



National Development Finance Agency

ANNUAL REPORT 2011





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Gníomhaireacht Náisiúnta  
d'Fhorbairt Airgeadais

National Development  
Finance Agency

29 June 2012

Mr. Michael Noonan, TD  
Minister for Finance  
Government Buildings  
Upper Merrion Street  
Dublin 2

Dear Minister,

I have the honour to submit to you the Report and Accounts of the National Development Finance Agency for the year from 1 January 2011 to 31 December 2011.

Yours sincerely,

**John C. Corrigan**  
Chairman

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# Board Members



**John Corrigan**

Chairperson

Chief Executive, National Treasury  
Management Agency



**Brian Murphy**

Chief Executive Officer

Director, National Treasury  
Management Agency



**Fred Barry**

(Term expired 1 May 2012)

Chief Executive Officer,  
National Roads Authority



**Liam Berney**

(Term expired 1 May 2012)

Industrial Officer, Irish  
Congress of Trade Unions



**Ann Fitzgerald**

Chief Executive Officer,  
National Consumer Agency



**Stewart Harrington**

(Term expired 1 May 2012)

Director, Killeen Properties  
Limited



**Tony Jones**

Business Consultant



**Peter McManamon**

Chairman, Ceva Inc

*The Board met on 5 occasions in 2011*

# Our Customers



**Kildare County Council**  
Comhairle Contae Chill Dara

**DEPARTMENT OF EDUCATION AND SKILLS**  
*An Roinn Oideachais Agus Scileanna*



**An Roinn Iompair  
Turasóireachta agus Spóirt**  
Department of Transport,  
Tourism and Sport



**Comhairle Contae  
Átha Cliath Theas**  
**South Dublin County Council**



**Feidhmeannacht na Seirbhíse Sláinte**  
Health Service Executive



**IRISH PRISON SERVICE**



**Fingal County Council**  
Comhairle Contae Fhine Gall



**Dublin City Council**  
Comhairle Cathrach Bhaile Átha Cliath



**Comhshaol, Oidhreacht agus Rialtas Áitiúil**  
**Environment, Heritage and Local Government**



**COURTS SERVICE**  
An tSeirbhís Chúirteanna  
IRELAND



**UCD  
DUBLIN**



**NRA**  
**National Roads Authority**  
An tÚdarás um Bóithre Náisiúnta



**Department of  
Health & Children**  
AN ROINN SLÁINTE AGUS LEANAÍ



**An Roinn Airgeadais**  
**Department of Finance**



**AN ROINN DLÍ AGUS CIRT AGUS COMHIONANNAIS**  
DEPARTMENT OF JUSTICE AND EQUALITY



**OPW**  
The Office of Public Works  
Oifig na nOibreacha Poiblí



**DIT**  
DUBLIN INSTITUTE OF TECHNOLOGY



**Grangegorman  
Development Agency**  
Gníomhaireacht Forbartha  
Ghráinseach Ghormáin



**RPA**  
Railway Procurement Agency



**An Roinn  
Ealaíon, Oidhreacht agus Gaeltachta**  
**Department of  
Arts, Heritage and the Gaeltacht**



**Department of Communications, Energy and Natural Resources**  
Roinn Cumarsáide, Fuinnimh agus Acmhainní Nádurtha



# National Development Finance Agency

## Role and Functions

The National Development Finance Agency (NDFA) was established on 1 January 2003 in accordance with the National Development Finance Agency Act 2002 to provide a financial advisory service to State Authorities in respect of capital projects over a certain size – at present €30 million – under guidelines issued by the Minister for Finance. All projects being procured by way of Public Private Partnerships (PPPs), regardless of size, must be referred to the NDFA for advice. The NDFA performs its functions through the National Treasury Management Agency (NTMA).

Prior to the establishment of the NDFA, there was no established project finance expertise available to the Government. Instead, groups of consultants and other experts were brought together to advise on individual projects. On completion of each project, the project team was discontinued and the body of knowledge, including its expertise within the public service, was largely lost.

In July 2005 the Government published its decision to establish a “Centre of Expertise” within the NDFA. The NDFA (Amendment) Act 2007 significantly expanded the role of the Agency to include the actual procurement of all PPP public capital projects except transport PPP projects, which are already provided for in the mandates of the relevant State transport authorities, and local authorities.

The procurement function complements the financial advisory function already established within the NDFA and is also governed by guidelines issued by the Minister for Finance.

Total staffing in the NDFA is currently 37.

The key services provided by NDFA include:

- financial, risk and insurance advice

Additionally for PPP Projects:

- preparation of Public Sector Benchmarks (this Benchmark is a comprehensive risk-adjusted, whole-life costing of a project under traditional procurement conditions, expressed as a single monetary figure)

- preparing contract documents
- going to tender for the project
- prequalification of bidding consortia
- evaluation of tenders
- selection of preferred tenderers
- contract negotiations
- assessment of value for money
- signing PPP contracts on behalf of the Government Department/State Agency
- monitoring the construction of the project
- administering the contract to “turnkey stage” and hand-back over a staged transition period to the sponsoring agency

In performing its duties, the NDFA is required to have due regard to the guidance and directions issued by the Minister for Finance in relation to the financing and procurement of public investment projects, in particular the *Guidelines to State authorities regarding the National Development Finance Agency* (2007), *Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector* (2005), the *National Procurement Policy Framework* (2005), the *Guidelines for the Provision of Infrastructure and Capital Investments through Public Private Partnerships* (2006), the *Framework for Public Private Partnerships* (2001) and *contracts and guidance from the Government Construction Contracts Committee*.

# Overview 2011

## Background

The infrastructure market in Ireland has been severely affected by the global financial crisis. The credit crunch which began in 2008, the subsequent Eurozone crisis and the sovereign debt crisis have adversely impacted most projects in Ireland over the last few years. This culminated in a very weak fiscal position in Ireland in 2011 thereby significantly reducing the capital available to the Government to spend on infrastructure projects. Bank markets that provided debt to Irish projects are now very limited and their terms have become more onerous.

By September 2010 Irish banks were finding it increasingly difficult to raise any medium term funding and the bank guarantee that had been in place since September 2008 was renewed for a third year. In November 2010 Ireland formally requested financial support from the European Union's European Financial Stability Facility (EFSF) and the International Monetary Fund (IMF). The Government agreed, on 28 November 2010, to a three year €85 billion financial support programme for Ireland by the European Union and IMF.

2010 was a turbulent year in terms of the Irish economy and in the public finances leading to a general election in early 2011. In April 2011, Moody's downgraded the Irish bank's debt to sub investment grade status. By August 2011 loans to the six banks by the European Central Bank (ECB) and the Irish Central Bank were about €150 billion.

It is against the backdrop of this severe financial crisis that the National Development Finance Agency has been striving to move projects forward in 2011. However as a result of the state's fiscal position and limited availability of bank financing, achieving financial close of large scale projects including PPPs proved to be extremely difficult.

The NDFA provides financial advice on all projects referred to it and is currently advising State Authorities on 25 active projects. Since its establishment NDFA has advised on 48 projects which have a combined capital value of over €6.5 billion, of which 26 are PPPs.





## Projects where NDFA is the Designated Procurement Authority

At the start of 2010, the NDFA was the designated procurement authority for ten PPP projects. Six were formally handed over to the NDFA for procurement at that stage and, of these six, two discrete bundles of schools (a total of ten schools) are now fully completed and a third bundle of schools (a total of eight schools) is advanced in procurement (see below).

- The second bundle of PPP schools referred to the NDFA in May 2008 reached financial close in June 2010 with Macquarie Partnerships for Ireland. The construction and delivery of all schools in this bundle was completed ahead of programme with the final school completed in October 2011. These six schools provide accommodation for approximately 4,700 students in Cork, Limerick, Kildare, Wicklow and Meath.
- The preferred tenderer for the third bundle of schools, BAM PPP, was appointed in September 2011. Planning permission was secured for all schools by May 2012. The NDFA is progressing the remaining policy, commercial and procurement matters with the preferred tenderer in relation to the project. Subject to the satisfactory resolution of these issues the project should reach financial close and commence construction later this year. This bundle will provide accommodation for 5,700 students across eight schools in Donegal, Leitrim, Limerick, Waterford, Westmeath, Wexford and Galway.

The remaining three PPP projects that had been handed over to the NDFA for procurement have been cancelled as a result of reduced exchequer affordability. The first and second bundles of the Third Level PPP Programme were cancelled by Government in November 2011 as part of the "Infrastructure and Capital Investment 2012-16 Medium Term Exchequer Framework". In respect of the first bundle the preferred tenderer had been appointed and in the case of the second bundle the tenders were being evaluated.

The National Concert Hall project was cancelled by Government in November 2010.

## Projects where NDFA is Financial Advisor

- NDFA is acting as financial advisor to the Health Service Executive on a number of health projects including the relocation of the National Forensic Mental Health Services to St Ita's Portrane; the Centre of Excellence for Successful Ageing at St James's Hospital; an Energy Management Concession for approximately 30 facilities in the south of the country; and has recently been engaged to provide financial advice on proposed infrastructure investment in support of the HSE's Primary Care Strategy. The NDFA is also providing financial advice in relation to the development of the National Paediatric Hospital. This project is currently on hold pending the outcome of the Review Group appointed by the Minister for Health following An Bord Pleanála's decision in respect of the planning application for the Mater site on 23 February 2012.
- The NDFA is supporting the National Roads Authority (NRA) in the procurement of two PPP roads projects. A preferred tenderer for the N11 scheme (Arklow-Rathnew, incorporating Newlands Cross) was appointed by the NRA in June 2011. The preferred tenderer for the N17/N18 (Gort-Tuam) scheme was appointed in October 2011. The NDFA is also advising the NRA on a second tranche of motorway service areas, the procurement of which was launched by NRA in May 2011.
- The NDFA continues to provide financial advice on a number of significant infrastructure projects in the energy, waste and water sectors. These projects will assist in improving national productivity and competitiveness, support sustainable employment and deliver vital infrastructure for social and environmental needs.
- The NDFA continues to engage with multilateral funders in order to maximise the availability of cost effective funding for Irish infrastructure. The NDFA has engaged with the Council of Europe Development Bank (CEB) and European Investment Bank (EIB), which provides relatively low cost funding for projects in a variety of sectors including health, education and social housing.

# Progress on Projects where NDFA Acts as Procuring Authority

## Education Programme

### SCHOOLS PPP PROGRAMME: OVERVIEW

On 29 September 2005 the Minister for Education and Skills announced a plan to provide 23 new post-primary schools and four new primary schools through PPP (the Schools Programme). The NDFA is providing financial advice and is responsible for all aspects of delivering the procurement of the individual projects within this €300 million programme.

#### First Bundle of Schools

The first schools' design build, finance and maintain (DBFM) PPP Bundle provides 2,700 pupil places. It involved the replacement of six existing schools with four new schools located in Laois and Offaly. The contract was awarded to Macquarie Partnerships for Ireland (MPFI) and reached financial close in March 2009.

This bundle was the first project procured by the NDFA to reach construction completion. Service commencement was achieved on all four schools in September 2010 and they were available in time for staff and pupils for the new 2010/2011 school year.

Responsibility for the management of the 25 year facilities management aspect of the PPP contract with MPFI was transferred from NDFA to the Department of Education and Skills in January 2011 following completion of the required transition period.

#### Second Bundle of Schools

The second bundle of PPP schools referred to the NDFA in May 2008 consists of six schools in counties Cork, Limerick, Kildare, Wicklow and Meath and provides accommodation for 4,700 students. The contract was awarded to Macquarie Partnerships for Ireland (MPFI) and reached financial close in June 2010. The construction and delivery of all schools in this bundle was completed ahead of programme during 2011, with the final school completed in October 2011.

Responsibility for the management of the 25 year facilities management aspect of the PPP contract was transferred from NDFA to the Department of Education and Skills in May 2012 following completion of the required transition period.

This project has demonstrated the robustness of the PPP process to respond to adverse developments. Pierse Contracting Ltd, one of the two joint venture construction partners appointed by the PPP Co to build the works, went into examinership in October 2010 and was subsequently liquidated in early November 2010. The second joint venture contractor, John Sisk & Son Ltd stepped in to replace Pierse as required under the PPP contract and completed the works successfully with no adverse impact on the project or on the delivery dates.



*Second bundle of schools, construction completed in 2011*



### Third Bundle of Schools

The third bundle of schools comprises eight schools which will involve a combination of new and replacement schools and will provide accommodation for approximately 5,700 students. The schools are located in counties Donegal, Galway, Leitrim, Limerick, Waterford, Westmeath and Wexford.

This project went to the market in August 2010 and tender submissions were received by NDFA in July 2011. A preferred tenderer (BAM PPP) was appointed in September 2011.

The NDFA is progressing the remaining policy, commercial and procurement matters with the preferred tenderer in relation to the project. Subject to the satisfactory resolution of these issues the project should reach financial close and construction will commence later this year.

## THIRD LEVEL EDUCATION PPP PROGRAMME

From mid-2007 until November 2011, the NDFA was engaged in supporting the Department of Education & Skills in the development and procurement of a €250 million programme of Third Level accommodation projects. The NDFA was responsible for providing financial advice and managing the procurement and delivery of these PPP projects. Fifteen individual development projects were planned across nine separate campus locations, bundled into three separate PPP contracts.

The first and second bundles of the Third Level PPP Programme, which were well advanced in procurement, were cancelled in November 2011 by Government following publication of the “Infrastructure and Capital Investment 2012-16 Medium Term Exchequer Framework”. At the point at which the programme was cancelled, a preferred tenderer had been appointed to the first bundle and tenders had recently been received and were being evaluated in the case of the second bundle.

### First Bundle of Third Level Education Facilities

The first bundle of third level institutions consisted of six facilities at four institutes of Technology/University buildings: University of Limerick, Limerick Institute of Technology, Cork Institute of Technology and Dun Laoghaire Institute of Art, Design and Technology. It was handed over to the NDFA for procurement in July 2009. The NDFA issued an Invitation to Negotiate in December 2009 to the three shortlisted candidates and final tenders were received in August 2010. A Preferred Tenderer (the Solas consortium) was appointed in early February 2011. All planning permissions were secured when the project was cancelled in November 2011.

### Second Bundle of Third Level Education Facilities

The second bundle consisted of three buildings at Institute of Technology Tallaght and two buildings at Waterford Institute of Technology. Outline planning permissions were granted for both sites. The project was formally handed over to the NDFA for procurement in September 2010 by the Department of Education and Skills.

The Invitation to Negotiate was issued in February 2011 and final tenders were received on 10 October 2011. The evaluation of tenders was taking place when the project was cancelled.

### Third Bundle of Third level Education Facilities

Outline planning permission had been received for the facilities in the Third Bundle, which comprises four buildings at Galway/Mayo Institute of Technology, Carlow Institute of Technology and NUI Maynooth.

The Output Specification and Public Sector Benchmark were approved by the Department of Education and Skills in February 2011 and procurement documents completed ready for issue when the programme was cancelled.



## HEALTH SERVICE EXECUTIVE

### National Programme for Radiation Oncology

The National Plan for Radiation Oncology (NPRO) involves the proposed procurement of a network of facilities for the delivery of radiation oncology services as part of the National Cancer Control Programme. This envisages the construction and equipping of radiation oncology facilities at six locations in Waterford, Cork, Limerick, Galway and St James's and Beaumont in Dublin.

The NPRO comprises two principal workstreams, known as Phases 1 and 2. Phase 1, consisting of interim facilities at St James's Hospital and Beaumont Hospital, was completed in the fourth quarter of 2010. The NDFA acted as financial advisor to this project. The facilities were launched by the Minister for Health on 12 March 2012 as the "St. Luke's Radiation Oncology Centres at Beaumont & St. James's Hospitals".

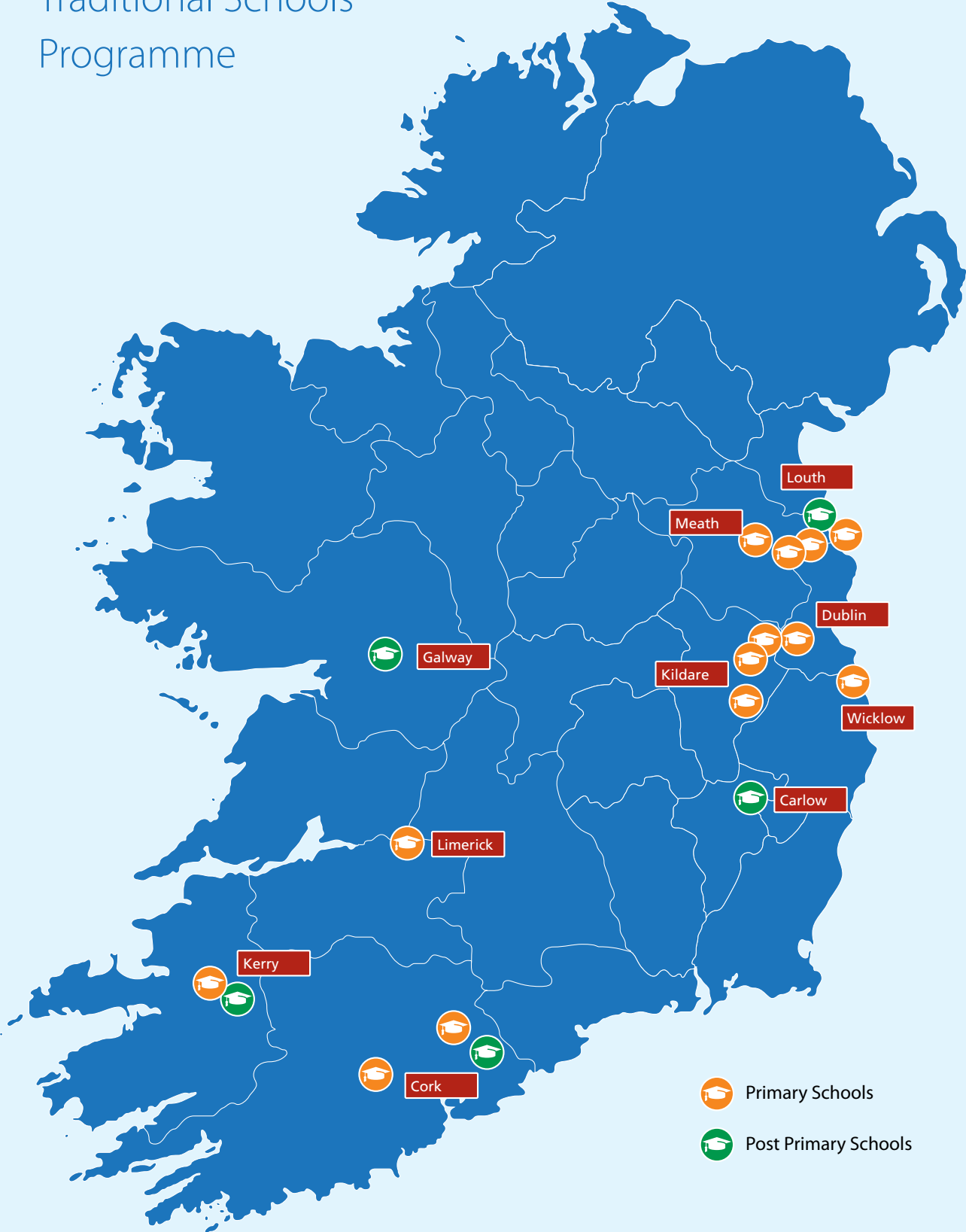
Phase 2 refers to the remaining facilities in the planned programme that are anticipated to be procured by PPP. The NDFA has worked closely with the National Cancer Control Programme on the Phase 2 Project, providing the necessary financial and project management advice for this complex project. The project started in 2005 and has been subject to a number of delays to date as health policy matters were being finalised. While significant progress has been made in preparing the project for procurement by way of PPP in this time, there have been no material developments during 2011. The NDFA is awaiting the direction of the HSE in this regard, pending a decision by the Minister for Health on the composition of the project and whether it is to be procured traditionally or by PPP.

### Sligo General Hospital

This project involves the proposed redevelopment and extension of acute hospital facilities at Sligo General Hospital. The proposed new extension to the hospital envisages a new block to house an emergency department, operating theatres, an intensive care unit, surgical wards and radiology, paediatrics and obstetrics facilities. In 2011 the NDFA provided financial and project management advice on this project in respect of a possible PPP procurement option and in Q1 2011 a Business Case was completed and submitted by Sligo General Hospital to the HSE. The NDFA awaits further instructions with regard to this project.



# Traditional Schools Programme





## Proposed Role as Procuring Authority for Non-PPP School Building Projects

### TRADITIONAL SCHOOLS PROGRAMME: OVERVIEW

In March 2012, the Minister for Education and Skills announced details of 219 new major school building projects which will begin over the next five years as part of a €2 billion capital investment programme. These new projects are in addition to 56 major school building projects that were already announced for 2012. Announcing the programme, Minister Quinn said “This investment will create an estimated 15,000 direct and 3,000 indirect jobs over the period of the programme (an annual average of 3,000 direct and 600 indirect jobs).”

The Department’s five year plan includes a number of alternative methods of project delivery. The NDFA, together with the Office of Public Works (OPW),

Vocational Education Committees (VEC) and County Councils will assist the Department with the delivery of over 80 major school projects.

This programme of support by the NDFA will be in addition to the PPP programme of Schools, for which the NDFA continues to act as procuring and delivery agent. The NDFA has already started work with the Department on identifying an optimum delivery strategy for approximately 20 school building projects using the Government forms of construction contract. Co-operation between the various agencies involved will also mean that projects will be accelerated and co-ordinated.

### PROGRAMME OF SCHOOLS FOR DELIVERY

Bundles	Roll#	School Site	County	Brief Description	Type
1	20166W	Griffen Valley Educate Together NS, Lucan	Dublin	Extension	Primary
1	63840C	St. Joseph’s CBS, Drogheda	Louth	Extension	Post Primary
1	20017F	Scoil an Spioraid Naomh, Laytown	Meath	New Build	Primary
1	17839H	SN Bheinn Naofa Boys, Duleek	Meath	New Build	Primary
1	17840P	SN Bheinn Naofa Girls, Duleek	Meath	Extension	Primary
1	20164S	Navan Educate Together, Navan	Meath	New Build	Primary
2	91356F	Tullow Community School, Tullow	Carlow	Extension	Post Primary
2	19797E	Scoil Naisiunta Bhride, Clane	Kildare	Extension	Primary
2	19675N	St. Brigids NS, Kilcullen	Kildare	Extension	Primary
2	19995I	North Kildare Educate Together, Celbridge	Kildare	Extension	Primary
2	17223O	SN Muire is Gearard, Enniskerry	Wicklow	Extension	Primary
3*	16271U	Watergrasshill NS, Watergrasshill	Cork	Extension	Primary
3*	13234W	Cloughduv National School, Coachford	Cork	Extension	Primary
3*	62360G	C.B.S. Middleton	Cork	Extension	Post Primary
4*	62870G	Presentation College, Athenry (Not Confirmed)	Galway	New Build	Post Primary
4*	61410N	Presentation Secondary School, Milltown	Kerry	New Build	Post Primary
4*	20229U	Nagle Rice NS, Killorglin/Milltown	Kerry	New Build	Primary
4*	20184B	Galvone NS & Southill JS (Amal)	Limerick	New Build	Primary

\* Indicative – Subject to review

# Progress on Projects where NDFA Acts as Financial Advisor

## EDUCATION & SKILLS PROGRAMME

### Dublin Institute of Technology (DIT)/ Grangegorman Development Agency (GDA)

Following the launch of the project by An Taoiseach and An Tánaiste in September 2010, the NDFA has been formally engaged by the GDA. The GDA aims to create a vibrant new city quarter with a diverse mix of uses, including new health care facilities for the HSE and a new urban campus for DIT, bringing together all students and staff into one location.

It is anticipated that the project will be a long term initiative which will be developed using a mixture of PPP and traditional procurement and the NDFA is providing financial and project management advice as appropriate. Any PPP element of the development will be procured by the NDFA, acting as agent for the GDA.

The revised capital programme announced in November 2011 noted that infrastructure investment on the project will be postponed for the lifetime of revised capital programme (2012 – 2016), but that planning will take place towards an initial PPP project, for possible completion in 2017.

On 14 May 2012, An Bord Pleanála gave approval for the planning scheme for the new Grangegorman urban quarter in Dublin 7. The development, which will incorporate a major education and health campus, as well as sport, recreation and other public amenities, is the first to be approved as a Strategic Development Zone (SDZ) in Dublin City. A Strategic Development Zone designation takes an integrated approach to major site development. Once agreed it requires that only the plan submitted and approved can be developed. Design of individual buildings within the SDZ must be submitted to Dublin City Council for approval as normal, but once they comply with the SDZ Plan, they will not be subject to further appeals to An Bord Pleanála.



*Artist's impression DIT campus at Grangegorman*

## COMMUNICATIONS, ENERGY & NATURAL RESOURCES

### Energy Retrofit Programme

The NDFA was engaged by the Department of Communications, Energy and Natural Resources (DCENR) in July 2011 to prepare a Pay As You Save (PAYS) Energy Retrofit financing paper. The purpose of the paper, submitted to DCENR in October 2011, was to co-ordinate the views of prospective PAYS stakeholders and to inform the development of a PAYS initiative as outlined under the 2011 Programme for Government. As outlined in the programme PAYS will represent a departure from existing grant based schemes, with upfront energy efficiency capital investment borne by registered PAYS providers such as banks and energy suppliers with the capital investment repaid from ring-fenced energy savings on consumers utility bills.

### IDA Ireland Alternative Energy Centre

The NDFA was engaged by IDA Ireland in July 2011 to provide financial advice in relation to a proposed land sale within Letterkenny Business & Technology Park for the purpose of developing an alternative energy centre on the site (under a 999 year lease) capable of supporting a district heating network to serve the Business & Technology Park. Procurement documentation was issued in September 2011. The NDFA completed its financial pre qualification and tender evaluations in Q1 2012.

## HEALTH SERVICE EXECUTIVE

### National Forensic Mental Health Services

St Ita's Portrane has been established as the preferred site for the new National Forensic Mental Health Services (NFMHS) which will comprise:

- (i) a new Forensic Central Mental Hospital (120 beds);
- (ii) Forensic Mental Health Intellectual Disability Unit (10 beds);
- (iii) Forensic Child & Adolescent Unit (10 beds); and
- (iv) Intensive Care Rehabilitation Units (30 beds).

In addition, there will be two 30 bed "Forensic Intensive Care Rehabilitation Units" developed at appropriate locations across the country.

Funding was allocated for this project in the recent Government capital review, which highlighted this as a high priority national health project.

The NDFA is acting as financial adviser to the HSE on this traditionally procured project. A design team is currently being procured. It is expected that the design team will be in place by July 2012 and that following receipt of planning permission a contractor will be appointed by August 2013.



*Aerial view of site at St. Ita's, Portrane*





Artist's impression of new ward block at St. Vincent's University Hospital

### Centre of Excellence for Successful Ageing

St James's Hospital has been given approval to proceed with the Care of the Elderly Programme at St. James's Hospital. The NDFA is acting as financial advisor to HSE on this traditionally procured project. The project objective is to develop the care of the elderly programme at St. James's Hospital into a Centre of Excellence for Successful Ageing (CESA). The building will provide c. 16,000m<sup>2</sup> of accommodation including 166 patient beds plus other accommodation.

Funding from philanthropies is available with the HSE funding the balance of the capital costs. A design team has recently been appointed and is working with the clinicians at St. James's on a design for the new centre.

The planning application for CESA is expected to be submitted in Q3 2012, via the local authority planning route, and construction is planned to commence in Q4 2013.

### Energy Management Contract

Ireland's "National Energy Efficiency Action Plan" requires the public sector to improve its energy efficiency by 33% by 2020. As part of this initiative the HSE are exploring the use of an Energy Management Services Company (an "ESCO") contract. An ESCO contract works by transferring the risk of achieving energy savings to the ESCO, which provides the capital investment required to achieve energy \ cost savings in return for a share of such savings.

The NDFA are acting as financial adviser to the HSE, providing advice on procurement strategy, budgeting and risk analysis, payment mechanism, tender document and project agreement development.



### National Paediatric Hospital

The new National Paediatric Hospital will combine the national tertiary services of the existing children's hospitals and is to provide a hospital that will deliver excellence in clinical care, teaching and research.

The NDFA has advised the HSE on the business case and cost models for the project and will perform the financial evaluation of any pre-qualification submissions.

This project is currently on hold pending the outcome of the Review Group appointed by the Minister for Health following An Bord Pleanála's decision on 23 February 2012 in respect of the planning application for the Mater site.

### Primary Care Strategy

The Primary Care Strategy "Primary Care, A New Direction (2001)" set out the Government's policy for shifting the balance of care from a hospital based healthcare system to one located in the community. To date the HSE has developed c. 40 Primary Care Centres using a mix of traditional procurement and the developer led leasing model. Another c. 160 Primary Care Centres are required across the country and the HSE has recently requested the NDFA to provide advice in relation to financial aspects of the Cost Benefit Analysis for the capital investment aspects of this project.



N6 Galway/Ballinasloe

## TRANSPORT – ROADS

### SECOND ROADS' PPP PROGRAMME

#### N17/N18 Scheme (Gort to Tuam)

The NDFA is providing financial advice to the National Roads Authority on the proposed N17/N18 (Gort to Tuam) scheme, which will provide 57 kilometres of motorway and dual carriageway as part of a high quality road link between Letterkenny and Waterford (Atlantic Corridor).

In order to provide a robust funding solution and in response to the recent adverse funding market developments and following legal advice, the procurement competition was switched to a negotiated procedure in March 2011. Following tender evaluation, Direct Route were appointed the preferred tenderer in October 2011. The EIB has agreed in principle to provide up to 50% of the senior debt for the scheme.

#### N11 Scheme (Arklow, Rathnew and N7 Newlands Cross)

The N11 is a key strategic link in the national road network. The upgrade to the N11 is being procured along with the Newlands Cross junction upgrade as a single project.

As with the N17/N18, following legal advice it was decided in March 2011 to change the procurement procedure for this project from competitive dialogue to a negotiated procedure. A preferred tenderer, BAM Balfour Beatty, was appointed in June 2011 by the National Roads Authority. The EIB has also agreed in principle to provide a substantial amount of the senior debt for the scheme with financial close expected on the scheme in late 2012.

#### Motorway Service Areas (Tranche 2)

The National Roads Authority issued a Project Information Memorandum/Pre Qualification Questionnaire on 6 May 2011, with responses received on 13 June 2011. The Pre-Qualification evaluation is complete and two candidates have been shortlisted.





Wastewater Treatment Works, Fingal Co. Council

## TRANSPORT – RAILWAYS

### Metro North and Dart Underground

For the Metro North and Dart Underground projects, the Infrastructure and Capital Investment 2012-2016 Medium Term Exchequer Framework issued in November 2011 stated that “in the context of reduced resources, larger public transport projects proposed for the Greater Dublin Area (such as Metro North and DART Underground which were to be advanced as PPP projects, but which require very significant Exchequer contributions) cannot proceed at this time. They are being postponed for consideration in advance of the next capital programme which will be drawn up in 2015 and will cover the period from 2016 onwards. These projects are being deferred, not cancelled: they remain key elements of the overall integrated transport strategy for the GDA and will be progressed when fiscal and market conditions improve.”

## ENVIRONMENT, COMMUNITY & LOCAL GOVERNMENT

### Waterford Grouped Towns & Villages Water Scheme

The NDFA is providing financial advice to Waterford County Council, the procuring authority, on the Waterford Grouped Towns & Villages Water Scheme. This is a design, build, operate project and the prequalification documents were issued to the market in April 2010. The project is expected to go to tender in Q3 2012.

### Poolbeg Waste/Energy Plant

The Dublin Waste to Energy project is being developed as a Public Private Partnership between Dublin City Council (acting on behalf of the four Dublin Local Authorities) and Dublin Waste to Energy Ltd (a joint venture between Covanta Energy, USA and DONG Energy Generation A/S, Denmark). NDFA is advising Dublin City Council on the financing of the project and there are a number of items to be resolved over the coming months. Assuming resolution of these items, financial close is anticipated in Q4 2012.





## OTHER NDFA ADVISORY WORK AND ACTIVITIES

### PPP Debt Funding

The NDFA continues to engage with multilateral funders in order to maximise the availability of cost effective funding for Irish infrastructure. The European Investment Bank (EIB) has provided indicative terms for up to €50m of debt funding for the third bundle of PPP schools, which is expected to reach financial close later this year.

In conjunction with the Department of Public Expenditure and Reform, the NDFA is also facilitating discussions between the EIB and the Department of Education and Skills regarding the provision of a direct loan to the Exchequer to finance a programme of school building improvement projects that are to be procured on a traditional (non-PPP) basis.

The NDFA has also continued with its engagement with the Council of Europe Development Bank (CEB), which provides low cost funding for projects in a variety of sectors including health, education and social housing.

### Government Construction Contracts Committee

Following a request from the Government Construction Contracts Committee (GCCC), the NDFA has been working with it on developing a guidance document for the financial appraisal of contractors under GCCC contracts. This is now in its final stages of approval with the Committee and it is expected that this will form the basis of new guidance to be issued by the Department of Public Expenditure and Reform in respect of the financial appraisal of GCCC contract documents.

### PPP Contract Administration Support (post-construction phase)

In addition to providing pre-procurement advice regarding the funding and financing of projects, procurement advice throughout the project and PPP project delivery activities, the NDFA has also provided post-construction stage advice to project sponsors, as requested, in relation to a number of PPP projects which are fully completed and are now operational. For example, in relation to the Criminal Courts of Justice, the Convention Centre Dublin and the Pilot Schools projects (in each of which the NDFA had no procurement role), the NDFA has assisted sponsors with ensuring that the PPP contract payment mechanisms are operating effectively, creating payment handbooks for training support for new staff where required, and providing advice to the sponsor authority regarding the practical application of the payment mechanism with a view to improving efficiency and effectiveness.

# Governance

## NDFA Board

The NDFA has a Board which consists of a Chairperson and seven ordinary members. The Chief Executive of the NTMA is the Chairperson of the Board. The ordinary members of the Board are appointed by the Minister for Finance. The Chief Executive Officer of the NDFA is a Board member. Ordinary members are appointed for five year terms.

The Board is required to ensure that the functions of the NDFA are being performed effectively. It sets the strategic objectives and targets to be met by the NDFA and ensures they are met.

The following matters are reserved for Board approval:

- a) Delegated Signing Authorities;
- b) Approval of Major Contracts;
- c) Corporate Policies and Plans;
- d) Risk Management Policy;
- e) System of Internal Financial Control;
- f) NDFA Annual Report and Accounts;
- g) Appointment of Internal Audit Firm;
- h) Oversight of Audit Committee (including annual review of Committee terms of reference).

Board members over the period 1 January 2011 to 29 June 2012 are as follows:

### John Corrigan

Chairperson  
(ex-officio member)  
Chief Executive, National Treasury Management Agency

### Brian Murphy

Chief Executive Officer  
(Appointed from 12 January 2009)  
Director, National Treasury Management Agency

### Fred Barry

(Appointed from 2 May 2007 to 1 May 2012)  
Chief Executive Officer, National Roads Authority

### Liam Berney

(Appointed from 2 May 2007 to 1 May 2012)  
Industrial Officer, Irish Congress of Trade Unions

### Ann Fitzgerald

(Reappointed from 1 January 2008)  
Chief Executive Officer, National Consumer Agency

### Stewart Harrington

(Appointed from 2 May 2007 to 1 May 2012)  
Director, Killeen Properties Limited

### Tony Jones

(Reappointed from 1 January 2008)  
Business Consultant

### Peter McManamon

(Reappointed from 1 January 2008)  
Chairman, Ceva Inc

As of 29 June 2012 there were three vacancies on the Board. Following the expiry of their terms of office of the Chairman wishes to thank most sincerely Fred Barry, Liam Berney and Stewart Harrington for their time and effort in fulfilling their role as Board members of the National Development Finance Agency.

The Board met on five occasions during 2011. Attendance by members in 2011 is set out below.

Board Member	Meetings Attended
John Corrigan	4/5
Brian Murphy	5/5
Ann Fitzgerald	5/5
Fred Barry	5/5
Liam Berney	4/5
Peter McManamon	5/5
Stewart Harrington	5/5
Tony Jones	5/5

### Audit Committee

The NTMA Audit Committee acts as the NDFA Audit Committee. The NTMA Audit Committee has oversight of the NTMA's internal audit and control systems, risk management framework, financial reporting process and annual financial statements. The internal and external auditors, the Head of Control and the Compliance Officer have full and unrestricted access to the NTMA Audit Committee.

#### Members:

**Hugh Cooney**

Chairperson, Member NTMA Advisory Board

**Brendan McDonagh**

Member NTMA Advisory Board

**Maurice O'Connell**

Independent External Member

**Peter McManamon**

Director, NDFA

### Corporate Governance Codes

The Code of Practice for the Governance of State Bodies is modelled on a typical corporate structure consisting of a Board of Directors which has legal responsibility for the body, and an executive management team and staff, who carry out the functions delegated to them by the Board. However the NDFA carries out its functions through the NTMA.

The NDFA Board has implemented the Code, adapted to its specific circumstances. A code of business conduct and a travel policy is in place for Board members. Board members are expected to ensure that all their activities are governed by the ethical standards reflected in the code. Application of the Code by the NTMA is a matter for that body.

The NDFA is a prescribed public body for the purposes of the Ethics in Public Office Acts, 1995 and 2001. In addition, there are specific disclosure of interest requirements under the National Development Finance Agency Act.

### Auditors

In accordance with statutory requirements, the NDFA is audited by the Comptroller and Auditor General. The NDFA utilises the NTMA's internal audit function. This work is supplemented by an external firm of auditors, currently PricewaterhouseCoopers, which performs internal audit work.

The Chairperson and the Chief Executive Officer of the NDFA are required to give evidence to the Committee of Public Accounts of Dáil Éireann. Such evidence covers the regulation and propriety of all transactions of the NDFA, the cost-effectiveness and efficiency of the NDFA, and the systems, procedures and practices employed by the NDFA. Evidence was last given to the Committee on 22 April 2010.

The Chief Executive Officer and the Board would like to express their appreciation for the efforts of all staff involved in the NDFA's operations.

# Appendices

## LIST OF STATE AUTHORITIES

The following is a list of the State Authorities that currently are obliged to consult the NDFA for financial advice in respect of major public investment projects.

### State Authorities as listed in the Schedule to the NDFA (Amendment) Act 2007:

1. A Minister of the Government
2. A local authority
3. The Commissioners of Public Works in Ireland
4. The National Roads Authority
5. The Health Service Executive
6. A university within the meaning of the Universities Act 1997, other than Trinity College and the University of Dublin
7. The Dublin Institute of Technology
8. A college within the meaning of section 2 of the Regional Technical Colleges Act 1992
9. A vocational education committee within the meaning of section 7 of the Vocational Education Act 1930
10. Courts Service
11. A harbour authority within the meaning of the Harbours Acts 1946 to 1976
12. Bus Átha Cliath – Dublin Bus
13. Bus Éireann – Irish Bus
14. Córas Iompair Éireann
15. The Railway Procurement Agency
16. Digital Hub Development Agency
17. Any public authority standing prescribed by order

## FINANCIAL STATEMENTS

The NDFA provides advice to State Authorities on the procurement, delivery and financing of projects. However, these projects remain on the balance sheet of the relevant Department and do not appear in the NDFA's accounts. The allocations for the relevant Departments for PPP projects are found in the multi-annual allocations in the Budget.

Section 20 of the National Development Finance Agency Act, 2002 obliges it to keep, in such form, as may be determined by the Minister for Finance, all proper and usual accounts. The accounts have to include a separate account of the administration fees and expenses incurred by the NDFA in the performance of its functions. However, as explained above, the staff who work on NDFA matters are exclusively employed by the NTMA.

The administration expenses incurred by the NDFA in 2011 and 2010 are as follows.

	2011 €	2010 €
Fees & Expenses of Board	75,600	75,600
Audit Fees	5,640	5,280
	<b>81,240</b>	<b>80,880</b>

In addition to the above expenses, the administrative costs incurred by the NTMA in the performance of the NDFA's functions in 2011 amounted to €5,797,162 (2010: €7,097,698). These costs are included in the administration expenses of the NTMA and are charged on the Central Fund. The NTMA does not seek reimbursement of these costs from the State Authorities.





# Financial Statements of the National Development Finance Agency

for the Year Ended 31 December 2011

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# Board Members and Other Information

## BOARD MEMBERS

**John C. Corrigan** – Chairman

**Brian Murphy** – Chief Executive Officer

**Fred Barry** (term expired 1 May 2012)

**Liam Berney** (term expired 1 May 2012)

**Ann Fitzgerald**

**Stewart Harrington** (term expired 1 May 2012)

**Tony Jones**

**Peter McManamon**

## AUDITORS

**Comptroller & Auditor General**

**Dublin Castle**

**Dublin 2**

# Statement of Agency's Responsibilities

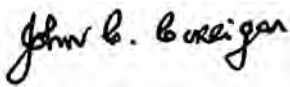
The National Development Finance Agency ("the Agency") is required by the National Development Finance Agency Act, 2002 to prepare financial statements in respect of its operations for each financial year.

In preparing those statements, the Agency:

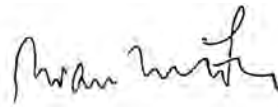
- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- prepares the financial statements on a going concern basis unless it is inappropriate to do so;
- discloses and explains any material departure from applicable accounting standards.

The Board of the Agency is responsible for keeping in such form as may be approved by the Minister for Finance all proper and usual accounts of all moneys received by it or expended by it and all financial and other transactions undertaken in the performance of its functions. The Agency is responsible for maintaining accounting records which disclose with reasonable accuracy at any time the financial position of the Agency.

The Board of the Agency is also responsible for safeguarding assets under its control and hence for taking reasonable steps in order to prevent and detect fraud and other irregularities.



**John C. Corrigan**  
Chairman  
National Development Finance Agency



**Brian Murphy**  
Chief Executive Officer  
National Development Finance Agency

29 June 2012

# Statement on Internal Financial Control

## RESPONSIBILITY FOR THE SYSTEM OF INTERNAL FINANCIAL CONTROL

The Board acknowledges its 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 manner.

## KEY CONTROL PROCEDURES

In accordance with Section 11 of the National Development Finance Agency Act, 2002 the NDFA performs its functions through the National Treasury Management Agency ("the NTMA").

The Board in conjunction with the NTMA has taken steps to ensure an appropriate control environment with respect to the NDFA by:

- clearly defining management responsibilities;
- establishing formal procedures for the conduct of business by the NDFA;
- establishing the NDFA Code of Conduct for the Management of Conflicts of Interest;
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action.

The NDFA has established processes to identify and evaluate business risks by:

- identifying the nature, extent and financial implication of risks facing the organisation;
- assessing the likelihood of identified risks occurring;
- assessing the organisation's ability to manage and mitigate the risks that do occur;
- assessing the costs of operating particular controls relative to the benefit obtained.

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:

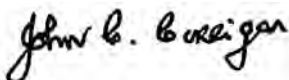
- a comprehensive budgeting system for the administration costs of the NDFA which (other than NDFA Board costs) are borne by the NTMA;
- setting targets to measure financial and other performance;
- formal project management disciplines;
- clearly defined procedures on procurement.

The NTMA has an internal audit function, which operates in accordance with the Code of Practice on the Governance of State Bodies. The work of internal audit is informed by analysis of the operational risks to which the NDFA is exposed, and annual internal audit plans are based on this analysis. At least annually, the Internal Auditor (currently PricewaterhouseCoopers) provides the NTMA and the NDFA with a report of internal audit activity. The report includes the Internal Auditor's assessment of the adequacy and effectiveness of the system of internal financial control.

The NTMA's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the executive managers within the NTMA 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. In addition a member of NDFA Board sits on the NTMA Audit Committee representing the NDFA Board's interests. The Board member keeps the NDFA Board informed of such matters as are relevant to the NDFA.

## ANNUAL REVIEW OF CONTROLS

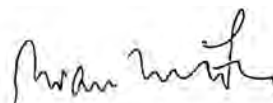
For the year ended 31 December 2011, the NTMA Audit Committee, with representation from the NDFA Board, has conducted a review of the effectiveness of the NDFA system of internal financial control.



**John C. Corrigan**

Chairman

National Development Finance Agency



**Brian Murphy**

Chief Executive Officer

National Development Finance Agency

29 June 2012

# Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### NATIONAL DEVELOPMENT FINANCE AGENCY

I have audited the financial statements of the National Development Finance Agency for the year ended 31 December 2011 under the National Development Finance Agency Act 2002. The financial statements, which have been prepared under the accounting policies set out therein, comprise the accounting policies, the income and expenditure account, the administration account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

### RESPONSIBILITIES OF THE BOARD OF THE AGENCY

The Board of the Agency is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Agency's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

### RESPONSIBILITIES OF THE COMPTROLLER AND AUDITOR GENERAL

My responsibility is to audit the financial statements and 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 Agency's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

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

In addition, I read all the financial and non-financial information in the Agency's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.



## OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Agency's affairs at 31 December 2011 and of its income and expenditure for the year then ended.

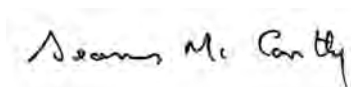
In my opinion, proper books of account have been kept by the Agency. The financial statements are in agreement with the books of account.

## 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
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Agency's annual report for the year for which the financial statements are prepared is not consistent with the financial statements, or
- the Statement on Internal Financial Control does not reflect the Agency's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

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



Seamus McCarthy

Comptroller and Auditor General

29 June 2012

# Accounting Policies

## BACKGROUND

The National Development Finance Agency (the “NDFA”) was established by order of the Minister for Finance on 1 January 2003 under the National Development Finance Agency Act, 2002.

The significant accounting policies adopted in respect of the National Development Finance Agency are as follows:

## BASIS OF PREPARATION

The financial statements have been prepared in accordance with the National Development Finance Agency Act, 2002 in a format approved by the Minister for Finance.

The financial statements summarise the transactions and financial position of the National Development Finance Agency.

## REPORTING PERIOD

The reporting period is the year ended 31 December 2011.

## REPORTING CURRENCY

The reporting currency is the euro, which is denoted by the symbol €.

## INCOME RECOGNITION

Income is accounted for on an accruals basis.

## EXPENSES

Expenses are accounted for in the year in which they fall due.

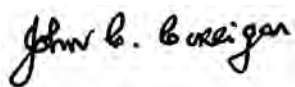
Under the National Development Finance Agency Act, 2002, only direct costs incurred by the National Development Finance Agency are charged to the Income and Expenditure Account. All other administration costs are incurred by the National Treasury Management Agency and are disclosed by way of note only.

Fees and expenses incurred in respect of the Agency’s financing and advisory functions are charged to the Income and Expenditure account and are re-imbursed by the relevant State Authority.

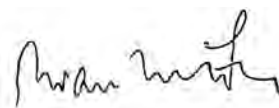
# Income & Expenditure Account

for the year-ended 31 December

	Notes	2011 €	2010 €
Income	1	3,231,097	5,035,339
Project fees and expenses	2	(3,149,857)	(4,954,459)
Transfer to Administration Account	3	(81,240)	(80,880)
Net Income for the period		Nil	Nil



**John C. Corrigan**  
Chairman  
National Development Finance Agency



**Brian Murphy**  
Chief Executive Officer  
National Development Finance Agency

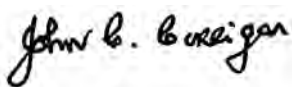
29 June 2012

The accounting policies and notes 1 to 11 form part of these financial statements.

# Administration Account

for the year-ended 31 December

	Notes	2011 €	2010 €
Transfer from Income & Expenditure Account	3	81,240	80,880
Administration expenses of Agency	4	(81,240)	(80,880)
Net income\ (expenditure)		Nil	Nil



**John C. Corrigan**  
Chairman  
National Development Finance Agency



**Brian Murphy**  
Chief Executive Officer  
National Development Finance Agency

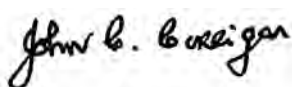
29 June 2012

The accounting policies and notes 1 to 11 form part of these financial statements.

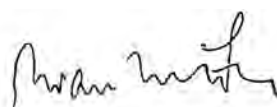
# Balance Sheet

31 December

	Notes	2011 €	2010 €
<b>Assets</b>			
Debtors	5	986,152	947,485
<b>Liabilities</b>			
Creditors	6	986,152	947,485
<b>Total Assets less Liabilities</b>			
		Nil	Nil
<b>Representing</b>			
Accumulated Reserves	8	Nil	Nil



**John C. Corrigan**  
Chairman  
National Development Finance Agency



**Brian Murphy**  
Chief Executive Officer  
National Development Finance Agency

29 June 2012

The accounting policies and notes 1 to 11 form part of these financial statements.

# Notes to the Accounts

## 1. Income

	2011 €	2010 €
Reimbursement from State Authorities of advisory expenses	3,149,857	4,954,459
Central Fund (note 7(a))	81,240	80,880
	<u>3,231,097</u>	<u>5,035,339</u>

## 2. Project fees and expenses

Under the National Development Finance Agency (Amendment) Act 2007, fees and expenses incurred by the Agency in the performance of its financing and advisory functions in relation to specific public investment projects are charged to expenditure.

	2011 €	2010 €
Consultancy fees	2,454,450	3,791,956
Legal fees	695,087	1,160,513
Other project expenses	320	1,990
	<u>3,149,857</u>	<u>4,954,459</u>

## 3. Transfer to Administration Account from Income & Expenditure Account

This amount of €81,240 (2010 - €80,880) represents the amount required to cover certain administration costs of the Agency.



# Notes to the Accounts

(continued)

## 4. a) Administration Expenses

The Administration expenses of the Agency are detailed below on an accruals basis:

	2011 €	2010 €
Fees of the Board	75,600	75,600
Audit fees	5,640	5,280
	<b>81,240</b>	<b>80,880</b>

In addition to the above expenses, the administrative costs incurred by the National Treasury Management Agency in the performance of the NDFA's functions amounted to €5,797,162 (2010: €7,097,698). These NTMA costs, including the Chief Executive Officer remuneration referred to below, are included in the administration expenses of the National Treasury Management Agency and are charged on the Central Fund. The NTMA does not seek reimbursement of these costs from State Authorities.

The total cost of the operation of the Agency in the year was €9,028,259 (2010: €12,133,037), funded as follows:

	2011 €	2010 €
Project fees and expenses	3,149,857	4,954,459
Administration fees and expenses charged by the Agency to the Central Fund	81,240	80,880
Administration fees and expenses borne by the NTMA and charged to the Central Fund	5,797,162	7,097,698
	<b>9,028,259</b>	<b>12,133,037</b>

# Notes to the Accounts

(continued)

## 4. b) Remuneration and Expenses

Remuneration of Board members is set by the Minister for Finance.

Board Members: €12,600 per annum

Remuneration of Board members set out above takes into account a 10% reduction in fees agreed by the Board at the request of the Minister for Finance in 2009.

No Board members were paid expenses for 2011.

The Chairperson and CEO do not receive any remuneration in respect of their membership of the Board.

### **Chief Executive Officer Remuneration 2011:**

Salary:	€330,000
Taxable benefits	€23,969

The remuneration of the Chief Executive Officer is determined by the NTMA after consultation with the NTMA Advisory Committee.

The remuneration of the Chief Executive Officer consists of basic salary, taxable benefits (car and health insurance) and performance related payments of up to 60% of annual salary. In view of the economic challenges facing the country, the Chief Executive Officer and the other members of the NTMA senior management team waived their performance related pay awarded for 2011 and 2010.

The Chief Executive Officer's pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

# Notes to the Accounts

(continued)

## 5. Debtors

	2011 €	2010 €
Receivable from State Authorities	966,695	936,205
Receivable from the Central Fund	18,621	11,280
Receivable from NTMA	836	-
	<u>985,152</u>	<u>947,485</u>

## 6. Creditors

	2011 €	2010 €
Amounts due to Central Fund (note 7(b))	149,256	164,942
Consultancy and legal fees payable	740,918	597,502
Professional Services Withholding Tax payable	82,998	179,401
Payroll Taxes payable	7,341	-
Accrued Expenses	5,639	5,640
	<u>986,152</u>	<u>947,485</u>

# Notes to the Accounts

(continued)

## 7. Central Fund

- (a) The Administration expenses of the NDFA are drawn from the Central Fund. The accounts are prepared on an accruals basis. The Central Fund Income is reconciled to cash drawn for expenses as follows:

	2011 €	2010 €
Amounts drawn from Central Fund	54,022	75,600
Funds transferred from 7(b) below	19,877	-
Increase / (decrease) in Central Fund debtor	7,341	5,280
Administration Expenses (Note 4)	81,240	80,880

- (b) Amounts are advanced from the Central Fund to fund the payment of external advisory fees and expenses incurred by the Agency in the performance of its financing and advisory functions in relation to specific public investment projects. These fees and expenses are reclaimed from State Authorities and the amounts advanced are then repaid to the Exchequer. The movement in amounts advanced to the NDFA during the period is explained as follows:

	2011 €	2010 €
Due to Central Fund at beginning of period	164,942	161,998
Advanced during the period	2,509,415	3,830,566
Repaid during the period	(2,505,224)	(3,827,622)
Funds used to offset costs incurred in 7(a) above	(19,877)	-
Due to Central Fund at end of period (Note 6)	149,256	164,942

# Notes to the Accounts

(continued)

## 8. Accumulated Reserves

	2011 €	2010 €
Net income for the period	-	-
Closing balance	Nil	Nil

## 9. Contingent liabilities

The National Development Finance Agency had no contingent liabilities at 31 December 2011.

## 10. Related parties

### Minister for Finance

The members of the Board of the National Development Finance Agency, as set out on page 3, were appointed by the Minister for Finance under section 12 of the Act.

Under section 7 of the Act the Minister may guarantee the repayment of borrowings of the Agency or any special purpose company formed by the Agency in the performance of its activities. No such guarantees have been given during the period.

### National Treasury Management Agency

In accordance with Section 11 of the National Development Finance Agency Act, 2002 the NDFA performs its functions through the National Treasury Management Agency.

## 11. Approval of Financial Statements

The financial statements were approved by the Board on 31 May 2012.

Notes



Notes

Notes



National Development Finance Agency

National Development Finance Agency  
Treasury Building  
Grand Canal Street  
Dublin 2  
Ireland

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