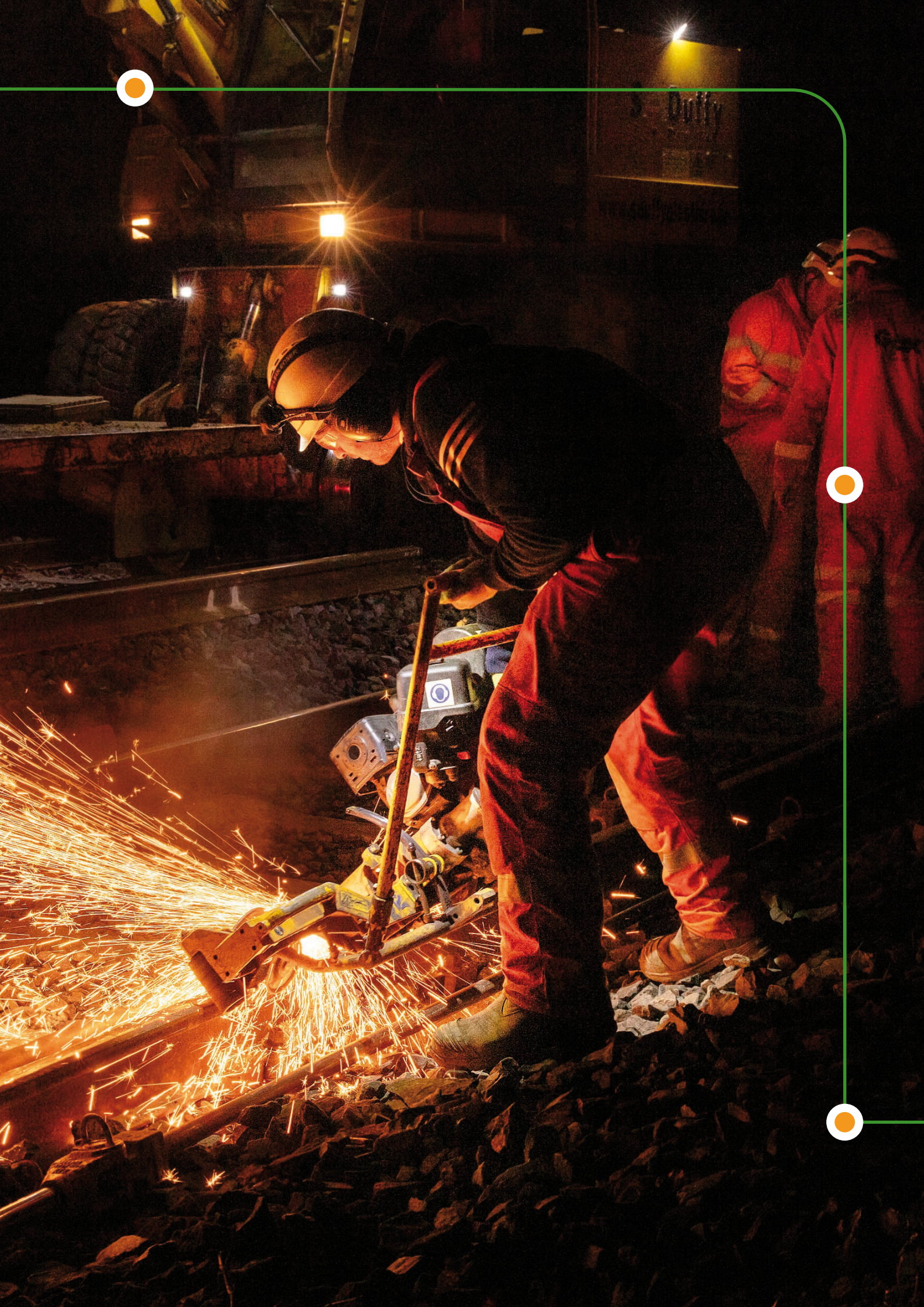


Iarnród Éireann
Annual Report 2023



Sustainable Transport for All



Contents

Chairperson's Statement	4
Chief Executive's Report	6
Directors and Other Information	30
Directors' Report	34
Statement on Internal Control	38
Independent Auditors' Report	45
Statement of Comprehensive Income	48
Balance Sheet	49
Statement of Changes in Equity	50
Statement of Cash Flows	51
Notes to the Financial Statements	52

Highlights

Passenger Journeys

46.1 million

(up 28.5%)

New Services

on routes including

**Cork,
Westport,
Portlaoise**

Freight Units

226,000

through Rosslare
Europort, a new record

Passenger Journeys

636,000

through Rosslare
Europort

Rail Freight Volume

**76.1 million
tonne kms**

Colleagues Delivering Your Service

4,685

(at 31st December 2023)

Gender Pay Gap

7.7%

in favour of women

Public Service Obligation

€365.1 million

funding from NTA
(including PSO revenue)

Infrastructure MAC Funding

€281.5 million

from Department
of Transport

Sustainability Development

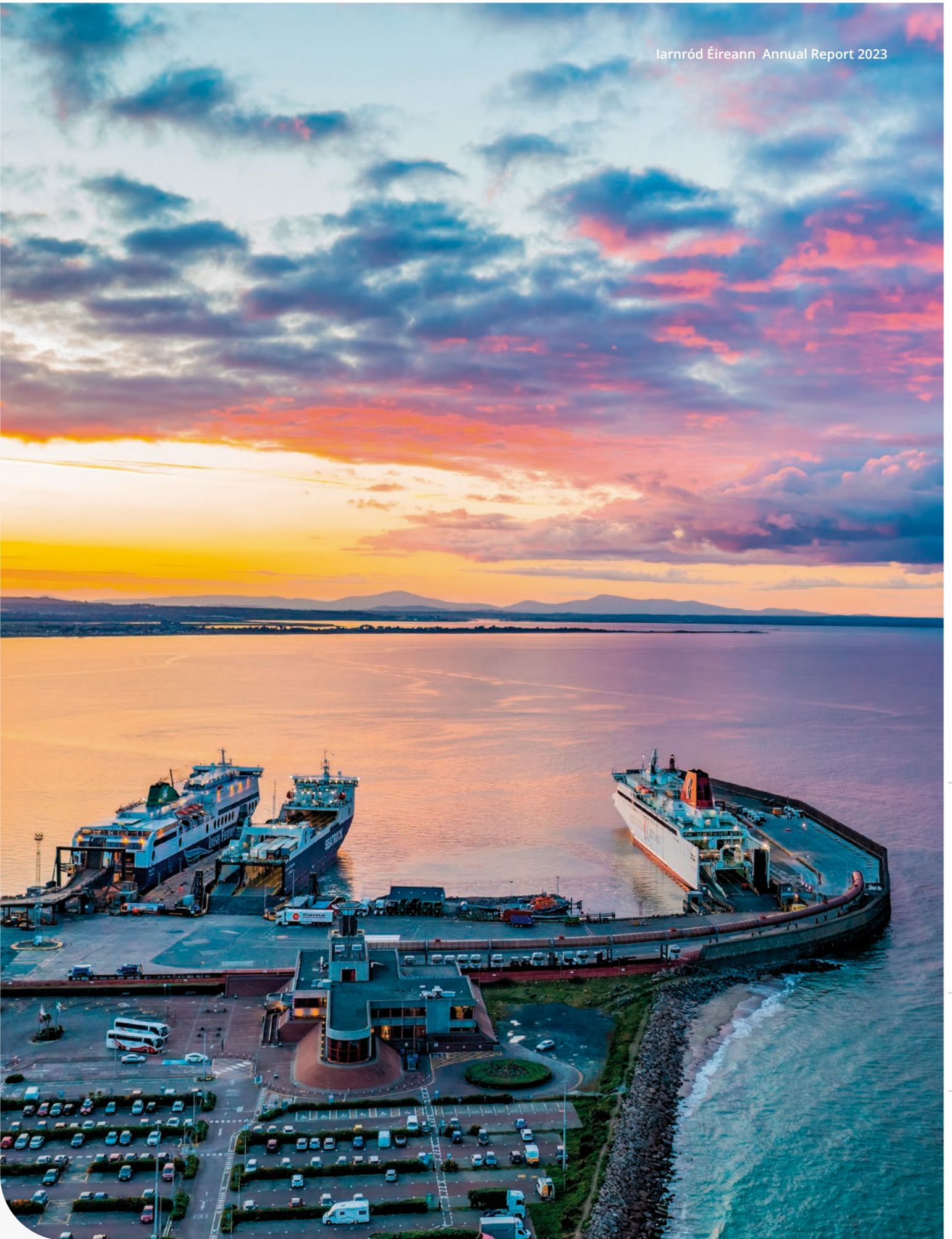
Goals Champion

organisation for 2023/24

Emissions Reduction

51%

targeted in
Climate Action Plan



Chairperson's Statement

We look forward to working in partnership with all stakeholders in this decade of delivery.

The granting in 2023 by An Bord Pleanála of a Railway Order for the Glounthaune to Midleton Twin Track project was a significant milestone.

Not only was it the first railway order granted in over a decade but is set to be the first of many as we embark on the most significant era of expansion in Ireland's railways in well over a century. At the time of writing, two further Railway Orders are under consideration by An Bord Pleanála for DART+ West and Southwest, with DART+ Coastal North set for application imminently.

In the year ahead, the first of our DART+ battery-electric fleet will be delivered, we will continue physical works at Ceannt Station, on the Foynes to Limerick freight line, and at Rosslare Europort for our Masterplan development. In Iarnród Éireann's Decade of Delivery therefore, we are firmly moving from the planning phase into tangible development and direct benefits to customer and communities, and the wider economy and environment.

With that investment programme, and at the outset of my tenure as Chairperson of Iarnród Éireann, I will be working with my Board colleagues and the management team and workforce on a number of key themes:

- Ensuring a focus on intelligent project and programme management. As we progress to the implementation phases of major programmes like DART+, Cork Area Commuter Rail and others, there will always be challenges and complexities. Planning for and anticipating these are essential for successful

programme delivery. In particular, system integration must be a key area of focus: in the rail industry internationally, as we engage contractors across disciplines such as civil engineering, signalling, and rolling stock, these systems must integrate to deliver a successful railway. Not only do we need to plan for this, but we must work collectively with suppliers, and bring them together, to ensure this is the case, and find solutions where needed.

- Programme clarity is critical also: what are our goals, what are the outcomes, how are we delivering to support sustainable development, to aid prosperity and social mobility is key. Too often, and this is an international phenomenon, we see in very large-scale projects an absence of clear goals and outcomes. This will always bring with it enormous risk to all aspects of the planning and delivery of a programme of works, and we will therefore maintain that clarity for Iarnród Éireann projects.
- An intense focus on the customer proposition. Ultimately, from our current networks and services to new trains, new infrastructure, new stations, coastal protection, development at Rosslare Europort: who is it all for? It is for our current and future customers. We must always ask: How do we deliver for them? What is our vision to make travelling by rail, moving goods by rail, using our port more attractive? How do we improve frequency to improve choice, how do we improve journey times to make switching to rail an easier decision? We are here to serve our customers and communities.



We also deliver as a team, and that extends to a range of critical stakeholders. Our workforce of over 4,600 across all our businesses, and our trade union colleagues, are central to this. A tremendous achievement in recent years has been to bring a new spirit of co-operation to play, which has ensured a stability to give our regulators and funders a confidence that we can deliver.

We are midway through a seven-year pay and productivity agreement, which was achieved between Iarnród Éireann and our representative trade unions without recourse to the industrial relations machinery of the state. This did not happen in isolation. Iarnród Éireann offers its workforce not only a job, but the opportunity for a rewarding career, for progression. Our People Strategy prioritises health and wellbeing and promotes equality and diversity. The support from across the political spectrum, from Government and the NTA gives confidence in turn to our people.

There is also an onus on us, in developing and delivering our services, to do so sustainably, and the company's nomination as a Sustainable Development Goals Champion 2023-24 by the Department of the Environment is indicative of the leadership role, we are taking on sustainability. Our Climate Action Plan 2023 to 2030 outlines our strategy to achieve a 51% reduction in emissions in line with State sectoral goals, which will be achieved at a time-of-service expansion.

I am mindful that this reporting year is one for which my predecessor Frank Allen was the incumbent as Chairperson, and I want to pay tribute to his enormous

contribution to Iarnród Éireann through over a decade's service to the Board, including six years as Chairperson. Frank's wealth of experience was invaluable in setting us on the path to this era of expansion, and I am fortunate to have had the opportunity to work with him on the Board during the final months of his tenure. I would also like to pay tribute to long-standing Board members Valerie Little and Dr Peter Mulholland whose terms concluded in 2023 for their contributions to the Board and Company.

I wish to thank the Minister for Transport Eamon Ryan TD for the honour of appointing me as Chairperson, and thank him, his Department of Transport officials, and Chief Executive Anne Graham and the leadership team at the National Transport Authority for their ongoing support.

We look forward to working in partnership with them, and with all stakeholders, in this decade of delivery.

Finally, I would like to thank my Board colleagues and the entire Iarnród Éireann team led by Chief Executive Jim Meade for their continuing commitment to safety and service quality for the customers and communities we serve.

Steve Murphy
Chairperson

Chief Executive's Report

The entry into service of new Intercity railcars and arrival of new DART+ carriages in 2024 could not be timelier.

The continued recovery in passenger demand and strengthening of the performance of Rosslare Europort during 2023 augur well for the major investment set to be delivered across our network and at Rosslare.

With the pre-COVID highs of over 50 million journeys once again within reach – and Intercity journeys on many routes at record highs – the entry into service of new Intercity railcars and arrival of new DART+ carriages in 2024 could not be timelier.

Significant milestones were achieved during the year across our capital investments programme, including:

- Securing the first railway order for heavy rail in over a decade, for Glounthaune to Midleton twin-tracking; additionally, a Railway Order hearing for DART+ West was held, and the application for DART+ Southwest was submitted.
- Manufacture of new DART+ carriages commenced, with the first of 185 carriages on order arriving in 2024.
- Contracts awarded for the new Ceannt Station in Galway, and Waterford North Quays project, while the transformation of Limerick's Colbert Station continued.
- Work on reopening the Foynes line for freight services progressed.
- Rosslare Europort masterplan and OPW T7 works began, as well as the planning process for the Rosslare Offshore Renewable Energy Hub.

Expanding our services – as we did on Cork, Mayo, Carlow, Drogheda and Portlaoise routes in 2023 – will allow commuters and communities to travel more sustainably, and sustainability is central to how we plan and deliver those services. The launch of our Climate Action Plan in 2023 detailed how we intend to reduce emissions by 51% by 2030, with the support of the Department of Transport and National Transport Authority.

Our Safety

Safety is our number one priority at Iarnród Éireann and will continue to be a central focus for the company. We are committed to providing a safe Railway environment and preventing serious harm to the safety and health of our customers, employees, and contractors arising from our operations. We all have a role to ensure that we, and our colleagues and contractors return home safe each day.

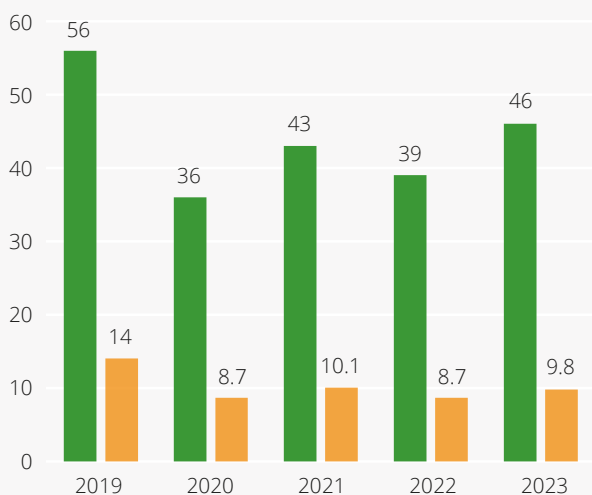
Key focus areas in 2023 included the integration of Human Factors into all projects to ensure that the needs of all end users, including staff and passengers are met.

The rollout and application of RM3 (Risk Maturity Model) continued in Iarnród Éireann business functions, which identifies and finds opportunities for improvement, particularly in safety and safety culture.



A key focus of the IÉ Strategy 2022-2027 is building on good progress in Safety Performance to support colleagues to call out unsafe behaviour. The introduction of CIRAS – a Confidential Close Call Reporting System, in conjunction with the rollout of Safety Leadership and Safety Behavioural training, are in place to support colleagues and contractors in providing a safe Railway environment.

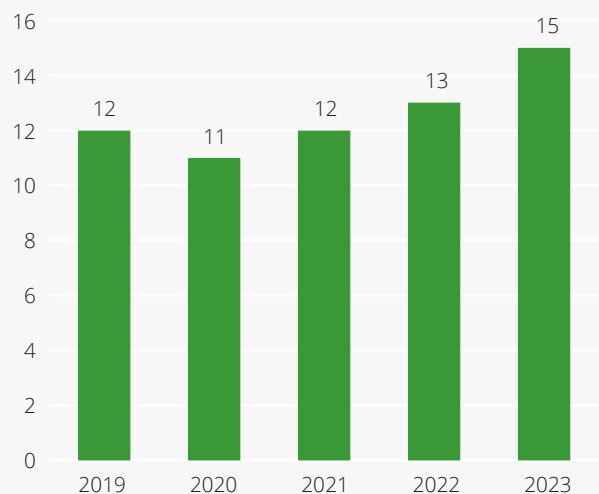
Employee Lost Time Accidents (LTAs) (Exc Psychological)



■ Lost Time Accidents (Reportable)
 ■ Lost Time Accidents (Reportable) per 1,000 Employees

Employee LTAs in 2023 are up by 18%, an increase of seven on 2022, but remain 10 below the pre-Covid figures of 56 Employee LTAs in 2019. Slips, Trips and Falls and Manual handling incidents account for the majority of all LTAs, all being at the lower end of the scale in terms of seriousness. An increase in LTAs, in particular manual handling incidents, can be attributed in part to the increased business in Rosslare Europort.

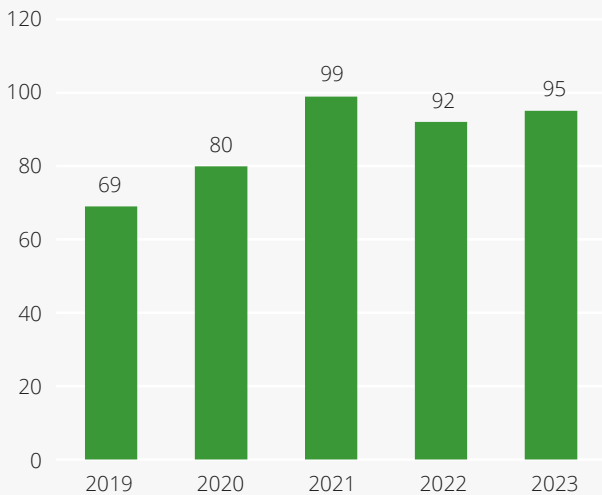
Category 1 Level Crossing Near Miss



Category 1 Level Crossing Near Misses are up by two on 2022. The positive downward trend experienced over the last number of years has halted with this slight increase. This continues to be an area of priority with continuous engagement with stakeholders,

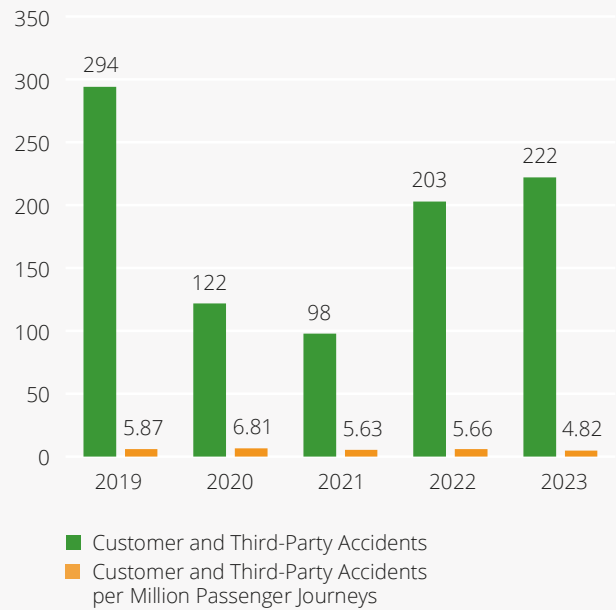
including landowners, local communities, and An Garda Síochána. There has been considerable investment of resources to mitigate this issue including the roll out of technical controls at high-risk locations and mitigations such as Level Crossing Awareness days and campaigns in the media.

Bridge Strikes



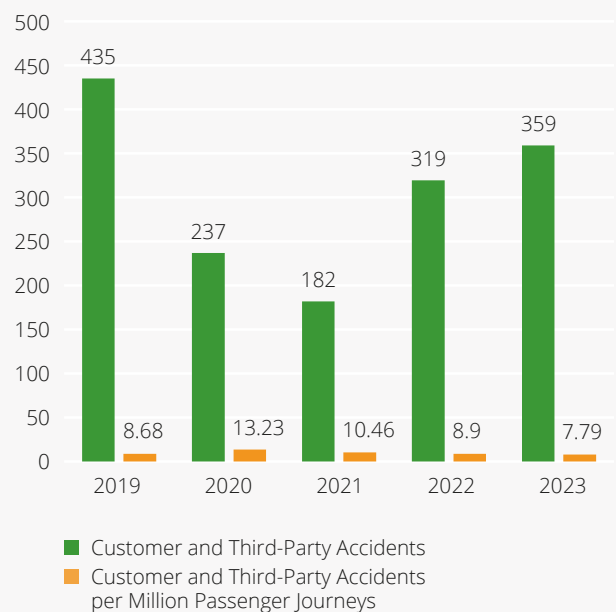
The number of Bridge Strikes has increased by three on 2022 figures, driven by a significant increase in road activity. It is worth noting that, while the number of strikes has increased, the number of serious or potentially serious incidents has decreased. There have been a number of technological solutions implemented in high-risk areas with the introduction of mitigations such as advance warning lights and this area is continually monitored.

Customer and Third-Party Accidents (Injury Sustained)



There is a 9% increase from 2022, up from 203 to 222. This is lower than pre-Covid figures of 294 in 2019. The number of incidents per million train passenger journeys is down by 15% on 2022, with passenger journeys increasing by almost 29% in 2023.

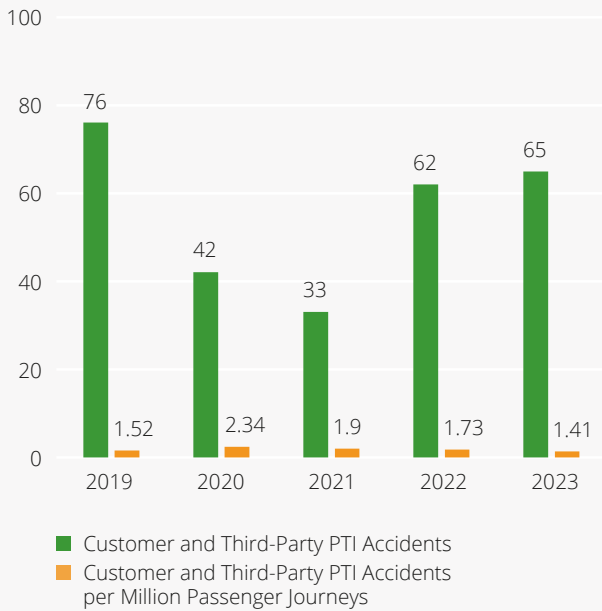
Customer and Third-Party Accidents (All)



There is a 13% increase in the number of Customer and Third-Party Accidents from 2022. Up from 319 to 359.

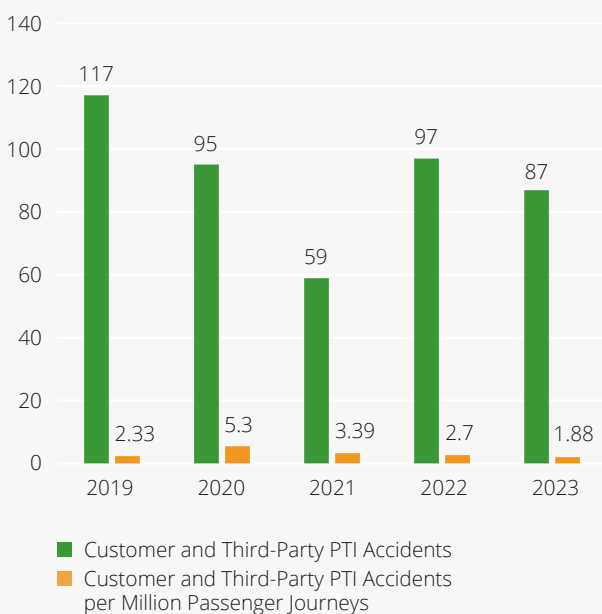
The number of incidents per million train passenger journeys is down slightly by 13% on 2022, with passenger journeys increasing by almost 29% in 2023.

Customer and Third-Party Platform Train Interface Accidents (Injury Sustained)



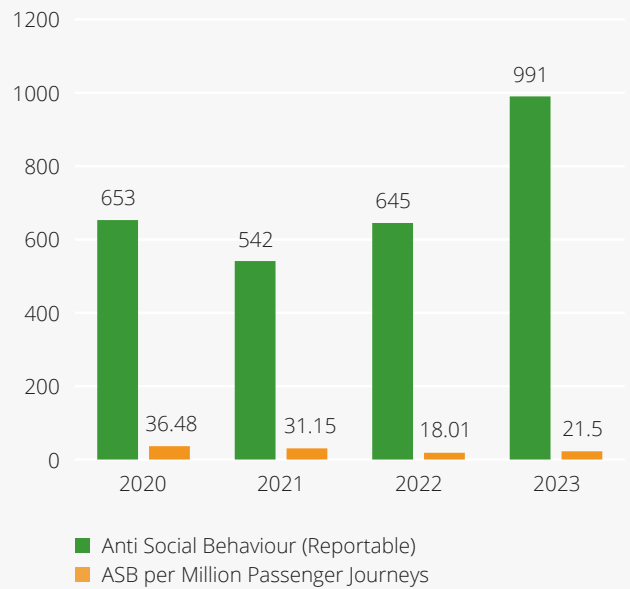
Injuries sustained have increased by 5% on 2023 figures, up to 62 from 65. However, there is a positive downward trend of a reduction of 18% in the number of incidents per million passenger train journeys, with passenger journeys increasing by almost 29% in 2023.

Customer and Third-Party Platform Train Interface Accidents (All)



The number of incidents has decreased by 10% on 2022 figures, down from 97 to 87, and a greater reduction of 30% in the number of incidents per million passenger train journeys.

Criminal and Anti-Social Behaviour

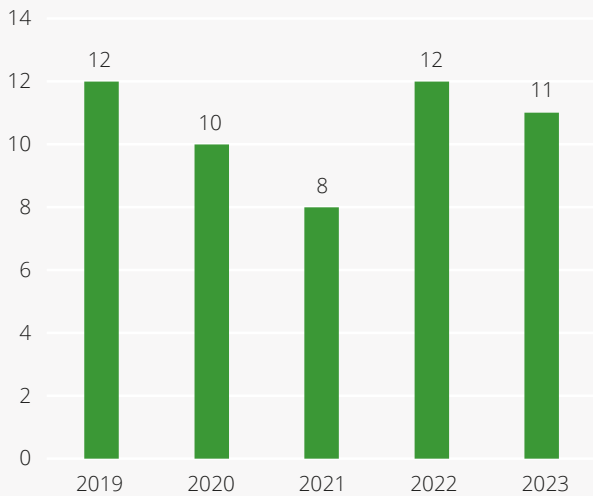


There has been an increase of 53% in the number of reportable incidents in 2023, compared to 2022, and 19% in incidents per million passenger journeys – from 18.0 per million to 21.5 per million journeys.

Increased security patrols and detection, with additional resources seeing interventions at major terminus stations, has contributed to the increase in incidents recorded.

A new monitoring group has been put in place, led by Iarnród Éireann’s Chief Security Office and proactive liaison with a dozen Rapid Garda Response Hubs have been established around the Intercity network in the event of passenger issues escalating. These Hubs, in conjunction with the Security Control Room for the DART and Commuter area, allow Iarnród Éireann colleagues to liaise directly with An Garda Síochána to address incidents of antisocial behaviour. The rollout of the remote security hubs to additional locations in 2023 has also contributed to the increase in reporting.

SPADs



There was a slight decrease in Signals Passed at Danger in 2023, down one incident from 2022. Iarnród Éireann's Human Factors Specialist continues to collaborate with drivers and managers to identify areas of improvement and to aid analysis of trends in SPAD incidents. Training/re-training and continuous review is ongoing. It is worth noting that there has been a large volume of new recruits to the Driving grade over the past three years and it would appear that this has not had a negative impact on the number of incidents, however, this situation is being closely monitored to identify any issues.

Insight: Triona Heffernan's experience of the Safety Leadership Training Programme

The European Rail Agency (ERA) Safety leadership training course is a one-day classroom based, and highly interactive training, exploring the circumstances leading to an accident, based on a real incident. The film describes an accident to which any rail professional should be able to relate, progressively revealing critical organisational failures, from which the day's training is shaped around.

Over recent years the ERA Safety Leadership one day Training Programme was rolled out across the organisation to senior and middle management and is currently available this year for Frontline Supervisor positions in Infrastructure.

The training was delivered by colleagues from the Office of The Director of Health and Safety. The benefit of internal trainers is that they have an organisational understanding, which added to the context of safety issues and concerns openly discussed during the training day. The Safety Leadership Principles at the core of the training provided were:



The Safety Leadership training provided, highlighted the importance of prioritising and speaking of safety in all aspects of our work on a daily basis.

I've worked within the CCE Department for 22 years and the Safety Leadership training provided, enforced my view as Regional Manager:

- to prioritise safety in the planning, execution, and control for both our maintenance and renewal works
- to prioritise safety in the selection of work methodologies and selection of competent staff to carryout key safety roles, while ensuring allocation of resources and sufficient engineering possessions times required
- to ensure compliance with our Safety Management System, especially when managing contractors.

As well as compliance, and planned proactive monitoring and inspection, we also need to praise good safety behaviour and empower staff to report any safety concerns or issues and ensure they are resolved, therefore providing overall safety for staff, contractors, IÉ assets, trains, and our customers.

Safety is everyone's responsibility, and we can all be safety leaders.

Capital Investments

2023 saw a range of key capital investment projects progressing, the delivery of which will improve the service provision for our customers and encourage a greater modal shift to public transport, reinforcing our position as a leading provider of sustainable transport in Ireland. The projects facilitate commuter and regional sustainable development and connectivity.

DART+ Programme

The design development process for DART+ infrastructure continued in 2023, with key milestones including:

- DART+ West undergoing the oral hearing as part of the Railway Order process in October.
- DART+ Southwest, following receipt of government approval, lodged its Railway Order application in March.
- DART+ Coastal continued its design development process and as soon as government approval is received is expected to lodge a Railway Order application in Spring 2024.
- The design and build contract for the charging infrastructure at Drogheda Station to support the battery electric trains was awarded in June 2023.

The aesthetic and technical design process for the new DART+ trains – Battery Electric Multiple Unit (BEMU) and Electric Multiple unit (EMU) was completed in September 2023. Assembly of the first vehicles commenced in October at the Alstom factory in Katowice, Poland.

The Wagon Shop at Inchicore Works was selected as the main testing and commissioning facility for the DART+ Fleet. A contract was awarded in September 2023 and construction commenced in October 2023 to renovate and upgrade the Wagon Shop; this work is scheduled for completion in June 2024 ahead of arrival of the first BEMU. Designs were developed and finalised for a building to house four driver training simulators that will be delivered as part of the DART+ Fleet project and associated classroom facilities, it is anticipated that construction will commence in Spring 2024.

All the 41 additional Hyundai Rotem Intercity Railcars ordered in December 2019 and manufactured in South Korea were delivered by the end of February 2023. The testing and commissioning programme commenced immediately after delivery and a total of 18 vehicles have completed this phase as of December 2023. The vehicle safety approval application was submitted

to the Commission for Rail Regulation in Q4 2023, with safety approval achieved in February 2024. The engines on the 41 additional Intercity Railcars are compliant with the latest stage five exhaust gas emissions regulations and require Ad-Blue in addition to Diesel fuel to operate. A project to install Ad-Blue dispensing facilities at six main fuelling locations around the IÉ network was completed by the end of December 2023.

National Train Control Centre

The National Train Control Project (NTCC) located at Heuston Station will replace the current traffic control centre at Connolly Station. The new facility will provide for the safe and efficient management of rail traffic in a single location and accommodate future service expansion.

There are also third-party facilities currently accommodated within the building for An Garda Síochána, and further facilities are planned to be provided for Dublin City Council's Traffic section in 2024. The software development of the NTCC Traffic Management System (i.e. the system which will manage rail traffic when NTCC is commissioned) continued throughout 2023, and works have commenced on the software testing phase. The on-site hardware installation works for the Traffic Management System were completed in 2023. The entire system is expected to be tested and commissioned by the end of 2025.

Cork Area Commuter Rail

The Cork Area Commuter Rail Programme (CACR) has continued to advance at pace during 2023 with the three EU Recovery and Resilience Facility (EURRF) funded projects now at:

- construction stage for the Kent Station Through Platform project
- construction stage for the Signalling & Communications Upgrade project
- an Operational Railway Order confirmed by An Bord Pleanála for the Glounthaune-Midleton Twin Tracking project, a first in over a decade for Iarnród Éireann and first railway order in a decade for Ireland.

In addition, the overall programme including eight new stations, a new fleet depot, electrification of the CACR network and new electric fleet are also advancing with the tender issued for the Multi-Disciplinary Consultancy to progress the preliminary design and statutory approvals phases for the overall CACR programme, issued in Q4 2023.

Ceannt Station Redevelopment

The Final Business Case for the redevelopment of Ceannt Station was approved by NTA and the Department of Housing, Planning and Local Government, who are both co-funding the project's construction phase, at end of Q2 2023. NTA subsequently gave approval to award the main construction contract in Q4 2023. This project will improve the passenger experience in the station environment and will integrate the station with the proposed new development to the south, improve integration between bus and rail, and facilitate future capacity increases. The construction period is forecast to last 30 months, with completion scheduled for Summer 2026.

Colbert Station Refurbishment – Phase 1

This project includes the provision of a new sheltered bus bay facility, with new accessible ticket offices, staff offices, retail units and toilets, as well as refurbishment works to the existing facilities. Construction commenced

in Q2 2022 and is close to completion. The new Iarnród Éireann ticket office opened in the station in Q3 2023, and the new bus bays will be brought into public use in January 2024. The staff offices, retail units and toilets will be completed by mid-2024.

Train Projection System – Drogheda to Greystones

The Train Protection System (TPS) Drogheda to Greystones project is being delivered as a European Train Control System (ETCS) Level 1 solution in two workstreams: Trackside and Onboard. The installation of ETCS trackside infrastructure, e.g. cable containment, location cases, track balises, was 90% complete at the end of 2023. In total, over 38km of cable containment, 185km of cable, 91 location cases and 928 balises have been installed by this project. The onboard workstream involves the design and fit-out of a single 22000 Class Diesel Motive Unit with ETCS equipment. During 2023 the on-board system was installed and dynamically tested between Howth and Howth Junction.

Insight: Glounthaune to Midleton Twin Track Project

A major milestone was reached in the Cork Area Commuter Rail (CACR) programme in 2023, with An Bord Pleanála (ABP) granting a Railway Order for the Glounthaune to Midleton Twin Track (GMTT) project. The Railway Order (RO), the equivalent of planning permission, will enable Iarnród Éireann to complete the twin-track of the 10-kilometre route, enabling the capacity of the Cork Commuter rail network to treble as envisaged in the Cork Metropolitan Area Transport Strategy (CMATS).

This is the first active RO in almost a decade to be granted in Ireland and is the result of huge efforts of a dedicated Project Team who had to deliver on extremely tight and challenging funding and programme deadlines. Lead by Joe Lacy, Calvin Brannigan and James Kenny, the team are all based in Cork and relished the opportunity to work on this ambitious project, which when realised will transform the very city which they and their families live and work, for the many generations to come. Colleagues across IÉ, ClÉ, and our multi-disciplinary consultant team, Mott MacDonald worked together throughout the process enabling success in securing the RO.

A key strategic priority was to develop the design within our existing railway boundary to minimise the impact on the local community, landowners, and stakeholders. A key part of the RO process was the undertaking of the non-statutory public consultation, which helped engage the community and stakeholders. This collaboration proved invaluable, helping to inform the project's design and incorporate constructive public feedback. The application was submitted to ABP in November 2022, which began the statutory public consultation undertaken by ABP, in total 16 submissions were received which is a remarkable testament to the efforts of the team, highlighting the depth of engagement undertaken with stakeholders. ABP granted the RO in October 2023 and following an 8-week judicial review period without challenge, the Railway Order became operational, further demonstrating the positive steps taken by the team to inform and engage with stakeholders.

Next Steps

With the railway order secured, the project gears up for the next phase. An Invitation to Tender for construction works will be issued in January 2024, marking a significant step toward turning plans into reality. The construction is due to commence in the summer of 2024, with the twin-tracking expected to be completed by late 2026. The Glounthaune to Midleton Twin Track Project stands as a testament to effective collaboration, transparent communication, and the successful navigation of complex regulatory processes while meeting challenging funding milestones.

Woodbrook Station

The main construction contract for the new Woodbrook DART station (located between Shankill and Bray) was awarded in Q4 2023 and works on site are progressing well.

Kishoge Station

Works commenced in Q3 2023 to refurbish Kishoge Station. The station is expected to come into passenger operation during Summer 2024.

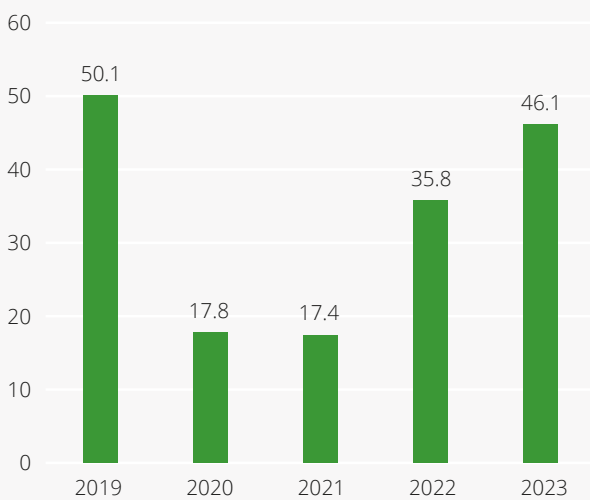
Iarnród Éireann's Accessibility Programme

In February 2023 and June 2023, respectively, new station footbridges with lifts were opened to the public at Gormanston and Dalkey stations. These projects were delivered by IÉ's Capital Investments Division with the support of colleagues from the infrastructure and teams.

Our Customers

2023 was a very busy year for the Railway Undertaking with Intercity passenger numbers returning to pre-covid levels and DART/Commuter passenger figures showing gains across the full spectrum of peak and off-peak services. Passenger numbers for the year were at 46.1 million passenger journeys, up from 35.8 million in 2022.

Passenger Journeys (Millions)



Railway Operations prepared for the year by restructuring its operations base and creating Service Delivery and Customer Experience Teams. This allowed us to build on our traditional strengths of safety and operational performance by putting customer experience delivery at the heart of all our activities.

The events calendar in the year was significant with a mix of recurring annual events and one-off major sporting and music fixtures. These ranged from the GAA Hurling and Football season, to Rugby, President Biden in Dublin and Mayo, Fairview, Trinity, St Anne's Park and Dun Laoghaire concerts, Bray Air Show, Malahide Concerts, and numerous cruise ships at Cobh and Dun Laoghaire. This encompassed a total of 23 full capacity programmes at Croke Park and the Aviva Stadium: 80,000 attendees at the Bray Air Show, and DART being the mainstay of Malahide concerts, with 20,000 to 25,000 attending each of the seven events.

The year ended with the introduction of a new timetable in December, which saw new services on the Cork, Belfast and Westport routes introduced, and late-night specials added on Thursday nights as well as Fridays and Saturday nights in December in the run up to Christmas.

Services operated throughout 2023 in the context of large-scale infrastructure improvement works taking place on some of our major routes, these were planned around events and long weekends. Operations and Infrastructure worked as one team to ensure disruption was kept to a minimum and key event were not impacted.

Insight: Bray Air Show 2023

One of the key achievements for Operations and the Customer Experience team in 2023 was the execution of a new Operations event plan for the Bray Air show, which took place in July. The Air show weekend coincided with a Celtic V Wolves friendly in the Aviva Stadium on Saturday, three concerts in Dun Laoghaire and an All-Ireland final in Croke Park on Sunday. These events combined in creating the busiest weekend the DART business had seen for some time.

The Air show event plan was an 'all in one' document that helped pull together a robust two-day plan. It set down a start to finish outline of the event to location maps and in-depth contacts list.

Ensuring a transformed customer experience from the 2022 event, learnings from it were also adopted into the plan. Specifically, the plan addressed:

- Internal Stakeholder Meetings, commencing from January 2023 to plan and prepare.
- External Stakeholder Meetings, with Bray Air Show Event Organisers, Bray Gardaí, Wicklow Fire Brigade, Bray Town Council, including a preparatory tabletop exercise.
- Improved communication with Bray Gardaí. Additional advance engagement and Garda resources for both days helped change the traffic plan on the Saturday making the station a sterile zone, to manage the crowds without vehicles impacting on the plan.
- NTA were present in the Event Control Centre for the first time based in Bray Civic Buildings, and event team management had direct contact with the Control Centre.
- Colleagues were placed in every station from Malahide/Howth to Greystones, delivered with the help of the CX Event Team. Specific event teams were set up in Connolly, Pearse, Dun Laoghaire and Bray for the various events, as well as a full event team in Lansdowne Road Station on Saturday for the Celtic V Wolves match.
- Proactive social media to manage customers' expectations when travelling to the event by DART and encourage planning of travel at busiest times.

An operations manager was based in the signalling control centre (CTC) over both days to act as a direct liaison between the management teams in CTC and the event management team on the ground.

- Event day arrangements included.
- The closure of Bray Level Crossing to road traffic from 10:00am to 16:00hrs both days, ensuring an uninterrupted approach for DARTs from Shankill into Bray. This was supported by a planned crowd management system at Bray station.
- Active train regulation between Shankill and Bray, with direct contact with event management at Bray, and communication with drivers
- A new Disney type queueing system was developed at the front of Bray Station for post-event returning customers, it is a flexible queueing system that had an overflow system built into it.

The Commission for Railway Regulation stated "Iarnród Éireann should utilise this event as a template for such events and how they are managed."





Commercial Business Units

Rosslare Europort

In 2023, Rosslare Europort experienced continued growth. The port saw a record-breaking number of freight units, with over 226,500 passing through the port, representing a 13% increase compared to the previous year. Passenger services also saw a significant rise, with over 636,000 passengers using the port, a 15% increase compared to 2022 and 9% higher than pre-Covid levels in 2019. Rosslare Europort also set a new financial record in 2023 with revenue growing to €14.9m, up 15% on the previous record set in 2022.

Throughout the year, increases in vessel capacity was achieved with the introduction of Stena Line MV Stena Vision to Cherbourg and MV Stena Nordica to Fishguard, Irish Ferries brought MV Oscar Wilde to Pembroke. Additionally, Finnlines, which introduced a new twice-weekly service to Zeebrugge in 2022, further strengthened the route by adding a third sailing per week directly to Zeebrugge in 2023 with the MV Finnwave with a capacity of 250 freight units per sailing.

2023 also saw the commencement of the largest ever investment in the history of the port with a projected spend of more than €200M that will deliver a world class facility supporting both the region and the country's exporters, importers, tourism, and supply chain industries.

The port also commenced its digitisation journey with the appointment of Brock Solutions that will enable Rosslare to become Europe's smartest port in 2024. Leading edge technology will further support the transformation at the port and greatly enhance the efficiency and customer experience throughout all aspects of their customer journey and experience.

A significant milestone was also reached as Rosslare Europort secured its foreshore license for the development of Ireland's National Off-shore Renewable Hub. This groundbreaking initiative, valued at €220 million, stands as the first-of-its-kind facility in the Republic of Ireland. The port is strategically positioned to support the Offshore Renewable Energy (ORE) industry and accommodate numerous Wind Farm projects planned for the Irish and Celtic Seas.

The port's achievements were recognised when it was named European Ferry Port of the Year at the European Ferry Shipping Summit. Rosslare Europort is the only port in Ireland to have received this prestigious accolade to-date.

Rail Freight and Navigator

Freight business saw total freight revenue of €10.7m in 2023, with Rail contributing €4.6m and Navigator Forwarding at €6.1m. The promotion and growth of rail freight remains a key focus for the organisation.

Rail Freight saw a number of projects commencing to deliver our ambitious Rail Freight Strategy 2040 including:

- works commencing on Phase 1 on the Shannon Foynes Line that will reinstate freight services to the main port on the Western seaboard of Ireland.
- a successful CEF application and funding resulting in the appointment of a Multi-Disciplinary Consultancy team to support the rail freight team regarding the ongoing procurement of new rolling stock, design of

intermodal hubs and new rail freight sites, along with enhancing rail freight connectivity at all key ports and identifying future commercial business development opportunities.

Other rail freight initiatives in 2023 saw the works commence on the refurbishment of the pocket wagon fleet and a trial conducted in September by Iarnród Éireann in partnership with the Doyle Shipping Group (DSG) at Dublin Port.

XPO, a leading provider of innovative and sustainable transport and logistics solutions, began shipping products for Baxter Healthcare from the Iarnród Éireann Freight facility at Ballina to the Port of Waterford.

The Navigator business continued its excellent service provision to the car industry and continued to grow with new contracts secured with our key customers with an overall performance for 2023 of 99.16% deliveries made on time.



Our Finances

The overall result for the year is a net surplus after taxation of €7.5m (2022: surplus €0.8m) with Net Assets of €54.1m (2022: €46.6m). The 2023 surplus reflects the year over year impact of accelerated maintenance spend in 2022, reasonable profit under the NTA Public Service Obligation contract and net positive result across commercial activities.

From 1st January 2023, IÉ operated under a gross contract with the NTA. IÉ receive PSO revenue for delivery of services under the terms of the contract. This contractual revenue is recognised in the income statement of IÉ.

Total revenue of €72.2m (2022: €224.1m) from operations in the year reflects the movement to a gross contract where passenger revenue (2022: €166.5m) and station car park revenue (2022: €4.8m) is accounted for in the NTA's accounts from 1st January 2023. Rail Freight revenue at €4.6m (2022: €4.8m) reduced by €0.2m primarily due to the net impact of the closure of Tara Mines in 2023. Rosslare Europort revenues at €14.9m (2022 €12.9m) is an increase of €2.0m, reflecting continued growth in passenger and freight traffic.

Other revenues increased €17.6m in the year at €52.7m (2022: €35.1m). The increase is primarily due the underlying increase in property income of €5.1m from rental income and a one-off amount in relation to prior year income which was subject to a customer dispute of €10.3m, which was settled in full. The remaining increase of €2.2m relates to Navigator of €0.3m due to increased demand, with higher third-party income of €1.9m in the year.

Payroll expenditure of €315.9m (2022: €296.3m) increased by €19.6m year on year primarily due to the impact of the second year the pay deal put in place in 2022 and an increase in average headcount to 4,559 (2022: 4,339). The increases were across the organisation to ensure delivery of passenger services and increased capital and maintenance projects. Other operating costs of €303.6m (2022: €275.4m) increased by €28.2m on prior year, primarily due to increased maintenance activities, higher operating lease costs and a year over year increase in claims charges.

Total exchequer funding of €910.2m (2022: €822.9m) increased €87.3m in 2023 compared to prior year. Infrastructure Multi Annual Contract funding received from the Department of Transport was €281.5m in 2023

(2022: €241.0m) and a further €23.2m (2022: €19.7m) for capital projects. The National Transport Authority provided Public Service Obligation funding of €345.2m (2022: €166.3m) for the operation of passenger services. Total capital funding for rolling stock heavy maintenance and operation of passenger services received in the year was €42.4m (2022: €39.4m) from Public Service Obligation funding.

The National Transport Authority also provided an additional €204.2m (2022: €227.2m) for capital projects. Other Exchequer funding totalling €13.7m received in the year of which €10.5m related to coastal defence €7.2m, council levies €1.8m, fleet strategy €1.2m and passenger services €0.3m. The remaining €3.2m relates to funding received under Connect Europe Facility for capital investment in all island rail services of €1.9m and Rosslare Europort of €1.3m.

Cash used (excluding intercompany financing) for the year was €55.9m (2022: cash generated €19.9m). The negative cash variance arises from a net surplus, higher depreciation costs, offset by higher working capital requirements and increased capital expenditure. The balance sheet remains vulnerable to an economic downturn or a reduction in exchequer funding.

In 2023 IÉ made a tax adjusted trading profit of €3.0m (2022: €2.0m trading loss). Trading losses from prior years can be used to offset trading profits in the current year. IÉ has utilised these losses in calculating the tax charge for the year.

Rental profit in the year was €6.2m (2022: €4.6m). Gross interest income of €1.5m was received in 2023. A tax charge of €1.9m was booked to the profit & loss account for the year in relation to rental profits and gross interest income.

Consultancy Costs

In line with the 2016 Code of Practice for Governance of State Bodies, consultancy costs incurred in 2023 by the company included in Operating and other costs (see Note 6) are set out in the table below. The increase in maintenance and renewals costs relate primarily to capital projects.

	2023 €'000	2022 €'000
Maintenance & Renewals	16,722	22,400
Operational & Other	490	501
Strategy & Organisation Design	214	1,391
Gross Consultancy costs	17,426	24,292
Capitalised costs	(16,546)	(22,196)
Net Consultancy costs	880	2,096

Our Network

Track renewal works continued on the Dublin/Cork Line in 2023 as part of the Cork Line Rehabilitation Project (CLRP). This has now delivered 163 miles of ballast cleaning, over 70 miles of new track and 20 miles of new drainage. While the project is ostensibly about replacement of aged, life expired assets, we continue to see additional benefits of this project with significantly improved track reliability, improved passenger comfort and reduced journey times. To date the project has resulted in speed increases with 90 miles of track increasing from 90mph to 100mph.

Other successfully delivered projects in 2023 included major bridge renewals on Dublin/Cork, Dublin/Galway and Dublin/Sligo lines and major renewals of points and crossings on the DART and Belfast lines with each of the 3 regional divisions of Dublin, Limerick Junction and Athlone delivering major maintenance and renewal programmes of work.

Modernisation was a further theme from 2023 and the on-going investment in our fleet of on-track machines, which are crucial to the inspection and maintenance of the network, saw the use of our new high output, technologically advanced Kirov Crane along with our new Track Recording Vehicle.

The procurement of a replacement of existing Interlocking architectures with a modern, future-proofed, and fit-for-purpose Computer Based Interlocking (CBI) system has commenced. The contract provides for the supply and support services for a new CBI system across its entire life cycle including all associated functional, operational, and technical interfaces for 25 years. Tender returns are due at the end of Q1 2024.

During 2023, the OHLE Renewals project has renewed just under 40km of OHLE cable and associated supporting infrastructure, part of a preventative maintenance strategy to ensure the infrastructure is fit for purpose that is being implemented through a five-year OHLE renewals contract with Sacyr Neopul. These works took place over six planned shutdown weekends. A total of ten tension lengths were renewed which included the replacement of contact, messenger, earth, and feeder wire during the disruptive possessions with works carried out on associated overhead line equipment such as cantilevers, insulators, tensioning devices, and section insulators throughout the year during non-disruptive midweek night possessions.

Operational Telecoms Network Replacement: Iarnród Éireann's Transmission systems are becoming life expired and are being replaced with Multiprotocol Label Switching – Transport Profile (MPLS-TP) whilst maintaining services and without operational impact. MPLS-TP is a like for like replacement for the SDH/PDH Network, designed for Operational Telecoms in Power and Railway and implemented across European Railways. 23% of the 103 confirmed nodes required to support the operation of the NTCC are commissioned. Overall, the programme of works requires the renewals of circa 500 nodes.



Insight: Over Head Line Equipment (OHLE) Renewals by Tissa Teresa Thomas, Graduate Engineer (SET)

In July 2023, I commenced my six-month rotation with DART OHLE Renewals team in Electrification SET as part of the SET Graduate Programme. The OHLE renewals project team is part of a preventative maintenance strategy to ensure the infrastructure is fit for purpose. This is being implemented through a five-year OHLE maintenance and renewals contract with Sacyr Neopol and four of their sub-contractors. The team in 2023 has renewed just under 40,000m of OHLE wire and associated supporting infrastructure. During my rotation, I attended four disruptive possessions on site.

The final disruptive possession of 2023 took place on the October bank holiday weekend between the dates of the 28th and 31st. DART OHLE Renewals project team, safely and successfully replaced over 11,600m of wire over seven consecutive shifts during this planned 76-hour shutdown. The works were carried out over a 3.5km stretch of track between Clontarf Road and Raheny. This work was on both lines where all eight wires in the section were replaced.

Through good planning and management skills all parties delivered the works safely within a limited time frame. The inclusion of safety briefings prior to works, on site safety briefings before each shift and constant checks to quality insured works were of the highest standard. The experience of working on site has benefited me in my understanding of the aspects and difficulties of planning and executing a disruptive possession.

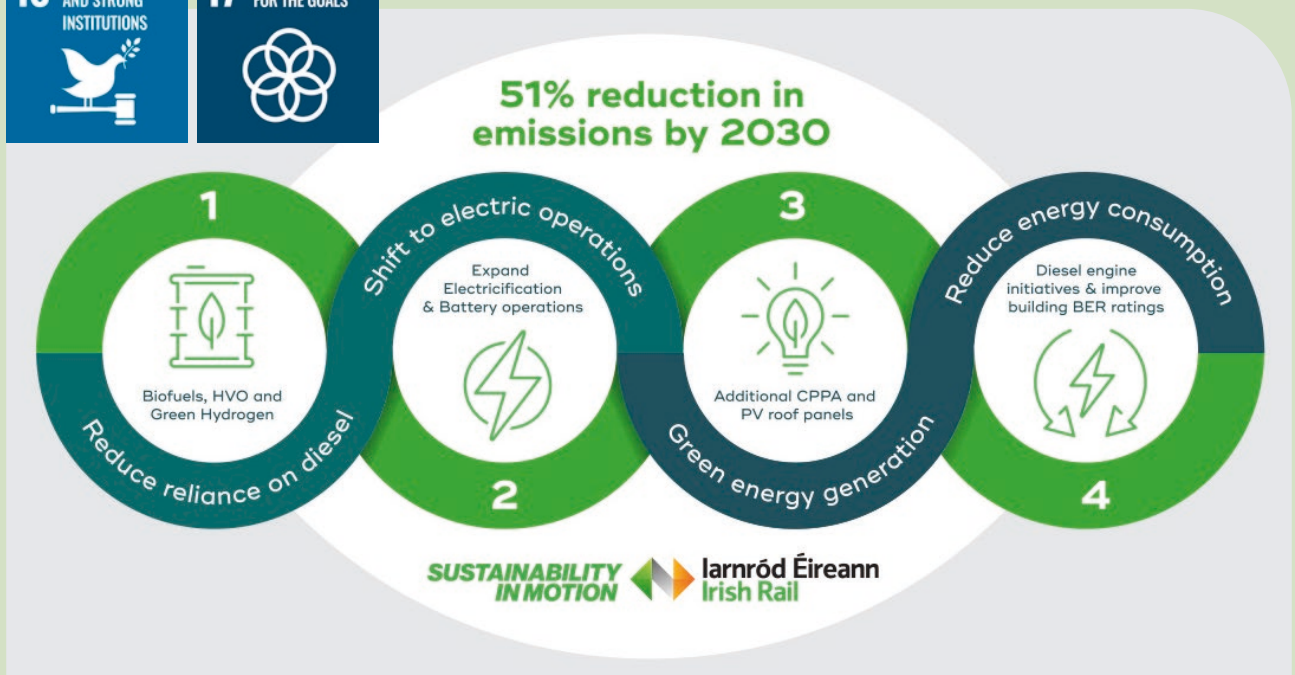
Sustainability



Iarnród Éireann's sustainability strategy details the company's commitments across environmental, social, and economic sustainability. Iarnród Éireann, in collaboration with key internal and external stakeholders, is pursuing a wide range of initiatives under these three key inter-related pillars. These initiatives support the delivery of a number of key national policies and strategies promoting national development, diversity, social and environmental responsibility including addressing climate change adaptation, resilience and mitigation. Iarnród Éireann along with 25 other organisations was appointed by the Minister of Transport to advocate for the delivery of the UN Sustainable Development Goals (SDGs) as SDG Champions.

During the year Minister Ryan launched our Climate Action Plan which lays out our pathway to achieving 51% emissions reduction by 2030. We have updated our company-wide sustainability strategy ('Sustainability in Motion'). Climate Adaptation, Waste Management and Circular Economy, and Scope 3 Emission Reduction strategies have been prepared for launch in 2024.

In absolute terms, energy consumption and carbon emissions have returned to 2019 pre-Covid levels now that service levels have been fully restored.



Our 2030 Sustainable Development Goals



Traction Diesel

Diesel consumption is up 3.5% while passenger kilometres for diesel services increased by 28% on 2022.

There was a further increase in Train km of 8.5% resulting from increased service frequencies on certain routes.

DART

DART traction electricity consumption has seen a very minor decrease of 0.3% on the 2022 figure while DART passenger kilometres have increased by 25% which demonstrates an increase in energy efficiency.

Road Fuel

Road fuel usage increased by 1.2% on 2022. Whilst Iarnród Éireann is actively pursuing a policy of electric

vehicle procurement for passenger cars, the commercial landscape and internal charging infrastructure is not yet mature enough for us to step away from diesel vans.

Electricity

Electricity consumption for fixed assets (buildings, signalling system, telecoms system) continued its downward trajectory with a decrease of 1.5% on 2022.

Gas

Gas usage increased by over 20% on 2022 as a result of the increased usage of the NTCC building, restoration of gas supplies to Limerick Depot, increased maintenance activities in rail depots and increased operations usage at offices and stations.

Sustainability is integral to all our operations and many of the initiatives are detailed above across all areas of Iarnród Éireann's businesses. Further 2023 Sustainability initiatives include:

Decarbonisation and Energy

The Energy and Carbon profile for Iarnród Éireann (MWh) is shown below (all figures rounded to '000):

Energy and Carbon Profile – Iarnród Éireann (MWh)

Year	Y 2019	Y 2020	Y 2021	Y 2022	Y 2023		2023 vs. 2022
Diesel oil for traction	460,113	375,233	441,315	450,078	466,009	●	3.5%
Electricity for traction	27,695	23,235	23,453	26,034	26,103	●	0.3%
Road Fuel	14,676	14,645	14,644	15,172	15,360	●	1.2%
Electricity Fixed Assets	37,275	35,910	34,413	33,797	33,287	●	-1.5%
Gas for heating	9,213	9,448	9,673	8,821	11,052	●	25.3%
Total Energy MWhr	548,972	458,470	523,498	533,902	551,811	●	3.4%
Total CO ₂ Emissions ('000 tonne)	137.6	112.3	135.8	131.7	134.5	●	2.1%
DART CO ₂ emissions ('000 tonne)	9.5	7.7	9.1	8.6	8.3	●	-3.4%
CO ₂ Emissions tonnes/ '000 train km TOTAL	7.1	6.6	7.9	7.2	6.8	●	-5.9%
Passenger M km	2,399	877	870	1,731	2,235	●	29.1%
Total Energy MWhr per 10k Passenger km	2.29	5.23	6.02	3.08	2.47	●	-20.0%
Train M km	19.26	16.95	17.10	18.24	19.79	●	8.5%
Total Energy use MWhr per 100 Train km	2.85	2.70	3.06	2.93	2.79	●	-4.7%

Overall

The overall use of energy increased by 3.4% vs. 2022. This energy increase is primarily driven (>90%) by increased Traction Diesel resulting from capacity additions to Cork Commuter, Heuston/Newbridge, Grand Canal Dock/Hazelhatch and a new Connolly/Gorey evening service.

Costs

Gas wholesale markets is the main driver of electricity costs and there was a significant stabilisation of prices in comparison to the volatility of 2022.

Electricity costs per unit decreased by 22% from 2022 to 2023. Iarnród Éireann are preparing to go to tender for a CPPA (Corporate Power Purchase Agreement) for off-site zero carbon renewable energy generation which will reduce our financial exposure to the wholesale electricity markets.



Decarbonisation

Note: SEAI is the state body that administer CO₂ accounting and reporting for the mandatory 2030 climate targets. SEAI independently calculate the Iarnród Éireann CO₂ footprint based on Iarnród Éireann energy inputs. Note that the method of reporting CO₂ and kWh data in this report has been modified to adapt the SEAI figures directly into our table as opposed to the previous values that were generated by calculation (2019-2023 inclusive).

Our net carbon emission of 134,500 tonnes is an increase of 2.1% on 2022 and is driven by the increased diesel consumption. Note that this figure comprises of Scope 1 (rolling stock and road vehicles fuel combustion, thermal) and Scope 2 (purchased electricity) emissions.

Insight: Net Zero Works Site

Over the October Bank Holiday weekend, the Infrastructure Department embarked on its very ever net zero site works. The ballast cleaning works between Mosney and Laytown were undertaken including Capital On Track Machines (OTM's), welfare facilities, vehicles, small plant, and equipment operated on alternative power source or alternative biofuel. The move from diesel to alternative power source/biofuel delivered a 90% reduction in the carbon emissions on site. To offset the remaining 10% of our carbon emissions, 300 trees were planted at Ballykilty, Co. Wexford.

All small plant and equipment were battery operated for the first time resulting in zero emissions on site. In addition, using electric small plant and equipment in place of traditional diesel engines meant that everyone in the vicinity including those living near the site saw a significant reduction in noise and pollution.

The welfare facilities on the ballast cleaning site were designed to operate primarily on solar power, ensuring minimal carbon footprint and virtually zero emissions. The Green welfare facilities with smart design and energy efficient processes saved 98% energy compared to traditional units.

These works were a pathfinder for the measures to achieve 51% target reduction of carbon emissions by 2030 and Ireland's plan to become carbon neutral by 2050.

41 additional 22000 ICRs (Intercity Railcars) will enter service from 2024 increasing capacity and in turn increasing our emissions figure for diesel rolling stock. This is in line with our forecasts, with emissions set to reduce under our Climate Action Plan from 2025 to 2026, as DART+ fleet enters service.

Actions undertaken in 2023 and planned for 2024 include:

- ICR ZF Gearbox – Continue operation of Set 7. Complete the Preliminary Business Case and commence a funding application to deliver the preferred solution to upgrade the 22000-fleet traction system.
- ICR Hybrid components and battery packs – Complete the conversion of trainset 63 to hybrid drive. Complete the testing and verification of the converted train. Completion of funding application as detailed in ICR ZF Gearbox.
- 29000 fleet re-power – Complete the feasibility and options assessment study to identify the preferred solution to upgrade the 29000-fleet traction and power generation systems.
- DART+ carriages – Take delivery of the two Head of Series trains. Complete the construction works on various sites at Inchicore works to facilitate the testing and commissioning program with first set planned to enter service in 2025.
- Enterprise (Dublin-Belfast) Route – Complete the Preliminary Business Case and secure funding approval from the funding authorities. Complete the tender document pack and launch the invitation to tender.
- Biofuel – Continue with implementation of B7 biofuel blend in compliance with the Biofuels Obligation Scheme.
- 2023 saw a significant transition to the decarbonisation of our On Track Machines involved in track maintenance. During the year, the fuel source for these machines was changed from Diesel to Hydrotreated Vegetable Oil (HVO). HVO is a renewable and sustainable diesel replacement produced from vegetable oil and fats. Utilisation of HVO results in a net carbon emissions reduction of approximately 90%. Utilisation of HVO fuel in locomotives and passenger trains is also being trialled.
- Hydrogen-powered loco prototype – Install a hydrogen internal combustion engine (H2 ICE) retrofit kit to convert a diesel locomotive to a hydrogen powered locomotive. Implement Phase 1 static testing of the locomotive in 2024.
- Corporate Power Purchase Agreement (CPPA) for renewable electricity – Complete contract and issue tender pack in 2024 Q1 for a volume 56 GWh (80% of total). There will be an 18-24-month build-out period for the renewable farm after execution of contracts.

- Solar PV Rooftop for renewable electricity: PQQ process is underway for a single contract 5-year Framework Agreement. Issue tender package and appoint contractor for 3 Nr. CME Depot (Drogheda, Portlaoise and Running Shed) rooves.
- Road Fleet Transition to EVs Project Plan 2022 to 2030 – All passenger cars being replaced from 2023 to 2030 will be BEV's.
- EV chargers – EV Rapid ultra-rapid chargers (150kW) for use by taxi drivers completed. Support DoT/ZEV1 in future planning around mobility hubs.
- Scope 3 Emissions – Integrate carbon calculation and inclusion of scope 3 emissions reporting into major projects.
- CME Building Office – Upgrade the building in compliance with the nearly Zero Energy Building (nZEB) standards.

Environmental Protection and Enhancement

Iarnród Éireann operates 145 stations and 120 outlying buildings. Our track extends to over 2,400 km of operational track in Ireland. Impacts to water, air, resource use and biodiversity are controlled through environmental management systems implemented in the train maintenance and track maintenance departments.

These systems are certified under the International Standards Organisation (ISO) 14001:2015, Environmental Management Systems. Plans are in place to create and certify similar systems for train operations/ Customer Experience department, Signalling, Telecoms and Electrical (SET) department, Capital Investments Programme, Rosslare Europort and Freight Operations.

Actions Undertaken in 2023 and planned for 2024 include:

Environmental Sustainability Resources

In 2023, Rosslare Operations Manager nominated as Environmental and Sustainability Representative. Two additional environmental graduates were recruited for the Infrastructure Environmental Team. Plans for 2024 include recruitment of an Environmental and Sustainability Manager for Capital Investments. There are plans for two additional environmental graduates to be recruited for the Operations Environmental Team.



Biodiversity

During 2023, various track maintenance activities were successfully completed, with the promotion and protection of biodiversity central to all works. We are acutely aware of our biodiversity obligations when carrying out maintenance and renewal activities and we do so conscientiously with respect to the rich biodiversity within our railway corridors and on our adjacent lands. Ecological assessments and surveys form a key part of the initial stages of all our heavy maintenance and renewal works and these were carried out right across the network and in every county through which the railway traverses. Some of the more sensitive works included:

- Culvert renewal works at Blackrock, County Dublin which outfalls to South Dublin Bay Special Area of Conservation and Special Protection Area. Engagement with the local authority Biodiversity Officer and Island Fisheries Officer ensured the works were completed successfully and sympathetically with respect to our biodiversity commitments.
- Track maintenance works along the Galway line, found bats were roosting within asset areas. To address this, an alternative bat tower roost was provided along the boundary of the railway corridor and a derogation licence was secured to allow exclusion of bat entry to the asset location.
- Local biodiversity initiatives were undertaken at a number of locations across the network, including wildflower and pollinator planting at Carrick-on-Suir, Attymon and Clara. Bug hotels were installed at Enfield, Carrick-on-Shannon and Edgeworthstown within existing wildflower beds. Engagement took place with our landscape contractors to reduce mowing and pesticide use. Vegetation Management – Diseased Ash trees along our railway corridor have become a safety hazard. A technical bulletin was briefed to all Infrastructure colleagues on the identification and management of these trees. Biodiversity training for the control of invasive species to Infrastructure colleagues is on-going.

Waste and Circular Economy

Iarnród Éireann's Waste Management and Circular Economy Strategy document is to be finalised and issued internally in 2024.

The development of sustainable procurement processes that include integration of sustainability requirements in the tendering of goods and services is ongoing. Further development of guidance documents for internal specifiers and buyers is planned for 2024.

Noise Emissions

Iarnród Éireann continues to address public complaints in relation to noise emissions. A noise management operating procedure has been prepared and issued to CCE teams to ensure noise is managed and minimised, insofar as possible, during maintenance works.



Water Management

Iarnród Éireann commenced a Water Stewardship programme in 2023 that started with an investigation into sites with potential leaks as evidenced through billing records. Projects were completed to address

areas where leaks were identified leading to savings of 180,000 litres of water per day in 2023 and a refund of €83k of water charges. Further works are planned for 2024 to tighten controls on usage through more robust tracking systems including submeters and the inclusion of usage data on periodic reports for accountable line management.

Deepening Colleague Engagement

Training

43 Iarnród Éireann colleagues completed the Level 7 Certificate in Fundamentals of Sustainable Resource Management through the University of Limerick. This required the completion of three modules – Sustainable Leadership, Energy Management and Waste and Circular Economy. Additional courses on energy and biodiversity were completed by 30 colleagues in the autumn of 2023.

The Sustainability Pass (through Climate Ready Academy) was offered to all colleagues in two rounds – completed in April and December 2023. New intakes through our Graduate Programme also completed the pass in December. The Sustainability Pass will be offered again in 2024.





Insight: Water Saving, Jimmy Ryan

As a nation we tend to overlook water as a resource and it's a story rarely told. Water can offer financial and resource savings similar to energy and waste. Iarnród Éireann commenced a Water Stewardship programme in 2023 that started with an investigation into sites with potential leaks as evidenced through billing records. Projects were completed to address the leaks and a leak allowance process was

created, this led to the savings of approximately 180,000 litres of water per day in 2023. This project demonstrates that sustainability can mean savings being achieved with no financial cost to Iarnród Éireann.

Robust water management will be accelerated, with three of our biggest consuming sites being water mapped in detail, paving the way for targeted controls on usage via submetering and more robust tracking systems. Improved usage data will also be included on periodic reports for accountable line management.

This project involved many departments and would not have been possible without a One Team mindset. It confirmed the role Iarnród Éireann must play as water stewards going forward and the potential a large organisation like ours has to contribute to the overall national picture.

Go Green Challenge

A team challenge was rolled out to all Operating Companies within the CIÉ Group in November 2023. This challenge consisted of daily tracking of personal carbon footprints associated with day-to-day activities. Iarnród Éireann had 32 teams participate and saved a total of 14 tonnes of CO_{2e} over the course of two weeks.

Environmental Champions

In 2023, Iarnród Éireann started an Environmental Champions Programme across the organisation. This voluntary programme invited those interested to attend monthly meetings with the Environmental Teams to discuss elements of environmental management and to discuss potential initiatives.

Social Sustainability



Our People

2023 has been a year of significant change for the People Profession in Iarnród Éireann as we have continued our journey to implement our People Strategy,

a programme of transformational change that embeds a culture of sustainability.

Digital Modernisation and Sustainability

In November 2023, we launched Oracle Cloud HCM which is now accessible to all colleagues. It is transforming the way all employees engage with HR encouraging new ways of working and is a step change around Talent Development, Performance Management, Benefit Management and Learning and Development.

We are continuing with the introduction of our new modern payroll system to enhance self-service functionality and create efficiencies for all. We have issued all 4,600 colleagues with a mobile device to support engagement across all our internal communication channels.

Employee Relationships

With our key stakeholders and Trade Unions we successfully negotiated the next phase of our pay deal established in 2022 which will ensure ongoing savings and efficiencies. Our Employee Relations team won an award for People Team of the Year in 2023 at the CIPD Ireland HR Awards for the successful Implementation of our Joint Industrial Council.



Health and Wellbeing

Throughout 2023 we launched a number of new initiatives including our partnership with Carers Ireland to support colleagues who are caring for loved ones with additional needs. We have opened

up the conversation around menopause and sponsored a table at the National Menopause Summit inviting colleagues to attend and mark World Menopause Day.

We have also partnered with Mental Health Ireland and our Health and Wellbeing champions have been hosting tea breaks and coffee mornings in their locations, to positively support mental health and social connection.

We have seen some great successes from our smoking cessation programme and have also launched a full calendar of events for the year ahead.

Our Health and Wellbeing programme was successful in its category in the Annual CIPD Ireland HR Awards 2023.



Equality, Diversity and Inclusion

As part of our Investors in Diversity programme alongside the Irish Centre for Diversity, we achieved 'Silver Status.'

We have launched four Employee Resource Groups in 2023 including our Women's, Working Parents, Disability and Neurodiverse Networks which will help to improve the employee experience giving colleagues the opportunity to meet and discuss related issues.

Our ED&I Champions programme continues to grow across the network, we held our first annual ED&I summit and our ED&I Strategy to 2030 is now published.



Apprentice Programme and Engagement

In March we ran our "Try A Trade Day" with second-level students from throughout the country who enjoyed interacting and watching live demonstrations given by our skilled team. Over 500 students attended this event over the three days.

Our partnership with iWish, which promotes education and career options in STEM for second-level female students, strengthened, with Iarnród Éireann acting as travel partner for the annual iWish careers event in the RDS. As well as providing travel for almost 1,000 students to attend the event, female leaders, apprentices, and graduates from across the Iarnród Éireann team travelled on board the services and attended iWish, to inspire and encourage second level female students to consider a career in STEM.

As a partner and participant in the Generation Apprenticeship initiative with the National Apprenticeship Office, our Apprentice Development Executive, Conor Doolan won Outstanding Apprenticeship Advocate of the year. This follows the accolade in 2022 of being Apprenticeship Employer of the Year.

Talent Development

Our Talent Development programmes for Women in Leadership, Graduates, Apprentices and Accelerating Leaders have continued to grow in 2023 with further funding out to 2027. Our graduate intake is expanding to include Learning and Development, Business Operations, Procurement and Environmental in addition to our standard technical intake.



Our Community

In 2023, Iarnród Éireann continued to support the communities that we serve right across the country.

In May, we supported the opening – jointly with Alstom – of a new interactive exhibit for children at the Fry Model Railway Museum, Malahide.

The concept is to encourage children's natural curiosity through interactive elements as their train journey unfolds, enabling them to engage, connect and be taken on an immersive rail journey. It allows children to engage with driver controls, and highlights issues of safety, biodiversity, and working in the railway. The exhibit is aimed at children of primary school age and has been designed with the neurodiverse in mind.

Living the value of Proud of our Past and Passionate about our Future, we celebrated 150 years of the railway to Ballina and 175 years of the railway to Kilkenny. These events allowed the communities that we serve to celebrate their service and to appreciate the central role that the railway serves for both Ballina and Kilkenny.

Our ongoing commitment to the arts continued in 2023. Our station art programme was expanded, with artworks completed at Tara Street, Newbridge, Raheny and Adamstown. More collaborations are planned for 2024.

Our continuing support for Ukrainian refugees in Ireland included:

- The programme of giving to Ukrainian refugees continued in 2023 with free arrival journeys continuing to be distributed. This support came to a total of €123,637.

- Our voluntary donation option in booking to the Irish Red Cross appeal totaled €54,312 in 2023, bringing the total contribution to date to €148,438.
- Working with the Irish Red Cross and Trinity College Dublin, an exhibition of inspiring stories from Ukrainian women, who have been impacted by the war, which were accompanied by striking images captured by Alan Compton documenting the flight, transit and settling of displaced Ukrainians, was displayed at Pearse Station.

The *Dublin Bay Biosphere* awareness campaign took place throughout 2023 with artwork on DART fleet in the form of window images depicting 12 different creatures and fauna that share the biosphere of Dublin Bay with our customers. The campaign, which also featured on social media channels, was launched in January at Connolly Station.

Our partnership with Focus Ireland at Christmas continued with in station events, and we also supported their series of Christmas concerts at Christchurch, Dublin and St. Mary's Cathedral, Limerick. Involvement with charities in the mental health realm continued. We hosted events at stations for the Samaritans, Mental Health Ireland and were once again an official distribution partner for the Green Ribbon.

Oifig na Gaeilge

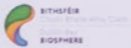
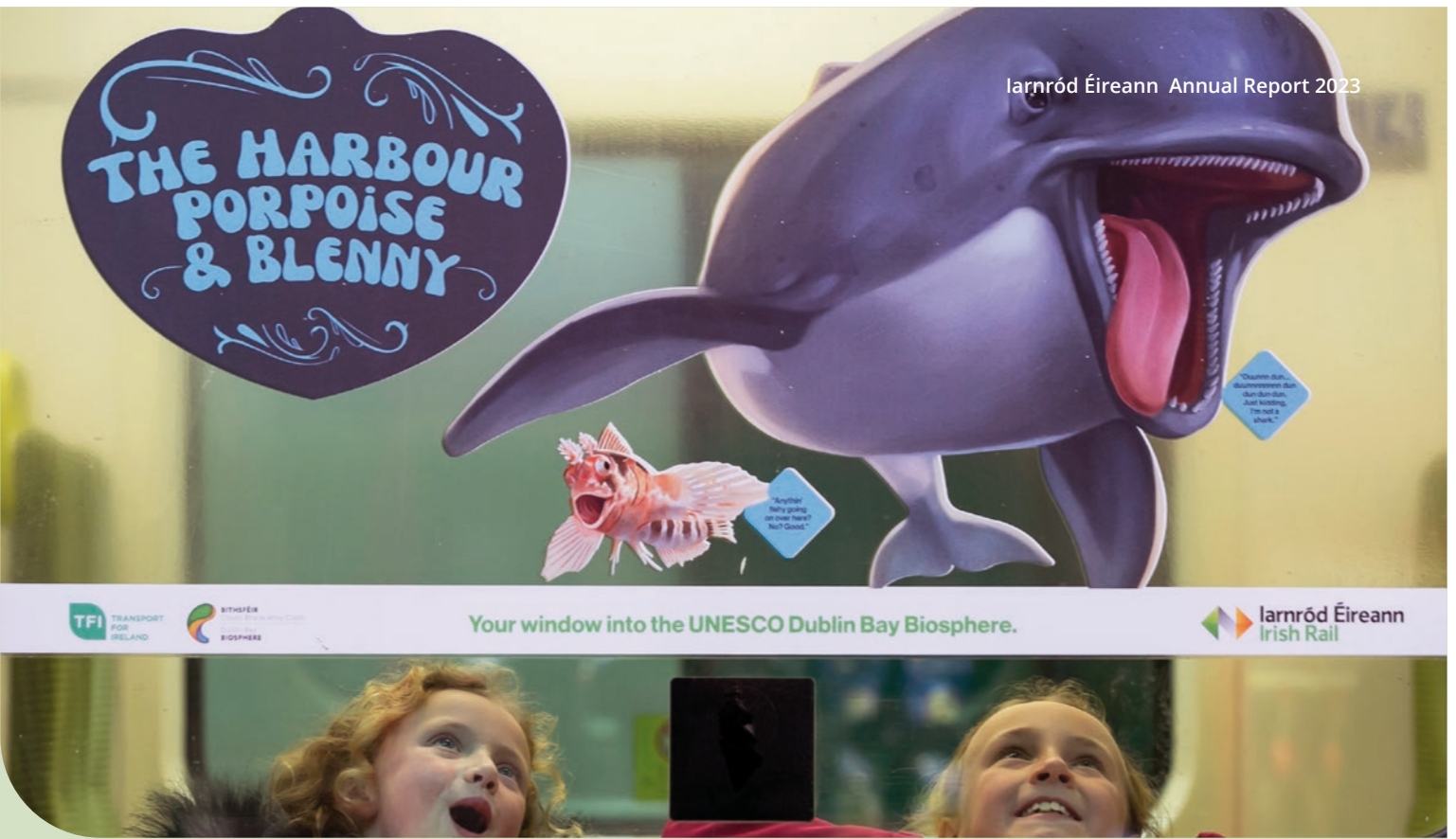
Implementation of the obligations and duties of **An Scéim Teanga** for Iarnród Éireann continued, not limited to advising on and ensuring compliance with the requirements of Official Languages Act, 2003 and all associated regulations.

Bilingual digital signage was made live in eight additional stations throughout the country, with bilingual-ready signage extensively in place – this will be compliant in line with the commissioning of the National Train Control Centre in 2025.

24% of advertising content was bilingual or as Gaeilge, and 4.92% spend on Gaeilge media was achieved in accordance with section 6 of the Official Languages (Amendment) Act, 2021.

1,015 Gaeilge correspondences were received through the Customer relations management system.

Teastas Eorpach na Gaeilge – 15 members of staff across the country participated in weekly classes from October to May from A1 to B1 levels, with TEG accreditation examinations through NUI Maynooth offered to all staff.



Your window into the UNESCO Dublin Bay Biosphere.



Development of online libraries of reference material – bilingual social media content, standard temporary signage, out of office messages, replies and updates to legislation have been formatted and published and for colleagues to use. Thirty bilingual articles on upcoming events and Gaelige opportunities were also published on Workvivo.

Translations – The number of English-Gaelige translations requests processed was 515 for the calendar year – in addition, an average of 70 bilingual/ Gaelige tweets were issued monthly.

Economic Sustainability



Our Transformation

Iarnród Éireann has been working with the Department of Transport and other stakeholders on the All-Island Strategic Rail Review with this project publishing a draft report and recommendations for consultation in July 2023. With implementation the 30 recommendations would transform rail usage across the island of

Ireland, double passenger rail market share, enhance connectivity and result in an additional 700,000 people living within 5 kilometres of a train station. Iarnród Éireann has used its Strategy 2027, Rail Freight Strategy 2040 and work it has been progressing on a longer term Rail2050 strategy to inform its input to the rail review. The vision is to continue developing rail as the backbone of a sustainable transport system, growing mode share for passenger and freight, in response to stakeholder requests, population projections and climate change challenges.

Moving key Rail2050 proposals into implementation planning stages, two rail applications to fund priority studies were successfully made to the European Union Connecting European Facilities (CEF) programme, with support and match funding from the Department of Transport. These projects include preparing a decarbonisation strategy for the national network, developing an approach to Rail2050 programme funding while assessing capacity and journey time improvements on the Dublin-Malahide and Dublin-Cork lines. These build on a 2022 CEF award to prepare implementation plans for our Rail Freight 2040 Strategy with this project now established and progressing priority rail freight actions, supporting the reinstatement of the Foynes Port to Limerick line, procurement of new wagon fleet and design of intermodal terminals.

Directors and Other Information

Directors

Mr. S. Murphy (Chairperson)

Ms. S. Byrne

Ms. S. Roarty

Mr. T. Wynne

Mr. J. Doran

Mr. P. O'Donoghue

Ms. G. Cazenave

Ms. T. Pedersen

Chief Executive

Mr. J. Meade

Secretary

Mr. D. McCabe

Registered Office

Connolly Station, Amiens Street, Dublin 1

Telephone: +353 1 836 3333

Facsimile: +353 1 836 4760

Website: www.irishrail.ie

Registered Number

119571

Auditors

Forvis Mazars, Chartered Accountants and Statutory Auditors



Steve Murphy

Steve was appointed as an Iarnród Éireann Director on 15th June 2023 and was then appointed as Iarnród Éireann Chairperson on 5th January 2024.

Steve has been CEO for MTR UK since 2020, overseeing the delivery of full Elizabeth line services, the joint venture on Southwestern Railway and the start-up of both infrastructure and property development businesses, designed to bring new solutions to the UK Industry. Steve had previously led the award-winning train company MTR Elizabeth line (MTREL) as Managing Director, since its inception in 2015, achieving first place sector status for measurements as wide ranging as on time running, safety standards, workplace diversity and customer service. Steve has been credited as the driving force behind MTREL's escalating success story.

From the start of his career over 30 years ago as a British Rail Graduate trainee and following leadership roles with Chiltern Railways, Iarnród Éireann, Deutsche Bahn and London Overground, Steves approach has been the catalyst for dynamic growth in the industry through constant innovation and an unwavering focus on safety, reliability, and customer service.



Suzy Byrne

Suzy Byrne is Regional Manager in the National Advocacy Service for People with Disabilities. Suzy is also a writer and broadcaster and holds a BA in Sociology and Social Policy. She is a board member of the Irish Council of Civil Liberties and an external advisor to Rethinking Ireland's Equality Fund.



Sarah Roarty

Sarah Roarty joined the Board in April 2019. With a degree in Chemistry, Sarah has extensive experience in science, medtech and pharmaceutical sectors at senior management level gained in world class industries across Europe. Her current role is Enterprise Development Manager with Action Tuam. Sarah served as Vice President of the Board and Chairperson of Audit and Risk for St Jarlaths Credit Union. She currently serves as a member of the Audit committee for Galway County Council. Sarah is founder and chairperson of registered charity Angelman Syndrome Ireland, which promotes equal opportunity, empowerment, and accessibility for those living with Angelman Syndrome and their families.



Tommy Wynne

Tommy Wynne was reappointed to the Board of CIÉ in December 2021 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. He joined Iarnród Éireann as a depot man in 1991 and worked in various roles before becoming a train driver in 1994. Tommy holds a Higher Diploma in International Railway Management from Glasgow Caledonia University. He recently qualified as a Mediator and is registered with Mediators Institute of Ireland (MII). He was President of SIPTU TEAC Division for 12 years and is currently Chairperson of SIPTU Transport Sector. He has recently been elected to SIPTU National Executive Council (NEC).



James Doran

James (Jimmy) Doran was appointed to the CIÉ Board in December 2021 under the Worker Participation (State Enterprises) Acts 1997 to 2001, and to the Iarnród Éireann board at the same time.

Jimmy completed his electrical apprenticeship with CIÉ from 1980-84 and then having worked on the building sites of London for six years he returned to work as an electrician for Bus Átha Cliath in Clontarf Garage in 1991 where he has remained since. Jimmy was elected to shop steward in 1993. He is a member of the Connect Trade Union National Executive Committee, the chair of its National Transport Consultative Committee, and represents the union on the Irish Congress of Trade Unions' (ICTU) Health and Safety Committee and the ICTU Transport Group. Working in public transport is a family tradition for three generations of Dorans as is trade union activism, his namesake and Grandfather being a founder member of Connect trade union's predecessor the IES&FTU in 1920.



Patrick O'Donoghue

Patrick O'Donoghue was appointed to the board in September 2022. He has a degree in civil engineering obtained in 1974. During the period from 1997 to 2017 Patrick had a major involvement in the development of the Luas system in Dublin as an employee of CIÉ and subsequently the Railway Procurement Agency where he was Director of Design, and Construction. This covered all aspects from the initial design, statutory approval, procurement, funding, construction, commissioning, and operations leading to system that currently exists. From 1981 to 1992 he was employed by CIÉ/Iarnród Éireann in Cork and Limerick Junction. This work mainly involved infrastructure maintenance and renewal including the track renewal (replacement of jointed track) and resignalling of the line between Limerick Junction and Cork including Cork Station. In the period 1978 to 1981 Patrick worked with a consulting engineer mainly on the delivery of a major water supply scheme to Cork city and an industrial area to the south. From 1974 to 1978 he worked in the permanent way department of CIÉ in Cork and Limerick. Patrick has completed consultancy work in Ireland and abroad since his retirement in 2017 related to construction contracts.



Gwendoline Cazenave

Gwendoline was appointed to the Board in September 2022. After 20 years of experience in the SNCF Group, where she held key positions in Business, Operations, Strategy and Finance, she was a partner at Olivier Wyman, a strategy consulting firm, between 2020 and 2022. She also has significant expertise in corporate governance, through her non-exec roles at the Union Financière de France and Tallano Technologies. Gwendoline has also led a number of initiatives within gender equality and social and environmental responsibility. Her experience and energy will be used to build and develop the new "Eurostar Group" offering a unique travel experience in Europe with Thalys and Eurostar.



Thilde Pedersen

Thilde Restofte Pedersen was appointed as an Éireann Board of Director on 21st September 2023 and contributes with extensive experience and expertise in managing large, complex programmes and organisations in the rail and transport industries. She is currently the CEO and owner of Nordic Signals, a consultancy firm advising several clients in both North America and Europe on the implementation of new, digital signalling systems and programme management. Previously, she served as Programme Director in Banedanmark (the Danish infrastructure manager) for the implementation of new digital signalling systems on both the nationwide rail network (ERTMS) and the Copenhagen S-bane (CBTC). The deliverables of the Danish Signalling Programme include both track side implementation, rolling stock fitment of more than 350 trains and an advanced traffic management system. Prior roles in Banedanmark also include tenures as Head of Planning and Head of Programme Management Office in the Signalling Programme. Thilde is also a former lead auditor with Rigsrevisionen (the Danish State Audit Office).

The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014 and the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 for the financial year ended 31st December 2023.

Directors' Report

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify the standards in question, and note the effect and the reasons for any material departures from those standards.
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Irish economy continues to perform well reflecting the strong demand for passenger services across the network. The commercial business has performed well despite the impact of the closure of Tara Mines for a significant period in 2023. The directors gave detailed consideration to the nature of the uncertainties facing the company when considering whether it remained appropriate to adopt the going concern basis in preparing the financial statements for 2023. The principal uncertainties facing Iarnród Éireann can be summarised as follows:

Global Economic Uncertainties

Geopolitical factors and increases in interest rates, continues to contribute to a number of general business risks. These include potential disruptions to energy supplies, alongside continued increases in prices with the potential for further increases, the possibility of supply chain disturbances, and a reduction in economic activity and the level of consumer spending.

Commercial Businesses

The businesses are projected to deliver a surplus in 2024 and 2025. The directors, having considered projections, are satisfied that there is not a going concern issue for the company.

PSO Services

Iarnród Éireann migrated to a gross cost PSO contract from 1st January 2023 where the NTA will reimburse the company for the gross costs of delivering the contractual services.

Following engagement with management the directors considered the quantum of funding likely to be required for 2024 and 2025. This included consideration of management engagement with key stakeholders, Exchequer Budget 2023, as well as all relevant publicly available information. The directors are satisfied that it remains the intention of the NTA that the company will be funded in line with the requested PSO services.

Consideration of the assumption that appropriate levels of PSO funding could be provided was an essential element in the director's assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Iarnród Éireann, to allow the company to continue to operate PSO Services in 2024 in line with the level of PSO services requested by the NTA.
- planning has enabled reasonable assessments of the level of funding likely to be required for 2024 and 2025.
- the Exchequer Budget included adequate provision for the continuation of PSO Services in 2024.
- the NTA will receive sufficient funding from the Exchequer to fund the provision of the services requested.

The directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer since the onset of the pandemic which has enabled the continued operation of essential public transport services.

The Group operates a pooled treasury system and Iarnród Éireann relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Iarnród Éireann is evidenced in the Letter of Support from CIÉ to Iarnród Éireann dated 22nd May 2024.

Further details are set out in Note 2 to the financial statements.

Principal Activities and Financial Review

The principal activities of the Company are the provision of Intercity and Commuter Rail passenger services, freight services and the management of Rosslare Europort.

Córas Iompair Éireann (CIÉ), a statutory body wholly owned by the Government of Ireland and reporting to the Minister for Transport, holds 100% of the issued share capital of the Company.

The Company continues to regularly monitor its performance through a range of key operating and financial performance indicators. These reviews by management and the directors include the strong focus on cost management and improved the quality and efficiency of its services for all customers. The 2023 results show the revenue generated from operations of €72.2m (2022: €224.1m), a decrease of €151.9m in the year, primarily due to the migration to a gross contract with the NTA for the provision of passenger services.

Total exchequer funding increased to €910.2m (2022: €822.9m) in the year. The amount of Public Service Obligation ("PSO") subvention received in 2023 was €387.6m (2022: €225.7m) which is an increase of €161.9m year on year. Other exchequer funding received in the year of €522.6m (2022: €597.3m) is a decrease of €74.7m in the year.

The operating costs, before exceptional costs increased by €47.9m year on year, €619.6m (2022: €571.7m), due to an increase in payroll costs of €19.6m, fuel and energy costs of €0.3m and costs associated with passenger services and increased maintenance activities of €28.1m.

The Company recorded a net surplus before taxation of €9.4m (2022: €1.7m).

The directors are pleased to report that the targets agreed annually between the Company and the National Transport Authority ("NTA") were met in full for the year ended 31st December 2023.

There were no dividends paid or declared in 2023 or 2022.

Principal Risks and Uncertainties

The Company is committed to managing risk in a systematic and disciplined manner. Through the risk management framework, the principal risks facing the Company are identified and action plans to mitigate the risks are developed. The principal risks together with the risk mitigation are presented to the board on a quarterly basis. An external audit of the risk management system and processes is carried out on an annual basis.

Financial Risk Management

The Company's operations expose it to a variety of financial risks that include liquidity risk, price risk and credit risk. The CIÉ Group, of which the Company is a member, has financial risk management processes and procedures in place to manage these financial exposures of the Company and other CIÉ Group financial risks.

In order to ensure stability of cash outflows and manage financial risk, CIÉ, the parent entity, uses derivative financial instruments in accordance with the specification to the Financial Transactions of Certain Companies Act 1992 which authorises CIÉ's use of financial instruments including commodity swap contracts.

The CIÉ Group's Treasury Policy, which documents the CIÉ Group's policies with regard to financial risk management, is approved by CIÉ Board and implemented by the CIÉ Group Treasury department.

Price Risk

The Company is exposed to commodity price risk as a result of its operations, in particular the price of oil. CIÉ enters into commodity swap contracts to mitigate the CIÉ Group's exposure to oil price movements. The Company is not a party to these contracts.

Foreign Exchange Risk

The CIÉ Group, and the Company, are exposed to foreign exchange risk in the normal course of business, in particular purchases and sales denominated in sterling and US dollars. The CIÉ Group uses a combination of intra group netting of cash flows, which are denominated in foreign currencies, and forward exchange contracts to mitigate the CIÉ Group and the Company's exposure to exchange rate movements. CIÉ enters into foreign currency forward contracts to mitigate the risk that exists when material financial transactions are denominated in a currency other than Euros. The Company is not a party to these contracts.

Liquidity Risk

The CIÉ Group, actively maintains a mix of long-term and short-term debt finance that is designed to ensure the Group, including the Company, has sufficient available funds for day-to-day operations.

The Board

The Company is controlled through its board of directors. The board's main roles are to approve the Company's strategic objectives and to review the operation of the Company against a series of key performance indicators. The board, which meets at least seven times each year, has a schedule of matters reserved for its approval.

Senior Management Team

The Senior Management Team of the company is responsible for the day-to-day management of the company's activities as delegated by the Board. The Senior Management Team are governed by an organisation structure designed to suit the needs of the organisation in areas including Railway Undertaking, Infrastructure Manager Finance, Commercial, Risk Management, Human Resources, Information Technology, 'Safety and Corporate Communications. The senior management team are also responsible for co-ordinating the activities from a reporting and governance perspective in relation to the company.

Code of Practice for the Governance of State Bodies

Maintaining high standards of corporate governance continues to be a priority of the directors of Iarnród Éireann. The board has developed its corporate governance policy so as to give effect to the Code of Practice for the Governance of State Bodies issued by the Department of Finance.

Details of the Group policies and procedures implemented by the Company following publication of the Code of Practice for the Governance of State Bodies (2016) are set out in the annual report of the Córas Iompair Éireann Group. This can be found on the CIÉ website at www.CIE.ie.

Railway Infrastructure Costs

In accordance with EU Council Directive 91/440 Iarnród Éireann-Irish Rail is required to ensure that the accounts of the business of transport services and those for the business of management of railway infrastructure are kept separate. The infrastructure costs are determined in accordance with Annex 1.A. to EU Regulation No. 2598/70.

Statement on Internal Control

Scope of Responsibility

Iarnród Éireann (IÉ) acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in IÉ for the year ended 31 December 2023 and up to the date of approval of the financial statements.

IÉ has an Audit and Risk Committee (ARC), the Charter and Terms of Reference of the ARC provides for three Board members to be appointed to the committee, one of whom is the Chair. The ARC met five times in 2023.

CIÉ has an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The board has a Capital Investment Advisory Group to monitor infrastructure renewal, project manage large infrastructure, signalling, electrical and telecoms projects and performance. The Service Delivery Advisory Group assists the board in matters relating to customer experience and perception, commercial strategies, train engineering, regulatory changes, and business risks. The Board Safety Committee advises the Board on matters of safety across the business.

Capacity to Handle Risk

IÉ has put in place a Risk Management Framework which provides for all resources, governance, and assurance systems necessary to ensure that all risks with the potential to affect the company achieving its objectives are identified, managed, and reported in accordance with the company's risk appetite. This Framework has been approved by the IÉ Executive Management Team and the IÉ Board.

Risk and Control Framework

The approved Framework sets out IÉ's objectives, risk appetite, and criteria for the evaluation of risks, which have been established by the Executive. IÉ's risk appetite is expressed as a graduated management and reporting policy for different types of risks.

Responsibility for the identification of risk lies with the individual members of the Executive relying upon the resources of their respective departments. Each member of the Executive is responsible for ensuring that risk identification is fully incorporated into the day-to-day activities of those working within their areas of responsibility, to the extent that all risks originating within, or impacting upon, these areas are identified. A single individual is then assigned as Risk Owner for each identified risk. It is this individual who is responsible for the further analysis, evaluation, treatment, and reporting of the risk in question, in accordance with the Framework.

For the purpose of recording the day-to-day activities undertaken as part of this process IÉ have put in place a Risk Management Information System. This software system has been designed in line with the principles set out in ISO 31000, with the effect that Risk Owners, and other actors, are required to adopt a consistent, robust approach at every stage of the risk management process.

Ongoing Monitoring and Review

The members of the Executive are responsible for using the Risk Management Information System to monitor and review the performance of the entire risk management process on a day-to-day basis.

To coordinate the risk management process, to manage areas of overlapping responsibility, and to ensure that the Principal Risks facing the company have been identified, the IÉ Chief Executive includes a review of risk management at each monthly meeting of the Executive. A list of the Principal Risks facing IÉ, which includes all risks that could threaten the company's business model, future performance, solvency, or liquidity, is agreed and peer reviewed at each monthly meeting.

On a quarterly basis the IÉ Chief Risk Officer furnishes the IÉ Audit and Risk Committee and IÉ Board with a report setting out all information necessary to clearly establish the nature and extent of these Principal Risks, the likelihood of their materialising, and the extent to which they are to be managed or mitigated. Principal Risks are also reported to the relevant IÉ Board Advisory Group in the form of individual Risk Details Reports, which set out all information recorded on the Risk Management Information System relevant to the risk in question.

To provide further assurance that all foreseeable risks with the potential to affect IÉ achieving its objectives are identified and managed, and that the IÉ Board are adequately apprised of the Principal Risks facing the company, on an annual basis IÉ engage the services of a Risk Assurance Body to undertake a review of the company's risk management processes. This body is required to undertake an assessment of the adequacy and effectiveness of the processes by which risks are identified, prioritised, managed, and reported. The findings of this assessment are documented in a report which is submitted to the IÉ Audit and Risk Committee and IÉ Board.

Procurement

It is company policy to adhere to public procurement legislation. The company had no reportable non-compliance in the year.

Review of Effectiveness

The Code of Practice for the Governance of State Bodies 2016 published by the Department of Public Expenditure and Reform requires an external review of effectiveness of risk management framework of each State Body be completed "on a periodic basis". BDO were engaged to perform a review of the Company's Risk Management Framework in October 2023.

IÉ was found to be compliant with the Code.

Furthermore, IÉ confirms that it has procedures to monitor the effectiveness of its risk management and control procedures. IÉ's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within IÉ responsible for the development and maintenance of the internal financial control framework.

IÉ confirms that the Board continually reviewed the effectiveness of the internal controls for 2023.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.

Information

Regular reports and papers are circulated to the directors in a timely manner in preparation for board and committee meetings. These papers are supplemented by information specifically requested by the directors from time to time.

The non-executive directors receive periodic management accounts and regular management reports and information which enable them to scrutinise the Company's and management's performance against agreed objectives.

Accounting Records

The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and the employment of suitably qualified personnel. The accounting records are kept at the Company's head office at Connolly Station, Amiens Street, Dublin 1.

Events Since the End of the Financial Year

Global Rates

On 6th March 2024, the Valuation Tribunal issued Determination Orders to amend valuation certificates issued by the Commissioner of Valuation for 2015 and 2020. IÉ paid rates to local authorities for the intervening years which were calculated on these valuation certificates. The amended valuation certificates have reduced the valuation on which rates were previously paid.

The estimated financial effect of the amended is €7.5m. This has not resulted in an adjusting item to the financial statements.

Tax Treatment of State Subvention Income and Trade Losses Available to Carry Forward

In May 2024 agreement was reached with the Revenue Commissioners regarding the available accumulated trading losses carried forward. These losses had arisen due to the treatment of subvention income as being not liable to taxation. The losses forward will reduce from €4,919.8m to €2,233.3m effective from 1st January 2023.

IÉ do not recognise a deferred tax asset in relation to losses forward as the future recovery against taxable profits is uncertain. Therefore, this has not resulted in an adjusting item to the financial statements. The financial impact of this agreement has been included in the Taxation disclosure in note 10 of the financial statements.

The value of the deferred tax assets for 2023 is €278.2m.

Health and Safety

The Company is fully committed to complying with the provisions of the Safety, Health, and Welfare at Work Act, 2005 and all other national and EU Regulations. The Safety Management System is kept under review and is updated on an ongoing basis.

Railway Safety Act 2005

Iarnród Éireann continues to operate in compliance with the Railway Safety Act 2005.

Late Payment in Commercial Transactions Regulations 2013

The directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Amendment Regulations 2013. Procedures have been implemented to identify the dates upon which all invoices fall due for payment and to ensure that payments are made by such dates.

Such procedures provide reasonable assurance against material non-compliance with the regulations. During 2023 a total of €17,000 (2022: €17,000) was paid to third-party suppliers under the regulations.

Directors

The directors of the Company are appointed by the Minister for Transport. The names of persons who were directors during the year ended 31 December 2023 or who have since been appointed are set out below. Except where indicated they served as directors for the entire year.

Steve Murphy	<i>* appointed as Director on 15th June 2023 and as Chairperson 5th January 2024</i>
Frank Allen	<i>* term ended 5th December 2023</i>
Suzy Byrne	
Valerie Little	<i>* term ended 22nd September 2023</i>
Dr. Peter Mulholland	<i>* term ended 11th June 2023</i>
Sarah Roarty	
Thomas Wynne	
James Doran	
Patrick O'Donoghue	
Gwendoline Cazenave	
Thilde Pedersen	<i>* appointed 21st September 2023</i>

Listed below is the board director's attendance at board meetings during 2023:

Attendance

Steve Murphy	3/3
Frank Allen	8/8
Suzy Byrne	7/8
Valerie Little	5/6
Dr. Peter Mulholland	4/4
Sarah Roarty	7/8
Tommy Wynne	8/8
James Doran	8/8
Patrick O'Donoghue	8/8
Gwendoline Casenave	7/8
Thilde Pedersen	2/2

None of the directors or secretary held any interest or any shares or debentures of the Company, its Holding Company, or its fellow subsidiaries at any time during the year. There were no material contracts or arrangements entered into during the year in which a director was interested in relation to the Company's business.

Gender Balance in the Board Membership

As at 31 December 2023, the Board had four (50%) female and four (50%) male members, with one position vacant.

The Board therefore exceeds the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are planned to maintain and support gender balance on this Board:

- The Minister will be advised upon vacancies of any potential implication for gender balance arising from the vacancy(ies) to be filled.

Iarnród Éireann Advisory Groups

The following committees and advisory groups have been set up within Iarnród Éireann to advise the board on strategic and technical matters and to provide a peer review of management proposals. Details of the advisory groups to the Iarnród Éireann board and their non-executive members are as follows.

Board Safety Committee ('BSC')

The Iarnród Éireann board BSC was established to advise the Iarnród Éireann board and executive on issues relating to safety of passengers, workers, contractors, neighbours, and the public more generally. The Group comprise of:

		Attendance
Sarah Roarty	Iarnród Éireann Director (Chair)	4/5
James Doran	Iarnród Éireann Director	5/5
Tommy Wynne	Worker Director	4/5

Audit and Risk Committee ('ARC')

The Iarnród Éireann ARC provides an avenue of communication between Internal Audit, the external auditors and the Iarnród Éireann board and to review, report on and make recommendations to the Iarnród Éireann board on annual financial statements, internal controls, risk management and governance processes within Iarnród Éireann. It also considers major findings of internal investigations, reports of the internal auditors and management's response. The Group comprise of:

		Attendance
Valerie Little (Chair)	Iarnród Éireann Director to 21st September 2023	4/4
Paul Dowling (Chair)	External advisor appointed 21st September 2023	1/1
Suzu Byrne	Iarnród Éireann Director	3/3
Dr Peter Mulholland	Iarnród Éireann Director	2/3
Gwendaline Cazenave	Iarnród Éireann Director	4/5
Sarah Roarty	Iarnród Éireann Director	0/1

Human Resources Advisory Group ('HRAG')

The Human Resources Advisory Group was established to ensure that there is strategic oversight across all of the Human Resource enterprise in the delivery of positive change in Iarnród Éireann. The HRAG was disbanded in June 2023, as Iarnród Éireann's people Strategy was implemented and a HR dashboard developed that would be presented to the Board on a periodic basis. The Group comprise of:

		Attendance
Dr. Peter Mulholland (Chair)	Iarnród Éireann Director	2/2
Valerie Little	Iarnród Éireann Director	2/2
Jim Meade	Iarnród Éireann CEO	2/2

Board Remuneration Committee ('BRC')

The Iarnród Éireann BRC is mandated on behalf of the Iarnród Éireann board to ensure implementation of Government policy with regard to the remuneration of Directors and the Chief Executive. It is also mandated to approve the remuneration package and the appointment of the CEO and all senior managers who report directly to the CEO. The Committee comprises:

		Attendance
Valerie Little (Chair)	Iarnród Éireann Director to 21st September 2023	1/1
Frank Allen	Iarnród Éireann Iarnród Éireann Chair to 5th December 2023	1/1
Pat O'Donoghue	Iarnród Éireann Director appointed 12th December 2022	1/1

Capital Investment Advisory Group ('CIAG')

CIAG was established in 2021 to monitor capital investment programmes and projects, assess applications to the Board and provide an independent view to the Board on the outputs from such monitoring and assessments. It is intended that the Advisory Group will assist the Board to provide an appropriate level of challenge to project management before key decisions are made in relation to design & construction, contract structure, procurement, control of budget and programme, and claims management. The Group comprises of:

		Attendance
Patrick O'Donoghue (Chair)	Iarnród Éireann Director	5/5
Frank Allen	Iarnród Éireann Chairperson to 5th December 2023	3/5
Colm Lynch	Independent Advisor	5/5
Thilde Pedersen	Iarnród Éireann Director appointed 16th November 2023	1/1

Service Delivery Advisory Group ('SDAG')

SDAG was established in 2021 to provide a non-executive forum for the discussion of Iarnród Éireann service delivery, with advice to the executive where appropriate. The Group comprises of:

		Attendance
Tommy Wynne (Chair)	Worker Director	4/4
Philip O'Neill	Independent Advisor appointed 22nd August 2023	2/2
Suzu Byrne	Iarnród Éireann Director	4/4

Directors Compliance Statement

As required by Section 225 of the Companies Act 2014, the directors acknowledge that the directors are responsible for securing the company's compliance with its relevant obligations; and

The directors confirm that the directors completed the following three procedures in order to comply with the directors' obligations during the financial year:

- (a) the drawing up of a "compliance policy statement" setting out the company's policies that, in the directors' opinion, are appropriate to the company, and respecting compliance by the company with its relevant obligations.
- (b) the putting in place of appropriate arrangements or structures that are, in the directors' opinion, designed to secure material compliance with the company's relevant obligations; and
- (c) the conducting of a review, during the financial year of any arrangements or structures that have been put in place.

Company Secretary

The Company Secretary is responsible for advising the board, through the Chairperson, on all governance matters. All directors have access to the advice and services of the Company Secretary. The Company's Constitution provides that the appointment and removal of the Company Secretary is a matter for the directors.

Disclosure of Information to Auditors

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved: So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all steps that ought to have been taken by the director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

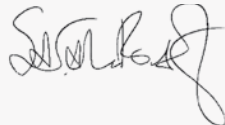
The statutory auditors, Forvis Mazars, will continue in office and operate in accordance with Section 383(2) of the Companies Act 2014

On behalf of the board



Mr. S. Murphy

Chairperson



Ms. S. Roarty

Director

Date: 4th June 2024

Independent Auditor's Report

To the Members of Iarnród Éireann

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Iarnród Éireann ('the Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the Company financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023, and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Directors' Report does not reflect the companies compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

We have nothing to report in this respect.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 34, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tommy Doherty

for and on behalf of Forvis Mazars
Chartered Accountants and Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 6 June 2024

Statement of Comprehensive Income

For the Financial Year Ended 31 December 2023

	<i>Notes</i>	2023 €'000	2022 €'000
Revenue from operations		72,201	224,110
Receipts from Public Service Obligation contracts		365,109	166,269
Other exchequer funding		198,078	192,160
Total revenue	<i>3</i>	635,388	582,539
Costs			
Payroll and related costs	<i>5</i>	(315,943)	(296,306)
Materials and services costs	<i>6</i>	(303,619)	(275,387)
Total costs		(619,562)	(571,693)
EBITDA		15,826	10,846
Exceptional items	<i>7</i>	(698)	(881)
Depreciation net of capital grants amortised	<i>8</i>	(6,710)	(8,606)
Profit on disposal of tangible assets		–	517
Surplus before interest and taxation		8,418	1,876
Interest received/(paid) and similar charges	<i>9</i>	990	(197)
Surplus for the year on ordinary activities before taxation		9,408	1,679
Taxation on ordinary activities	<i>10</i>	(1,905)	(894)
Surplus for the financial year		7,503	785

Balance Sheet

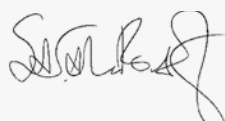
As at 31 December 2023

	Notes	2023 €'000	2022 €'000
Fixed assets			
Intangible assets	12	13,843	10,915
Tangible assets	13	1,921,645	1,726,665
		1,935,488	1,737,580
Current assets			
Stocks	14	93,398	64,913
Debtors	15	388,532	478,488
Cash at bank and in hand		9,415	1,629
		491,345	545,030
Creditors (amounts falling due within one year)	16	(621,116)	(674,463)
Net current liabilities		(129,771)	(129,433)
Total assets less current liabilities		1,805,717	1,608,147
Deferred income	18	(1,699,071)	(1,506,883)
Provisions for liabilities	19	(52,578)	(54,699)
		54,068	46,565
Capital and reserves			
Called up share capital	20	194,270	194,270
Profit and loss account – deficit		(140,202)	(147,705)
Total Equity		54,068	46,565

On behalf of the board



Mr. S. Murphy
Chairperson



Ms. S. Roarty
Director

Date: 4th June 2024

Statement of Changes in Equity

Financial Year Ended 31 December 2023

	Called up Share Capital €'000	Profit & Loss €'000	Total Equity €'000
Balance at 1 January 2022	194,270	(148,490)	45,780
Surplus for the financial year	–	785	785
Other comprehensive income for the financial year	–	–	–
Total comprehensive income for the financial year	–	785	785
Balance at 31 December 2022	194,270	(147,705)	46,565
Surplus for the financial year	–	7,503	7,503
Other comprehensive income for the financial year	–	–	–
Total comprehensive income for the financial year	–	7,503	7,503
Balance at 31 December 2023	194,270	(140,202)	54,068

Statement of Cash Flow

Financial Year Ended 31 December 2023

	<i>Notes</i>	2023 €'000	2022 €'000
Net cash (outflow)/generated operating activities	21	(53,258)	27,443
Cash flow from investing activities			
Purchase of tangible fixed assets		(328,719)	(409,668)
Purchase of intangible fixed assets		(5,898)	(4,490)
Proceeds from disposal of tangible fixed assets		–	517
Proceeds from state and EU funding		330,945	406,332
Net cash from investing activities		(3,672)	(7,309)
Cash flow from financing activities			
Interest received/(paid)		990	(197)
Intercompany financing		63,726	(19,053)
Total cash used in financing activities		64,716	(19,250)
Net increase in cash and cash equivalents		7,786	884
Cash and cash equivalents at 1 January		1,629	745
Cash and cash equivalents at 31 December		9,415	1,629
Cash and cash equivalents consist of:			
Cash at bank and in hand		338	354
Bank		1,248	1,275
Bank held on behalf of National Transport Authority		7,829	–
		9,415	1,629

Notes to the Financial Statements

1 Statement of Compliance, Activities, and Ownership

(a) Statement of Compliance

The financial statements of Iarnród Éireann, registered number 119571, Connolly Station, Amiens Street, Dublin 1, have been prepared on a going concern basis in accordance with Financial Reporting Standard 102 (Accounting standards issued by the Financial Reporting Council of the UK) and the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland.

(b) Activities and Ownership

Córas Iompair Éireann (CIÉ), of which Iarnród Éireann is a subsidiary, is Ireland's national statutory authority providing land public transport within Ireland. CIÉ is wholly owned by the Government of Ireland and reports to the Minister for Transport.

Iarnród Éireann is Ireland's leading provider of rail transport.

The financial statements of the Company relate solely to the activities of Iarnród Éireann.

Summary of Significant Accounting Policies

The significant accounting policies and estimation techniques adopted in the preparation of these financial statements are set out on the following pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

As permitted by the Companies Act 2014, the directors have adapted the prescribed format of the profit and loss account in a manner appropriate to the nature of the Company's business.

Córas Iompair Éireann owns 100% of the equity share capital of Iarnród Éireann ('IÉ').

Córas Iompair Éireann prepare group financial statements, of which Iarnród Éireann is a member. Copies of the Córas Iompair Éireann group financial statements are available from the Company Secretary at Córas Iompair Éireann, Heuston Station, Dublin 8.

(a) Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, refer to Note 2 in the Financial Statements for further details.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out at (v) below.

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of exemption for disclosing related party transactions with other subsidiaries within the CIÉ Group.

(b) Revenue

Revenue comprises the gross value of services provided. Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered.

Iarnród Éireann recognises revenue in the period in which the service is provided.

Rail Operations receives funding from the NTA for the delivery of services under the PSO direct award contract. Contractual PSO funding for the provision of services under the terms of the contract is recognised as income in the profit and loss in line with FRS102.

Freight revenue is recognised in the period in which the service is provided.

Rosslare Europort revenue is recognised in the period in which the service is provided.

Revenue from advertising and other sundry activities is recognised over the period of the relevant contract. Revenue from advertising is earned from bi-monthly and quarterly contracts with the associated revenue receipt received in arrears.

Income from commissions is recognised when the service is provided to the customer.

Other third-party revenues are recognised as they are earned, or at the point of service, to the extent that relevant expenses have been recognised that are recoverable against this revenue in the period.

(c) Materials and Services Costs

Materials and services costs, constitute all costs associated with the day to day running of the operations of Iarnród Éireann, excluding depreciation and amortisation and payroll costs which are disclosed separately in the profit and loss account, and are disclosed separately in the notes to the financial statements.

(d) Exceptional Costs

Iarnród Éireann's profit and loss account separately identifies operational results before specific items. Specific items are those that in the directors' judgement need to be disclosed separately by virtue of their size, nature, or incidence. The Company believes that this presentation provides additional analysis as it highlights exceptional costs. Such costs include significant business restructuring costs.

In this regard the determination of 'significant,' uses qualitative and quantitative judgement by the directors' in assessing the costs, which by virtue of their scale and nature, are disclosed in the profit and loss account and related notes as exceptional costs.

(e) Foreign Currency

(i) Functional and Presentation Currency

The functional currency and presentation currency of the Company is the Euro, denominated by the symbol "€" and unless otherwise stated, the financial statements have been presented in thousands (€'000).

(ii) Transactions and Balances

Transactions denominated in the foreign currency are translated into the functional currency using the spot exchange rates at the date of the transactions.

At the end of each financial year foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' or 'interest payable and similar charges' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within material and service costs.

(f) European Union and State Funding

Iarnród Éireann recognises government funding in accordance with the accruals model under FRS 102.

(i) Funding for Capital Expenditure

Funding for capital expenditure is credited to deferred income as they become receivable. They are amortised to the profit and loss account and recognised in income over the useful economic life of the related assets.

(ii) Revenue Funding

Revenue funding is recognised as income in the profit and loss account in the period in which the related costs for which the grant is intended to compensate are incurred.

(iii) Infrastructure Manager Multi Annual Contract Funding

Infrastructure Manager Multi Annual Contract (MAC) funding is recognised as deferred income or immediately as income in the profit and loss account, by reference to the underlining activity for which the grant is intended to compensate. MAC capital funding credited to deferred income in the balance sheet are amortised over the useful economic life of the related assets.

(g) Segmental Reporting Note

Operating segments are reported in a manner consistent with the internal management structure of Iarnród Éireann and the internal financial information provided to the company's Chief Operating Decision Makers (the executive directors) who are responsible for making strategic decisions, allocating resources, monitoring, and assessing the performance of each segment. The operating result reported internally by segment is the key measure utilised in assessing the performance of operating segments within the company.

Iarnród Éireann has determined it has five reportable segments: Railway Undertaking, Railway Infrastructure Manager, Rail Freight, Rosslare Europort and Central and Other Activities. The Railway Undertaking segment operates the passenger business under the Public Service Obligation contract awarded by the National Transport Authority. The Railway Infrastructure Manager segment manages, maintains, and renews the infrastructure asset which is funded by the Multi Annual Contract and Access charges. The Rail Freight segment provides transport services for the movement of goods by rail. The Rosslare Europort segment operates the second busiest port in the state for ship movements of tourist traffic and unitised freight. The Central and Other Activities segment provide shared services to the organisation and contains the Navigator business which provides road transport facilities for the motor industry primarily.

(h) Employee Benefits

The Company provides a number of employee benefits to staff depending on their grade, seniority, and statutory obligations. Benefits include the payment of salary or wages and the payment of premia for additional work undertaken. In addition, employer contributions in respect of pension are made for eligible staff to the respective pension schemes.

Post-employment Benefits

The CIÉ Group operates two defined benefit plans (the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan) for employees of the CIÉ group.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

These schemes have been accounted for in the CIÉ Group financial statements. The defined benefit pension scheme assets are measured at fair value. Defined benefit pension schemes liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet of CIÉ as a liability.

All the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan. The scheme rules do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit cost for the schemes as a whole is recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is the entity that is legally responsible for the schemes. The other participating entities, including Iarnród Éireann recognise a cost equal to their contribution for the period. Further details of these schemes are set out in note 23.

(i) Interest

(i) Interest Receivable

Interest earned is credited to the profit and loss account in the period in which it was earned.

(ii) Interest Payable

Borrowing costs are charged to the profit and loss account in the period in which they are incurred.

(j) Related Parties

Iarnród Éireann is a subsidiary of CIÉ Group. Iarnród Éireann does not disclose transactions with related parties which are not wholly owned within the group (see Note 25). The Company is exempt from disclosing transactions with members of the same group that are wholly owned.

(k) Taxation

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year. Where tax adjusted trading profits are calculated, tax losses are carried forward and utilised to offset against these profits.

(ii) Deferred Tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

(l) EBITDA

EBITDA is company earnings before adjustment for interest and taxation charged, depreciation of fixed assets and amortisation of capital grants received.

(m) Intangible Fixed Assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three to five years, on a straight-line basis. Software is not considered to have a residual value. Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances. Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

(n) Tangible Fixed Assets and Depreciation

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use and applicable dismantling, removal, and restoration costs.

(i) Railway Lines and Works

Railway lines and works comprise a network of systems.

Expenditure on the network, which increases its capacity or enhances its operating capability is treated as an addition to tangible fixed assets, is capitalised and depreciated over its estimated economic useful life.

Tangible fixed assets include capitalised employee and other costs that are directly attributable to the asset.

Expenditure on the existing network, which maintains the operating capability in accordance with defined standards of service is treated as maintenance and expensed to the profit and loss account. Any related grant is treated similarly and presented in the profit and loss account.

(ii) Railway Rolling Stock

Locomotives, railcars, coaching stock, and wagons other than those fully depreciated or acquired at no cost are depreciated on the basis of their historical cost spread over their estimated economic useful lives using the straight-line method.

(iii) Road Freight Vehicles

These assets are depreciated on the basis of historical cost spread over their estimated economic useful lives using the straight-line method.

(iv) Docks, Harbours, and Wharves; Plant and Machinery

These assets are depreciated based on the historical cost spread over their estimated economic useful lives using the straight-line method.

(v) Land and Buildings

Land is not depreciated. Buildings are depreciated, on the based on the historical cost spread over their estimated economic useful lives using the straight-line method.

(vi) Depreciation and Residual Values

Depreciation on assets except land is calculated, using the depreciation methods, and estimated useful lives, as follows:

Railway lines and works	straight-line method	10-40 years
Railway rolling stock	straight-line method	4-20 years
Plant and machinery	straight-line method	3-30 years
Signalling	straight-line method	10 years
Docks, harbours, and wharves	straight-line method	50 years

Catering equipment	straight-line method	5-10 years
Freehold buildings	straight-line method	50 years
Bridges	straight-line method	120 years
Road freight vehicles	straight-line method	1-10 years

The range of years is designed to indicate the different economic lives of components within a class of assets. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(vii) Subsequent Additions and Major Components

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is recognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs and maintenance are expensed as incurred to the profit and loss account.

(viii) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised as profit or loss.

(o) Heritage Assets

Iarnród Éireann has a number of heritage assets, mainly former fleet vehicles, plates, crests, and various artefacts. The assets are maintained "purely for their contribution to knowledge and culture" and the assets comprise mainly former operational assets.

Given the nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of Iarnród Éireann heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements.

(p) Stocks

Stocks consist of maintenance materials, spare parts, fuel, and other sundry stock items. Fuel stock is valued at the lower of weighted average cost and net realisable value. Nonfuel stocks are valued at the lower of cost and net realisable value. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each financial year, stocks are assessed for impairment and a provision is made for stocks considered to be impaired.

Civil Engineering (CCE) and Signalling (SET) stock is categorised into moving and unmoving stock. A provision is applied to unmoving stock, based on the length of time since the stock last moved. An excess provision is applied to the excess portion of "moving stock" depending on the level of stock with excess of 2 years usage on hand.

Mechanical Engineering (CME) stock is categorised as strategic, program and consumable stocks. A provision is applied to each category depending on the age of the stock.

Stand by equipment or specialised major spare parts which are held for replacement purposes and are expected to be used during more than one period are held as tangible fixed assets in accordance with FRS 102.

(q) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

Cash and cash equivalents include funds received on behalf of and for remittance to the NTA in relation to rail passenger ticket sales and station car parking as operated under gross PSO contract.

(r) Financial Instruments

(i) Financial Assets

The Company has chosen to adopt the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

The Company has a number of basic financial assets which include trade and other debtors, amounts owed from group companies and cash and cash equivalents, and which are recorded in current assets as due in less than one year.

Basic financial assets are initially recognised at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third-party without imposing additional restrictions.

(ii) Financial Liabilities

Similarly, the Company has a number of basic financial liabilities, including trade and other creditors, bank loans and overdrafts, and loans from fellow group companies, which are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the financial liability is measured at the present value of the future payments discounted at a market rate of interest of a similar debt instrument.

Trade and other creditors, bank loans and overdrafts, loans from fellow group companies and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

(s) Provisions and Contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefit will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Restructuring provisions are recognised when the Company has a legal or constructive obligation at the end of the financial year to conduct the restructuring. The Company has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and the Company has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected.

Provision is made for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) to the Company.

Other provisions consist of provisions related to the operation of rail services, pay related provisions, legal claims, and pension related provisions.

Provision is not made for future operating losses.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Company will be required to transfer economic benefits in settlement of the obligation, or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(iii) Third-Party and Employer Liability Claims Provision and Related Recoveries

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) to the company.

The company takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

Further details are set out in Note 19 to the financial statements.

(t) Leased Assets

(i) Finance Leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessor. At the commencement of the finance lease term, the Company recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. The capital cost of such assets is included in tangible assets and depreciated over the shorter of the lease term or the estimated useful life of the asset. The capital element of the outstanding lease obligations is included within creditors. Finance charges are charged to the profit and loss account over the primary period of the lease.

(ii) Operating Leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease. Rental payments under operating leases are charged to the profit and loss account as they accrue.

(u) Equity

The Company's equity shares are wholly owned by CIÉ. Ordinary called up share capital and revenue reserves are classified as equity and set out in the notes to the financial statements.

(v) Critical Accounting Estimates and Assumptions

Estimates and judgements made in the process of preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgement and complexity and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful Economic Lives of Tangible and Intangible Fixed Assets

The annual amortisation charge for intangible fixed assets and the depreciation charge for tangible fixed assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. The useful economic lives for each class of intangible fixed and tangible fixed assets are set out above. The carrying amount of tangible and intangible fixed assets for each class of assets is set out in notes 12 and 13.

(ii) Defined Benefit Pension Scheme

The CIÉ group, of which the Company is a member, has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including assumptions in respect of; life expectancy, salary increases, and the discount rate on corporate bonds. Further details are set out in note 23.

(iii) Third-Party and Employer Liability Claim Provisions

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) to the Company.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. However, given the uncertainty in establishing claims provisions, it is likely that the outcome will prove to be different from the original liability established.

Further details are set out in note 19 to the financial statements.

2 Going concern

Financial Position

The 2023 Iarnród Éireann financial statements have been prepared on a going concern basis. This assumes that the Company will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

The directors have given very careful consideration to the going concern basis of preparation at this time and are satisfied that it is appropriate for the 2023 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

Financial Position as at 31 December 2023

At 31 December 2023 Iarnród Éireann had net assets of €54.1m (2022: €46.6m) and net current liabilities of €129.8m (2022: €129.4m).

Net current liabilities include non-cash items of €492.7m (2022: €519.5m) relating to deferred income in respect of capital grants and revenue. Therefore, excluding these non-cash items the Company had net current assets of €362.9m (2022: net current assets €390.1m).

Global Economic Uncertainties

Geopolitical factors and increases in interest rates, continues to contribute to a number of general business risks. These include potential disruptions to energy supplies, alongside continued increases in prices with the potential for further increases, the possibility of supply chain disturbances, and a reduction in economic activity and the level of consumer spending.

Domestic Economy

The Irish economy continues to perform well reflected by the strong demand for passenger services. The commercial business has performed well despite the impact of the closure of Tara Mines for a significant period in 2023. The principal uncertainties facing Iarnród Éireann can be summarised as follows:

- From 1st January 2023 Iarnród Éireann has operated under a gross Public Service Obligation (“PSO”) contract.
- CIÉ being unable to provide a Letter of Support to IÉ
- Reduction in Exchequer funding below the required levels to enable IÉ meet PSO and IMMAC contractual obligations.

Direct Award Contracts

During 2019 the National Transport Authority (“NTA”) awarded a ten-year direct award contract to Iarnród Éireann. The contract converted to a gross cost contract from 1 January 2023. Under the gross cost contract revenue responsibility transfers to the NTA. NTA will meet the gross costs of delivering the contractual services. Contractual PSO funding for the provision of services under the terms of the contract is recognised as income in the profit and loss in line with FRS102.

2023 Financial Year

Iarnród Éireann continues to operate PSO services in line with the Direct Award Contract. From 1st January 2023 the company operated under a gross contract under which the NTA will provide PSO funding to the company to meet the cost of operating PSO services including essential but uneconomic services. Revenue from fare box is retained by the NTA. Budget 2024 was prepared on the basis that funding will be provided to meet the cost of operating PSO services. The NTA and the Department of Transport (“DoT”) have indicated that the required funding would be made available in order to ensure the continuation of these vital public services. The directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer since the onset of the pandemic which has enabled the continued operation of essential public transport services.

In 2023 the company operated under a gross cost PSO contract. In discussions with IÉ, the NTA have indicated that they will continue to fund IÉ, subject to a quarterly review between both parties.

Consideration of the assumption that appropriate levels of PSO funding will be provided in 2024 is an essential element in the director's assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Iarnród Éireann to operate its requested PSO Services.
- the NTA will receive sufficient funding from the Exchequer in order to fund the Iarnród Éireann PSO Contract.

The directors considered all relevant information in forming a view as to the reasonableness of their conclusions in relation to the provision of such funding. This included consideration of management engagement with key stakeholders, as well as all relevant publicly available information.

Commercial Activities

The business is expected to deliver a surplus in 2024 and 2025 and the directors, are satisfied that there is not a going concern issue for the company.

On-going Management Actions

Iarnród Éireann management are continuing to take a number of actions, including:

- continuous engagement with the NTA on appropriate funding in support of the continued operation of the PSO Direct Award Contract.
- close monitoring of all issues impacting on Commercial Services.
- close monitoring by management of the daily, weekly, and monthly cash position across the company
- continued implementation and rigorous monitoring of cost saving initiatives.
- detailed assessments of all Capital Expenditure proposals and their impact on liquidity.
- continuous review of risks and opportunities affecting the company's operations.

CIÉ Group

The Group operates a pooled treasury system and Iarnród Éireann relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of the Group for Iarnród Éireann is evidenced in the Letter of Support from CIÉ to Iarnród Éireann dated 22nd May 2024. The letter states. "It remains CIÉ policy that the Company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the Company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the Company to continue operating and liquidating its liabilities in the normal course of business for at least a period of twelve months after the date of signing the financial statements."

Consolidated CIÉ Group Budget

The CIÉ Board approved a consolidated group budget for 2024 in February 2024. Based on the continued operation of the direct award contracts on the agreed basis, the consolidated Group budget for 2024 shows that the Group has sufficient resources to absorb the losses which are forecast to occur in the period of at least twelve months from the date of approval of these financial statements.

Conclusion

The directors of Iarnród Éireann, having regard to the factors outlined above, have a reasonable expectation that the company will have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

3 Divisional Analysis of Profit and Loss Account

Iarnród Éireann has determined it has five reportable segments: Railway Undertaking, Railway Infrastructure Manager, Rail Freight, Rosslare Europort and Central and Other Activities. The Railway Undertaking segment operates the passenger business under the Public Service Obligation contract awarded by the National Transport Authority. The Railway Infrastructure Manager segment manages, maintains, and renews the infrastructure asset which is funded by the Multi Annual Contract and access charges. The Rail Freight segment provides transport services for the movement of goods by rail. The Rosslare Europort segment operates the second busiest port in the state for ship movements of tourist traffic and unitised freight. The Central and Other Activities segment provide shared services to the organisation and contains the navigator business which provides road transport facilities, primarily for the motor industry.

(A) Railway Undertaking

	2023	2022
	€'000	€'000
Sources of revenue		
Revenue	499	171,768
Public Service Obligation	365,109	166,269
Other exchequer funding	251	5,927
Total revenue	365,859	343,964
Operating costs		
Payroll and related costs	(156,091)	(148,442)
Materials and services	(98,294)	(82,880)
Fuel	(36,277)	(35,986)
Operating costs	(290,662)	(267,308)
Operating surplus before track access charges	75,197	76,656
Track access charge	(70,800)	(69,391)
EBITDA	4,397	7,265
Exceptional items	(118)	(397)
Depreciation and amortisation, net of capital grants amortised	(1,482)	(3,234)
Profit on sale of tangible assets	-	5
Surplus before interest and taxation	2,797	3,639
Interest receivable/(payable) and similar charges	443	(117)
Surplus for the year on ordinary activities before taxation	3,240	3,522
Taxation on surplus on ordinary activities	-	-
Surplus for the year on ordinary activities after taxation	3,240	3,522

(B) Railway Infrastructure Manager

In compliance with EU Council Directive 91/440 the costs of the Railway Infrastructure Division have been computed as follows:

	2023 €'000	2022 €'000
Sources of revenue		
Multi Annual Contract	190,765	175,439
Track access charges	71,917	71,108
Third-party revenue	6,940	29,562
Other Exchequer Grants	46,943	10,695
Total revenue	316,565	286,804
Operating costs revenue		
Payroll and related costs	(132,395)	(124,416)
Materials and services	(176,394)	(161,853)
Fuel	(80)	(197)
Operating costs	(308,869)	(286,466)
EBITDA	7,696	338
Exceptional items	(580)	(484)
Depreciation and amortisation, net of capital grants amortised	(3,806)	(3,885)
Profit/on sale of tangible fixed assets	-	146
Surplus/(Deficit) before interest and taxation	3,310	(3,885)
Interest receivable/(payable) and similar charges	599	(128)
Surplus/(Deficit) for the year on ordinary activities before taxation	3,909	(4,013)
Taxation on ordinary activities	(1,536)	(894)
Surplus/(Deficit) for the year on ordinary activities after taxation	2,373	(4,907)

(C) Rail Freight Division

	2023 €'000	2022 €'000
Revenue	4,559	4,830
Total revenue	4,559	4,830
Operating costs		
Payroll and related costs	(905)	(835)
Materials and services	(2,187)	(1,874)
Fuel	(597)	(490)
Operating costs	(3,689)	(3,199)
Operating surplus for the financial year before track access charges	870	1,631
Track access charges	(1,117)	(1,717)
EBITDA	(247)	(86)
Depreciation	(2)	(1)
Profit on sale of Tangible Assets	-	366
(Deficit)/Surplus before interest and taxation	(249)	279
Interest received/(paid) and similar charges	11	(3)
(Deficit)/Surplus for the year on ordinary activities before taxation	(238)	276
Taxation on ordinary activities	-	-
(Deficit)/Surplus for the year on ordinary activities after taxation	(238)	276

(D) Rosslare Europort Division

	2023 €'000	2022 €'000
Revenue	14,883	12,887
Total revenue	14,883	12,887
Operating costs		
Payroll and related costs	(6,204)	(5,234)
Materials and services	(6,677)	(4,344)
Total operating costs	(12,881)	(9,578)
EBITDA	2,002	3,309
Depreciation net of capital grants amortised	(1,217)	(1,290)
Surplus before interest and taxation	785	2,019
Interest payable and similar charges	(64)	(66)
Surplus for the year on ordinary activities before taxation	721	1,953
Taxation on surplus on ordinary activities	(3)	-
Surplus for the year on ordinary activities after taxation	718	1,953

(E) Central and Other Activities

	2023 €'000	2022 €'000
Sources of revenue		
Third-party revenue	5,319	5,064
Other exchequer funding	123	98
Total revenue	5,442	5,162
Operating costs		
Payroll and related costs	(20,348)	(17,379)
Materials and services	16,885	12,237
Operating costs	(3,463)	(5,142)
EBITDA and exceptional items	1,979	20
Depreciation net of capital grants amortised	(203)	(196)
Surplus before interest and taxation	1,776	(176)
Interest receivable	-	117
Taxation on surplus on ordinary activities	366	-
Surplus/(Deficit) for the year on ordinary activities after taxation	1,410	(59)

(F) State and EU Funding

Public Service Obligation (PSO)

Each year funding is provided for socially necessary but financially unviable public transport services in Ireland, known as Public Service Obligation (PSO) services, under contract to the National Transport Authority (“NTA,” “the Authority”).

The new direct award to IÉ was awarded for ten years to Dec 2029. Under the terms of the contract, the NTA and IÉ will review and agree performance standards on an annual basis. An audit of IÉ shall be carried out on behalf of the NTA each year, following the submission of IÉ’s audited accounts.

The contents of the contracts and the basis for maintaining them may be reviewed at any time by the NTA in consultation with the relevant Company, however, a full review of the contract must occur at the end of each five- or ten-year period (as appropriate).

The contracts meet the current criteria set down in EU law, setting strict standards of operational performance and customer service and contain penalties for non-performance. The contractual requirement is for performance to be self-reported on a periodic basis. The NTA monitors the contracted performance of each PSO operator on a quarterly basis.

Multi Annual Contract (MAC)

Iarnród Éireann’s management of infrastructure is funded under EU regulation by a five-year, Multi-Annual Contract from the Department of Transport and track and station access charges from passenger and freight rail services.

A new MAC contract commenced on 1 January 2020 and is of five-year duration up to 31 December 2024.

This contract between Iarnród Éireann and the Minister is pursuant to Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012, Directive 2001/14/EC of the European Parliament and of the Council of 26 February 2001, Section 45 of the Public Transport Regulation Act 2009, and the European Communities (Railway Infrastructure) Regulations (SI No. 55 of 2010).

Charges in connection with the provision of the railway infrastructure by the Infrastructure Manager are payable by the Minister to the Infrastructure Manager in advance on a monthly basis.

Details of funding received in the year is set out below.

	PSO 2023	MAC 2023	Other 2023	Total 2023
<i>Allocated in the profit and loss account to:</i>				
Rail Operations	365,109	–	251	365,360
Infrastructure	–	190,765	6,940	197,705
Other activities	–	–	123	123
	365,109	190,765	7,314	563,188
<i>Sources</i>				
State grants – PSO	365,109	–	–	365,109
State grants – multi annual contract	–	190,765	–	190,765
State grants – other	–	–	7,314	7,314
	365,109	190,765	7,314	563,188

	PSO 2022	MAC 2022	Other 2022	Total 2022
<i>Allocated in the profit and loss account to:</i>				
Rail Operations	166,269	-	5,927	172,196
Infrastructure	-	175,439	10,695	186,134
Other activities	-	-	98	98
	166,269	175,439	16,720	358,428

Sources

State grants – PSO	166,269	-	-	166,269
State grants – multi annual contract	-	175,439	-	175,439
State grants – other	-	-	16,720	16,720
	166,269	175,439	16,720	358,428

(G) Net Surplus/(Deficit) by Activity Before Tax

	Railway Under- taking €'000	Infra- structure Manager €'000	Rail Freight €'000	Oth. Comm. Activities €'000	Total €'000
2023					
Revenue	499	118,860	4,559	20,201	144,119
Receipts from PSO	365,109	-	-	-	365,109
Other exchequer	250	197,705	-	123	198,078
Costs	(362,618)	(312,656)	(4,797)	(17,827)	(697,898)
Surplus/(deficit) for the year	3,240	3,909	(238)	2,497	9,408
2022					
Revenue	171,768	100,670	4,830	17,950	295,218
Receipts from PSO	166,269	-	-	-	166,269
Other exchequer	5,927	186,135	-	98	192,160
Costs	(340,442)	(290,818)	(4,554)	(16,154)	(651,968)
Surplus/(deficit) for the year	3,522	(4,013)	276	1,894	1,679

4 Balance Sheet by Business

The following sets out the balance sheet of each division as at 31st December 2023. The Intra IÉ business balances represent the amounts payable and receivable between each division. The intercompany balance with the CIÉ holding company is reported in the debtors' balance in the Central and other activities balance sheet.

(A) Railway Undertaking

	2023 €'000	2022 €'000
Fixed Assets		
Intangible assets	5,088	5,913
Tangible assets	469,363	390,719
	474,451	396,632
Current Assets		
Stocks	43,649	32,252
Debtors	264,200	278,617
Intra IÉ business	13,887	34,876
Cash at bank and in hand	1,106	770
	322,842	346,515
Creditors (amounts falling due within one year)		
Deferred income	(84,534)	(85,690)
Other creditors	(304,695)	(329,630)
	(389,229)	(415,320)
Net Current Liabilities	(66,387)	(68,805)
Total Assets less Current Liabilities	408,064	327,827
Deferred income	(21,860)	(304,714)
Provisions for liabilities and charges	(384,649)	(24,798)
Net Assets/(Liabilities)	1,555	(1,685)
Reserves		
Profit and loss account	1,555	(1,685)
Total reserves	1,555	(1,685)

(B) Railway Infrastructure Manager

	2023 €'000	2022 €'000
Fixed Assets		
Intangible assets	951	757
Tangible assets	1,417,971	1,304,744
	1,418,922	1,305,501
Current Assets		
Stocks	49,749	32,661
Debtors	64,177	116,295
	113,926	148,956
Creditors (amounts falling due within one year)		
Intra IÉ business	(27,110)	(35,615)
Deferred income	(79,212)	(72,619)
Other creditors	(131,943)	(165,629)
	(238,265)	(273,863)
Net Current Liabilities	(124,339)	(124,907)
Total Assets less Current Liabilities	1,294,583	1,180,594
Deferred Income	(19,534)	(1,192,734)
Provisions for liabilities and charges	(1,303,834)	(19,019)
Net Liabilities	(28,785)	(31,159)
Reserves		
Profit and loss account	(28,785)	(31,159)
Total reserves	(28,785)	(31,159)

(C) Rail Freight Division

	2023 €'000	2022 €'000
Fixed Assets		
Tangible assets	933	211
	933	211
Current Assets	770	956
Debtors	770	956
Creditors (amounts falling due within one year)		
Intra IÉ business	(14,962)	(14,384)
Other creditors	(343)	(158)
	(15,305)	(14,542)
Net Current Liabilities	(14,535)	(13,586)
Total Assets less Current Liabilities	(13,602)	(13,375)
Provisions for liabilities and charges	(151)	(140)
Deferred Income	(1,167)	(1,167)
Net Liabilities	(14,920)	(14,682)
Reserves		
Profit and loss account	(14,920)	(14,682)
Total reserves	(14,920)	(14,682)

(D) Rosslare Europort Division

	2023 €'000	2022 €'000
Fixed Assets		
Intangible assets	1,227	673
Tangible assets	31,434	29,065
	32,661	29,738
Current Assets		
Debtors	2,367	7,347
Intra IÉ business	65,976	66,233
	68,343	73,580
Creditors (amounts falling due within one year)		
Deferred income	(314)	(314)
Other creditors	(2,423)	(6,483)
	(2,737)	(6,797)
Net Current Assets	65,606	66,783
Total Assets less Current Liabilities	98,267	96,521
Deferred income	(1,117)	(6,495)
Provisions for liabilities and charges	(7,440)	(1,033)
Net Assets	89,710	88,993
Reserves		
Profit and loss account	89,710	88,993
Total reserves	89,710	88,993

(E) Central and Other Activities

	2023 €'000	2022 €'000
Fixed Assets		
Intangible assets	4,197	1,192
Tangible assets	4,325	4,306
	8,522	5,498
Current Assets		
Debtors	57,581	75,274
Cash at bank and in hand	8,309	859
	65,890	76,133
Creditors (amounts falling due within one year)		
Intra IÉ business	(37,790)	(51,110)
Deferred income	(625)	(625)
Other creditors	(17,590)	(13,315)
	(56,005)	(65,050)
Net Current Assets	9,885	11,083
Total Assets less Current Liabilities	18,407	16,581
Creditors: (amounts falling due after more than one year)		
Provisions for liabilities and charges	(9,916)	(9,709)
Deferred income	(1,982)	(1,773)
Net Assets	6,509	5,099
Capital and Reserves		
Called up share capital	194,270	194,270
Profit and loss account	(187,761)	(189,171)
Total equity	6,509	5,099

5 Payroll and Related Costs

(i) Employees

	2023	2022
	€'000	€'000
Staff costs (excluding restructuring costs)		
Wages and salaries	259,401	244,391
Allowances	15,609	14,588
Overtime	7,717	7,438
Social insurance costs	28,235	26,029
Other retirement benefit costs	35,214	32,092
Gross Staff costs	346,176	324,538
Less: own work capitalised	(30,412)	(28,380)
Net Staff costs	315,764	296,158

(ii) Directors' Emoluments

	2023	2022
	€'000	€'000
– for services as director	101	79
– for executive services	78	69
	179	148
Total payroll and related costs	315,943	296,306

Of the total staff costs €30.4m (2022: €28.4m) has been capitalised into tangible fixed assets and €315.7m (2022: €296.2m) has been treated as an expense in the profit and loss account.

There are retirement benefits accruing to one director under a defined benefit scheme and the charge for the year in respect of the Company's contributions was €6,493 (2022: €4,446).

The payroll and related costs for the role of the Chief Executive Officer, includes gross salary of €225,000, (2022: €225,000) employer pension contribution of 25% (2022: 25%) and a company car (2022: Company Car).

The directors' fees paid and payable for services as directors were as follows:

	2023	2022
	€	€
Mr. S. Murphy (Chairperson)	6,873	–
Mr. F. Allen	20,314	21,600
Ms. V. Little	9,150	12,600
Dr. P. Mulholland	5,966	12,600
Ms. S. Byrne	12,600	12,600
Ms. S. Roarty	12,600	12,600
Mr. P. O'Donoghue	12,600	3,538
Ms. G. Cazenave	12,600	3,532
Ms. T Pedersen	3,500	–
Total	96,203	79,070

The directors were paid the following expenses:

	2023	2022
	€	€
Foreign Travel	4,325	–
Subsistence and Accommodation	562	496
Total	4,887	496

(iii) Key Management Compensation

Key management includes the directors and members of senior management. The compensation paid and payable to key management for employee services is shown below:

	2023	2022
	€'000	€'000
Salaries and other short-term benefits	2,338	1,937
Post-employment benefits	349	333
Total key management compensation	2,687	2,270

(iv) Staff Members

The average number of persons employed during the year and at the year-end by activity, were as follows:

	Staff Numbers		Staff Numbers	
	2023 Average	2022 Average	As at 31 Dec 2023	As at 31 Dec 2022
Railway Operations	2,280	2,203	2,316	2,255
Infrastructure	1,955	1,869	2,022	1,915
Central Services	219	179	229	202
Rail Freight	3	3	4	2
Rosslare Europort	102	85	114	90
Total	4,559	4,339	4,685	4,464

(v) Termination and Severance Payments

	2023 €'000	2022 €'000
Amounts paid and payable to employees	148	67

Costs in relation to voluntary severance are disclosed in Note 7.

(vi) Employee Payroll

The amounts paid to persons employed during the year is analysed into payroll bands of €25,000 and the number of employees in each band, were as follows:

	2023	2022
<€50,000	1,396	1,366
€50,001 to €75,000	2,367	2,375
€75,001 to €100,000	892	716
€100,001 to €125,000	118	86
€125,001 to €150,000	24	20
€150,001 to €175,000	7	7
€175,001 to €200,000	4	2
€200,001 to 225,000	5	4
Total	4,813	4,576

The 2022 pay bands have been restated to align with 2023 for comparative purposes.

6 Materials and Services

	2023 €'000	2022 €'000
Operating and other costs	257,900	233,862
Fuel and electricity	36,954	36,672
Third-party and employer's liability claims	146	(2,461)
Rates	2,632	2,530
Operating lease rentals	5,987	4,784
Total materials and services	303,619	275,387

Operating and other costs includes expenditure on Travel, subsistence, and hospitality, analysed below.

	2023 €'000	2022 €'000
National Travel and Subsistence	1,014	538
International Travel and Subsistence	139	30
Hospitality	5	6
Total	1,158	574

7 Exceptional Items – Restructuring

	2023 €'000	2022 €'000
Amounts relating to employees	698	881

The exceptional costs comprise of amounts paid and payable to employees arising from restructuring initiatives during the current and previous financial year.

Costs in relation to voluntary severance amounted to €0.6m in 2023 (2022: €0.5m). The number of employees to whom these costs relate were 6 in 2023 (2022: 8 employees).

8 Depreciation and Amortisation

	2023 €'000	2022 €'000
Amortisation of intangible fixed assets	2,970	5,618
Depreciation of tangible fixed assets	160,962	164,478
Amortisation of capital grants	(157,222)	(161,490)
Total net depreciation and amortisation	6,710	8,606

9 Interest Payable and Similar Charges

	2023 €'000	2022 €'000
Interest receivable/(payable)	990	(197)
	990	(197)
Interest apportioned:		
Railway undertaking	443	(117)
Railway infrastructure costs	599	(128)
Rail freight	11	(3)
Commercial operations	(63)	51
Total	990	(197)

10 Taxation

(a) Tax Expense Included in Profit or Loss

	2023 €'000	2022 €'000
Current tax:		
Irish corporation tax on profit for the financial year	1,905	894
Adjustments in respect of prior financial years	-	-
Current tax expense for the financial year	1,905	894
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
Tax on surplus on ordinary activities	1,905	894

(b) Reconciliation of Tax Expense

Tax assessed for the financial year differs than that determined by applying the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2023 of 12.5% (2022: 12.5%) to the surplus for the year. The differences are explained below:

	2023 €'000	2022 €'000
Surplus on ordinary activities before taxation	9,408	1,679
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2022: 12.5%)	1,176	210
Effects of:		
– Income not subject to tax	(19,653)	(20,251)
– Income subject to higher rate of tax	953	569
– Expenses not deductible for tax purposes	54	96
– Depreciation in excess of capital allowances	19,749	20,270
– Tax losses utilised	(374)	–
Tax on deficit on ordinary activities	1,905	894

Deferred Taxation

A potential deferred tax asset of €278.2m (2022: €615.0m) has not been recognised as the future recovery against taxable profits is uncertain.

11 Exchequer Funding and Revenue

The exchequer funding and revenue payable to the Company through Córas Iompair Éireann, are in accordance with the relevant EU Regulations governing State aid to transport undertakings.

The National Transport Authority provided a total of €387.6m funding to the Railway Undertaking in 2023. Profit and loss compensation amounted to €345.2m in the year with €42.4m recognised as a capital grant in the balance sheet and this will be amortised over the useful economic life of the related assets.

Particulars of Exchequer funding of €910.2m (including the €345.2m above) received in 2023 are given in the following table, including the relevant provision of EU regulations. Grants received in respect of buildings of €40.0m were transferred to the CIÉ Holding Company in 2023.

Amounts disclosed under Regulation Number 1370/2007 analyse the Public Service Obligation recognised in the year in the profit and loss account. Public passenger transport service by rail and road regulation defines the conditions in which the competent authorities can intervene in the area of public passenger transport to guarantee the provision of service of general economic interest and guarantee safe, efficient, attractive, and high-quality passenger transport.

	€'000	€'000	2023 Total €'000
Total Public Service Obligation			345,155
State Grant for Infrastructure and Capital Investment			564,996
Total Exchequer funding received			910,151
The total funding received was applied as follows:			
Profit and loss account			
– Public Service Obligation			345,155
– Infrastructure Manager Multi-Annual Contract (Revenue)	190,676		
– Other Exchequer funding	7,277		
		197,953	
Balance Sheet			
Infrastructure Manager Multi-Annual Contract (Capital)	90,824		
Deferred Capital Grants	189,188		
Public Service Obligation – Heavy Maintenance	42,439		
Connecting Europe Facility	3,201		
Other Exchequer Funding	1,419		
Transferred to CIÉ	39,972	367,043	
State funding for Infrastructure and Capital Investment			564,996
Total Exchequer funding received			910,151

There are no unfulfilled conditions and other contingencies attached to grants recognised as income.

The reporting requirements under Circular 13/14 issued by the Department of Public Expenditure and Reform are included in this note.

Name of Grantor

National Transport Authority, sponsored by the Department of Transport, Department of Transport.

Revenue Commissioners; Department of Housing, Planning & Local Government; SOLAS, funded by the Department of Further and Higher Education, Research, Innovation and Science.

Name of Grant

The following grants were received in 2023.

- Sub-Head B.5 of Vote 31 of Dáil Éireann – Heavy Rail Capital Investment
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Accessibility Retrofit Programme
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Infrastructure Manager Multi-Annual Contract
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Additional NDP Allocations (IMMAC)
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Additional Exchequer Allocations (IMMAC)

- Sub-Head B.5 of Vote 31 of Dáil Éireann – East Coast Railway Infrastructure Protection Programme
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Public Transport Infrastructure
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Train Protection System
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Enterprise Fleet Replacement Programme
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Killucan-Rathwire & Kinnegad Area Transport Study
- Sub-Head B.4 of Vote 31 of Dáil Éireann – Public Service Provision Payment
- Sub-Head A.3 of Vote 31 of Dáil Éireann – Active Travel Investment
- Sub-Head B.3 of Vote 31 of Dáil Éireann – Carbon Reduction
- Sub-Head D.9 of Vote 34 of Dáil Éireann – Urban regeneration & Development Fund
- Sub-Head A.5 of Vote 45 of Dáil Éireann – Apprenticeship Incentivisation Scheme

Purpose of Grant

With reference to Section 3, paragraph 11 above, the purpose for which the funds are applied under the following headings:

- Pay and general administration.
- Service provision/charitable activity; and
- Specified others, including such expenditure as advertising, consultancy.

Project Name	Pay & Admin €'000	Service Provision €'000	Construction €'000	Total €'000
Heavy Rail Capital Investment	23,263	–	192,480	215,743
Accessibility Retrofit Programme	956	–	9,035	9,991
Infrastructure Manager Multi-Annual	–	208,600	–	208,600
East Coastal Railway Infrastructure	625	–	6,540	7,165
Public Transport Infrastructure	278	–	1,171	1,449
Additional NDP Allocations (IMMAC)	–	26,000	–	26,000
Additional Exchequer Allocations (IMMAC)	–	38,500	8,400	46,900
Enterprise Fleet Replacement Programme	1,180	–	–	1,180
Killucan-Rathwire & Kinnegad Area Transport Environs	34	–	–	34
Public Service Provision Payment	–	387,594	–	387,594
Active Travel Investment	69	–	21	90
Urban Regeneration and Development Fund (URDF)	23	–	180	203
Carbon Reduction (ZEVl)	47	–	158	205
Apprenticeship Incentivisation Scheme	–	16	–	16
Total	26,475	660,710	217,985	905,170

Accounting for Grants

The amount of the grants awarded are listed below. The term of all grants is the calendar year 2023.

- Sub-Head B.5 of Vote 31 of Dáil Éireann – Heavy Rail Capital Investment: €215.7M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Accessibility Retrofit Programme: €9.99M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – ECRIPP: €7.2M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – IMMAC: €208.6M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Additional NDP Allocations: €26M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Additional Exchequer Allocations: €46.9M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Public Transport Infrastructure: €1.5M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Enterprise Fleet Replacement Programme: €1.2M
- Sub-Head B.5 of Vote 31 of Dáil Éireann – Killucan-Rathwire & Kinnegad Area Transport Study €0.03M
- Sub-Head B.4 of Vote 31 of Dáil Éireann – Public Service Provision €401.5M
- Sub-Head A.3 of Vote 31 of Dáil Éireann – Active Travel Investment: €0.1M
- Sub-Head B.3 of Vote 31 of Dáil Éireann – Carbon Reduction: €0.2M
- Sub-Head D.9 of Vote 34 of Dáil Éireann – URDF: €0.2M
- Sub-Head A.5 of Vote 45 of Dáil Éireann – Apprenticeship Incentivisation Scheme: €0.02M

(i) The term of all grants is the calendar year 2023.

(ii) The amount of the grant taken to income in the current financial statements is set out below.

(iii) Where (ii) above differs from the cash received in the relevant financial period, a table showing:

- (a) The grant taken to income in the period.
- (b) The cash received in the period; and
- (c) Any grant amounts deferred or due at the period end.

The table below sets out the analysis of cash received in the year.

Programme Name	Cash Received €'000	P&L Account €'000	Capital €'000	2022 c/f €'000
Heavy Rail Capital Investment	215,743	96	215,647	-
Accessibility Retrofit Programme	9,991	-	9,991	-
Infrastructure Manager Multi-Annual	208,600	126,176	82,424	-
East Coastal Railway Infrastructure	7,165	7,165	-	-
Public Transport Infrastructure	1,449	-	1,449	-
Additional NDP Allocations (IMMAC)	26,000	26,000	-	-
Additional Exchequer Allocations (IMMAC)	46,900	38,500	8,400	-
Enterprise Fleet Replacement Programme	1,180	-	1,180	-
Killucan-Rathwire and Kinnegad Area Transport Environs Study	34	-	34	-
Public Service Provision Payment	387,594	345,155	42,439	-
Active Travel Investment	90	-	90	-
Urban Regeneration and Development Fund (URDF)	203	-	203	-
Carbon Reduction (ZEVl)	205	-	205	-
Apprenticeship Incentivisation Scheme	16	16	-	-
Total	905,170	543,108	362,062	-

Capital Grants

The amount of money provided, and the conditions/milestones being used in relation to current and future instalments. Grantees should also provide an undertaking that the State's investment is protected and will not be used as security for any other activity without prior consultation with the parent Department and sanction of DPER.

Programme Name	€'000
Capital Heavy Rail Capital Investment:	€215,647
Capital Accessibility Retrofit Programme:	€9,991
Capital Infrastructure Manager Multi-Annual:	€82,424
Capital Additional Exchequer Allocations:	€8,400
Capital Public Transport Infrastructure:	€1,449
Capital Enterprise Fleet Programme:	€1,180
Capital Killucan-Rathwire & Kinnegad Study:	€34
Capital Zero Emission Vehicles Ireland (ZEVl):	€205
Capital Public Service Provision Payment:	€42,439
Capital Active Travel Investment:	€90
Capital Urban Regeneration & Development Fund	€203
Total	€362,062

All Grants received are used for the purposes for which approval has been sought and obtained from the Funding source.

Iarnród Éireann undertakes to protect the State's investment and will not use said investment as security for any other activity without prior consultation with the Department of Transport, the Department of Housing, Planning and Local Government, the Department of Further and Higher Education, Research, Innovation and Science, and sanction of Department of Public Expenditure, NDP Delivery and Reform.

Employees

In a table accompanying the report, the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €25,000 from €50,000 upwards and an overall figure for total employer pension contributions. (This applies even if salaries are not being funded by the Exchequer). Commercial semi state bodies report in line with the Code of Practice for State Bodies 2016.

Restrictions

Whether and how the use of the grant is restricted (i.e. is it for a particular project, or for the delivery of a service).

Grants received relate to the Multi Annual Contract (MAC), Capital Enhancement, Accessibility, Public Transport Infrastructure, Urban regeneration and Development Fund, Active Travel Investment, Apprenticeship Incentivisation Scheme, and Public Service Provision Payment.

Within the MAC, additional funding was made available but without identifying specific programmes:

- Additional NDP Allocations (€26.0M)
- Additional Exchequer Allocations (€46.9M)

Within the Public Service Provision Payment, the identified programme is:

- Annual Heavy Maintenance Charge

Tax Clearance

Whether compliant with relevant Circulars, including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments".

Iarnród Éireann is compliant with the relevant circulars including Circular 44/2006. IE has a Tax Clearance Cert which is able to be verified online (point 6 of circular 44/2006).

12 Intangible Fixed Assets

Cost	1 Jan 2023 €'000	Write- down €'000	Additions €'000	31 Dec 2023 €'000
Computer software	27,402	(11,255)	5,898	22,045
Amortisation	1 Jan 2023 €'000	Write- down €'000	Additions €'000	31 Dec 2023 €'000
Computer software	16,487	(11,255)	2,970	8,202
Net Book Value at 31 December 2023				13,843
Net Book Value at 31 December 2022				10,915

13 Tangible Fixed Assets

Cost	1 Jan 2023 €'000	Reclassi- fications €'000	Addition €'000	Scraping & Disposal €'000	31 Dec 2023 €'000
Railway lines and works	1,319,254	-	73,039	(56,612)	1,335,681
Railway rolling stock	1,064,638	11,317	126,788	(83,966)	1,118,777
Plant and machinery	328,747	12,585	119,713	(66,093)	394,952
Signalling	556,895	-	10,024	-	566,919
Catering equipment	747	-	-	-	747
Docks, harbours, and wharves	56,488	-	482	(204)	56,766
Land and Buildings	3,815	-	1,994	(47)	5,762
Total	3,330,584	23,902	332,040	(206,922)	3,479,604

Depreciation	1 Jan 2023 €'000	Reclassi- fications €'000	P&L €'000	Scraping & Disposal €'000	31 Dec 2023 €'000
Railway lines and works	460,223	-	47,228	(56,612)	450,839
Railway rolling stock	729,134	-	75,438	(83,966)	720,606
Plant and machinery	79,471	-	14,114	(66,093)	27,492
Signalling	303,270	-	22,704	-	325,974
Catering equipment	224	-	75	-	299
Docks, harbours, and wharves	30,934	-	1,269	(204)	31,999
Land and Buildings	663	-	134	(47)	750
Total	1,603,919	-	160,962	(206,922)	1,557,959

	31 Dec 2023 €'000	31 Dec 2022 €'000
Net Book Amounts		
Railway lines and works	884,842	859,028
Railway rolling stock	398,171	335,505
Plant and machinery	367,460	249,275
Signalling	240,945	253,627
Catering equipment	448	522
Docks, harbours, and wharves	24,767	25,554
Land and Buildings	5,012	3,154
Total	1,921,645	1,726,665

Of the total staff costs €30.4m (2022: €28.4m) has been capitalised into tangible fixed assets.

Write-down relates to fully depreciated assets and are updated in the asset register during the year.

14 Stocks

	2023 €'000	2022 €'000
Rolling stock, spare parts and maintenance materials	30,038	26,454
Infrastructure stocks	49,706	32,608
Fuel, lubricants, and other sundry stocks	13,654	5,851
Total	93,398	64,913
Stocks utilised in the reporting period		
Materials	104,780	114,751
Fuel	30,655	26,939
Total	135,435	141,690

Amounts included in stocks include parts and components necessarily held to meet long-term operational requirements. There is no significant difference between the replacement cost of stock and their carrying amounts.

An impairment credit €1,072,000 (charge in 2022: €683,000) has been recognised in profit and loss in relation to obsolete and damaged stocks.

15 Debtors

	2023 €'000	2022 €'000
Trade debtors	6,109	7,653
Amounts owed by parent undertaking	54,536	118,261
Corporation tax	196	204
Prepayments and accrued income	327,691	352,370
Total	388,532	478,488

The amounts owed by the parent undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Within prepayments and accrued income are amounts totalling €308,030 (2022: €280,588) that are due in a period greater than twelve months from the balance sheet reporting date.

16 Creditors Amounts Falling Due Within One Year

	2023 €'000	2022 €'000
Trade creditors	15,241	6,071
Income tax deducted under PAYE	4,487	4,962
Pay related social insurance	3,669	3,845
Universal social charge	918	962
Value added tax	3,064	19,175
Withholding tax	3,631	2,024
Deferred revenue	327,991	360,295
Other creditors	16,653	22,464
Accruals	80,776	95,416
Deferred income (note 18)	164,686	159,249
	621,116	674,463

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors usual and customary credit terms. Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation. Creditors include amounts relating to NTA PSO overcompensation of €6.8m in 2023.

17 Lease Obligations

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	2023 €'000	2022 €'000
Within one year	3,991	3,791
Between one and five years	5,650	6,229
Total	9,641	10,020

18 Deferred Income

This account, comprising non-repayable State, EU grants and other deferred income which will be credited to the profit and loss account on the same basis as the related tangible fixed assets are depreciated (accounting policy M), includes the following:

	1 Jan 2023 €'000	Transfers & Disposals €'000	Received & Receivable €'000	Profit & Loss A/C €'000	31 Dec 2023 €'000
Capital Grants					
Land and buildings	311	-	-	(19)	292
Railway lines and works	788,221	12,585	72,431	(46,374)	826,863
Railway rolling stock	343,123	11,317	127,957	(74,454)	407,943
Plant and machinery	292,214	-	120,797	(15,644)	397,367
Signalling	235,461	-	9,760	(20,421)	224,800
Docks, harbours, and wharves	6,802	-	-	(310)	6,492
Total	1,666,132	23,902	330,945	(157,222)	1,863,757

	1 Jan 2022 €'000	Transfers & Disposals €'000	Received & Receivable €'000	Profit & Loss A/C €'000	31 Dec 2022 €'000
Capital Grants					
Land and buildings	329	-	-	(18)	311
Railway lines and works	752,263	-	83,721	(47,763)	788,221
Railway rolling stock	333,494	(79,572)	164,322	(75,121)	343,123
Plant and machinery	200,917	(47,758)	156,909	(17,854)	292,214
Signalling	254,503	-	1,380	(20,422)	235,461
Docks, harbours, and wharves	7,114	-	-	(312)	6,802
Total	1,548,620	(127,330)	406,332	(161,490)	1,666,132

	2023 €'000	2022 €'000
Deferred Income		
- amounts falling due within one year	164,686	159,249
- amounts falling due after more than one year	1,699,071	1,506,883
	1,863,757	1,666,132

19 Provisions for Liabilities

	Third-Party & Employer's Claims €'000	Legal Related €'000	Other Provisions €'000	Total €'000
Balance at 1 January 2023	41,418	2,384	10,897	54,699
Utilised during the financial year	(2,546)	-	(34)	(2,580)
Profit and loss account	233	(95)	321	459
Balance at 31 December 2023	39,105	2,289	11,184	52,578
	€'000	€'000	€'000	€'000
Balance at 1 January 2022	47,587	1,505	11,149	60,241
Utilised during the financial year	(3,711)	(20)	-	(3,731)
Profit and loss account	(2,458)	899	(252)	(1,811)
Balance at 31 December 2022	41,418	2,384	10,897	54,699

Restructuring Provision

The restructuring provision relates to the implementation of continuing cost saving initiatives.

Other Provision

On 31 December 2023 there was €11.2m (2022: €10.9m) of other provisions, €2.9m (2022: €2.7m) related to unresolved third-party disputes, €8.3m (2022: €8.2m) related to post-retirement benefit costs.

Third-party and employer's liability claims and related recoveries

Any losses not covered by external insurance are charged to the profit and loss account, and unsettled amounts are included in provisions for liabilities and charges.

The provisions that have been recorded represent the directors' best estimate of the expenditure required to settle the obligations, with the benefit of legal advice.

The nature of these claims means that there is some uncertainty with regard to the value that they will be settled at. If the outcomes of the claims are different to the assumptions underpinning the directors' best estimates, then a further liability may arise.

CIÉ as a self-regulated body operates a self-insurance model whereby the Operating Company's bear the financial risk associated with the costs of claims, subject to any-one incident and annual insurance caps in the case of Third-Party claims.

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) to the Company.

The estimated cost of claims includes expenses to be incurred in settling claims. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

In calculating the estimated cost of unpaid claims, the Company uses a variety of estimation techniques, including statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made, however, for changes or uncertainties which may cause distortion in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including, for example, changes in Company processes which might accelerate or slow down the development and/or recording of paid or incurred claims, changes in the legal environment, the effect of inflation, changes in mix of claims and the impact of large losses.

In estimating the cost of claims notified but outstanding, the Company has regard to the accident circumstances as established by investigations, any information available from legal or other experts and information on court precedents on liabilities with similar characteristics in previous periods. Exceptionally serious accidents are assessed separately from the averages indicated by actuarial modelling.

The estimation of IBNR claims is subject to a greater degree of uncertainty than the estimated liability for claims already notified to the Company, because of the lack of any information about the claim event except in those cases where investigators have been called to the scenes of accidents. Claim types which have a longer development tail and where the IBNR proportion of the total reserve is, therefore, high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Provisions for claims are calculated gross of any reinsurance recoveries. Reinsurance recoveries are recognised where such recoveries can be reasonably estimated. Reinsurance recoveries in respect of estimated IBNR claims are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the Company's reinsurance programme over time.

An assessment is also made of the recoverability of reinsurance having regard to notification from the Company's brokers of any re-insurers in run off.

20 Share Capital and Reserves

	2023 €'000	2022 €'000
Authorised:		
153,000,000 Ordinary shares of €1.27* each	194,270	194,270
Allotted, called up and fully paid – presented as equity		
At 1 January and 31 December, 153,000,000 Ordinary shares of €1.27* each	194,270	194,270

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

21 Notes to the Statement of Cash Flow

	2023 €'000	2022 €'000
Surplus before interest and taxation	8,418	1,876
Profit on disposal of tangible fixed assets	-	(517)
Depreciation on tangible fixed assets	160,962	164,478
Amortisation for intangible fixed assets	2,970	5,618
Amortisation of capital grants	(157,222)	(161,490)
(Increase) in stocks	(28,485)	(3,519)
(Increase)/decrease in debtors	26,230	(129,990)
Increase/(decrease) in creditors and provisions	(64,226)	151,881
Taxation charge	(1,905)	(894)
Net cash (outflow)/generated from operating activities	(53,258)	27,443

22 Capital Commitments

	2023 €'000	2022 €'000
At 31 December, the Company has the following capital commitments:		
Contractual commitments for the acquisition of tangible fixed assets	494,335	441,307
Capital expenditure on tangible fixed assets authorised by the directors but not contracted for	415,158	412,583

A significant element of the capital commitments listed above are subject to state funding being made available.

23 Post-Employment Benefits

The CIÉ Group operates two defined benefit plans (the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan) for employees of the CIÉ group. The employees of Iarnród Éireann are members of Córas Iompair Éireann Group pension schemes. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method.

The rules of the schemes do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit cost for the schemes as a whole is recognised in the separate financial statements of CIÉ as in the absence of a formal contractual arrangement the directors believe that this is the entity that is legally responsible for the schemes. The other participating entities, including Iarnród Éireann recognise a cost equal to their contribution for the period.

The valuations of the schemes under FRS 102 as at 31 December 2023 showed a deficit of €370.8m, (2022: deficit €396.5m). The disclosures required under FRS 102 in respect of the group's defined benefit schemes, in which the Company participates, are set out in the financial statements of CIÉ for the year ended 31 December 2023 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The Company's pension cost for the year under the defined benefit schemes was €35.2m (2022: €32.1m) and these costs are included in note 5. The Company cost comprises of contribution payable for the year.

24 Guarantees and Contingent Liabilities

Pending Litigation

The Company, from time to time, is party to various legal proceedings relating to commercial matters which are being handled and defended in the ordinary course of business. The status of pending or threatened proceedings is reviewed with CIÉ's group legal counsel on a regular basis. It is the opinion of the directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the financial statements.

25 Related Party Transactions

In the ordinary course of business, the Company purchases goods and services from entities controlled by the Irish Government, the principle of these being An Post and the National Transport Authority (NTA). The directors are of the opinion that the quantum of these purchases is not material in relation to the Company's business. See Note 11 for analysis of grant funding received from the NTA and the Department of Transport.

The Company has transactions in relation to goods and services with other companies within the CIÉ Group.

The Company is exempt from the disclosure requirements of paragraph 33.9 in relation to transactions with those entities that are a related party by virtue of the fact that the same state has control, joint control, or significant influence over both the reporting entity and the other entity.

26 Membership of Córas Iompair Éireann Group

Iarnród Éireann (Irish Rail) is a member of the Córas Iompair Éireann Group of Companies (the Group) and the financial statements reflect the effects of Group membership.

Some group wide functions such as Treasury, Legal, Property and Pensions are carried out by the Holding Company on a shared services basis. Copies of the CIÉ consolidated financial statements can be obtained from the Company Secretary at Heuston Station, Dublin 8, Ireland.

27 Events Since the End of the Financial Year

Global Rates

On 6th March 2024, the Valuation Tribunal issued Determination Orders to amend valuation certificates issued by the Commissioner of Valuation for 2015 and 2020. IÉ paid rates to local authorities for the intervening years which were calculated on these valuation certificates. The amended valuation certificates have reduced the valuation on which rates were previously paid.

The estimated financial effect of the amended is €7.5m. This has not resulted in an adjusting item to the financial statements.

Tax Treatment of State Subvention Income and Trade Losses Available to Carry Forward

In May 2024 agreement was reached with the Revenue Commissioners regarding the available accumulated trading losses carried forward. These losses had arisen due to the treatment of subvention income as being not liable to taxation. The losses forward will reduce from €4,919.8m to €2,233.3m effective from 1st January 2023.

IÉ do not recognise a deferred tax asset in relation to losses forward as the future recovery against taxable profits is uncertain. Therefore, this has not resulted in an adjusting item to the financial statements.

The financial impact of this agreement has been included in the Taxation disclosure in note 10 of the financial statements. The value of the potential deferred tax assets for 2023 is €278.2m.

28 Approval of Financial Statements

The directors approved the financial statements on 26th March 2024.



Connolly Station
Amiens Street
Dublin
D01 V6V6
www.irishrail.ie