to €23 comprising of travel expenses.

## Audit Committee

The Agency's Audit Committee in 2015 was made up of Sandra Murphy (Chairperson), Jacqueline Cross and David O'Connor.

The Audit Committee reports to the Members on all aspects of financial reporting and accounting policy and reviews the effectiveness of the Agency's system of internal financial control. The Agency's external auditors meet with the Committee to review the results of the annual audit of RPA's financial statements. The Members of the Committee availed of the opportunity to meet privately with the external auditors at this meeting.

## Remuneration Committee

The Agency's Remuneration Committee in 2015 was made up of Jacqueline Cross, David O'Connor and Cormac O'Rourke. The Remuneration Committee is responsible for making policy recommendations to the Board on matters of remuneration of the Chief Executive and general remuneration matters in the Agency. No bonuses or pay increases have been granted since 2008. A reduction in salaries was implemented in July 2013 following the enactment of the Financial Emergency Measures in the Public Interest Act 2013.

## Responsibility for the System of Internal Financial Control

The Members acknowledge their responsibility for ensuring that an effective system of internal financial control is maintained and operated in the Agency. Such a system can only provide reasonable and not absolute assurance that the assets of the Agency are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely period.

## Corporate Governance and Controls

The Members have taken steps to ensure an appropriate control environment in the Agency by:

- » Adopting clear, best-practice structures and procedures through which the business of the Members is conducted;
- » Clearly defining management responsibilities and ensuring that appropriate resources and training are made available; and
- » Establishing formal procedures for determining and reporting significant control failures and ensuring appropriate corrective action is taken in a reasonable timeframe.

The Members have established processes to identify and evaluate business risks through the establishment of a risk management system. This system operates at project, functional and enterprise levels. The essential elements of this system are as follows:

- » Identification of the nature, extent and financial implications of risks facing the Agency;
- » Assessment of the likelihood of identified risks occurring;
- » Identification of suitable methods of risk management and mitigation;
- » Allocation of responsibility of the management and mitigation of identified risks;
- » Monitoring of progress and compliance with mitigation actions;
- » Reviewing of the effectiveness of the operation of the risk management systems; and
- » Regular reporting to Members on material issues arising.

### **System of Internal Financial Control**

The system of internal financial control in RPA incorporates quality management information and regular Board and management review within a structure that provides for appropriate segregation of duties, authorised delegation of authority and clear accountability. In particular it includes:

- » A comprehensive budgeting system with an annual budget that is agreed and then reviewed monthly by the Board;
- » Monthly review by the Board of management accounts which compare and explain financial performance against forecast and budget;
- » Clearly defined procurement, treasury and capital investment control guidelines; and
- » Formal project management procedures.

### **Monitoring the System of Internal Financial Control**

The Members and the Audit Committee monitor the effectiveness of the system of internal financial control throughout the period. This is done through the preparation and review of:

- » Regular management accounts and project reports;
- » Audit reports from the internal audit function; and
- » Reports from the external auditors.

The Members also regularly review the activities of the Agency with the Acting Chief Executive and other senior management.

During 2015, RPA used the services of an external firm, EY, to fulfil the work of the audit function, which operates in accordance with the framework set out in the Code of Practice for the Governance of State Bodies (2009). The internal audit function prepares a plan of work each year. This plan takes into account an analysis of the risks to which the Agency is exposed and is approved by the Audit Committee. The internal audit function submits an annual report to the Audit Committee which includes a summary of internal audit activity for the past year and the Internal Audit Manager's opinion on the adequacy and effectiveness of the system of internal financial control in the Agency. This report is additional to regular reports provided to the Audit Committee by the internal audit function throughout the year.

### **Annual Review of Controls**

We can confirm that since our last report a review of the effectiveness of the system of internal financial control has been carried out and has been deemed to be satisfactory.

### **Insurance**

The Agency maintains insurance policies for damage and loss of owned/third party property and for its potential liabilities to employees and third parties.

### **Legal and Regulatory Compliance**

The Agency complies with the Code of Practice for the Governance of State Bodies and other relevant codes of practice and guidelines published by Government for state bodies. RPA has processes in place to seek to ensure that the Agency complies with legal and regulatory obligations.

While not a company under the Companies Acts, but rather a statutory body corporate, RPA has sought to comply with the requirements of the Companies Acts 2014 where applicable.

RPA is subject to the Ethics in Public Office Acts 1995 and 2001 and has measures in place to ensure that all directors and office holders affected by the Acts comply with their obligations.

Throughout 2015, the Luas Cross City (LCC) team worked closely with NTA to extend the Travel Assist Programme. The LCC team also continued to meet with representatives from the National Council for the Blind of Ireland (NCBI) to review temporary and permanent works associated with the LCC project.

RPA are represented on the DTTS Disability Awareness Training subcommittee which is charged with looking at formalising and improving Disability Awareness Training nationally, across all sectors.

The Luas Accessibility Newsletter provides detailed information on all aspects of the Luas – vehicles, stops, fares etc. for users with a disability. It was updated in 2014 and is published on the Luas website [www.luas.ie](http://www.luas.ie).

Accessibility-related Minor Projects undertaken in 2015 included:

- » Feasibility studies for walking and cycle links to Cheeverstown, Citywest, Leopardstown Valley and Kilmacud stops to enable easier access to the tram network from surrounding neighbourhoods for all.
- » The ongoing development of the Luas Forecast Application to incorporate GPS technology to enable visually impaired users to receive up to date information from the Passenger Information Displays.

The Members are fulfilling their responsibility to ensure compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 ("The Regulations").

### **Auditors**

Deloitte Chartered Accountants and Statutory Audit Firm have ceased in office subsequent to the dissolution of the Agency.

On behalf of the Members

### **Cormac O'Rourke**

Chairman

### **Rory O'Connor**

Deputy Chief Executive

24 November 2015

# Independent Auditors’ Report to the Members of National Roads Authority (Operating as Transport Infrastructure Ireland) on the Financial Statements

We have audited the financial statements of Railway Procurement Agency (“the Agency”) for the period from 1 January 2015 to 31 July 2015 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movement in Agency’s Funds, the Balance Sheet, the Cashflow Statement, and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Agency’s members, as a body, in accordance with Section 19 of the Transport (Railway Infrastructure) Act, 2001. Our audit work has been undertaken so that we might state to the Agency’s members, those matters we state to them in our auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Agency and the Agency’s members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of members and auditors

As explained more fully in the Statement of Members Responsibilities the members are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Agency as at 31 July 2015 and of the surplus for the period then ended.

## Emphasis of matter – Financial statements prepared on a basis of going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the application of the going concern principle in light of the dissolution of the Railway Procurement Agency, in accordance with the Roads Act 2015. As noted within the Act, the functions and activities of the Agency are transferring to the National Roads Authority (operating as Transport Infrastructure Ireland). Accordingly, the financial statements are prepared on a going concern basis.

## Opinion on other matters

- » We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- » In our opinion the accounting records of the Agency were sufficient to permit the financial statements to be readily and properly audited.
- » The financial statements are in agreement with the accounting records.
- » In our opinion the information given in the members’ report is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under Section 12.2 of the Code of Practice for the Governance of State Bodies (the “Code of Practice”) we are required to report to you if the statement regarding the system of internal financial control required under the Code of Practice as included in the Members’ Report does not reflect the Agency’s compliance with paragraph 13.1 (iii) of the Code of Practice or if it is not consistent with the information of which we are aware of from our audit work on the financial statements.

## Deloitte

Chartered Accountants and Statutory Audit Firm  
Dublin

Date: 24 November 2015

## INCOME AND EXPENDITURE ACCOUNT

For the period ended 31 July 2015 and 31 December 2014

	Notes	P/E 31 July 2015 €'000	P/E 31 December 2014 €'000
<b>Operating surplus</b>	<b>2</b>	<b>1,302</b>	<b>1,709</b>
Interest payable and similar charges	6(a)	(14)	(62)
Other finance income/(charges)	6(b)	70	(188)
Interest receivable	6(c)	192	454
<b>Surplus on ordinary activities before taxation</b>		<b>1,550</b>	<b>1,913</b>
Taxation charge on surplus on ordinary activities	9	(281)	(392)
<b>Retained surplus for the period</b>		<b>1,269</b>	<b>1,521</b>

Approved by the Members on 24 November 2015

**Cormac O'Rourke**

Chairman

**Rory O'Connor**

Deputy Chief Executive

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the period ended 31 July 2015 and 31 December 2014

	Notes	P/E 31 July 2015 €'000	P/E 31 December 2014 €'000
<b>Retained surplus for the period</b>		<b>1,269</b>	<b>1,521</b>
Actuarial gain recognised in retirement benefit scheme	22	685	2,863
Increase in irrecoverable surplus on retirement benefit scheme	22	(735)	(2,449)
<b>Total recognised gains for the period</b>		<b>1,219</b>	<b>1,935</b>

## RECONCILIATION OF MOVEMENT IN AGENCY'S FUNDS

For the period ended 31 July 2015 and 31 December 2014

	Agency's Funds 31 July 2015 €'000	Reserve 31 July 2015 €'000	Total 31 July 2015 €'000	Agency's Funds 31 Dec 2014 €'000	Reserve 31 Dec 2014 €'000	Total 31 Dec 2014 €'000
<b>Retained surplus for the period</b>	1,269	-	1,269	1,521	-	1,521
Other recognised (losses)/gains	(50)	-	(50)	414	-	414
Movement for the period	1,219	-	1,219	1,935	-	1,935
Transfer (to)/from Reserve	(1,108)	1,108	-	(1,825)	1,825	-
Net movement for the period	111	1,108	1,219	110	1,825	1,935
At 1 January	5,085	17,868	22,953	4,975	16,043	21,018
At 31 July / 31 December	5,196	18,976	24,172	5,085	17,868	22,953

## BALANCE SHEET

At 31 July 2015 and 31 December 2014

	Notes	31 July 2015 €'000	31 Dec 2014 €'000
<b>Assets employed</b>			
<b>Fixed assets</b>			
Tangible fixed assets	10	1,014,444	1,085,452
<b>Current assets</b>			
Debtors	11	15,516	15,855
Bank and cash deposits	12	48,972	53,559
		64,488	69,414
<b>Creditors (amounts falling due within one year)</b>	<b>13</b>	<b>(18,022)</b>	<b>(22,391)</b>
<b>Net current assets</b>		<b>46,466</b>	<b>47,023</b>
Provisions for liabilities and charges	16	(141,546)	(160,871)
Creditors (amounts falling due after one year)	14	(31,857)	(32,437)
Net Assets excluding pension asset		887,507	939,167
Pension Asset	22	572	702
<b>Net Assets</b>		<b>888,079</b>	<b>939,869</b>
<b>Represented by</b>			
<b>Reserves</b>			
Agency's Funds	15	5,196	5,085
Reserve	15(a)	18,976	17,868
Grants	17	824,047	878,500
Other Funding	18	39,860	38,416
<b>Capital and reserves</b>		<b>888,079</b>	<b>939,869</b>

Approved by the Members on 24 November 2015

**Cormac O'Rourke**  
Chairman

**Rory O'Connor**  
Deputy Chief Executive

## CASH FLOW STATEMENT

For the period ended 31 July 2015 and 31 December 2014

	Notes	P/E 31 July 2015 €'000	P/E 31 December 2014 €'000
<b>Operating activities</b>			
Net cash inflow/(outflow) from operating activities	21(a)	3,155	(1,088)
<b>Returns on investments and servicing of finance</b>			
Interest received		457	159
		457	159
<b>Taxation</b>			
Corporation tax paid		(23)	(96)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(37,643)	(39,935)
Development levies and contributions		1,987	3,681
Grants		27,480	43,523
<b>Net (outflow)/inflow from capital cashflows</b>		<b>(8,176)</b>	<b>7,269</b>
<b>(Decrease)/increase in cash</b>	21(b)	<b>(4,587)</b>	<b>6,244</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 1. ACCOUNTING POLICIES

#### A. Accounting Convention

The financial statements have been prepared under the historical cost convention. Immediately subsequent to the period end, in accordance with the Road Acts 2015, the Railway Procurement Agency was dissolved. At dissolution, all of the Agency's functions and activities, land and other property, assets and liabilities were transferred to the National Roads Authority (operating as Transport Infrastructure Ireland). The activities of the Agency will continue under the remit of Transport Infrastructure Ireland. Therefore, these statements have been prepared on a going concern basis.

#### B. Grants and Other Funding

Capital Grants received and receivable for capital projects are retained in a grants account and amortised to the income and expenditure account as the related assets are depreciated. Grants are provided under the NTA Capital Funding Programme, the Exchequer funding for which is provided by the Department of Transport Tourism and Sport under their capital envelope for transport capital projects, i.e. Greater Dublin Area (GDA) capital programme.

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

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

Revenue grants are recognised in the income and expenditure account in the same period as the expenditure being funded. These grants are received from two sources;

1. The "RPA Administrative and Expenses" Programme from the Department of Transport, Tourism and Sport for corporate activities.
2. The NTA GDA Capital Funding Programme. These grants are approved on a project specific basis.

#### C. Tangible Fixed Assets and Depreciation

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, is capitalised as a fixed asset.

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

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

Historically, interest payable on borrowings to finance capital assets was capitalised. Capitalisation of interest costs ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Luas infrastructure assets are depreciated as they enter revenue service and any grants received in respect of their purchase are amortised on the same basis. Other fixed assets are depreciated when they are brought into use.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 1. ACCOUNTING POLICIES (Continued)

Depreciation is calculated to write off the cost of tangible fixed assets on a straight-line basis over the estimated useful lives as follows:

	Years
Bridges, underpasses, civil works & enabling works	50
Buildings	30
Track	10-50
Control & Communication systems	10-25
Power	20-25
Fare collection	5-15
Park & Ride	30
Luas rolling stock & equipment	15-19
Furniture & fittings, lifts and spares	12-25
Office fixtures and equipment	3-5
Enhancement to leasehold premises	10 *
Motor vehicles	5

\* Enhancements to leasehold premises are depreciated over 10 years, or over the remaining life of the lease, whichever is shorter.

#### D. Capitalisation

Expenditure is capitalised in respect of transport infrastructure assets and passenger transport facilities under construction and development activity on Government approved capital projects. For the purposes of these policies, Government approval for light rail or metro projects has been defined by reference to the date of submission of a railway order application except where agreement has been obtained from the Government to fund capital expenditure in advance of the receipt of a railway order. Expenditure on feasibility studies and preliminary design for potential but unapproved capital projects is written off to the income and expenditure account in the year of expenditure.

#### E. Pensions – Defined Contribution Scheme

Pension benefits are funded over the employees' period of service by way of contributions to a defined contribution scheme. Contributions are charged to the income and expenditure account as they become payable.

#### F. Pensions – Defined Benefit Scheme

The Agency has provided for its obligations regarding staff pensions in accordance with the provisions of FRS 17 "Retirement benefits".

Schemes in surplus are shown as assets on the balance sheet net of deferred tax impact. Schemes in deficit together with unfunded schemes are shown on the balance sheet as liabilities net of the deferred tax impact. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. The maximum amount of surplus that can be recognised on the balance sheet is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS17 basis. Any irrecoverable amount is recognised in the Statement of Total Recognised Gains and losses.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 1. ACCOUNTING POLICIES (Continued)

#### G. Taxation and Deferred Taxation

Corporation tax payable is provided on taxable surpluses at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the balance sheet date that result in an obligation to pay more tax or a right to pay less tax in the future.

Timing differences are differences between the surplus or deficit as computed for taxation purposes and the surplus/deficit as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### H. Reserve

Surpluses generated on the Luas infrastructure business are transferred to a Reserve. This reserve is utilised to fund future refurbishment of the Luas infrastructure, future operating deficits and the Luas Cross City project.

#### I. Provisions for Liabilities and Charges

Provisions for track restoration, legal and insurance claims and grants repayable are recognised when the Agency 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 2. OPERATING SURPLUS

The operating surplus has been arrived at after crediting/(charging):

	Notes	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Surplus on Luas infrastructure activities before interest and tax	3	1,209	1,940
Project development and agency corporate expenses	4	(2,509)	(8,242)
Depreciation	10	(24,941)	(45,730)
Asset impairments	10	(88,147)	(1,159)
		<b>(114,388)</b>	<b>(53,191)</b>
Amortised levies and deferred credits		882	1,512
Grants	5	114,808	53,388
Operating surplus		1,302	1,709

### 3. SURPLUS ON LUAS INFRASTRUCTURE ACTIVITIES

The surplus on Luas infrastructure activities is arrived at after crediting / (charging):

	Notes	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Net surplus on provision of Luas infrastructure		256	477
Net surplus generated from Luas associated assets		1,295	2,053
Local authority rates		(342)	(590)
Surplus on Luas infrastructure activities before interest and tax		1,209	1,940
Interest attributable to Luas infrastructure activities		101	205
Tax charge attributable to Luas infrastructure activities		(176)	(293)
Depreciation on self-funded assets infrastructure		(26)	(27)
Transferred to Reserves	15	1,108	1,825

The depreciation charge for the Luas infrastructure activities was €24.77m (2014: €45.55m) and is included in the total depreciation charge in note 2.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 4. PROJECT DEVELOPMENT AND AGENCY CORPORATE EXPENSES

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Project development and agency corporate expenses are split as follows:		
Project development (credit)/expense*	(1,404)	1,446
Agency corporate expenses	4,846	8,138
Secondment/consultancy income	(933)	(1,342)
	2,509	8,242

Depreciation of €0.17m (2014: €0.18m) relates to agency corporate activities.

Project development costs include the costs of developing infrastructure projects prior to submission of a railway order application.

\*RPA reversed an onerous lease provision in the period.

### 5. GRANTS - INCOME AND EXPENDITURE ACCOUNT

Grants represent revenue grants receivable for the period and capital grants amortised. Grants are received from the Exchequer. Grants included in the income and expenditure account are as follows:

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Revenue grants	2,629	8,037
Capital grants	24,032	44,192
Grants on asset impairments	88,147	1,159
	114,808	53,388

### 6. INTEREST AND OTHER FINANCE CHARGES

#### A Interest Payable and Similar Charges

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Interest payable for the period	14	62
Included in the income and expenditure account	14	62

#### B Other Finance Income

Under FRS 17 "Retirement benefits", the net of the interest on the defined benefit scheme pension liabilities and the expected return on assets of €0.07m is recorded as finance income adjacent to interest (2014: Charge €0.188m) see note 22.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 6. INTEREST AND OTHER FINANCE CHARGES (Continued)

#### C Interest Receivable on Short Term Deposits

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Interest receivable for the period	192	454
Included in the income and expenditure account	192	454

### 7. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

The surplus on ordinary activities before taxation is stated after charging/(crediting):

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
Depreciation	24,941	45,730
Auditors' remuneration		
- audit fee	110	77
- other assurance services	5	9
- tax advisory services	2	13
- other non-audit services	94	30
Grants	(114,808)	(53,388)
Amortisation of levies and deferred credits	(882)	(1,512)
Asset Impairments	88,147	1,159
Profit & Loss on disposal of assets	(10)	148
Operating lease charges:		
Plant & Machinery	-	103
Office premises	359	419
Members' remuneration excluding Acting Chief Executive:		
Fees	29	44
Salaries	60	103
Pension	6	10
Acting Chief Executive's remuneration:		
Salary	75	128
Pension	0	0
Other benefit	1	3

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 8. EMPLOYEES

The average number of persons employed by the Agency (including Members) during the period was as follows:

	2015 Number	2014 Number
Corporate and project support services	77	86
Projects and infrastructure management	107	100
	184	186
	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
The staff costs comprise:		
Wages and salaries	6,338	11,170
Social welfare costs	637	1,110
Pension costs	668	1,130
Other compensation – voluntary severance payments	69	605
	7,712	14,015
Deduct: staff costs capitalised in fixed assets	(3,065)	(5,877)
Included in the income and expenditure account	4,647	8,138

### 9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

#### A. Analysis of Income and Expenditure Account Charge:

	P/E 31 July 2015 €'000	P/E 31 Dec 2014 €'000
<b>Current tax:</b>		
Deferred tax (credit)/charge for the period	(84)	77
Corporation tax charge on surplus for the period	340	297
Adjustment in respect of previous years	25	18
Tax charge on surplus on ordinary activities	281	392

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 9. TAX ON SURPLUS ON ORDINARY ACTIVITIES (Continued)

#### B. Reconciliation of the Expected Tax Charge at the Standard Rate to the Actual Tax Charge at the Effective Rate.

The tax assessed for the year is higher (2014: higher) than the tax assessed at the standard rate of corporation tax in the Republic of Ireland of 12.5% (2014: 12.5%). The differences are explained below:

	P/E 31 July 2015 €'000	P/E 31 December 2014 €'000
Surplus on ordinary activities before taxation	1,550	1,913
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2014:12.5%)	194	239
Other timing differences	34	58
Higher rates of tax on passive income	112	-
Adjustment to tax charge in respect of previous year	25	18
Current tax charge for period	365	315

#### C. Circumstances Affecting Current and Future Tax Charges, and Deferred Tax

The deferred tax credit of €0.1m consists of a credit on the pension asset and a charge relating to deferred tax on accrued deposit interest (2014: Charge €0.1m).

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 10. TANGIBLE FIXED ASSETS

	Luas Infrastructure €'000	Assets Under Construction €'000	Rolling Stock & Equipment €'000	Office Fixtures & Equipment €'000	Enhancement to Leasehold Premises €'000	Motor Vehicles €'000	Total €'000
<b>Cost</b>							
At 1 January 2015	1,092,814	153,885	195,775	3,656	659	209	1,446,998
Additions in period	1,176	39,536	1,302	57	9	-	42,080
Transfers	1,032	(2,605)	634	939	-	-	-
Disposals	-	-	-	(51)	-	(36)	(87)
Impairment in period*	-	(88,147)	-	-	-	-	(88,147)
<b>At 31 July 2015</b>	<b>1,095,022</b>	<b>102,669</b>	<b>197,711</b>	<b>4,601</b>	<b>668</b>	<b>173</b>	<b>1,400,844</b>
<b>Accumulated Depreciation</b>							
At 1 January 2015	261,408	-	96,058	3,260	640	180	361,546
Depreciation charge	18,642	-	6,133	143	2	21	24,941
Transfers	(775)	-	7	768	-	-	-
Disposals	-	-	-	(51)	-	(36)	(87)
<b>At 31 July 2015</b>	<b>279,275</b>	<b>-</b>	<b>102,198</b>	<b>4,120</b>	<b>642</b>	<b>165</b>	<b>386,400</b>
<b>Net Book Value</b>							
<b>At 31 December 2014</b>	<b>831,406</b>	<b>153,885</b>	<b>99,717</b>	<b>396</b>	<b>19</b>	<b>29</b>	<b>1,085,452</b>
<b>At 31 July 2015</b>	<b>815,747</b>	<b>102,669</b>	<b>95,513</b>	<b>481</b>	<b>26</b>	<b>8</b>	<b>1,014,444</b>

Aggregate interest payable of €3.361m has been capitalised as part of tangible fixed assets to date [2015: €Nil; 2014: €Nil].

\*Due to the fact that the Metro North project will not proceed in its current approved configuration and currently no other project has been formally approved in its place, €88.1m of its carrying value is considered impaired and has been written off to the Income & Expenditure account. The only carrying value remaining for the project is the market value of properties purchased for the project.

### 11. DEBTORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	31 July 2015 €'000	31 Dec 2014 €'000
Prepayments and other debtors	6,374	12,412
Grants receivable	9,090	3,031
VAT receivable	52	246
Corporation tax	-	166
	15,516	15,855

### 12. BANK AND CASH DEPOSITS

	31 July 2015 €'000	31 Dec 2014 €'000
Cash and bank	48,972	53,559
	48,972	53,559

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 13. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	31 July 2015 €'000	31 Dec 2014 €'000
Trade creditors, accruals and deferred income	17,607	16,021
Corporation tax	176	-
Grants received in advance	239	6,370
	18,022	22,391

### 14. CREDITORS (AMOUNTS FALLING DUE AFTER ONE YEAR)

	31 July 2015 €'000	31 Dec 2014 €'000
Deferred income	31,857	32,437
	31,857	32,437

### 15. AGENCY'S FUNDS

	31 July 2015 €'000	31 Dec 2014 €'000
At 1 January	5,085	4,975
Surplus retained for the period	1,269	1,521
Actuarial gain recognised in retirement benefit scheme (Note 22)	685	2,863
Change in irrecoverable surplus on retirement benefit scheme (Note 22)	(735)	(2,449)
Transfer (to)/from Reserve (Note 15A)	(1,108)	(1,825)
At 31 July / 31 December	5,196	5,085

### 15A. RESERVE

	31 July 2015 €'000	31 Dec 2014 €'000
At 1 January	17,868	16,043
Transfer from Agency's Funds (Note 15)	1,108	1,825
At 31 July / 31 December	18,976	17,868

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous Lease €'000	Restructuring €'000	Deferred Tax €'000	Grants Repayable €'000	Insurance & Other Claims €'000	Track Restoration €'000	Total €'000
At 1 January	1,723	449	159	151,539	1,484	5,517	160,871
Utilisation	-	(106)	-	-	(1,100)	(167)	(1,373)
Realised unused	(1,723)	(142)	-	(18,002)	-	-	(19,867)
Notional Interest	-	-	-	-	-	14	14
Charged/(credited)	-	211	(66)	-	1,756	-	1,901
At 31 July	-	412	93	133,537	2,140	5,364	141,546

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

The Agency, through the holding of retentions and insurance bonds, has adequately provided for costs that may arise through contractual 'non-performance'.

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

The onerous lease provision has been reversed as a revision to the lease has now been signed. Restructuring provisions relate mainly to redundancy and will be fully utilised within one year of the balance sheet date. The utilisation of the insurance and legal claims provision is dependent on the timing and settlement of the outstanding claims.

Track restoration provisions relate to remediation and improvement costs to be incurred. The Agency 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 17. GRANTS

	31 July 2015 €'000	31 Dec 2014 €'000
At 1 January	878,500	888,254
Received and receivable	42,353	46,332
Transfer from/(to) provisions for liabilities & charges	18,002	(2,698)
Revenue grants released to income and expenditure account	(2,629)	(8,037)
Accelerated amortisation in relation to project impairments*	(88,147)	(1,159)
Capital grants amortised	(24,032)	(44,192)
At 31 July / 31 December	824,047	878,500

Grants provided by the Exchequer as advance funding for the implementation of certain projects for which development levy schemes are in place may be repayable in accordance with the terms of a project specific Ministerial Direction. Any grants considered repayable are moved to long term liabilities in accordance with Accounting Policy Note 1(b).

Revenue grants received from the Exchequer are held in the deferred grants account and released to the Income and Expenditure account to match related expenditure in the period.

The grants received and accounted for under the NTA GDA Capital Funding Programme and RPA Administrative and Expenses Programme for the period to 31 July 2015 were €27.5m and €2.7m respectively.

\*Due to the fact that the Metro North project will not proceed in its current approved configuration and currently, no other project has been formally approved in its place, €88.1m of its carrying value is considered impaired and has been written off to the Income & Expenditure account. The only carrying value remaining for the project is the market value of properties purchased for the project.

### 18. OTHER FUNDING

	31 July 2015 €'000	31 Dec 2014 €'000
At 1 January	38,416	35,383
Developer contributions and development levies	1,563	3,235
Amortisation of levies	(119)	(202)
31 July / 31 December	39,860	38,416

As outlined in Note 1(b), development levies and developer contributions received by the Agency are retained in a development levies and developer contributions account and amortised to the income and expenditure account as the related assets are depreciated.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 July 2015 and 31 December 2014

**19. CAPITAL COMMITMENTS**

	31 July 2015 €'000	31 Dec 2014 €'000
At the period end the following capital commitments authorised by Members had not been provided for in the financial statements:		
Contracted but not provided for	134,257	58,113
Authorised but not contracted for	13,530	141,479
	147,787	199,592

**20. FINANCIAL COMMITMENTS**

	Land & Buildings €'000	Other Operating Leases €'000
At 31 July 2015, the agency had annual commitments under non-cancellable operating leases expiring as follows;		
In one year or less	-	-
In more than one year but not more than five years	-	-
In more than five years	1,010	-
At 31 December 2014, the agency had annual commitments under non-cancellable operating leases expiring as follows;		
In one year or less	-	-
In more than one year but not more than five years	578	-
In more than five years	775	-

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 July 2015 and 31 December 2014

**21. CASH FLOW****A. Reconciliation of Operating surplus to Net Cash Inflow/( Outflow) from Operating Activities**

	31 July 2015 €'000	31 Dec 2014 €'000
Operating surplus	1,302	1,709
Depreciation	24,941	45,730
Amortisation of levies and deferred credits	(882)	(1,512)
Pension credit - additional to operating surplus	20	226
Asset Impairments	88,147	1,159
Decrease/(increase) in debtors	203	(2,159)
Grants	(112,122)	(46,639)
Increase in creditors	3,431	522
Decrease in provision for liabilities and charges	(1,885)	(124)
	3,155	(1,088)

**B. Reconciliation of Net Cash Flow to Movement in Net Funds**

	31 July 2015 €'000	31 Dec 2014 €'000
(Decrease)/increase in cash in the period	(4,587)	6,244
Net funds at beginning of the period	53,559	47,315
Net funds at end of period	48,972	53,559

**C. Analysis of Changes in Net Funds**

	At 1 Jan 2015 €'000	Cash Flows €'000	At 31 Jul 2015 €'000
Cash deposits	53,559	(4,587)	48,972
	53,559	(4,587)	48,972

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 22. PENSION COMMITMENTS

The majority of Agency employees making contributions are members of a defined contribution scheme, details of which are provided below. The remainder of those employees who make pension contributions are members of the RPA defined benefit scheme established by the Agency in 2003. Details of the defined benefit scheme are provided below.

#### Defined Contribution Scheme

A defined contribution pension plan was set up in 2003 for the Agency staff who do not qualify for membership of the defined benefit scheme noted below. This plan does not give rise to any funding liability under FRS 17. The pension charge in respect of this plan is equal to the contributions payable by the Agency for the period, being €0.477m (2014: €0.833m).

#### Defined Benefit Schemes

In order to comply with the provisions of sections 24 and 25 of the Transport (Railway Infrastructure) Act, 2001 the Agency 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.

The defined benefit actuarial pension charge for the period was €0.099m (2014: €0.394m), with €0.169m charged to operating surplus (2014: €0.206m) and €0.070m credited to other finance income (2014: Charge €0.188m). The contribution to the RPA defined benefit scheme in the period was €0.003m (2014: €0.003m).

At 31 July 2015 an independent professionally qualified actuary carried out a full valuation of the assets and liabilities of the RPA scheme. Those assets and liabilities were valued using the projected unit method.

A pension surplus of €0.572m (net of deferred tax) considered to be recoverable over the life of the scheme has been reported in the balance sheet. The valuation of the surplus under FRS 17 rules indicated a technical surplus of €6.689m. However, the maximum amount of surplus that can be recognised on the balance sheet is limited to the value of an employer contribution holiday in perpetuity, measured using the FRS17 basis. Under these rules, only €0.654m is considered recoverable and as a result, the pension surplus has been reduced by €6.035m to limit the surplus to the estimated recoverable amount of €0.654m. Deferred tax of €0.082m has been charged against the pension surplus.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 22. PENSION COMMITMENTS (Continued)

The amounts recognised in the balance sheet are as follows:

	31 July 2015 €'000	31 Dec 2014 €'000
Present value of the scheme liabilities	(9,694)	(9,773)
Fair value of scheme assets	16,383	15,876
Pension Surplus	6,689	6,103
Irrecoverable asset due to limit in paragraph 41 in FRS17	(6,035)	(5,300)
Assets recognised on the balance sheet	654	803
Related deferred tax liability	(82)	(101)
Net Pension Asset	572	702

	31 July 2015 €'000	31 Dec 2014 €'000
<b>The amounts recognised in the income and expenditure account are as follows:</b>		
Interest Cost	(114)	(358)
Expected return on scheme assets	184	170
Other Finance Income/(Charge)	70	(188)
Current Service Cost - included in agency corporate expenses	(169)	(206)
	(99)	(394)
Actual Return on plan assets	655	3,901

	31 July 2015 €'000	31 Dec 2014 €'000
<b>The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:</b>		
Actual less expected return on scheme assets	471	3,731
Experience gains	492	579
Change in assumptions underlying the present value of the scheme liabilities	(278)	(1,447)
Actuarial gains recognised in STRGL	685	2,863
Change in irrecoverable surplus on retirement benefit scheme	(735)	(2,449)
Total (loss)/gain recognised in STRGL	(50)	414

The cumulative actuarial loss recognised in the statement of total recognised gains and losses up to and including 31 July 2015 is €1.144m (31 December 2014: €1.829m). Expected contributions for the following period are €Nil.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 22. PENSION COMMITMENTS (Continued)

#### Movement in Scheme Assets and Liabilities

	Scheme Assets €'000	Scheme Liabilities €'000	Pension Surplus €'000
<b>At 1 January 2014</b>	13,608	(9,977)	3,631
Current Service Cost	-	(206)	(206)
Interest on Scheme Liabilities	-	(358)	(358)
Expected return on scheme assets	170	-	170
Actual less expected return on scheme assets	3,731	-	3,731
Experience gain on liabilities	-	579	579
Change in assumptions	-	(1,447)	(1,447)
Contributions by scheme participants	68	(68)	-
Employer contributions paid	3	-	3
Benefits paid	(1,704)	1,704	-
<b>At 31 December 2014</b>	<b>15,876</b>	<b>(9,773)</b>	<b>6,103</b>
<b>At 1 January 2015</b>	<b>15,876</b>	<b>(9,773)</b>	<b>6,103</b>
Current Service Cost	-	(169)	(169)
Interest on Scheme Liabilities	-	(114)	(114)
Expected return on scheme assets	184	-	184
Actual less expected return on scheme assets	471	-	471
Experience gain on liabilities	-	492	492
Change in assumptions	-	(280)	(280)
Contributions by scheme participants	31	(31)	-
Employer contributions paid	2	-	2
Benefits paid	(181)	181	-
<b>At 31 July 2015</b>	<b>16,383</b>	<b>(9,694)</b>	<b>6,689</b>

All of the scheme liabilities above arise from a scheme that is wholly funded.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 22. PENSION COMMITMENTS (Continued)

#### Risks and reward arising from the assets

At 31 July 2015 the scheme assets were invested in the Irish Life Consensus Fund, the Irish Life Cash Fund, Irish Life 10 Year AAA Bond Fund and Irish Life Netherlands 2042 Bond Fund. The Trustees decide on the mix of assets based on the 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 Jul 2015 %	31 Dec 2014 %
Equities	0.1	0.5
Bonds	61.6	91.5
Other	38.3	8.0

Scheme assets do not include any of the Railway Procurement Agency's own financial instruments, or any property occupied by the Railway Procurement Agency.

#### The principal actuarial assumptions at the balance sheet date:

	31 Jul 2015 %	31 Dec 2014 %
Discount rate	2.10	2.00
Future salary increases	3.75	3.50
Future pension increases	2.75	2.50
Inflation rate	1.75	1.50

Assumptions regarding future mortality are set based on advice from published statistics and experience.

The mortality assumptions are based on standard mortality tables which allow for future mortality improvement.

There are three current pensioners in the scheme.

Longevity for members retiring at 60.

	31 Jul 2015 Years	31 Dec 2014 Years
Male	27.5	27.5
Female	29.1	29.1

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 July 2015 and 31 December 2014

### 22. PENSION COMMITMENTS (Continued)

The History of Experience Gains and Losses has been:	2015	2014	2013	2012	2011
Present value of the scheme liabilities					
Amount (€'000).	(9,694)	(9,773)	(9,977)	(11,045)	(9,385)
Fair value of scheme assets					
Amount (€'000).	16,383	15,876	13,608	12,912	11,136
	6,689	6,103	3,631	1,867	1,751
Irrecoverable surplus on retirement benefit scheme	(6,035)	(5,300)	(2,851)	(947)	(923)
Pension surplus					
Amount (€'000).	654	803	780	920	828
Experience adjustments on scheme liabilities					
Amount (€'000).	492	579	1,308	800	549
As a percentage of scheme liabilities at the balance sheet date (%).	5.1	5.9	13.1	7.2	5.8
Experience adjustment on scheme assets					
Amount (€'000).	471	3,731	131	952	(724)
As a percentage of scheme assets at the balance sheet date (%).	2.9	23.5	1.0	7.4	(6.5)
Total amount recognised in statement of total recognised gains and losses					
Amount (€'000).	(50)	414	29	2	(236)
Percentage of the present value of scheme liabilities (%).	(0.5)	4.2	0.3	0.0	(2.5)

### 23. LITIGATION AND CLAIMS

The Agency, from time to time, is party to various legal proceedings. It is the opinion of the Members that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the financial statements.

Note 16 to these financial statements gives details of the provision made in respect of insurance and legal claims at 31 July 2015.

### 24. RELATED PARTY TRANSACTIONS

In the normal course of business the Agency transacts business with entities controlled by the Irish Government. The total value of business transacted was €7.3m in the period ended 31 July 2015 (2014: €12.4m). At period end, RPA had a financial relationship with Allied Irish Bank and National Treasury Management Agency. The period-end deposit balances with the banks were €13.0m and €26.0m respectively.

### 25. COMPARATIVE FIGURES

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

### 26. SUBSEQUENT EVENTS

Immediately subsequent to the period end, in accordance with the Road Acts 2015, the Railway Procurement Agency was dissolved. At dissolution, all of the Agency's functions, land and other property, assets and liabilities were transferred to the National Roads Authority (operating as Transport Infrastructure Ireland).





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