



**Comptroller and Auditor General**  
**Report for presentation to the Houses of the Oireachtas**

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### **Commission for Railway Regulation**

I have audited the financial statements of the Commission for Railway Regulation for the year ended 31 December 2016 under the Railway Safety Act 2005. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 28 of the Act, and in accordance with generally accepted accounting practice.

#### **Responsibilities of the Commission**

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

#### **Responsibilities of the Comptroller and Auditor General**

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

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

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

#### **Scope of audit of the financial statements**

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

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

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

#### **Opinion on the financial statements**

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Commission for Railway Regulation as at 31 December 2016 and of its income and expenditure for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

#### **Matters on which I report by exception**

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

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

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

*Patricia Sheehan*

**Patricia Sheehan**  
**For and on behalf of the**  
**Comptroller and Auditor General**

**11 December 2017**

**Commission for Railway Regulation**

**Financial Statements**

**for the year ended 31 December 2016**

## Commission for Railway Regulation

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## Commission for Railway Regulation

### General Information

<b>Address</b>	Temple House 57 Temple Road Blackrock Co. Dublin
<b>Bankers</b>	Bank of Ireland Blackrock Co. Dublin
<b>Auditors</b>	The Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
<b>Solicitors</b>	Kane Tuohy Solicitors The Malt House North Grand Canal Quay Dublin 2

**Commission for Railway Regulation**

**Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas**

## Commission for Railway Regulation

### Commissioner's Statement

Section 4 of the Public Transport Act 2016 (No 3 of 2016) provided for the change of name of the Railway Safety Commission to Commission for Railway Regulation. In exercise of the powers conferred on him by Section 4 of the Act, the Minister for Transport, Tourism and Sport ordered the change of name effective from 29 February 2016. As these financial statements for the year ended 31 December 2016 were approved after that date the new name has been used throughout.

The Commission for Railway Regulation was established by the Minister for Transport, Tourism and Sport on 1 January 2006 under the Railway Safety Act 2005 (Section 7).

Section 14(1) of the Act states that the Commission shall consist of at least one but not more than 3 members. In 2016, the Commission consisted of one member, Gerald Beesley.

The Commission has reported separately on disclosure of interests as per the requirements of the Ethics in Public Office Act 1995 and is compliant with Section 20 of the Railway Safety Act 2005. I also confirm that the Commission is compliant with the Code of Practice for the Governance of State Bodies 2009, and intends implementing the Revised (2016) code over the coming year.



Mary Molloy

Commission for Railway Regulation Acting Commissioner

Date

30 Nov 2017

## Commission for Railway Regulation

### Statement of Responsibilities of the Commission for Railway Regulation

Section 28 of the Railway Safety Act 2005 requires the Commission to prepare financial statements in such form as may be approved by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform. In preparing those financial statements, the Commission is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that 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 Commission will continue in operation.

The Commission is responsible for keeping adequate accounting records, which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the financial statements comply with Section 28 of the Act. The Commission is also responsible for safeguarding the assets of the Commission and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

  
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**Mary Molloy**

**Commission for Railway Regulation Acting Commissioner**

**Date** 30 Nov 2017



## Commission for Railway Regulation

### Statement on Internal Financial Control

On behalf of the Commission for Railway Regulation I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can provide only 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 manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

### Financial Control Environment

This is the tenth year of the Commission's existence. We are continuing to develop processes and procedures to ensure a strong internal control environment. A number of measures have been identified to assist in creating this environment and steps have been taken to embed them in the Commission:

- Clear definition of management responsibilities
- Establishment of formal procedures for monitoring the activities and to safeguard the assets of the organisation
- Adoption of the principles of corporate governance contained in the Code of Practice for Governance of State Bodies
- Establishment of an Internal Audit function to advise the Commission on discharge of its responsibilities for the internal financial control system.

### Annual Review

During 2016, the Commission had made further progress in developing a strong internal control environment through a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular this framework includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Commission;
- Regular and ongoing review of all payments by the Commissioner;
- Certification of all invoices, including travel and subsistence claims, prior to payment and authorisation by the Commissioner;
- Setting targets to measure financial and other performance.

In October 2017, I undertook a review of the effectiveness of internal financial controls in respect of the financial year 2016, based on a report from Internal Audit. For future reporting periods, the Commissioner is committed to conducting the annual review within 3 months of the end of the reporting period.



Mary Molloy

Commission for Railway Regulation Acting Commissioner

Date

30 Nov 2017



**Commission for Railway Regulation**

**Statement of Income and Expenditure and Retained Revenue Reserves**

**For year ended 31 December 2016**

<u>Income</u>	Notes	2016 €	2015 €
State Grant	2	380,968	389,215
Levy Income	3	1,573,241	1,544,019
Other Income	4	12,074	15,413
Deferred Retirement Benefit Funding	14	280,000	288,000
Transfer (to)/from Capital Account	12	12,449	(24,843)
		-----	-----
		2,258,732	2,211,804
<u>Expenditure</u>			
Administration Costs	5	(1,942,884)	(1,760,317)
Technical Consultants	8	(218,622)	(358,450)
		-----	-----
<b>Surplus/(Deficit) for the year</b>		97,226	93,037
Balance brought forward at 1 January		581,146	488,109
		-----	-----
Balance carried forward at 31 December		678,372	581,146
		=====	=====

The Statement of cash flows and notes 1 to 19 form part of these Financial Statements.




Mary Molloy  
Commission for Railway Regulation Acting Commissioner

Date 30 Nov 2017

**Commission for Railway Regulation**  
**Statement of Comprehensive Income**  
**For year ended 31 December 2016**

	Notes	2016 €	2015 €
<b>Surplus for the year</b>		<b>97,226</b>	<b>93,037</b>
Experience gains on retirement benefit obligations		30,000	703,000
Change in assumptions underlying the present value of retirement benefit obligations		(701,000)	(661,000)
Total actuarial gain/(loss) in the year	14	(671,000)	42,000
Adjustment to deferred retirement benefit funding		671,000	(42,000)
<b>Total Comprehensive Income for the year</b>		<b>97,226</b>	<b>93,037</b>

The Statement of cash flows and notes 1 to 19 form part of these Financial Statements.

  
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**Mary Molloy**  
**Commission for Railway Regulation Acting Commissioner**  
**Date**  
*30 Nov 2017*

Commission for Railway Regulation

Statement of Financial Position as at 31 December 2016

	Notes	2016 €	2015 €
<b>Fixed assets</b>			
Property plant and equipment	9	35,125	47,574
		-----	-----
		35,125	47,574
		=====	=====
<b>Current assets</b>			
Cash and cash equivalents		773,911	783,122
Receivables	10	92,296	59,051
		-----	-----
		866,207	842,173
<b>Payables: (amounts falling due within one year)</b>	11	(187,835)	(261,027)
		-----	-----
<b>Net current assets</b>		678,372	581,146
		-----	-----
		713,497	628,720
Retirement benefit obligations	14	(4,197,000)	(3,246,000)
Deferred retirement benefit funding asset	14	4,197,000	3,246,000
		-----	-----
<b>Total assets</b>		713,497	628,720
		=====	=====
<b>Representing</b>			
Capital Account	12	35,125	47,574
Retained revenue reserves		678,372	581,146
		-----	-----
		713,497	628,720
		=====	=====

The Statement of cash flows and notes 1 to 19 form part of these Financial Statements

  
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 Mary Molloy  
 Commission for Railway Regulation Acting Commissioner  
 Date

Commission for Railway Regulation

Statement of Cashflow

for the year ended 31 December 2016

	Notes	2016 €	2015 €
<b>Cash flows from operating activities</b>			
Surplus for the year		97,226	93,037
Adjustments for:			
Interest receivable		(19)	(48)
Depreciation		18,082	17,950
Transfer to capital account		(12,449)	24,843
Movements in working capital:			
Movement in receivables		(33,245)	(47,363)
Movement in payables		(73,192)	7,677
Cash generated from operations		<u>(3,597)</u>	<u>96,096</u>
<b>Cash flows from investing activities</b>			
Interest received		19	48
Payments to acquire tangible fixed assets		(5,633)	(42,793)
Net cash generated from investment activities		<u>(5,614)</u>	<u>(42,745)</u>
<b>Net increase in cash and cash equivalents</b>		<b>(9,211)</b>	<b>53,351</b>
<b>Cash and cash equivalents at 1 January 2016</b>		<b>783,122</b>	<b>729,771</b>
<b>Cash and cash equivalents at 31 December 2016</b>		<b><u>773,911</u></b>	<b><u>783,122</u></b>

## **Commission for Railway Regulation**

### **Notes to the Financial Statements**

**for the year ended 31 December 2016**

#### **1. Accounting Policies**

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

##### **a) General Information**

The Commission for Railway Regulation was set up under the Railway Safety Act 2005 with a head office at Temple House, Blackrock, Co. Dublin.

The Commission for Railway Regulation was established under the Railway Safety Act 2005 and the commencement day was the 1 January 2006. The Commission is a corporate body with perpetual succession and has a seal and power to sue and be sued in its corporate name and to acquire, hold and dispose of land or an interest in land, and to acquire, hold and dispose of any other property. The entity consists of one Commissioner. It is a statutory body funded by grant-in-aid from the Department of Transport, Tourism and Sport.

The Commission for Railway Regulation's primary objectives as set out in Part 2 of the Railway Safety Act 2005 are as follows:

- to foster and encourage railway safety
- to enforce the Railway Safety Act 2005 and any other legislation
- to investigate and report on railway incidents

The Commission has responsibility for regulating the safety of railway systems carrying fare-paying passengers and commercial freight, and of other railways where they interface with public roads.

The Commission for Railway Regulation is a Public Benefit Entity (PBE).

The significant accounting policies adopted in these financial statements are as follows;

##### **b) Statement of Compliance**

The financial statements of Commission for Railway Regulation for the year ended 31 December 2016 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

## Commission for Railway Regulation

### Notes to the Financial Statements

for the year ended 31 December 2016

#### c) Basis of Preparation

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for transport, Tourism and Sport with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 28 of the Railway Safety Act 2005.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Commission for Railway Regulation's financial statements.

#### d) Revenue

##### Oireachtas Grants

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas Grants which are recognised on a cash receipts.

##### Capital Grants

Grant funding used to purchase property, plant and equipment is transferred to a Capital Account and released back to income in line with the depreciation of the related assets. The balance on the Capital Account represents the unamortised value of grant received for capital expenditure purpose.

##### Levy income

The Commission for Railway Regulation, in exercise of the powers conferred on it by section 26 of the Railway Safety Act 2005 (No.31 of 2005), as amended by the European Communities (Railway Safety) Regulation 2008 (S.I. No. 61 of 2008) and with the consent of the Minister for Transport, Tourism and Sport and the Minister for Public Expenditure and Reform, imposes a levy on relevant railway undertakings as specified in the Act. The levy is to be used to fund the activities of the Commission but not the Railway Accident Investigation Unit. The Commission may also, in the absence of a direction from the Minister to pay over any surplus of levy income over expenditure in the Exchequer

- (a) offset surplus levy income over expenditure against levy obligations for the subsequent year or
- (b) make refunds to the relevant railway undertakings.

The amount specified in the levy order for any given year less any offsets or refunds is brought to account as income for that year.



## Commission for Railway Regulation

### Notes to the Financial Statements

for the year ended 31 December 2016

#### Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

(i) Fixtures and Fittings	10% per annum
(ii) Office Equipment	20% per annum
(iii) Computer Equipment	20% per annum
(iv) Motor Vehicles	20% per annum

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

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

#### e) Foreign Currencies

Transactions denominated in foreign currencies are converted into euro during the year at the rate on the day of the transaction and are included in the Income and Expenditure Account for the period. Monetary assets and liabilities denominated in foreign currencies are converted into euro at exchange rates ruling at the balance sheet date and resulting gains and losses are included in the Income and Expenditure Account for the period.

#### f) Receivables

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

## Commission for Railway Regulation

### Notes to the Financial Statements

for the year ended 31 December 2016

#### g) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

#### h) Employee Benefits

##### Short-term Benefits

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

##### Retirement Benefits

The Commission for Railway Regulation operates an unfunded defined benefit pension scheme which is funded annually on a pay as you go basis from monies available to it, including monies provided by the Department of Transport, Tourism and Sport. The scheme is operated on an administrative basis pending approval by the Department and the Department of Public Expenditure and Reform.

Retirement benefits costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are refunded to the Department. Retirement benefit liabilities are measured on an actuarial basis using the projected unit credit method. 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 Comprehensive Income and a corresponding adjustment is recognised in the amounts recoverable from the Department.

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

#### i) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

## Commission for Railway Regulation

### Notes to the Financial Statements

for the year ended 31 December 2016

#### Depreciation and Residual Values

The Commissioner has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

#### Retirement Benefit Obligation

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

The assumptions can be affected by:

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

<b>2. State Grant</b>	<b>2016</b>	<b>2016</b>
	€	€
Funding provided by the Department of Transport, Tourism and Sport	422,000	422,000
Employee pension contribution remitted back to the Department	(41,032)	(32,785)
	-----	-----
Net State Grant	<b>380,968</b>	<b>389,215</b>
	=====	=====

The Department of Transport, Tourism and Sport allocate funding under subhead C3.

<b>3. Levy Income</b>	<b>2016</b>	<b>2015</b>
	€	€
Income as per levy order	1,596,005	1,544,291
Refund <sup>1</sup>	(22,764)	(272)
	-----	-----
Income recognised in SIERRR	<b>1,573,241</b>	<b>1,544,019</b>
	=====	=====

The levy order for 2016 (S.I. 122/2016) was published in March 2016.

<sup>1</sup>The amounts levied on the railway undertakings in any year is based on budgeted expenditure for the Commission. The legislation provides for refunds where the amount levied exceeds the actual expenditure incurred. Some of the work with BBRI planned for 2016 was postponed until 2017. The value of this work was €22,764, and this was offset against the levied amount for BBRI for 2017. It is shown as a creditor at 31 December 2016

## Commission for Railway Regulation

### Notes to the Financial Statements

for the year ended 31 December 2016

<b>4. Other Income</b>	<b>2016</b>	<b>2015</b>
	€	€
European Railway Agency refunds	12,055	15,015
Bank Interest	19	48
Train operating Licence income	-	350
	-----	-----
	<b>12,074</b>	<b>15,413</b>
	=====	=====
<b>5. Administration Costs</b>	<b>2016</b>	<b>2015</b>
	€	€
Staff Costs (note 7)	1,303,163	1,137,560
Office expenses (note 6)	286,773	206,172
Training/HR management	36,547	34,001
Conversion Programme	-	39,595
Travel and subsistence	89,322	87,998
Professional fees	129,441	149,594
Accountancy fee	4,920	4,920
Audit Fee	7,000	7,545
Bank charges	382	398
IT maintenance costs	10,008	18,618
General expenses	52,258	54,566
Railway Safety Advisory Council <sup>1</sup>	4,988	1,400
Depreciation	18,082	17,950
	-----	-----
<b>Total</b>	<b>1,942,884</b>	<b>1,760,317</b>
	=====	=====

<sup>1</sup>The Railway Safety Advisory Council was established under Part 8 of the Railway Safety Act 2005. Section 83(1) states that it shall be the general function of the Council to consider issues relevant to railway safety and to make recommendations, as appropriate, to the Commission or to the Minister. Section 83(5) states that the Minister shall appoint persons to be members of the Council, including a person to be chairperson of the Council.

**Commission for Railway Regulation**

**Notes to the Financial Statements**

**for the year ended 31 December 2016**

<b>6. Office expenses</b>	<b>2016</b>	<b>2015</b>
	€	€
Rent	186,698	135,700
Rates and service charges	19,995	-
Maintenance and cleaning	4,539	3,933
Light and heat	36,005	41,818
Postage, printing and stationery	5,135	2,504
Telephone	30,940	20,743
Repairs and renewals	305	1,474
Costs incurred in relocating to Temple House	3,156	-
<b>Total</b>	<b>286,773</b>	<b>206,172</b>

<b>7. Staff Costs</b>	<b>2016</b>	<b>2015</b>
	€	€
Salaries and Allowances	1,035,956	779,267
Retirement Benefit (Note 14)	238,968	255,215
Graduate costs	28,239	103,078
<b>Total</b>	<b>1,303,163</b>	<b>1,137,560</b>

- a) The average number of employees during the year was 13 (2015: 11).
- b) The salary of the Commissioner in 2016 was € 130,497. (2015: €130,497). The Commissioner's Pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefits superannuation scheme.
- c) Pension Levy deductions of €57,687 were made from the staff salaries and remitted to the Department of Transport, Tourism and Sport. (2015: €54,156).

Employee Salary breakdown;

Salary pay scale range		Number of employees	
From	To	2016	2015
€60,000	€69,999	-	-
€70,000	€79,999	-	1
€80,000	€89,999	1	-
€90,000	€99,999	3	2
€100,000	€109,999	-	1
€110,000	€119,999	-	-
€120,000	€129,999	-	-
€130,000	€139,999	1	1

A breakdown of total employee remuneration over €60,000, in increments of €10,000 is disclosed, pursuant to DPER circular 13/2014.

**Commission for Railway Regulation**

**Notes to the Financial Statements**

**for the year ended 31 December 2016**

**8. Technical Consultants**

Expenditure on technical consultancy was required to support the Commission in delivering the State's obligations under Directive 2004/49/EC, Regulations EU 1158/ 2010 and EU 1169/2010. Tasks included Conformity Assessment, Authorisation to Place in Service and Supervision of Duty Holder compliance with Regulation Management Systems.

	<b>2016</b>	<b>2015</b>
	€	€
Technical Consultants	218,622	358,450
	=====	=====

**9. Property plant and equipment**

	<b>Furniture and Fittings</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost</b>				
1 January 2016	87,473	57,483	178,343	323,299
Additions during year	-	-	5,633	5,633
	-----	-----	-----	-----
At 31 December 2016	87,473	57,483	183,976	328,932
	-----	-----	-----	-----
<b>Accumulated Depreciation</b>				
At 1 January 2016	87,473	51,200	137,052	275,725
Charge for year	-	3,872	14,210	18,082
	-----	-----	-----	-----
At 31 December 2016	87,473	55,072	151,262	293,807
	-----	-----	-----	-----
<b>Net Book Value</b>				
At 31 December 2016	-	2,411	32,714	35,125
	=====	=====	=====	=====
At 31 December 2015	-	6,283	41,291	47,574
	=====	=====	=====	=====



Commission for Railway Regulation

Notes to the Financial Statements

for the year ended 31 December 2016

<b>10. Receivables</b>	<b>2016</b>	<b>2015</b>
	€	€
Prepayments	38,041	52,031
Accrued Income	54,255	7,020
	-----	-----
	<b>92,296</b>	<b>59,051</b>
	=====	=====
<b>11. Payables</b>	<b>2016</b>	<b>2015</b>
	€	€
Accrued Expenses	81,286	160,573
Levy Repayable	22,764	272
Professional services withholding tax	12,991	24,649
PAYE/PRSI	51,935	38,085
VAT	18,859	37,448
	-----	-----
	<b>187,835</b>	<b>261,027</b>
	=====	=====
<b>12. Capital Account</b>	<b>2016</b>	<b>2015</b>
	€	€
Balance at 1 January	47,574	22,731
<i>Transfer (to)/from Income and Expenditure Account</i>		
Amounts applied for purchase of fixed assets	5,633	42,793
Amortisation in line with depreciation	(18,082)	(17,950)
	-----	-----
	(12,449)	24,843
Balance at 31 December	<b>35,125</b>	<b>47,574</b>
	=====	=====

**13. Lease commitments**

The commission completed a 25 year tenancy agreement in respect of the lease of office accommodation in Trident House on 30<sup>th</sup> April 2017. The commission now holds a new 15 year tenancy from 1<sup>st</sup> October 2016 in respect of the office accommodation at Temple House. The annual cost of the lease is €128,600. As the office space in Temple House had to be fitted out before it was suitable for office use the landlord offered a six month rent free period. This rent free period was for Q2 and Q3 of the first year of the lease. The commission occupied their offices in Trident House until 23<sup>rd</sup> March 2017. This day was also the first day of occupancy of the offices in Temple House. At 31<sup>st</sup> December 2016 the future minimum lease payments under the lease were;

**Commission for Railway Regulation**

**Notes to the Financial Statements**

**for the year ended 31 December 2016**

**Payable within**

One year	€109,533
Payable between 2 - 5 years ( ie 4 years)	€514,400
Over 5 years ( ie 10 years)	€1,286,000

**14. Retirement Benefits**

<b>(a) Analysis of total pension costs charged to Expenditure</b>	<b>2016</b>	<b>2015</b>
	€	€
Current service costs	197,000	123,000
Interest on pension scheme liabilities	83,000	165,000
Employee pension contribution	(41,032)	(32,785)
	<u>238,968</u>	<u>255,215</u>

<b>(b) Analysis of the movement in liability during the year</b>	<b>2016</b>	<b>2015</b>
	€	€
Opening defined benefit obligation 1 <sup>st</sup> January	3,246,000	3,000,000
Current service costs	197,000	123,000
Interest costs	83,000	165,000
Actuarial loss/ (gain)	671,000	(42,000)
	<u>4,197,000</u>	<u>3,246,000</u>

**(c) Deferred funding for Pensions**

The Commission's income comprises levy income and substantial state funding. The Commission has recognised an asset in respect of Deferred Pension Funding on the basis of a set of assumptions and a number of past events including the statutory basis for the establishment of the superannuation scheme and the annual funding process by the Department of Transport, Tourism and Sport.

## Commission for Railway Regulation

### Notes to the Financial Statements

#### for the year ended 31 December 2016

The Net Deferring Funding for Pensions recognised in Income and Expenditure Account was as follows;

	2016	2015
	€	€
Funding recoverable in respect of current year pension costs	280,000	288,000

The deferred funding asset for pensions as at 31 December 2016 amounted to €4,197,000 (2015: €3,246,000). The Commission for Railway Regulation recognises this amount as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the Scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Commission for Railway Regulation has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

<b>(d) History of defined benefit obligations</b>	2016	2015
	€	€
Defined benefit obligation	4,197,000	3,246,000
Experience losses/ (gains) on scheme liabilities:		
Amount	30,000	703,000
% of liability	0.7%	21.6%

#### **(e) General Description of the Scheme**

The Commission for Railway Regulation operates unfunded defined benefit superannuation schemes for staff. Superannuation entitlements arising under the schemes are paid out of current income and are charged to the Income and Expenditure Account, net of employee superannuation contributions, in the year in which they become payable.

The results set out below are based on an actuarial valuation of the pension liabilities in respect of serving and retired staff of the Commission as at 31 December 2016. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard FRS 102.

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**18. Borrowings**

Section 27 of the Railway Safety Act 2005 allows the Commission to borrow money for the purpose of the performance of its functions. In 2016 the Commission did not incur any borrowings.

**19. Approval of Financial Statements**

The Financial Statements were approved by the Acting Commissioner on 30<sup>th</sup> November 2017.