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NRA History

Established under the Roads Act, 1993, the National Roads Authority is a non-commercial Semi-State agency with overall responsibility for the development and maintenance of the national road network.

The road network consists of 5,429km or 6%, of the public road network in Ireland and carries 43% of the country's traffic.

National roads are the major links between cities, large towns, ports and airports.

Carrickmacross Bypass, Completed, 2005



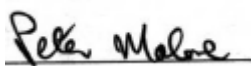
NRA - Driving Ahead with Confidence: Chairmans Foreword

I am delighted to report that 2005 was yet another highly successful and significant year for the Authority as we continued the task of delivering a modern, safe and efficient national road network to serve the needs of our ever expanding economy and improve our living standards. Undoubtedly, two of the most important highlights of the year included the completions of the South Eastern Motorway (SEM), the final link of the M50 C-Ring Motorway around Dublin, and the M4 Kilcock to Kinnegad motorway scheme which was opened in time for the Christmas holiday season, almost one year ahead of the originally scheduled opening date.

The Authority warmly welcomes the Government's "Transport 21" plan, which was announced in November, 2005. The plan is a €34.4 billion blueprint for the continued development of Ireland's land, sea and air transport infrastructure over the next decade. This level of financial commitment by Government will enable the Authority to plan ahead with confidence for the accelerated development of the national road network. The Transport 21 plan will see €9.4 million invested every day for the next 10 years in Irish transport.

The Authority looks forward to delivering the many ambitious targets for the development of national roads set out in the plan.

Safe motoring,



Peter Malone,
Chairman.



Remarkable Achievements: A Statement from our Chief Executive

Fred Barry, Chief Executive



We are fortunate to be involved with the delivery of the largest roads programme in our nation's history. Over the next twelve months we will commence work on 304km of new motorway/dual carriageway, and 30km of new single carriageway and 2+1 roads. This activity, combined with 217km of new road currently under construction, demonstrates the Authority's commitment to meeting the road transport needs of Ireland.

Most significantly, perhaps, our projects are now being completed ahead of schedule and within budget. These are remarkable achievements, given the number of projects involved, and would not be possible without the professionalism and dedicated commitment of all those involved in delivering this most ambitious national roads programme.

On behalf of the Board of the Authority and myself, I would like to congratulate all those involved in our development programme for all they have achieved in 2005 and I look forward to continued success in 2006.

A handwritten signature in black ink, which appears to read 'Fred Barry', written over a horizontal line.

Fred Barry,
Chief Executive.

01 Transport 21

November 2005 was an important date in setting the future direction of transport policy with the launch of an ambitious plan by the Government to deliver a 21st century infrastructure to meet the demands of a modern Ireland.

“Transport 21” sets the agenda for a comprehensive transport strategy to be implemented over the period 2006 to 2015. The Government pledged €34.4 billion to fund the integrated plan of which the national roads programme is a key element.

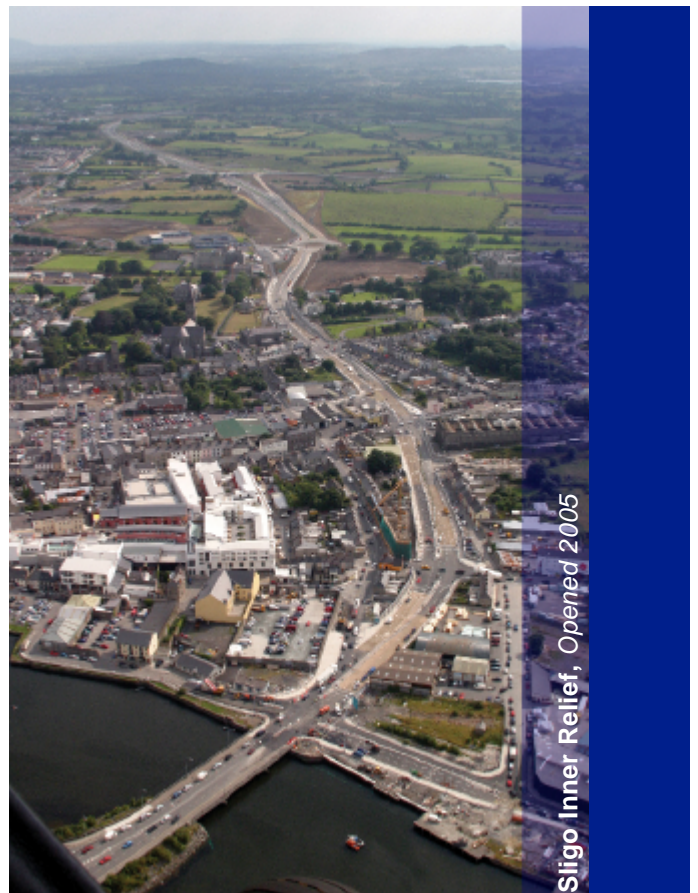
Summary of Main Features of the Road Programme under Transport 21:

- Completion of the five major inter-urban motorways linking Dublin with Belfast, Cork, Galway, Limerick and Waterford by the end of 2010.
- Completion of dual carriageways to Ashbourne on the N2, Kells on the N3 and Gorey on the N11.
- Improvement of strategic road links with Northern Ireland and to the west and northwest by upgrading the N2, N3, N4 and N5.
- Development of the Atlantic Road Corridor from Letterkenny to Waterford.
- Improvements to other key national primary routes, including the N21, N22, N24, N25 and the N30.

Improvements to a number of national secondary routes, which are important for regional development and as regards the National Spatial Strategy. These are:

- N52 from Dundalk to Nenagh and the N80 from Moate to Enniscorthy,

- N56 Donegal coastal route;
- N59 coastal route from Sligo via Westport to Galway;
- N67 and N68 along the Clare coast;
- N69 along the Shannon Estuary from Limerick to Tralee and the N70, N71 and
- N86 coastal and peninsular routes in Cork and Kerry and
- N81 to Blessington.



Sligo Inner Relief, Opened 2005

02 Delivery

NRA IRELAND - ACCOMPLISHMENTS 2005:

- 10 national road projects opened to traffic with a combined length of 91km. These ten schemes represented a total Exchequer investment of over €1 billion. The Authority delivered these schemes for €10 million below their pre-construction budgets.
- M50 Dublin C-Ring was completed with the opening of the South Eastern Motorway in June.
- M1 Dublin-Belfast road completed to north of Dundalk with opening of the 11km Dundalk Western Bypass PPP motorway scheme 5 months ahead of schedule in September.
- Opening of the single biggest road scheme in the State's history – the 39km M4 Kilcock/Kinnegad PPP motorway scheme 10 months ahead of schedule.
- Construction started on 14 national road schemes totalling 108km in length.
- 24 schemes under construction at the end of 2005 with a combined length of 217km, including 10 in the Border Midland & Western (BMW) Region.
- Planning and design work funded on a further 52 major projects.
- The Authority funded a €165m programme of work on "non-major" projects. Over 550 projects were carried out under this programme in 2005 comprising pavement improvement works, traffic calming schemes, safety improvement schemes, bridge remedial works and safety barrier installations.
- €53m spent on road maintenance.
- Construction contract awarded for the M50 Upgrade Phase 1, which involves the upgrade of the M50/N4 Palmerstown and M50/N7 Red Cow interchanges and the provision of a third lane in each direction between the two interchanges.
- On the planning front, a major achievement was publication of all Compulsory Purchase Orders and Environmental Impact Statements for the remaining sections of the 5 major inter-urban routes.
- An Bord Pleanála approval has been received on all links of the major inter-urban network apart from the N8 Mitchelstown/Fermoy which was under consideration by the Board at the end of 2005. These approvals will allow the Authority to move forward on the completion of the inter-city network by the end of 2010.
- Approvals were also obtained from An Bord Pleanála for the N4 Dromod/Roosky, N11 Rathnew/Arklow and the N52 Tullamore Bypass schemes.
- The Authority continued its special programme for national secondary roads aimed at ensuring a quality road pavement and protecting the structural integrity of the network.

- The Authority delivered on all yearly targets of the Government's Road Safety Strategy, 2004-2006 and is on schedule to deliver this year's programme.
- The Authority completed the first pilot 2+1 road type scheme by way of retrofit on the N20 Mallow-Rathduff road in County Cork. The first greenfield scheme, the N2 Castleblayney Bypass in County Monaghan, commenced in 2005.
- The crash barrier retrofit programme is nearing completion on all inter-urban motorway and dual carriageway sections and is being implemented on the M50.
- The Authority committed to a €60m 4-year signage and lining programme to improve directional and tourism signage and update existing signage.
- Upgrading of road lining and reflective road studs commenced on 21 primary routes.
- Publication of a series of Environmental and Archaeological Guidelines as part of the ongoing commitment to integrate environmental considerations into road scheme planning and construction.
- Brought to the national stage "Best Practices for Archaeology" through an information seminar and published details of archaeological findings on 23 national road schemes throughout the country.



M4 Motorway, Completed, 2005

NRA IRELAND - GOALS 2006

- The Authority will ensure the public continues to receive value for money from the €1.5billion national road's budget for improvement and maintenance.
- 14 major projects, comprising 310km of new high quality national road are scheduled to start construction.
- 13 major projects, comprising 82km of new high quality national road are scheduled for completion.
- M50 Dublin Port Tunnel scheduled to open by mid-year, removing thousands of trucks from Dublin City Centre streets.
- April 2006 - tender return date for N6 Ballinasloe/Galway PPP scheme.
- N7 Limerick Tunnel Southern Ring Road PPP Scheme (Phase 2-The Shannon Crossing) construction contract award expected mid-2006.
- M7/M8 Portlaoise Motorway PPP Scheme- the parties were selected for tendering in January 2006.
- N25 Waterford City Bypass construction contract award expected in April 2006.
- Award M3 Clonee/Kells contract subject to outcome of a judicial review.
- Service and rest areas will be included on new motorways and will be added as appropriate on existing routes.
- A four-year programme to improve directional and tourist signage will commence.
- The Dublin Outer Orbital Route Feasibility study will be completed.
- The Dublin Eastern Bypass feasibility study will be completed.
- Investment in road safety measures will continue with €20m allocated for this purpose in 2006.
- The special programme for National Secondary routes will continue.

M4 Motorway, Completed, 2005



03 Road Safety

ROAD SAFETY

The NRA achieved all of its goals for 2005 as included in the Government's "Road Safety Strategy 2004-2006", including:

- Accident remedial measures carried out at 119 high-risk accident locations.
- 22 Traffic calming schemes completed.
- The first 2 + 1 road scheme opened as a pilot project.
- Research included EuroRap accident risk mapping, speed and seatbelt use surveys, and a driver attitude survey.
- The 2004 traffic accident data was analysed and published as the 'Road Collision Facts'.

Safety Practice, M4 Motorway, 2005



04 Environment/Archaeology

ENVIRONMENT

The Authority has developed a four-phase strategy to facilitate further the integration of environmental issues into road scheme planning, construction and operation so as to support the Environmental Impact Assessment (EIA) legal framework and the procedures of the Authority's National Road Project Management Guidelines. This strategy encompasses measures to address the planning and construction of national road schemes and guidance on the management of the implementation of environmental mitigation measures.

To date, the Authority has adopted and published the following planning guidance documents:



- Guidelines for the Treatment of Noise and Vibration on National Road Schemes;
- A Practical Guide to Environmental Impact Assessments for National Road Schemes;
- Assessment of the Ecological Impact of National Road Schemes;
- A Guide to Landscape Treatments for National Road Schemes;
- Best Practice Guidelines for the Conservation of Bats in the Planning of National Road Schemes and
- Guidelines for the Assessment of Archaeological and Architectural Heritage Impacts of National Road Schemes.

Natural recolonisation as a landscape treatment for national roads



In addition, as part of the Authority's Environmental Protection Strategy, best practice construction guidance documents have been published for the treatment of badgers, bats, watercourse crossings and wetland archaeology prior to and during the construction of national road schemes.

The Authority is also producing a guidance document on how to develop and implement an Environmental Operating Plan to track the implementation of the mitigating measures identified in approved Environmental Impact Statements (EIS). The Plan will also address impacts that potentially may arise during the construction phase and mitigation measures will be devised to address issues such as construction noise, water runoff, dust and waste. Finally, post-environmental impact assessment evaluation studies will assess the effectiveness of various mitigation measures adopted to minimize significant environmental impacts identified during the planning of national road schemes.

ARCHAEOLOGICAL PROGRAMME

The NRA has carried out important work in relation to the archaeology uncovered on road schemes in 2005. This archaeological information generated to date by the national road-building programme has added immeasurably to our understanding of our nation's past. A few of the key sites uncovered and excavated are:

- Early medieval enclosed settlement and cemetery at Faughart Lower on the A1/N1 Dundalk to Newry Link;
- An enclosure with Iron Age and Early Medieval artifacts at Belvedere on the N52 Mullingar to Belvedere Scheme;
- A Prehistoric settlement at Frankfort on the N11 Gorey to Arklow Scheme;
- Early medieval settlement and cemetery at Parknahown on the M7 Portlaoise to Castletown/M8 Portlaoise to Cullahill Motorway Scheme and



Archaeological discoveries, M4 Motorway, 2005



Archaeological discoveries, M4 Motorway, 2005

- Early medieval enclosure with a church and cemetery at Ballykillmore on the N6 Kinnegad to Kilbeggan Dual Carriageway

Publications in 2005 include:

- Guidelines for the Assessment of Archaeological Heritage Impacts of National Road Schemes.
- Guidelines for the Testing and Mitigation of the Wetland Archaeological Heritage for National Road Schemes.
- Monograph No.2 – Recent Archaeological Discoveries on NRA Road Schemes 2004.
- M3 Archaeological Information Series.
- M3 Clonee to Kells Research Framework.
- Dedicated M3 website www.m3motorway.ie
- Discoveries Seminar and brochures on archaeological discoveries on 23 schemes.

Research Activities include:

- Funding a post-doctorate research fellowship on “Landscape Archaeology” with the school of Archaeology U.C.D.
- Funding a post-excavation research project on the medieval skeletal assemblage from Ballyhanna, Ballyshannon, County Donegal, currently being undertaken by Queens University Belfast, Institute of Technology Sligo and Donegal County Council.
- M3 Clonee to North of Kells Road Archaeology Research Framework looking at the archaeological, historical and palaeoenvironmental background to the M3.

05 Corporate Service

QUALITY ASSURANCE

The National Roads Authority is committed to providing a quality service to external and internal customers. We value our customers and local authority partners and we are committed to:

- Providing a service that is accessible, courteous, responsive, timely, equitable and is given in the spirit of professionalism.
- Fostering an environment that is open, co-operative, supportive and encourages teamwork, innovation, recognition, mutual respect and values public participation.

CORPORATE GOVERNANCE

It is the policy of the National Roads Authority (NRA) to comply with best practice governance and accountability obligations appropriate to State agencies.

An NRA-wide risk analysis was undertaken in 2005 as part of a process of embedding risk management within the Authority. This risk management policy sets out how the Authority will ensure that its culture, processes and structures are directed towards the effective management of potential risks and opportunities.

Risk management is aligned with the mission, vision, objectives and priorities of the Authority and seeks to protect the standing and reputation of the NRA.

The risk management process will direct the work of each division and provide assurance on the reliability, robustness and appropriateness of NRA systems.

The risk management policies and plans of the NRA are continuously developed to provide risk assurance to management at all levels.

Road Signage, M4 Motorway, 2005



Prompt Payments of Accounts Act, 1997

Under Ministerial order of 4 June 1997 the Prompt Payment of Accounts Act came into operation on 2 January 1998. The National Roads Authority comes under the remit of the Act. The following is a report on the payment practices of the Authority for the year ended 31 December 2005 in accordance with the requirements as set out in Section 12 of the Act.

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

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

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

 Chief Executive

Date : 2 October 2006

**FINANCIAL
STATEMENTS****YEAR ENDED 31 DECEMBER 2005**

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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

I have audited the financial statements of the National Roads Authority for the year ended 31 December 2005 under the Roads Act, 1993.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Road Development and Maintenance Income and Expenditure Account, the Administration Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Members of the Authority and the Comptroller and Auditor General.

The Authority is responsible for preparing the financial statements in accordance with the Roads Act, 1993, and for ensuring the regularity of transactions. The Authority prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Authority are set out in the Statement of Responsibilities of the Authority.

My responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Authority's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Basis of Audit Opinion


In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Authority's affairs at 31 December 2005 and of its income and expenditure for the year then ended.

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



John Purcell
Comptroller and Auditor General
13 October 2006

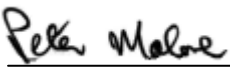
STATEMENT OF RESPONSIBILITIES OF THE AUTHORITY

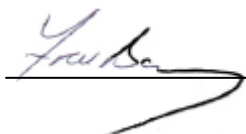
Paragraph 5(2) of the Third Schedule of the Roads Act, 1993, requires the Authority to prepare financial statements in such form as may be approved by the Minister for Transport with the consent of the Minister for Finance. In preparing those financial statements, the Authority is required to:

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

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

On behalf of the Authority :

 Chairman

 Chief Executive

Date : 2 October 2006

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

On behalf of the Board of the National Roads Authority (NRA), I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable, and not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

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

- adopting a Code of Practice for the Governance of the National Roads Authority ;
- ensuring compliance with the Ethics in Public Office Acts requirements and Section 40 of the Roads Act 1993, relating to the Declaration of Interests ;
- holding regular Board meetings ;
- establishing various committees to monitor the activities of the organisation, and
- establishing procedures for reporting significant control failures and ensuring appropriate corrective action.

A formal risk assessment was undertaken by the Authority, with a view to identifying the main business risks facing the organisation. A corporate risk register has been prepared, along with an action plan to mitigate the impact of key controllable risks. A risk management policy has been approved by the NRA Board.

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

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board ; regular reviews by the Board of periodic and annual financial reports which indicate financial performance against budgets ;
- restricting authority for authorising all disbursement of NRA monies to authorised signatories;
- computerised financial systems including accounting, payroll, expenses claim and fixed asset register ;
- clearly defined procedures for the appraisal and management of capital expenditure, and
- clearly defined policy on procurement.

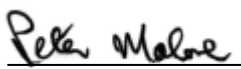
The NRA has an Internal Audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies for 2006. The work of Internal Audit is informed by analysis of the risk to which the body is exposed, and the annual audit plan for 2006 is based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of the NRA.

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

Annual Review of Controls

I confirm that for the year ended 31 December 2005 the Audit Committee, on behalf of the Board, conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Board

 Chairman

Date : 2 October 2006

ACCOUNTING POLICIES

1 General

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

2 Basis of Accounting

The financial statements are prepared on an accruals basis except as stated below, under the historical cost convention, and in accordance with generally accepted accounting practice. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted as they become applicable. The financial statements are in the format approved by the Minister for Transport with the consent of the Minister for Finance.

3 Income Recognition

State Grants reflect the amounts received from the Department of Transport in the year.

4 M1 Motorway Toll Income

M1 Motorway Toll Income represents cash receivable, net of operating fees and VAT, in respect of the operation of toll plazas on the M1.

5 Road Grants

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

6 Public Private Partnership

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

7 Fixed Assets and Depreciation

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

Furniture and Fittings	10%
Equipment	15%
Computer Equipment	25%
Motor Vehicles	20%

8 Stocks

All consumables are written off in the year of purchase.

9 Superannuation

The Authority operates a defined benefit pension scheme which is funded annually on a pay as you go basis from monies provided by the Department of Transport and from contributions deducted from staff salaries. Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are retained by the Authority. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Transport.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in the future periods from the Department of Transport.

The effect of the change in accounting policy arising from the introduction of FRS 17 is to recognise as expenditure in the year the cost of pensions earned rather than the payments made to pensioners, and to also recognise a corresponding funding amount. In addition, the Balance Sheet recognises the cumulative liability for pensions earned by employees as at 31 December 2005 together with a corresponding asset, whereas previously this liability was disclosed by way of note only.

10 Capital Account

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

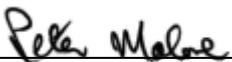
ROAD DEVELOPMENT AND MAINTENANCE INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2005

Income	Notes	2005 €	2004 €
Income			
State Grants:			
Construction and Improvement of National Roads	1	1,263,636,304	1,178,959,000
Maintenance/Management of National Roads		53,394,000	51,328,000
Grant Refunds	2	3,766,981	1,673,896
M1 Motorway Toll Income		11,452,553	9,925,536
Sundry Receipts	3	3,745,250	114,461
		<hr/>	<hr/>
		1,335,995,088	1,242,000,893
Transfer from Capital Account	4	3,949	3,949
		<hr/>	<hr/>
		1,335,999,037	1,242,004,842
		<hr/>	<hr/>
Expenditure			
Road Construction and Improvement Grants		1,167,390,709	1,070,799,544
Road Maintenance/Management Grants		53,394,000	51,387,437
Public Private Partnership	16	95,153,266	114,193,804
Low Cost Safety Improvement Measures		5,804,642	5,097,373
Depreciation	10	3,949	3,949
		<hr/>	<hr/>
		1,321,746,566	1,241,482,107
		<hr/>	<hr/>
Surplus for Year		14,252,471	522,735
Surplus / (Deficit) at Beginning of Year		521,772	(963)
		<hr/>	<hr/>
Surplus at End of Year		14,774,243	521,772
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statement and Notes 1-17 form part of these Financial Statements.

On behalf of the Authority :

 Chairman

 Chief Executive

Date : 2 October 2006

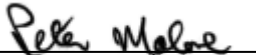
ADMINISTRATION INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2005

Income	Notes	2005 €	2004 €
State Grant	1	8,688,000	8,452,000
Net deferred funding for pensions	6 (b)	1,360,888	712,434
Sundry Receipts	3	401,424	317,018
		<hr/>	<hr/>
Transfer from Capital Account	4	10,450,312 93,585	9,481,452 109,132
		<hr/>	<hr/>
		10,543,897	9,590,584
		<hr/>	<hr/>
Expenditure			
Salaries and PRSI	5	5,600,658	5,148,785
Pension Costs	6 (c)	1,992,119	1,407,562
Travel	7	429,298	503,239
Other Administration Costs	8	871,182	796,106
Accommodation Costs	9	1,368,759	1,394,987
Depreciation	10	195,744	239,468
Directors' Fees and Expenses		90,572	105,873
Deficit on Trade-in of Equipment		523	489
		<hr/>	<hr/>
		10,548,855	9,596,509
		<hr/>	<hr/>
(Deficit) for Year		(4,958)	(5,925)
Surplus at Beginning of Year		55,941	61,866
		<hr/>	<hr/>
Surplus at End of Year		50,983	55,941
		<hr/>	<hr/>

The Accounting Policies, Cash Flow Statements and Notes 1-17 form part of these Financial Statements.

On behalf of the Authority :

 Chairman

 Chief Executive

Date: 2 October 2006


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 DECEMBER 2005

	Notes	2005 €	2004 €
Surplus / (Deficit) for the year			
- Road Development and Maintenance		14,252,471	522,735
- Administration		(4,958)	(5,925)
Actuarial (Loss) on Pension Liabilities	6 (e)	(5,306,700)	(8,104,000)
Adjustment to Deferred Pension Funding		5,306,700	8,104,000
Total Recognised Gains for the Year		<u>14,247,513</u>	<u>516,810</u>

The Accounting Policies, Cash Flow Statement and Notes 1-17 form part of these Financial Statements.

On behalf of the Authority :

 Chairman

 Chief Executive

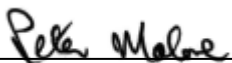
Date: 2 October 2006

BALANCE SHEET**AS AT 31 DECEMBER 2005**

	Notes	2005 €	2005 €	2004 €	2004 €
Fixed Assets					
Tangible Assets	10		288,294		385,828
Current Assets					
Debtors and Prepayments	11	415,888		396,267	
Cash on Hand and at Bank		14,781,745		540,405	
		<u>15,197,633</u>		<u>936,672</u>	
Less Current Liabilities					
Creditors:					
Amounts falling due within one year	12	(372,407)		(358,959)	
Net Current Assets			<u>14,825,226</u>	<u>577,713</u>	
Total Assets Less Current Liabilities before Pensions			<u>15,113,520</u>	<u>963,541</u>	
Deferred Pension Funding			37,683,022		31,015,434
Pension Liabilities	6		(37,683,022)		(31,015,434)
Total Assets less Current Liabilities			<u>15,113,520</u>	<u>963,541</u>	
Represented by:					
Capital Account	4		288,294		385,828
Income and Expenditure Accounts:					
Administration		50,983		55,941	
Road Development and Maintenance		14,774,243		521,772	
		<u>14,825,226</u>		<u>577,713</u>	
			<u>15,113,520</u>	<u>963,541</u>	

The Accounting Policies, Cash Flow Statement and Notes 1-17 form part of these Financial Statements.

On behalf of the Authority :

 Chairman

 Chief Executive

Date 2 October 2006

CASH FLOW STATEMENT**FOR THE YEAR ENDED 31 DECEMBER 2005****Reconciliation of Net Operating Surplus to Net Cash Inflow from Operating Activities**

	Notes	2005 €	2005 €	2004 €	2004 €
Surplus on Income and Expenditure Account – Road Development & Maintenance			14,252,471		522,735
Transfer (from) Capital Account - Road Development & Maintenance	4		(3,949)		(3,949)
(Deficit) on Income and Expenditure Account – Administration			(4,958)		(5,925)
Transfer (from) Capital Account – Administration	4		(93,585)		(109,132)
Depreciation Charge	10		199,693		243,417
(Increase) / Decrease in Debtors	11		(19,621)		80,001
Increase / (Decrease) in Creditors	12		13,448		(65,350)
Deficit on Sale of Fixed Assets			523		489
Net Cash Inflow from Operating Activities			14,344,022		662,286

Cash Flow Statement

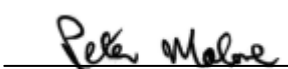
Net Cash Inflow from Operating Activities			14,344,022		662,286
Capital Expenditure:					
Acquisitions	10	(104,152)		(130,825)	
Disposals		1,470	(102,682)	0	(130,825)
Increase in Cash			14,241,340		531,461

Reconciliation of Net Cash Flow to movement in Net Funds

Movement in Net Funds			14,241,340		531,461
Net Funds at 1 January 2005			540,405		8,944
Net Funds at 31 December 2005			14,781,745		540,405

The Accounting Policies, Cash Flow Statement and Notes 1-17 form part of these Financial Statements.

On behalf of the Authority :

 Chairman

 Chief Executive

Date 2 October 2006

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2005

1 State Grants

State grants voted by Dáil Eireann are part funded by certain EU funds. Of the total road development and maintenance programme of the Authority under the Economic and Social Infrastructure Operational Programme 2000 - 2006, the following elements are co-financed:

Source of Assistance:

National Primary

	€million
Expenditure co-financed by Regional Fund and national funds	869
Expenditure co-financed by Cohesion Fund and national funds	272
Expenditure co-financed by Trans European Network Transport Fund and national funds	165
Total	1,306

2 Grant Refunds

	2005 €	2004 €
Construction and Improvement of National Roads	3,724,088	1,605,235
Maintenance / Management of National Roads	42,893	68,661
	3,766,981	1,673,896

3 Sundry Receipts

	2005 €	2004 €
Road Development and Maintenance :		
Speed Metrification Signs	2,619,522	0
Special EU Programme Body	822,059	0
Deposit Interest	178,752	101,991
Sundry Income	124,917	12,470
	3,745,250	114,461
Administration :		
Deposit Interest	14,756	0
Commissioned Studies and Laboratory Tests	142,447	177,619
Sale of Publications	34,473	30,086
Sundry Income	209,748	109,313
	401,424	317,018

4 Capital Account

	€	€
At 1 January 2005		385,828
Income used to purchase Fixed Assets - Road Development and Maintenance	0	
Amortisation in line with asset depreciation	(3,949)	(3,949)

Income used to purchase Fixed Assets - Administration	104,152	
Amount released on disposal of Fixed Assets	(1,993)	
Amortisation in line with asset depreciation	(195,744)	(93,585)
	-----	-----
At 31 December 2005		288,294

5 Salaries and PRSI

	2005	2004
	€	€
Salaries	5,262,673	4,857,526
Employer's PRSI	337,985	291,259
	-----	-----
	5,600,658	5,148,785
	-----	-----

6 Pension Costs

a) Pension Scheme

The Authority operates a defined benefits scheme which is un-funded. Superannuation entitlements of staff are paid out of current income and are charged to the Income and Expenditure Account in the year in which they become payable. Pension costs are shown net of staff pension contributions which are retained by the Authority.

The valuation used for FRS17 disclosures has been based on an actuarial valuation (June 2006) by a qualified independent actuary to take account of the requirements of FRS17 in order to assess the scheme liabilities at 31 December 2005. The financial assumptions used to calculate scheme liabilities under FRS17 are :

	2005	2004
Discount Rate	4.00%	4.50%
Inflation	2.25%	2.25%
Rate of Expected Salary Increases	3.50%	3.50%
Rate of increase in pension payment	3.50%	3.50%

b) Net Deferred Funding for Pensions in Year

	2005	2004
	€	€
Funding recoverable in respect of current year pension costs	2,214,000	1,594,000
State Grant applied to pay pensioners	(853,112)	(881,566)
	-----	-----
	1,360,888	712,434
	-----	-----

c) Analysis of total pension costs charged to Expenditure :

	2005	2004
	€	€
Current Service Cost	812,000	481,000
Interest on Pension Scheme Liabilities	1,402,000	1,113,000
Employee Contributions	(221,881)	(186,438)
	<hr/>	<hr/>
	1,992,119	1,407,562
	<hr/>	<hr/>

d) Deferred Funding Asset for Pensions

The Authority recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. Whilst there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Transport, the Authority has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. The deferred funding asset for pensions as at 31 December 2005 amounted to €38 million (2004 : €31 million).

e) Movement in Net Pension Liability during the financial year :

	2005	2004
	€	€
Net Pension Liability at 1 January	31,015,434	22,199,000
Current Service Cost	812,000	481,000
Interest Costs	1,402,000	1,113,000
Actuarial loss	5,306,700	8,104,000
Pensions paid in the year	(853,112)	(881,566)
	<hr/>	<hr/>
Net Pension Liability at 31 December	37,683,022	31,015,434
	<hr/>	<hr/>

f) History of experience gains and losses

	2005	2004	2003	2002
	€	€	€	€
Experience gains and (losses) on scheme liabilities	(2,069,700)	(2,498,000)	(685,000)	(1,586,300)
Expressed as a percentage of scheme liabilities	5.5%	8.1%	3.1%	7.9%
Total actuarial gains and (losses)	(5,306,700)	(8,104,000)	(816,000)	(1,498,900)
Expressed as a percentage of scheme liabilities	14.1%	26.1%	3.6%	7.4%

7 Travel Expenses

	2005	2004
	€	€
Travel and Subsistence	427,400	486,220
Motor Vehicle Expenses	1,898	17,019
	<hr/>	<hr/>
	429,298	503,239
	<hr/>	<hr/>

8 Other Administration Costs

	2005	2004
	€	€
Telephone and Postage	113,725	93,728
Printing and Stationery	116,959	95,480
Computer and Data Processing Charges	182,228	143,390
Audit Fees	17,250	12,000
Staff Appointment Costs	152,539	95,987
Books and Periodicals	38,590	35,558
Insurances	32,431	36,319
Repairs and Maintenance - Equipment	20,401	17,002
Advertising	8,983	28,310
Sundries	86,903	98,595
Staff Development / Courses	64,197	50,198
Grants	12,697	13,697
Public Relations	24,279	75,842
	<hr/>	<hr/>
	871,182	796,106
	<hr/>	<hr/>

9 Accommodation Costs

	2005	2004
	€	€
Rent, Rates and Services	1,285,565	1,317,109
Power, Light and Heat, Cleaning	78,858	68,504
Repairs, Maintenance and Security	4,336	9,374
	<hr/>	<hr/>
	1,368,759	1,394,987
	<hr/>	<hr/>

10 Fixed Assets

	Total	Furniture, Fixtures and Fittings	Equipment	Motor Vehicles
COST	€	€	€	€
At 1 January 2005	2,891,900	1,011,744	1,853,690	26,466
Additions	104,152	1,053	103,099	0
Disposals	(915,913)	(748,875)	(167,038)	0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	2,080,139	263,922	1,789,751	26,466
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2005	2,506,072	888,032	1,591,574	26,466
Provided	199,693	49,326	150,367	0
Disposals	(913,920)	(748,875)	(165,045)	0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	1,791,845	188,483	1,576,896	26,466
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value at 31 December 2005	288,294	75,439	212,855	0
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value at 31 December 2004	385,828	123,712	262,116	0
	<hr/>	<hr/>	<hr/>	<hr/>

11 Debtors and Prepayments

	2005	2004
	€	€
Debtors	10,317	11,854
Prepayments	405,571	384,413
	<hr/>	<hr/>
	415,888	396,267
	<hr/>	<hr/>

All debtors fall due within one year. The amount shown for Debtors is net of provision for doubtful debts.

12 Creditors and Accruals

	2005	2004
	€	€
Salaries	0	56,500
Trade and Other Expenses	372,407	302,459
	<hr/>	<hr/>
	372,407	358,959
	<hr/>	<hr/>

All creditors fall due within one-year.

13 Taxation

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

14 Commitments

a) Financial Commitments

- a. The Authority entered into a twenty-year lease from 1 January 1996 in respect of accommodation at Saint Martin's House, Waterloo Road, Dublin 4, subject to five year rent reviews. The rent due from 1st January 2006 is €1,075,000 per annum.
- b. The Authority has entered into a nine year eleven month lease in respect of accommodation at Kildress House, Pembroke Road, Dublin 2, subject to five year rent reviews and with a break clause at the end of the fifth year. The rent due from the 1st January 2006 is €11,826 per annum.
- c. The Authority entered into a twenty-year lease from 1 March 2004 with Donegal County Council in respect of accommodation for Donegal Regional Design Office. The rent is €26,648 per annum.
- d. The Authority entered into a four year and nine month lease from 24 July 2003 with Roscommon County Council in respect of accommodation for Roscommon Regional Design Office. The rent is €3,500 per annum.
- e. The Authority is committed to a fixed contribution of €183,200 to Cork County Council for a period of ten years from 1 January 2003 in respect of accommodation for Cork Regional Design Office.
- f. The Authority entered into a seven year lease from 1 July 2002 with Westmeath County Council in respect of accommodation for Westmeath Regional Design Office. The rent is €14,276 per annum.
- g. The Authority is committed to a fixed contribution of €4,380 to Kilkenny County Council in respect of accommodation provided during the lifetime of specific national road projects. This is expected to continue to 2010 and will be subject to approval of the Authority thereafter.
- h. The Authority is committed to a ten year agreement from 11 May 2001 with Mayo County Council in respect of accommodation for Mayo Regional Design Office. The rent is €2,800 per annum with a five year rent review.
- i. The Authority is committed to a fixed contribution of €9,835 to Waterford County Council for a period of eight years from 1 January 1999 in respect of accommodation for Waterford Regional Design Office
- j. The Authority is committed to a fixed contribution of €4,200 to Meath County Council for a period of four years from January 2004 in respect of accommodation for Meath Regional Design Office.
- k. The Authority is committed to a fixed contribution of €19,049 to Kerry County Council for a period of three years from January 2005 in respect of accommodation for Kerry Regional Design Office.

b) Forward Commitments

The Department of Finance require that the aggregate value of agreed commitments will not exceed 85% of the 2005 allocation of €1,318m for 2006 except where specifically approved by the Department of Finance. The Authority has analysed forward commitments from 2005 allocations and these are as follows :

Year	Commitment €million	Actual% (of 2005 Alloc)	Available % (of 2005 Alloc)
2006	640	49%	85%
2007	327	25%	75%
2008	160	12%	60%
2009	100	8%	45%

15 Board Members – Declaration of Interests

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

16 Public Private Partnership

		2005	2004
Ancillary costs	(a)	8,854,171	9,604,001
Construction payments	(b)	86,299,095	104,589,803
		<hr/>	<hr/>
		95,153,266	114,193,804
		<hr/>	<hr/>

- a) The Authority is developing a number of major road schemes under the Public Private Partnership initiative. Ancillary costs incurred relate to planning, toll scheme statutory procedures, toll scheme facilities, construction supervision, financial, legal and engineering advice received.
- b) Payments in 2005 relate to construction payments on the Kilcock / Kinnegad and Rathcormac / Fermoy PPP Projects.

Kilcock / Kinnegad PPP Project

The contract was awarded to the Eurolink consortium which comprises SIAC Construction Ltd (Irl) and Cintra – Concesiones de Infraestructuras de Transporte S.A. (Spain). The contract was signed on the 24 March 2003 and will extend for 30 years from that date. The consortium is required to design, build, maintain, operate, re-invest and finance the contract.

Rathcormac / Fermoy PPP Project

The contract was awarded to Direct Route (Fermoy) Ltd. consortium which comprises Kellogg Brown & Root Ltd, Strabag AG, John Sisk & Son (Holdings) Ltd, Lagan Holdings Ltd, Roadbridge Ltd. and the First Irish Infrastructure Fund (a joint AIB/European Investment Bank fund established for the purpose of investing in PPP projects and private sector infrastructure developments in Ireland and across Europe). The contract was signed on the 11 June 2004 and will extend for 30 years from that date.

The consortium is required to design, build, maintain, operate, re-invest and finance the contract

Dundalk Western Bypass

Celtic Roads Group (Dundalk) Ltd, (CRG) was awarded this contract on the 5 February 2004; the contract will extend for 30 years from that date. The CRG consortium comprises Dragados Concesiones de Infraestructuras SA (Spain), Edmund Nuttall Ltd (UK), HBG Ascon Ltd (Irl), and NTR plc (Irl).

The terms of the contract provide that the consortium will design, construct, finance, operate and maintain, a new 11 km section of motorway along with approximately 7 km of new link roads, 12 over / underbridges and a major railway overbridge. In addition, the consortium will take over the operation and maintenance of 43 km of existing motorway (including the recently constructed Boyne Bridge and an adjacent toll plaza) for a 30 year period. The consortium will also take over the operation of the toll plazas adjacent to Drogheda within 3 months of award of contract and will upgrade the plazas with electronic toll collection together with dedicated electronic lanes at the mainline plaza.

17 Approval of Financial Statements

These financial statements were approved by the Board of Directors on 11 April 2006.

APPENDIX 1: 2005 Road Grant Payments

LOCAL AUTHORITY	€ IMPROVEMENT	€ MAINTENANCE	€ TOTAL
Carlow County Council	2,789,566	537,276	3,326,842
Cavan County Council	11,483,374	1,159,603	12,642,977
Clare County Council	66,469,191	1,875,361	68,344,552
Cork City Council	24,554,012	2,266,561	26,820,573
Cork County Council	52,144,004	4,132,153	56,276,157
Donegal County Council	53,351,488	2,519,508	55,870,996
Dublin City Council	125,645,762	1,145,000	126,790,762
Dun Laoghaire Rathdown	70,735,145	736,761	71,471,906
Fingal County Council	6,223,966	1,636,738	7,860,704
Galway City Council	739,784	516,000	1,255,784
Galway County Council	36,326,239	3,622,923	39,949,162
Kerry County Council	42,953,981	3,052,474	46,006,455
Kildare County Council	121,021,043	2,237,632	123,258,675
Kilkenny County Council	16,369,732	1,837,142	18,206,874
Laois County Council	29,024,576	1,628,004	30,652,580
Leitrim County Council	3,597,800	499,232	4,097,032
Limerick City Council	596,650	468,006	1,064,656
Limerick County Council	44,549,448	1,965,418	46,514,866
Longford County Council	9,416,445	608,744	10,025,189
Louth County Council	16,994,998	717,634	17,712,632
Mayo County Council	14,573,593	3,127,743	17,701,336
Meath County Council	111,573,585	1,868,888	113,442,473
Monaghan County Council	17,714,320	1,030,367	18,744,687
North Tipperary Co. Council	6,141,229	1,413,897	7,555,126
Offaly County Council	3,544,451	1,011,969	4,556,420
Roscommon County Council	8,757,172	1,953,354	10,710,526
Sligo County Council	23,952,416	1,382,968	25,335,384
South Dublin Co. Council	19,294,983	949,809	20,244,792
South Tipperary Co. Council	31,013,315	1,426,721	32,440,036
Waterford City Council	11,758,163	364,291	12,122,454
Waterford County Council	4,287,022	568,918	4,855,940
Westmeath County Council	113,614,385	1,511,613	115,125,998
Wexford County Council	30,155,469	1,602,609	31,758,078
Wicklow County Council	21,677,016	1,102,150	22,779,166

2006 Road Allocations

LOCAL AUTHORITY	€ IMPROVEMENT	€ MAINTENANCE	€ TOTAL
Carlow County Council	2,475,000	630,900	3,105,900
Cavan County Council	8,889,000	1,087,436	9,976,436
Clare County Council	63,560,000	1,998,359	65,558,359
Cork City Council	19,897,000	2,490,000	22,387,000
Cork County Council	37,871,000	4,387,289	42,258,289
Donegal County Council	38,180,000	2,529,810	40,709,810
Dublin City Council	69,992,500	1,268,000	71,260,500
Dun Laoghaire Rathdown	1,310,000	924,295	2,234,295
Fingal County Council	360,000	1,513,263	1,873,263
Galway City Council	800,000	505,000	1,305,000
Galway County Council	61,355,000	3,338,438	64,693,438
Kerry County Council	25,564,500	3,090,904	28,655,404
Kildare County Council	132,205,000	2,192,429	134,397,429
Kilkenny County Council	84,640,000	1,841,916	86,481,916
Laois County Council	34,432,000	1,748,463	36,180,463
Leitrim County Council	20,776,000	512,120	21,288,120
Limerick City Council	450,000	330,000	780,000
Limerick County Council	78,287,500	1,915,267	80,202,767
Longford County Council	10,425,000	814,003	11,239,003
Louth County Council	40,470,000	747,606	41,217,606
Mayo County Council	28,857,400	3,087,258	31,944,658
Meath County Council	80,569,800	1,522,540	82,092,340
Monaghan County Council	50,803,000	895,007	51,698,007
North Tipperary Co. Council	4,758,000	1,365,655	6,123,655
Offaly County Council	11,170,500	1,040,090	12,210,590
Roscommon County Council	7,525,000	2,018,185	9,543,185
Sligo County Council	10,278,000	1,441,086	11,719,086
South Dublin Co. Council	60,889,100	1,297,583	62,186,683
South Tipperary Co. Council	41,812,700	1,377,490	43,190,190
Waterford City Council	8,375,000	410,000	8,785,000
Waterford County Council	9,080,000	798,146	9,878,146
Westmeath County Council	151,665,000	1,605,366	153,270,366
Wexford County Council	71,742,000	1,475,818	73,217,818
Wicklow County Council	24,624,000	1,184,278	25,808,278