



*Connecting People -  
Connecting Places*

*Annual Report* **2015**



**Bus Átha Cliath**

# Financial and Operating Highlights 2015

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**Revenue Growth**  
**€12.1m 2015**  
€11.9m 2014



**Surplus**  
**€10.2m 2015**  
€11.6m 2014



**Passenger Journeys**  
**122.4m 2015**  
118.6m 2014



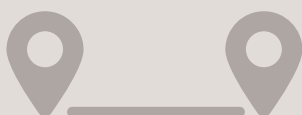
**Number of Buses**  
**980 2015**  
960 2014



**RTPI On-Street Display  
Screens**  
**562 2015**  
467 2014



**New Buses**  
**90 2015**  
70 2014



**No. of KMs travelled**  
**57m 2015**  
57m 2014



**Low Floor Accessible**  
**100% 2015**  
100% 2014



**Average no. of  
employees**  
**3,313 2015**  
3,176 2014

# CONTENTS

Chairman's Statement	2
Operations Review	4
Directors and Other Information	12
Directors' Report	13
Board of Directors	20
Independent Auditors' Report to the Members of Bus Átha Cliath	22
Summary of Significant Accounting Policies	24
Profit and Loss Account	31
Statement of Total Comprehensive Income	32
Balance Sheet	33
Statement of Changes In Equity	34
Cashflow Statement	35
Notes to the Financial Statements	36



*Bus Átha Cliath would like to acknowledge funding on major projects by the Irish Government under the EU and by the Infrastructure and Capital Investment 2012-2016 Medium Term Exchequer framework.*

# Chairman's Statement



## 2015 Review

Bus Átha Cliath is a very important company to the customers and communities we serve. We are a significant corporate employer in Dublin, with around 3,500 employees. Our services make a vital contribution to linking people together and supporting the economic activity and social wellbeing of the communities in which we operate.

Innovative, efficient and customer focused transport services play an increasingly important role in responding to the economic and environmental challenges of continued urbanisation, congestion and demographic change. Bus Átha Cliath is well placed to provide urban bus transport solutions to ensure that our city remains a vibrant place for both economic and social activity.

I am pleased to present the Annual Report of Bus Átha Cliath - Dublin Bus for the year ended December 2015 and to report a strong financial performance for the year. Dublin Bus has a long history of supporting economic and social development in our Capital City, the community that we serve. Public Transport plays a key role in the sustainable development of our country and with 122 million customer journeys in 2015, Bus Átha Cliath remains by far the largest provider of public transport in our country.

Our operating profit was €10.2 million compared to €11.6 million in 2014. This consistent level of profit was driven by growth in customer volume, continued focus on our cost base and adjusted customer fare levels. Customer Revenue ended the year at €228.1 million, an increase of €12.1 million on 2014 figures. Customer journeys were 3.2%

higher at 122.4 million driven by an increase in the number of buses in the fleet and operating 0.6 million additional kilometres.

## Governance

The Board is committed to the highest standard of corporate governance to manage risks and drive innovation and growth in Bus Átha Cliath. Bus Átha Cliath has put in place appropriate measures to comply with Code of Practice for the Governance of State Bodies, the agreed Government framework for the effective governance of State Bodies. Ms Siobhán Lohan Madden and Mr Joe Quinn joined the Board in 2015.

Under the Companies Act 2014, Dublin Bus changed its constitution to a Designated Activity Company (DAC), following Ministerial Consent in June 2015.

## Business Strategy

In keeping with our approach to strategic development, the Board again carried out a strategic review in 2015. Our strategy is reviewed on a regular basis by our Board and updated on an annual basis. While our financial performance has improved in 2015, we continue to face many challenges and opportunities. The core focus of our strategic plan is to create value and identify growth opportunities. In order to achieve this we must remain focused, dynamic and be innovative in all that we do. We do this in the face of a significant amount of competition in a challenging business and economic environment.

Some key strategic developments in 2015 included:

- Securing a Direct Award Contract for 100% of the Public Service Obligation bus network.
- Progressing to the Invitation to Tender phase in the Bus Market Opening procurement process.
- Agreeing our Strategic Plan 2015-2020 with our key stakeholders.
- Achieving passenger growth of 3.2% to 122.4 million journeys and total customer revenues of €228.1 million.
- Facilitating the construction of Luas Cross City with minimal impact on customer experience.
- Improving the commercial operating speed of our network through the implementation of the Traffic Light Priority project with the National Transport Authority and Dublin City Council.

- Introducing 90 new double deck buses to the fleet in 2015.
- Achieving capital investment for 110 new double deck buses for delivery in 2016.
- Implementing key safety initiatives that continuously seek to improve our strong safety culture.

## People

Bus Átha Cliath retained its direct award contract in December 2014, for a period of 5 years. We achieved this by continually delivering a service that meets strict performance targets. I want to thank our employees for their dedication and commitment to achieving our objectives, and in particular our front line employees who face many challenges on a daily basis and do so in a professional, safe and customer focused manner.

On behalf of the Board and myself I would like to acknowledge the support of our shareholder, the Minister for Transport, Tourism and Sport, Mr Paschal Donohue and the officials of his Department during 2015. I would like to wish Graham Doyle well in his role as Secretary of the Department of Transport, Tourism and Sport and congratulate and look forward to working with Deirdre Hanlon, the new Assistant Secretary in the Department of Tourism, Transport and Sport. During the year, the company also interacted on a regular basis with The National Transport Authority and look forward to continued progress in our mutual aim of increasing public transport use.

I would particularly like to thank Paddy Doherty who retired from his role as Chief Executive in 2015 after 40 years service with Bus Átha Cliath. Paddy's leadership over the past five years has seen the company stabilise its financial position and leaves the company in a strong position to deliver significant growth targets over the next 5 years.

In July 2015 we announced the appointment of Ray Coyne as Chief Executive. On behalf of the Board I would like to wish him well in his role and look forward to working with him, the management team and all the employees to execute our ambitious strategy in the next few years.

## Outlook

Looking ahead to 2016 presents both challenges and opportunities. Our commercial activities will see an increase in our Airlink service with close to 200 trips on weekdays planned for route 747. 2016 will also see the introduction of a new Airlink service to the south of the city. This will result in an increase in the number of journeys on Airlink of over 100%. We are introducing a new 1916 Commemoration City Tour in conjunction with Anu Productions in remembrance of Easter 1916. This tour will be a welcome addition to our commercial services. Finally, we will rebrand our City Sightseeing Tour, ensuring that we maintain our position as the market leader in this highly competitive market place.

We will introduce 30 additional and 80 replacement double deck buses to our network to cater for predicted demand from our customers. Through our network management skills we will identify and introduce services that will improve commuting journey times and help achieve modal shift in key commuter areas.

We will submit a competitive bid, focused on our core values, for all services tendered as part of Bus Market Opening.

We will engage with all stakeholders to ensure that our employees pensions continue to meet the Funding Standards as set out in our proposal to the Pensions Authority.

Finally, I believe Bus Átha Cliath has a key role in the social and economic viability of Dublin City. We are well positioned to deliver sustainable growth in our city. The strong foundations on which the company operates will help deliver this growth between now and 2020.

**Ultan Courtney,**  
Chairman,  
Bus Átha Cliath.

# Operations Review

## Overview

2015 was another successful year for Bus Átha Cliath with a number of positive trends emerging. Customer numbers on our 110 public service obligation routes and commercial services grew by 3.2% to 122.4 million despite the loss of two days of services for our customers due to industrial action in May 2015. An additional 90 new vehicles entered service from July on various routes. The new buses are another significant development in the provision of convenient, comfortable and sustainable public transport for the people of Dublin. Bus Átha Cliath continued to operate a fully low floor accessible fleet making it one of only two bus companies in Europe to offer this facility.

Real Time Passenger Information (RTPI) remains extremely popular and is now more attractive to customers with the implementation of additional RTPI units across the city.

Throughout 2015 Bus Átha Cliath continued its mission to deliver an effective public service with an enhanced customer experience. In 2016, Bus Átha Cliath will continue to provide efficient, reliable and safe services for our customers.

## 2015 Operating Result and Financial Position

In 2015 Bus Átha Cliath earned a net surplus of €10.2 million. This compares with a surplus of €11.6 million in 2014.

The key aspects of the financial results include revenue growth of €12.1 million, an increase of €10.2 million in operating costs and a reduction of €2.3 million in the Public Service Obligation (PSO) payments. Through a combination of revenue growth and continued payroll and overhead cost control measures, the company has returned a profit again in 2015. These measures are critical to achieving sustained financial stability over the coming years.

Total operating revenue grew by €12.1 million (5.6%) from €216.0 million to €228.1 million in 2015. This increase in revenue was generated through the 3.2% overall increase in customer demand assisted by the fares determination implemented in October/November 2014. The National Transport Authority (NTA) approved an overall average increase in fares of approximately 5% and increased the average discount for use of Leap Card from 17% to 22%. In addition significant progress was achieved in simplifying the fares structure for customers. The NTA introduced a second journey discount on Bus Átha Cliath fares across

all modes and also merged some of the single journey fares. In a drive to increase the number of young people using public transport, the NTA increased the child age on the Leap card to the 19th birthday. However, as would be expected these initiatives also had a diluting impact on the overall average fare per passenger journey.

With customer demand increasing, Bus Átha Cliath responded by providing additional peak and other services and in the process deployed additional buses and increased average staff numbers by 137 (4.3%). A reversal of some of the premium rate pay measures contained within a third cost reduction programme agreed with staff in November 2013, occurred within the first half of 2015. The 2013 cost reduction programme also incorporated a wide range of changes in work practices. An increase in payroll expenditure of €1.5 million in 2015, resulted from the reversal of some of the pay measures. Total payroll costs increased by €5.5 million (3.3%) to €172.6 million.

Serious accident provisions were increased by over €2.5 million to reflect an increase in the numbers of claims and higher settlement costs. Total expenditure for the year increased by €10.2 million (4%) on 2014. Higher settlement costs, in light of the new monetary thresholds applicable to the District and Circuit Courts for all proceedings instituted on or after 3 February 2014 following the Commencement Order relating to Part 3 of the Courts and Civil Law (Miscellaneous Provisions) Act 2013 being signed into law, are a matter of concern.

Bus Átha Cliath received Public Service Obligation (PSO) payments of €57.7 million in 2015; a reduction of €2.3 million compared to 2014, with the "Reasonable Profit" provision in the Public Service Obligation (PSO) contract accounting for €2 million of the reduction. Continuing profitability, after PSO payments, is crucial to achieving the critical objectives of: financial stability for Bus Átha Cliath, generating cash for essential investment, providing security around provision of transport services, sustainability of employment and contributing to the elimination of losses incurred during the economic downturn.

The company plans to continue on its path to recovery through on-going growth in network services and achieving further operational efficiencies.

The revised network of services and improved service reliability delivered under Network Direct, the introduction of RTPI and Integrated Ticketing (ITS) and the welcome on-going increase in employment have all contributed directly to generating increased customer demand for our bus services. These opportunities will be exploited



through increased marketing activity for the core routes and specific targeted off-peak and weekend campaigns in addition to enhancing Bus Átha Cliath revenue protection resources.

## The Importance of a Safe Workplace

The Board of Bus Átha Cliath and the Executive Management Team are committed to protecting the safety, health and welfare of employees, customers and those affected by our activities, such as other road users, visitors to our premises and contractors employed by the company.

The company's Safety Management System document provides a detailed framework for the management of health and safety risks associated with the company's operations. The methods described in this document form an integral part of the responsibilities of senior managers, middle managers and supervisors who, in turn, must ensure that their employees fully understand, and comply, with the requirements contained therein.

Whilst the requirement to provide adequate training and instruction is enshrined in the requirements of the Safety, Health and Welfare at Work Act, 2005, Bus Átha Cliath continues to recognise the importance of exceeding the minimum requirements by continually assessing the competencies of our employees. This is reflected in our annual training programme which also includes non-statutory training as well as regular in-house communication briefings relating to safety-critical information.

During 2015 we recruited a further 170 new bus drivers, bringing the total number of new drivers to 305 since recruitment recommenced in April 2014. The company intends to recruit a further 100 to 150 new drivers during the course of 2016. In this context, all new driver applicants are subject to the requirements of the company's rigorous Driver Recruitment & Selection policy and, on selection, must complete a rigorous six week training programme before commencing in-service driving. A comprehensive driver mentoring and monitoring programme is also in place to include performance reviews at 4-monthly intervals during the 12-month probation period.

In the context of safety priority issues, and in recognition of the growing population of vulnerable road users in Dublin City, we identified cyclist safety as a particular focus area in 2015. The company recently completed the filming of a cyclist safety video which it intends to use to highlight the key areas that bus drivers need to be aware of when sharing road space with cyclists. The primary focus of this video is to further improve bus drivers' awareness of the challenges that cyclists can present and to be better equipped when it comes to dealing with particular situations on a daily basis. Final production of the video was completed in February 2016.

In the context of employee safety, 2015 saw an overall year-on-year reduction of 7% in the number of employee lost-time accidents, and a resultant year-on-year reduction of 18% in the number of days lost by employees



### Developments in Commercial Services

2015 has been an extremely busy and successful year for Bus Átha Cliath's Commercial Services. Commercial Services carried almost 2.6 million passengers in 2015 which is an increase of 9.7% from 2014 figures. The turnover figure for 2015 was €15.1 million.

Plans for 2016 include:

- A new tour to commemorate 1916 launched in February 2016, and to continue throughout the year.
- The introduction of a new Airlink route and increased frequency on the existing route to meet increasing customer demand at Dublin Airport.

### Market Opening

In April 2015, Bus Átha Cliath submitted a preliminary qualification questionnaire (PQQ) to the NTA as part of the tendering process for the 10% of orbital routes within the GDA. In December 2015, the NTA announced that we were selected as one of the candidates to progress to the next round and the process is continuing into 2016.

### Luas Cross City

In 2015, Luas Cross City construction works continued to be a major challenge for Bus Átha Cliath contributing to increased journey times through the city centre. However, due to thorough planning and communications with all parties involved we have continued to operate a quality and reliable service despite the loss of some city centre bus stops and the implementation of several route diversions. Planning for further intrusive construction works during 2016 is well underway through the multi-agency process chaired by the NTA, involving An Garda Síochána, Dublin City Council, Transport Infrastructure Ireland (TII) and the main project contractors.

### Public Service Contract

Bus Átha Cliath is confident that, with a focus on the new targets and performance requirements, all our obligations under the new Direct Award Public Service Contract, 2014-2019, (PSC) are achievable and customers will benefit from improved standards of service.

During 2015, we worked closely with the NTA to fully agree the revised schedules that form part of the 2014-2019 contract and this work will continue to evolve during 2016.

### Customer Service Improvement

The role of Customer Service Improvement Manager was introduced during the year. It was created with the aim of implementing service improvement standards across all functions and in all locations (centrally and within garages), complete with clear performance indicators, and audit procedures.

The main responsibilities of the holder of the role are to design, develop, lead and manage the customer service improvement policy and system within Bus Átha Cliath, as a cross-functional customer advocate and to ensure that customer service requirements detailed in the PSC are met.





## Accessibility – A Bus service for all

The Travel Assistance Scheme continued to grow throughout the year with over 800 assistances given. Following the commencement of the Luas Cross City project works, demand for the service has increased and Bus Átha Cliath is examining ways of developing the service in 2016 to meet this growth. All new additions to the fleet will be 100% accessible with enhanced features including a separate wheelchair and buggy space.

## Technological Advancements

RTPI remains a significant advancement which continued to improve during 2015, reaching a 96% accuracy score. The quantity of RTPI signs at bus stops reached 562 at the end of 2015 (2014: 467 RTPI signs). Bus Átha Cliath and the NTA plan to further increase this in 2016, with the deployment of up to 75 additional display units in the Dublin area.

All new additions to the fleet in 2015 came equipped with an on-board audio announcement system and audio visual displays. The programme of retrofitting the electronic displays on older buses continues. At the end of 2015, a total of 320 buses had the electronic displays installed as original equipment and 242 buses were retrofitted.

During 2015, a system was developed which allows the inclusion on the website and smart phone App of stop-specific service disruption messages to be displayed alongside predicted arrival times. Testing is nearing completion, with deployment planned for early 2016.

The statistics produced by the Automated Vehicle Location Control (AVLC) system are used for reporting and planning. During 2016, statistics will be exported from the AVLC system on a daily basis to the NTA's Bus Data Management System. This will allow the NTA to monitor, in an automated way, some key performance indicators of the PSC.

In April 2015, an enhancement was introduced to the AVLC system which permitted the on-board computer to automatically update the fare stages on the driver's ticket machine, thereby synchronising the stage number on the ticket machine with the bus location as determined by the on-board computer of the AVLC system. This automatic stage update function was extended to the entire fleet by September 2015.

## Leap Card

Leap Card usage continued to grow in 2015 with more than 800,000 unique cards used each month in the latter part of 2015. All Bus Átha Cliath prepaid tickets were migrated to Leap Card by the end of year, with the exception of the Airlink, Nitelink, Travel 90 (single ticket) Tours and rail city centre transfer tickets.

The transfer rebate facility was extended during the year to include Luas and Iarnród Éireann suburban and DART services, thereby offering transfer rebates on interchange between these operators' services.

## Operations Review (cont'd)

Two new Leap Visitor tickets, 1 and 7 Day, were launched in 2015 and are valid on Bus Átha Cliath services. The majority of previously used disposable smartcard tickets, valid on PSO services, have now been withdrawn and the Leap card is the only means for Annual, Monthly and Rambler ticket usage.

Leap Cards accounted for just under 70% of all Bus Átha Cliath passenger boarding numbers (including Department of Social Protection free travel passes) by December 2015, having risen from 50% at the start of the year. Leap Card offers customers significant savings, with on-bus fares at least 20% more expensive than the Leap Card.

A smart phone App was developed and tested by the NTA during 2015 which provides facilities to both top-up the stored value purse and also check card balances for certain types of android mobile phones. This App is due for public launch in early 2016.

### Public Service Card Free Travel

During 2015, the Department of Social Protection started issuing their free travel passes on a smart Public Services Card (PS Free Travel card) which is compatible with the Leap Card. Bus Átha Cliath was the first transport operator to electronically validate these PS Free Travel cards in the same manner as a normal Leap Card. Electronic validations commenced in April 2015. All other transport operators joined later in the year. At year end, the number of journeys recorded with the PS Free Travel card was approx. 1.2 million per month, with 80% of these journeys being taken on Bus Átha Cliath services.

### Brand Positioning

In late 2014, we developed a new brand positioning, encapsulating our commitment to both the organisation and the customer, putting the customer firmly at the heart of the business. This continues to be communicated to all areas within the company.

In short, our commitment translates to 'We will do everything we possibly can to get you where you need to be, when you need to be there, no matter what obstacles get in the way, and our internal mantra is 'Every journey matters'.

### 'Reasons to Travel' campaign

Our 'Reasons to Travel' campaign was launched in April 2015 with a focus on communicating 'reasons to travel with Bus Átha Cliath'. This campaign specifically targeted occasional users and had the following key objectives:

1. Encourage bus travel amongst our occasional bus users
2. Encourage additional off-peak trips (using available capacity)
3. Encourage sign up to our Electronic Direct Mail (EDM) programme
4. Drive traffic to our 'Venues/Events' section on [www.dublinbus.ie](http://www.dublinbus.ie)

The aim of the communications strategy is to show customers that Bus Átha Cliath is an easy and enjoyable way to get to places they want to go to by focussing on the routes that serve Dublin's many sports and entertainment venues. The campaign focussed on routes that serve Dublin's many sports and entertainment venues, the driver of those routes and the customers while also promoting the events and venue page on [www.dublinbus.ie](http://www.dublinbus.ie). The campaign also helped to build on the relationship between drivers and customers.

The campaign ran for four weeks with a heavy weighting towards digital channels including; paid social, display, search and partnership with [www.ticketmaster.ie](http://www.ticketmaster.ie).

This campaign attained a lot of positive publicity and customer engagement through competitions which ran on our social media channels for the campaign.

### 'The Mad Dash Home'

Our Corporate Promotion campaign; 'The Mad Dash Home' starring Baz & Nancy Ashmawy from '50 Ways to Kill Your Mammy' was launched in November 2015. Three visual online films were created using a range of employees. The film showcased our employees' use of technology, bus prioritisation measures and social media that give us the competitive edge over cars; these being the key proof points behind 'Every journey matters'. The campaign aimed to give customers an insight into how the 350,000 weekday bus journeys run smoothly, safely and on time with a 'behind the scenes' look at the different departments and personnel who help pull the service together.

Overall the results were extremely positive and the campaign attained a high level of positive publicity in the media and interaction with the public through social media channels with over 1.6m video views.

## Digital

We have traditionally used paid-media marketing as a way to build awareness and to educate customers on our brand. But with the arrival of the digital age, we have invested heavily in digital and social media advertising in order to communicate at all levels with our customers. Unlike traditional marketing, social media allows us to interact directly and immediately with our customers.

Downloads of our App amounted to 1,168,459 at 31 December 2015. Android downloads account for 54% of all downloads with iPhone at 46%. The volume of customers accessing the Bus Átha Cliath website from a mobile device is constantly increasing and makes up 57% of the overall traffic coming to the website.

We are using social media as a tool to build brand advocates, promote the community work we currently do and develop partnerships and alliances. To achieve this, we have implemented a monthly engagement plan consisting of a content calendar to promote our services and products (Apps, tickets etc.) in line with events taking place in Dublin.

Another key channel is Electronic Direct Mail (EDM) which we issue on a monthly basis to update customers on campaigns which helps us spread the reach of the campaign by providing an additional media channel. We have over 220,000 customers signed up to receive EDM from us.

## Social Media & EDM:

- Number of Facebook Followers – 28,000
- Number of Twitter Followers – 43,000
- Website Traffic Average Monthly Sessions – 709,368
- Email Sign-ups – 230,000

## Energy and Sustainability

Bus Átha Cliath operated a fleet of 980 Buses covering 57 million kilometres in 2015. The primary energy consumption is fuel usage associated with operating the fleet. The quantity of diesel used in 2015 was 27.6 million litres (2014: 27.5 million litres).

Energy is also consumed at our seven depots and several office buildings. The breakdown of energy usage consists of fuel usage by the fleet (94.7% of consumption), electricity usage at our premises (1.8% of consumption)

and gas consumption at the premises (3.5% of consumption). Up to 70% of electricity usage in the company's depots is associated with lighting the buildings and the external yard areas. Gas consumption is primarily associated with heating of the premises. Lighting, office equipment and air conditioning units account for the majority of the office energy consumption.

In 2015, Bus Átha Cliath consumed 296,578 MWh of energy (2014: 293,714 MWh), consisting of:

<b>Bus Átha Cliath Energy Consumption 2015</b>	<b>MWh</b>
Diesel Fuel	280,847
Electricity	5,223
Natural Gas	10,508
<b>Total</b>	<b>296,578</b>

## Actions Undertaken in 2015

In 2015 Bus Átha Cliath undertook a range of initiatives to improve energy performance, including:

- Expansion of fleet fuel monitoring by route;
- Continued rollout of eco driving monitoring, by route, in each depot;
- Purchase of new vehicles which are fitted with Euro 6 standard engines – a smaller and more efficient engine combined with lighter chassis providing reduced fuel consumption;
- The new fleet of buses fitted with Euro 6 engines are 20% more efficient than the buses they replaced;
- Vigil Vanguard training for drivers – eco driving techniques;
- Continuation of energy monitoring at all Bus Átha Cliath premises;
- Rain water harvesting for use on chassis cleaning of buses in depots; and
- ISO 50001 Training programme.

## Operations Review (cont'd)

### Actions Planned for 2016

During 2016, Bus Átha Cliath intend to further improve energy performance by undertaking the following initiatives:

- Trials of eco-driving for fleet using on-board technology;
- Purchase of 110 new vehicles which will be fitted with Euro 6 standard engines. The new vehicles will replace less efficient older vehicles;
- Installation of an automated fuel management system in each depot;
- Trial High Bay LED lighting in workshop; and
- Implementation of ISO 50001 – Energy Management System.

Bus Átha Cliath will continue to identify further energy saving opportunities through the local energy management teams.

### Fleet Replacement Programme

During 2015, Bus Átha Cliath took delivery of 90 new double deck buses with Volvo B5TL chassis and Wrightbus (Ballymena) bodywork. These vehicles will contribute to a significant improvement in NOx and particulate emissions. The body work on the vehicles is significantly lighter and more fuel efficient than previous models which will also improve CO2 emissions. In addition, the new buses are equipped with a number of features which will enhance the customer experience and improve satisfaction. These include a separate wheelchair and buggy space, next stop passenger information (audio and visual) and Wi-Fi capability. The vehicles are also fitted with centre doors for customer exit which will enhance boarding and reduce dwell times at stops. All 90 replacement vehicles were funded by the NTA.

### Fleet Refurbishment Programme

The Fleet Refurbishment Programme steadily progressed during 2015. Mechanical, electric and body work improvements were carried out on 100 buses within the fleet. The programme aims to improve vehicle safety and increase reliability of our fleet.

### Corporate Social Responsibility

Through the Community Spirit Initiative, Bus Átha Cliath continued to play an active role in the communities in which it operates. The overall initiative is comprised of three main elements:

1. The Bus Átha Cliath Community Spirit Awards
2. The Bus Átha Cliath Children's Art Competition
3. Bus Átha Cliath/Niall Quinn Penalty Shoot Out

The 11th annual Bus Átha Cliath Community Spirit Awards took place on the 25 September, at Croke Park Stadium, hosted by patron Niall Quinn.

85 charities and voluntary groups from the Greater Dublin Area (GDA) were awarded grants of €1,000, €2,000 or €5,000 on the night with over 1,800 charities and local organisations benefiting from the grants since the inception of the awards. Winners of the top awards this year were: Daisyhouse Housing Association, Just Ask, Older Voices for Change, The Down's Syndrome Centre and Ballinteer Community School.

The second element of the Community Spirit Initiative is the annual Children's Art Competition and Calendar. Bus Átha Cliath employs dedicated School and Community Co-ordinators who build and maintain relationships with young people in national and secondary schools across Dublin. Each year the co-ordinators select a number of national schools across the company's route network to participate in the competition and invite the children to submit a bus themed picture or poem. This year's theme was 'Bus Átha Cliath is at the heart of the community'. The competition promotes the value of public transport in local communities to younger passengers and creates awareness of the negative impact of vandalism on buses for the local community itself. This year 25 national schools from the following areas: Ballygall, Ballyfermot, Ballymun, Cherry Orchard, Clondalkin, Crumlin, Finglas, Jobstown, Inchicore, Larkhill, Swords and Tallaght took part in the competition. The winning entries were published in the Children's Art Calendar 2016, which was then distributed among the participating schools, Bus Átha Cliath



employees and elected representatives in the GDA. Along with incorporating the winning entries into a calendar for distribution, on 3 December Bus Átha Cliath staged an exhibition of some of the winning entries in Wood Quay Venue to launch the 2016 calendar.

Our redesigned Schools DVD was also launched at that calendar event. The DVD will be used in 2016 by the schools co-ordinators as an educational tool to inform children of the importance of respecting their local bus services.

2015 marked the 10th year of the annual Bus Átha Cliath /Niall Quinn Penalty Shoot Out. This year's participants were children from Aosóg, a community based Child and Family Project based in the North West inner city of Dublin. The event, which is organised in conjunction with An Garda Síochána, was held at the Seán O'Casey Community Centre, St. Mary's Road, East Wall.

## Bus Átha Cliath - Community Spirit Initiative

# Directors and Other Information

## **Board of Directors at 30<sup>th</sup> March 2016**

Mr U. Courtney (Chairman)

Prof P. Barker

Ms K. Barrington

Ms G. Joyce

Ms S. Madden

Mr B. McCamley

Mr T. O'Connor

Mr J. Quinn

Prof K. Rafter

## **Chief Executive**

Mr R. Coyne

## **Secretary and Registered Office**

Mr R. O'Farrell

59 Upper O'Connell Street

Dublin 1

## **Registered Office:**

Bus Átha Cliath

59 Upper O'Connell Street

Dublin 1

Telephone: +353 1 872 0000

Website: [www.dublinbus.ie](http://www.dublinbus.ie)

**Registered No:** 119569

## **Auditors**

PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

One Spencer Dock

North Wall Quay

Dublin 1

# Directors' Report

The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014, the Transport Act 1950 and the Transport (Re-organisation of Córas Iompar Éireann) Act 1986 for the year ended 31st December 2015.

## Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- notify the company's shareholder 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 keeping adequate accounting records that are sufficient to:

- correctly record and explain 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; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

## 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 employment of competent persons. The accounting records are kept at Bus Átha Cliath, 59 Upper O'Connell Street, Dublin 1.

## Financial Reporting Standard 102 (FRS 102)

FRS 102 is effective for the financial year ended 31st December 2015 and this is the first year that the financial statements are being prepared under the new standard. Management in conjunction with CIÉ group conducted a comprehensive review of the implications of FRS 102 and the concepts and pervasive principles contained within the Standard in the preparation of the financial statements. The comparative amounts in the 2015 financial statements have been prepared in accordance with FRS 102 and required some restatement to align with the requirements of FRS 102. Further details are set out in the notes to the financial statements.

## Directors' Report (cont'd)

### Going concern

The board directors are satisfied that the company will have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis for the preparation of the financial statements. Further details are set out in note 2 to the financial statements.

### Principal activities and financial review

The principal activity of the company is the provision of a comprehensive bus service for the city of Dublin and its hinterland.

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

Total customer revenues increased by 5.6% to €228 million in 2015 from €216 million in the previous year. Passenger demand in 2015 showed sustained growth through the year. Bus Átha Cliath carried 122.4 million customers, representing an increase of 3.2% on 2014.

The Surplus after tax for the year ended 31st December 2015 was €10.2m which compares with a surplus of €11.6m in 2014, a reduction of €1.4m on 2014. The 2015 financial year saw another strong performance. The main reasons for the surplus were; continuing growth in revenue generating passenger demand and a 2.3% yield from the fares increase. The overall financial performance for 2015 is very encouraging and confirms that the company remains on track to restore sustainable financial viability.

The company is reliant upon funding for unprofitable public services from the National Transport Authority (NTA).

### Dividends

There were no dividends paid or declared in 2015 or 2014.

### Principal risks and risk management

The company is committed to managing risk in a systematic and disciplined manner. The key risks facing the company are identified through a company-wide risk management process. A risk register is maintained and updated quarterly and includes action plans for addressing the identified risks.

Córas Iompair Éireann (CIÉ), enters into fuel and currency forward purchasing arrangements where it deems there is value and reduced risk to the group. CIÉ is the counter party in respect of these transactions. A new objectives driven risk prioritisation system was introduced during the year which more sharply focuses the Board on the identified risks.

Liquidity is carefully managed on a CIÉ Group basis by a dedicated professional team which coordinates day to day cash and treasury management together with annual and multi annual planning and the securing of sufficient corporate bank funding to allow the CIÉ Group to continue to operate.

### Capital investment

During 2015, investment in the fleet continued and 90 new buses were delivered into service to replace older vehicles. Other significant expenditure included fleet refurbishment programmes to maintain quality and reliability for the benefit of the customer. Investment in improving services continued with the assistance of National Transport Authority funding including an investment of €33.5 million for the new buses.

### The Board

The company is controlled through its board of directors. The board met on ten occasions during 2015 (ten in 2014) and has a schedule of matters reserved for its approval.



## Directors

The directors of the company are appointed by the Minister for Transport, Tourism and Sport. The names of persons who were directors during the year ended 31st December 2015 or who have since been appointed are set out below. Except where indicated they served as directors for the entire period up to the date of the approval of these financial statements.

Mr U. Courtney	(Chairman)
Prof P. Barker	(re-appointed 11th February 2016)
Ms K. Barrington	
Ms G. Joyce	(re-appointed 30th July 2015)
Ms S. Madden	(appointed 11th June 2015)
Mr B. McCamley	
Mr T. O'Connor	
Mr J. Quinn	(appointed 11th June 2015)
Prof K. Rafter	(re-appointed 23rd January 2016)

None of the directors or the secretary held any interest in any shares or debentures of the company, its holding company or its fellow subsidiaries at any time during the year.

There were no contracts or arrangements entered into during the year in which a director was materially interested in relation to the company's business.

## Audit, Finance & Risk Committee

At 30th March 2016, the Audit, Finance & Risk Committee (AFRC) comprises the following non-executive members of the Board: Prof Patricia Barker, Gary Joyce, Prof Kevin Rafter and Joe Quinn.

While all directors have a duty to act in the interests of the company, the AFRC has a particular role, acting independently from the executive, to ensure that the interests of the shareholders are properly protected in relation to the financial reporting oversight, internal control, internal and external audit, risk management and corporate governance.

During the year ended 31st December 2015, the committee monitored the budgetary process, kept under review the effectiveness of the Company's internal controls and risk management systems. In particular, they:

- continued to oversee the implementation of the new Risk Management System;
- engaged with the internal auditor to assess the AFRC's reliance on his team's work output and conclusions;
- met with the Procurement Officer to satisfy the AFRC as to the rigour of the policies and procedures for procurement and contract management;
- monitored the application of the company's compliance with the Protected Disclosure Act, the Companies Act and the Lobbying Act;
- engaged with the external auditor to ask such questions considered necessary to satisfy themselves as to their independence;
- engaged with the Chief Financial Officer (CFO) and the external auditor to assure themselves as to the accounting judgements applied in the financial statements;
- formalised the annual work schedule to ensure full coverage of the tasks set out for the AFRC's Terms of Reference;
- received regular reports on the development of the Integrated Ticketing System (ITS) and engaged with the CFO on the measures being taken to protect the integrity of this revenue stream; and
- conducted an internal review of the performance of the AFRC during the reporting period.

The Terms of Reference of the AFRC have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Chairman of the committee met with the Chairman of the company to discuss matters arising from the conduct of the AFRC's business. The Committee met seven times in 2015 (8 in 2014). The External Auditors, PricewaterhouseCoopers, were appointed during the year ended 31 December 2013 for a three year period following a procurement and tender process. Therefore, the AFRC recommended to the Board that they be formally reappointed for the year ended 31st December 2015. There were no contractual obligations that acted to restrict the Audit, Finance & Risk Committee in making this recommendation.

## Directors' Report (cont'd)

There were no material services provided by the auditors during the year under review. Therefore the AFRC having considered all relationships between the Company and the external audit firm, does not consider that those relationships impair the auditor's judgement or independence.

### Board Safety Committee

At 30th March 2016, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the Board: Kathleen Barrington (Chairman), Siobhán Madden and Bill McCamley, who is a Worker Director.

Ensuring the safety of employees and customers is Bus Átha Cliath's core value. The Company embraces this value by providing a transport service where people feel safe and where the experiences of customers and employees are built on a continuous commitment to safe practices.

In this context, the Bus Átha Cliath BSC is central to ensuring that safety remains at the core of the business, and that key safety objectives and priorities are effectively managed and delivered.

The Terms of Reference of the BSC are as follows;

- The preparation and annual update of Safety Plans by Management
- The annual report from Management on Safety Management Systems Review
- The liaison and co-operation by Bus Átha Cliath Management as appropriate with the relevant statutory safety authorities, including the Department of Transport, Tourism and Sport, Road Safety Authority and the Health & Safety Authority
- Key safety performance indicators as prepared and reported by Bus Átha Cliath Management
- Any other health and safety matters as referred to the Committee by the Board or Management of Bus Átha Cliath

The Committee is authorised, by the Bus Átha Cliath Board, to investigate any activity within its terms of reference, to obtain the resources it needs to do so and to gain full access to information. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside professional advice and, if necessary, to invite external consultants with relevant experience to attend meetings.

The Committee met on a total of four occasions during 2015 in accordance with the planned schedule for BSC meetings. Prof Kevin Rafter, who is a current Board member, served on the Board Safety Committee from May 2013 until 26th May 2015. He has now been succeeded on the BSC by Ms Siobhán Madden.

Some of the key items reviewed during the year included the following;

- Adoption and implementation of an enhanced driver training programme
- Benchmarking driving performance with international standards
- Performance of new drivers introduced since April 2014
- The review of recommendations and actions arising from Vehicle Safety incidents
- Agreeing a project plan for Bus Átha Cliath Safety Week October 2015
- The adoption of key safety initiatives for 2016, to include the following
  - Production of a Bus Átha Cliath 'Cyclist safety' video to enhance employee and public awareness
  - The implementation of an updated policy on the use of mobile phones and portable electronic devices whilst driving to further enhance our safety objectives
  - The evaluation of city centre bus stop capacities

### Board Remuneration & Succession Committee

At 30 March 2016, the Remuneration & Succession Committee comprises the following non-executive members of the Board; Prof Kevin Rafter (Chairman), Ultan Courtney, Prof Patricia Barker and Gary Joyce.

Recognising the position of Bus Átha Cliath as determined by Section 14(1) of the Transport Act, 1986 the functions of the Committee are:

- To ensure implementation of government policy in relation to the remuneration of the Chief Executive and managers who report directly to him/her, and to ensure that the arrangements put in place by the Department of Finance/Department of Public Expenditure and Reform and the Department of Transport, Tourism and Sport for determining and approving the remuneration of the Chief Executive, are implemented and adhered to.

- To ensure that any Government guidelines and Bus Átha Cliath/CIÉ Group Policies regarding the remuneration of senior managers are adhered to.
- To approve the remuneration package and the appointments/re-appointment of the Chief Executive (CEO), and all senior managers who report directly to the CEO.
- To determine performance criteria against which the performance of the CEO will be measured, which are consistent with the corporate plan approved by the Board.
- In line with government policy, to approve any performance-related policy in respect of the CEO and managers who report directly to him/her. The CEO's review shall be undertaken by the Chairperson of the Board.
- To approve and regularly update succession plans covering the CEO, and to also consider any proposals from the CEO regarding skills, succession planning or headcount issues.
- Where special arrangements are proposed in relation to specific appointments, to approve such arrangements and to ensure the approval of such arrangements by the Department of Finance/ Department of Public Expenditure and Reform and the Department of Transport, Tourism and Sport.
- To review and approve the section of the Bus Átha Cliath Chairperson's Annual Letter to be sent to the Minister for Transport, Tourism and Sport relating to the affirmation that the Government Guidelines in relation to the payment of fees to the Directors of the Board are being complied with (which is required to be delivered pursuant to the Code of Practice for the Governance of State Bodies).
- To review and approve the sections of the Annual Report and Financial Statements to be published by the company which relate to details of fees to be paid to each Board Director, the expenses paid to the Directors and the salary of the Chief Executive.
- To ensure adequate plans are in place to take account of an unforeseen absence of the Chief Executive.
- To perform any other functions appropriate to a Remuneration and Succession Committee or assigned to it by the Board from time to time.

The Remuneration & Succession Committee was formally established by a decision of the Bus Átha Cliath Board in 2014. The Committee's Terms of Reference were subsequently approved by the Board and are reviewed on an annual basis and amended as appropriate. In line with its agreed work programme the Committee met twice in 2015. In addition to this formal work programme, from September 2014 to June 2015 members of the Committee were tasked by the Board to oversee the recruitment process for a new Bus Átha Cliath CEO.

## Board Strategy Review Group

At 30th March 2016, the Strategy Review Group (SRG) comprises the following non-executive members of the Board; Ultan Courtney (Chairman), Prof Patricia Barker, Kathleen Barrington, Gary Joyce, Siobhán Madden, Joe Quinn and Prof Kevin Rafter.

The mandate from the Board for the SRG is;

- To review the main strategic assumptions which guide the company's five year rolling business plan and make recommendations to management.
- To review the updated plan prior to it being submitted to the Bus Átha Cliath Board for approval.
- To review the key assumptions which inform the preparation of the annual budget in the context of the approved business plan.
- To consider any event which would have a major effect on the prospects of achieving the annual budget or business plan targets.

During the year ended 31st December 2015, the SRG undertook; an overview of the Public Transport market in the context of the Public Service Contract; reviewed the market opening bid strategy and monitored development of business plan key performance indicators.

The Terms of Reference of the SRG have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Committee met once in 2015.

## Directors' Report (cont'd)

### Attendance at Board and Committee meetings

Listed below is board directors' attendance at Board and Committee meetings during 2015.

Director	Board	Safety Committee	Audit Finance & Risk Committee	Remuneration & Succession Committee	Strategy Review Group
Ultan Courtney – Chairman	10/10			2/2	1/1
Prof Patricia Barker	10/10		7/7		0/1
Kathleen Barrington	10/10	4/4			1/1
Gary Joyce	9/10		7/7	1/2	1/1
Siobhán Madden	5/5	2/2			1/1
Bill McCamley	10/10	3/4			
Thomas O'Connor	9/10				
Joe Quinn	3/4		2/3		1/1
Prof Kevin Rafter	10/10	1/2	7/7	2/2	1/1

### Employee development

Bus Átha Cliath is committed to ensuring that the necessary skills and knowledge are identified and developed so that all employees have the opportunity to develop and make a positive contribution. A competency framework is used to identify the behaviours, skills and abilities essential to the successful performance of the various roles of employees in delivering a quality service to the required standard.

The Bus Átha Cliath Training Centre provides a number of training programmes to ensure that bus drivers are given the highest standard of training to enable them deliver a safe, efficient and reliable bus service to our customers. All bus drivers participate in one days training each year to qualify them for the Certificate of Professional Competence (CPC) in accordance with EU Directive 2003/59/EC and Road Safety Authority approval. Bus Átha Cliath have been recognised by the Road Safety Authority as a CPC Training Organisation of the Year at their Leading Lights in Road Safety Awards.

In addition to CPC, a driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change. The training programme has been acknowledged by the

Chartered Institute of Logistics and Transport and the Road Safety Authority for its innovative approach to driver skills training.

The Training Centre also provides induction programmes for new bus drivers, driving instruction for category C, D and E driving licences, and a customer care training programme.

A programme of managerial development continued in 2015 with a number of managers and administration officers undertaking third level studies. We provide a management coaching and development programme and an executive mentoring programme for newly appointed executives and managers to support them in their roles. Other role specific training continued for engineering, supervisory and administrative employees.

## 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.

## Equality and diversity

Bus Átha Cliath is committed to creating an environment where employees and customers are treated with dignity and respect and where differences are respected, accommodated and valued. We also aim to create an environment in which everyone can achieve their full potential and where a broad range of individual abilities, talents and perspectives are valued and supported.

The company has an Equality, Diversity and Non-Discrimination Policy in place which reflects our continuing commitment to equality, diversity and non-discrimination for our employees, our customers and the wider community we seek to serve. It is designed to ensure an efficient and fulfilling work environment for our employees, to meet the changing needs of our customers and underpin the quality of their experience of our services, and to deepen our connection to the diversity of the communities that we serve.

It includes an annual action plan which sets out the specific steps and commitments that we take each year to progress these objectives across each of the business functions in Bus Átha Cliath.

Bus Átha Cliath continues to work in partnership with the Equality Authority, Gay and Lesbian Equality Network (GLEN), Immigrant Council of Ireland and the National Disability Authority on a number of initiatives to promote equality and diversity.

In 2015, Bus Átha Cliath again worked in partnership with the Immigrant Council of Ireland, National Transport Authority and other public transport providers on the Stop Racism – Transport Links – Racism Divides campaign which was launched nationally this year.

Bus Átha Cliath was the top ranking public sector organisation in the 2015 GLEN Workplace Equality Index. The index is Ireland's benchmark for lesbian, gay, bisexual and transgender workplace equality and Bus Átha Cliath's participation demonstrates the Company's commitment to developing an inclusive workplace.

## Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the Code of Practice for the Governance of State Bodies are provided in the Córás Iompair Éireann Group Annual Report. The code provides minimum standards and the Board endeavours to ensure compliance with best practice in Corporate Governance in the conduct of its business.

## Payment practices

Bus Átha Cliath acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Amendment Regulation 2013. The company payment policy is to comply with the requirements of the Regulation.

## Post balance sheet events

There have been no significant post balance sheet events which require adjustment to or disclosure in the financial statements.

## Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the board

Mr U. Courtney    Chairman

Prof P. Barker    Director

Date: 6 April 2016

# Board of Directors



## **Ultan Courtney; Chairman**

Ultan Courtney was appointed to the Board of CIÉ and as Chairman of Bus Átha Cliath in September 2014. He has wide experience in the Human Resources and Industrial Relations field. He is Managing Director of his own consultancy business and previously held positions in C&C Group Plc, Superquinn, Waterford Foods and IBEC. Ultan holds a Masters Degree in Economics from Trinity College Dublin and numerous qualifications in the areas of employment law, mediation, arbitration and legal governance.



## **Patricia Barker**

Patricia Barker is a retired professor of accounting. She is a Chartered Accountant and a Council Member of Chartered Accountants Ireland. Her PhD was in the disclosure of financial information to employees and she holds an MPhil from Trinity in Gender Studies. Patricia is a director of Tallaght Hospital and of The Marine Institute and a member of the Audit Committees of the Health Service Executive (HSE) and of The Court Services. She served as Chairman of the Blood Transfusion Services Board (BTSB) and works as a volunteer with the Rape Crisis Centre. Patricia was reappointed to the Board for a further three year term in February 2016.



## **Kathleen Barrington**

Kathleen Barrington was appointed to the Board in September 2013. Kathleen is a communications consultant with a special interest in reputation management, public affairs, media relations and plain English. Kathleen was previously a government media adviser and an award-winning financial journalist with a special interest in consumer and investor issues. Kathleen was a member of the Consultative Consumer Panel of the Financial Regulator from 2007 – 2010.



## **Gary Joyce**

Gary Joyce was reappointed to the Board in for a further three year term in July 2015. Gary Joyce is Managing Partner of Genesis, a consulting firm that specialises in customer and brand strategy. She has extensive non-executive director experience in the public and private sectors. She is currently Deputy Chair of the Child and Family Agency and is on the board of Sam McCauley Chemists and Galway Arts Festival.



## **Siobhán Madden**

Siobhán Madden was appointed to the Board in June 2015. Siobhán is a practising solicitor who works for an international aircraft leasing company based in the IFSC, Dublin. She specialises in financial services, corporate governance and the law relating to aviation and other mobile transport equipment. She is also a tax consultant, a member of the New York Bar, and the International Bar Association. She studied in Trinity College, was a partner for 15 years in a leading Dublin law firm, and has gained international experience working in Dublin, New York and France for major international companies.



### **Bill McCamley**

Bill McCamley was first appointed to the Board in December 1997 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Bill joined Bus Átha Cliath in 1974 and works in Phibsboro garage as a bus driver. He has held a variety of positions in his trade union, SIPTU, including membership of the Regional, Divisional and Branch committees. Bill is presently a member of the Transport Sector and Dublin District committees. He has represented his trade union at a number of European transportation conferences and was a member of the Department of Justice Working Party on Bus Violence (1996). Bill has written extensively on transportation and trade union issues, including a book on the history of Dublin's tram-workers.



### **Joe Quinn**

Joe Quinn was appointed to the Board in June 2015. Joe is Managing Director at RGP; an international consulting firm that specialises in finance, governance, risk and compliance consulting. Joe trained as a Chartered Accountant with Ernst & Young and has held finance leadership positions in a number of multi-national companies, including Guinness, Diageo and Prudential. Joe is a Fellow of the Institute of Chartered Accountants in Ireland and holds a Bachelor of Commerce degree and a post-graduate Diploma in Professional Accounting from University College Dublin. He is currently a member of the board and Chairman of the Finance and Audit Committee of Oxfam Ireland.



### **Thomas O'Connor**

Thomas O'Connor was appointed to the Board in December 2013 following his election to the CIÉ Board under the Worker Participation (State Enterprises) Acts 1977 to 2001. Thomas works as a bus driver based in Ringsend Garage. He is a member of the National Bus and Rail Union (NBRU), sits on the National Executive and has served as Dublin Branch Secretary since 2010. He previously worked in the electrical and signage industry.



### **Kevin Rafter**

Prof Kevin Rafter was appointed to the board in January 2013 and was reappointed for a further three-year term in January 2016. He works as a communications consultant and academic. He has published widely on research topics related to media and politics with a specific emphasis on Ireland. He is also a non-executive director at Oxfam Ireland.

# Independent Auditors' Report to the Members of Bus Átha Cliath

## Report on the financial statements

### Our opinion

In our opinion, Bus Átha Cliath's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2015 and of its surplus and cash flows for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended;
- the significant accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

## Matters on which we are required to report by the Companies Act 2014

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

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

### Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Mary Cleary

for and on behalf of PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

Dublin

6 April 2016

- (a) The maintenance and integrity of the Bus Átha Cliath website is the responsibility of the Board; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Summary of Significant Accounting Policies

The significant accounting policies used 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. Bus Átha Cliath has adopted FRS 102, for the first time in these financial statements. Details of the transition to FRS 102 are disclosed in note 19.

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.

## (a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with the 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 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 amount of assets and liabilities within the next financial year are set out at (u) below, "Critical accounting estimates and assumptions".

FRS 102 allows a qualifying entity certain disclosure exemptions. Bus Átha Cliath has not taken advantage of any available exemption for qualifying entities for the year ended 31 December 2015.

## (b) Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Therefore these entity financial statements have been prepared on a going concern basis. Further information is set out in note 2.

## (c) Foreign currency

### (i) Functional and presentation currency

The functional currency and presentational 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'.

## (d) Turnover

Turnover comprises the gross value of services provided. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered. Bus Átha Cliath recognises turnover in the period in which the service is provided.

Bus Átha Cliath recognises revenue through its different revenue streams as follows:

### On Bus Cash

On bus cash revenue is recognised at point of sale which is the day the service is provided.

### Integrated Ticketing System (ITS) e-purse revenue

On bus ITS e-purse revenue is recognised on the day in which the service is provided.

### Taxsaver

Taxsaver annual tickets are recognised evenly over the periods in the year which the product relates to.

#### Bus Shelter Advertising Revenue

Bus Shelter advertisement revenue is recognised over the period of the relevant contract. Revenue is earned from bi-monthly and quarterly contracts with the associated revenue receipts received in arrears.

#### Department of Social Protection (DSP) revenue

DSP revenue is received monthly and is recognised in the month to which it relates. This revenue receipts are received in arrears.

### (e) Grant Income – European Union and Public Service obligations and Other Exchequer Grants

Bus Átha Cliath recognise government grants in line with the accruals model under FRS 102.

#### Grants for capital expenditure

Grants for capital expenditure are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

#### Public Service Obligation (PSO) payments

PSO payments received and receivable during the year are recognised in the profit and loss account in the period they become receivable.

#### Revenue Grants

Grants in respect of expenditure are recognised in the profit and loss at the same time as the related expenditure and for which grant is intended to compensate is incurred.

### (f) Material and service costs

Materials and services costs, otherwise referred to as operating costs, constitute all costs associated with the day to day running of the operations of Bus Átha Cliath, excluding depreciation, amortisation and payroll costs which are disclosed separately in the profit and loss account, and set out in more detail in note 6 of the financial statements.

### (g) Interest receivable/interest payable

#### (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.

### (h) Exceptional costs

The Bus Átha Cliath profit and loss account separately identifies results before specific items. Specific items are those that in our judgement need to be disclosed separately by virtue of their size, nature or incidence. Bus Átha Cliath believes that this presentation provides additional analysis as it highlights exceptional items. Such items include significant business restructuring costs.

In this regard the determination of 'significant' as included in our definition, both qualitative and quantitative judgement is used by the company in assessing the particular items, which by virtue of their scale and nature, are disclosed in the profit and loss account and related notes as exceptional items.

### (i) 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.

#### (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.

## Summary of significant accounting policies (cont'd)

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 only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### (j) Related parties

Bus Átha Cliath is a subsidiary of CIÉ Group. Bus Átha Cliath discloses transactions with related parties which are not wholly owned within the group. It does not disclose transactions with members of the same group that are wholly owned.

### (k) 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 and 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.

### (l) Tangible fixed assets

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 decommissioning costs.

(i) The bases of calculation of depreciation are as follows:

#### Road passenger vehicles

Road passenger vehicles are depreciated on the basis of the historical cost of vehicles in the fleet, spread over their expected useful lives, on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The expected useful life of assets in this category are between 3 and 12 years.

#### Bus stops and shelters

Bus stops and shelters are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. The

expected useful life of assets in this category are between 3 and 15 years.

#### Plant and machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. The expected useful life of assets in this category are between 3 and 10 years.

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.

#### (ii) Subsequent additions

Subsequent costs, including in respect of replaced components, 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.

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 costs are expensed as incurred.

#### (iii) Derecognition

Tangible 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 in profit or loss account.

### (m) Impairment of non-financial assets

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-

in-use, pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

If an impairment loss reverses (the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account.

#### **(n) Leased assets**

Operating leases do not transfer substantially of the risk 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.

#### **(o) Stocks**

Stocks consist of maintenance materials, spare parts and fuel and other sundry stock items. Stocks of materials and spare parts are valued at the lower of weighted average 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 provision is made for stocks considered to be impaired.

#### **(p) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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

#### **(q) Financial instruments**

The company has chosen to adopt the provisions of Section 11 and 12 of FRS 102 in respect of financial instruments.

##### **(i) Financial assets**

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.

## Summary of significant accounting policies (cont'd)

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 the ownership of the 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 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 for 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.

### (r) Provisions and contingencies

#### (i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when Bus Átha Cliath has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits 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 Bus Átha Cliath has a legal or constructive obligation at the end of the financial year to carry out the restructuring. Bus Átha Cliath has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and 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 bus services, pay related provisions, environmental 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 Bus Átha Cliath 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.

#### **(s) Employee benefits**

The company provides a numbers 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 of 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 costs for the schemes, as a whole, are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath

recognise a cost equal to their contribution for the period. Further details of these schemes are set out in note 21.

#### **(t) Equity**

Bus Átha Cliath equity shares are wholly owned by CIÉ. Ordinary called up share capital and revenue reserves are classified as equity and set out in notes 18 of the financial statements.

#### **(u) 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 intangible and tangible assets**

The annual amortisation charge for intangible assets and the depreciation charge for tangible 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 reviewed 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 and tangible assets are set out at (k) and (l) above. The carrying amount of tangible and intangible assets are set out in notes 11 and 12.

##### **(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

## Summary of significant accounting policies (cont'd)

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 21.

### (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 claims 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 16 to the financial statements.



# Profit and Loss Account

For the Financial Year Ended 31 December 2015

	Notes	2015 €'000	2014 €'000
Operating revenue	3,4a	228,084	216,036
Public Service Obligation payment	4b	57,700	60,039
Revenue grants	17b	442	358
<b>Total income</b>		<b>286,226</b>	<b>276,433</b>
Costs			
Payroll and related costs	5	(172,573)	(167,058)
Materials and services	6	(93,321)	(88,659)
<b>Total operating costs</b>		<b>(265,894)</b>	<b>(255,717)</b>
<b>EBITDA before restructuring and other charges</b>		<b>20,332</b>	<b>20,716</b>
Exceptional operating costs	7	(326)	(295)
Depreciation and amortisation (net)	8	(10,348)	(9,585)
Gain on disposal of tangible assets		687	646
<b>Surplus before interest and tax</b>		<b>10,345</b>	<b>11,482</b>
Interest receivable and similar charges	9a	–	92
Interest payable and similar charges	9b	(168)	(5)
<b>Surplus for the year</b>		<b>10,177</b>	<b>11,569</b>
Tax on surplus	10	–	–
<b>Surplus for the year after tax</b>		<b>10,177</b>	<b>11,569</b>

# Statement of Total Comprehensive Income

For the Financial Year Ended 31 December 2015

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Surplus for the year	10,177	11,569
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>10,177</b>	<b>11,569</b>

# Balance Sheet

As at 31 December 2015

	Notes	2015 €'000	2014 €'000
<b>Fixed assets</b>			
Intangible assets	11	3,417	4,852
Tangible assets	12	155,508	141,314
		<b>158,925</b>	<b>146,166</b>
<b>Current assets</b>			
Stocks	13	3,821	4,041
Debtors	14	161,672	142,223
Cash at bank and in hand		550	151
		<b>166,043</b>	<b>146,415</b>
Creditors (amounts falling due within one year)	15	(56,567)	(54,629)
		<b>109,476</b>	<b>91,786</b>
<b>Total assets less current liabilities</b>		<b>268,401</b>	<b>237,952</b>
Provision for liabilities and charges	16	(91,083)	(87,626)
Deferred income	17	(137,411)	(120,596)
		<b>39,907</b>	<b>29,730</b>
<b>Net Assets</b>			
Financed by:			
Capital and reserves	18	69,836	69,836
Profit and loss account		(29,929)	(40,106)
		<b>39,907</b>	<b>29,730</b>
<b>Equity</b>		<b>39,907</b>	<b>29,730</b>

## On behalf of the board

Mr U. Courtney Chairman

Prof. P. Barker Director

Date: 6 April 2016

# Statement of Changes In Equity

For the Financial Year Ended 31 December 2015

	<b>Called Up Share Capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Balance at 1 January 2014</b>	69,836	(51,675)	18,161
Surplus for the year	–	11,569	11,569
Other comprehensive income for the year	–	–	–
<b>Balance at 31 December 2014</b>	<b>69,836</b>	<b>(40,106)</b>	<b>29,730</b>
<b>Balance at 1 January 2015</b>	69,836	(40,106)	29,730
Surplus for the year	–	10,177	10,177
Other comprehensive income for the year	–	–	–
<b>Balance at 31 December 2015</b>	<b>69,836</b>	<b>(29,929)</b>	<b>39,907</b>

# Cashflow Statement

For the Financial Year Ended 31 December 2015

	Notes	2015 €'000	2014 €'000
Net cash generated from operating activities	20	24,577	22,875
<b>Cash flow from investing activities</b>			
Capital expenditure		(47,553)	(60,722)
Proceeds from disposal of tangible fixed assets		715	646
Capital grants received	17	38,580	56,740
Movement in balance with parent company		(15,752)	(16,791)
Interest (paid) /received	9	(168)	87
<b>Net cash used in investing activities</b>		<b>(24,178)</b>	<b>(20,040)</b>
<b>Cash flow from financing activities</b>			
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>			
		<b>399</b>	<b>2,835</b>
Cash and cash equivalents at beginning of year		151	(2,684)
<b>Cash and cash equivalents at end of year</b>		<b>550</b>	<b>151</b>

# Notes to the Financial Statements

## 1 Compliance, activities and ownership

### (a) Statement of Compliance

The financial statements of Bus Átha Cliath have been prepared on a going concern basis in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The financial statements comply with Financial Reporting Standard 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2014.

### (b) Activities and ownership

Córas Iompair Éireann (CIÉ), of which Bus Átha Cliath 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, Tourism and Sport.

Bus Átha Cliath is Dublin's leading provider of road public transport.

Bus Átha Cliath, the company, is a Commercial State Company and is part of the CIÉ Group of companies. The company was re-registered as a Designated Activity Company effective from 1 February 2016, under the Companies Act 2014.

The financial statements of the company relate solely to the activities of Bus Átha Cliath.

## 2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company and the CIÉ Group, of which the company is a member, will have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements.

### Background

At 31 December 2015 the CIÉ group had net liabilities of €206m (2014: €616m) and net current liabilities of €275m (2014:€284m). The net liabilities of the group include liabilities in respect of defined benefit pension obligations of €288m (2014:€702m) and deferred income in respect of capital grants received of €2,687m (2014:€2,784m).

In July 2013 the CIÉ Group successfully completed negotiations with the Group's banks in relation to re-financing and increasing the banking facilities available to the Group. Committed facilities of €160m were secured up to July 2018, of which €26m has subsequently been repaid (and is not available to be redrawn) under the Group's term loan facility. At 31 December 2015 the Group had drawn down €54m under the term loan facilities. The undrawn amount available to the Group under the Group's revolving credit facilities was €80m.

These facilities contain a number of financial covenants, all of which have been met by the CIÉ Group in 2015. Management expect that the CIÉ Group will continue to meet the covenant targets set out in the facility agreement for the period of at least 12 months from the date of approval of these financial statements.

### Nature of Uncertainties Facing Group

While trading performance improved during 2015 the CIÉ Group continues to face a challenging business environment which gives rise to uncertainties.

While management are confident that overall financial targets including those required for the Group to meet its financial covenants will continue to be met in the forthcoming year, the Group's future performance is based on a number of challenging targets and assumptions, which require constant monitoring and oversight by management. The Group's budget assumes that the Group will continue to incur an operating deficit in 2016.

## 2 Going concern (cont'd)

The principal uncertainties affecting the future outlook can be summarised under the following headings:

### Revenue

The achievement of the revenue growth targets set out in the Group's 5-year business plan are based on a combination of assumptions related to increases in nominal fares, increases in passenger journeys and the mix of fares between cash and other fares. The capacity of the Group to secure the fare increases assumed in its plans is principally dependent on fare determinations by the National Transport Authority (NTA) and increases in passenger journeys is dependent on sustained economic recovery.

### Operating Costs

Maintaining operating costs at appropriate levels as set out in the Group's business plans remains critical. Assumptions used in preparing the business plan are by their nature subjective and it is imperative that performance against plan is monitored closely, so that mitigating actions, which have already been identified by management can be put in place if necessary.

### Investment Costs

Achieving the appropriate level of investment in the maintenance, renewal and enhancement of public transport infrastructure is critical to underpinning the provision of safe, effective and reliable public transport services. Ensuring that necessary investment is appropriately funded is a continuing challenge for management so that the investment demand of the Group's operations does not undermine the financial sustainability of the Group.

The Group's plans for 2016 are subject to capital expenditure funding support from the Exchequer and the NTA and also envisage funding investment from operating cash flows. The Group's sustainability in the longer term is dependent on an appropriate level of government funding being in place to fund the public transport services that are required under the Group's Public Service Obligation contracts.

Funding of investment requirements in the longer term remains a significant challenge for all stakeholders. Should there be a shortfall in levels of funding; the risk that the Group may not generate sufficient returns to protect its financial stability during the life of the current 5-year business plan arises. In that event, working capital will become constrained requiring constant monitoring. Mitigating actions would be required to ensure that the overall financial covenant targets, to which the Group is committed, are not breached and that sufficient cash-flow is generated after investment to meet obligations as they fall due.

### Pensions

The Group's pension schemes are also in deficit. The liabilities of these schemes are included in the financial statements of CIÉ and not at the individual operating company level, as explained in note 21 to the financial statements. Although the net liabilities of the pension schemes reduced significantly at 31 December 2015, in comparison to the prior year, the financial markets remain volatile, including significant movements in the underlying interest rates under which liabilities are measured, and the valuation of assets held by the schemes, since year end. The ongoing volatility in the valuation of the schemes require careful monitoring and the identification of measures which can be implemented, on an agreed basis, to reduce the risk in relation to the schemes.

CIÉ is engaging with its staff to identify and agree on measures which are designed to de-risk the schemes.

### Management's Actions

Group and Company management have taken and are continuing to take a number of actions, including:

- Continuous review of risks and opportunities affecting the Group's business plan.
- Discussions with the NTA and Department of Transport, Tourism and Sport on the appropriate funding structure/Net financial effect for Iarnród Éireann, Bus Éireann and Bus Átha Cliath.
- Discussion with staff representatives to agree measures to address the financial position of Group's pension funds.
- Continued implementation and rigorous monitoring of cost saving initiatives.

## Notes to the Financial Statements (cont'd)

### 2 Going concern (cont'd)

- Close monitoring by management of the daily, weekly and monthly cash position across the Group.
- Implementation of revenue protection initiatives and seeking new revenue generating activities.

#### Letter of Support

The on-going support of the Department of Transport, Tourism and Sport has been evidenced in the letter of support dated 5 April 2016.

The letter states that: "the Department continues to monitor the financial position of CIÉ and is engaging with CIÉ in relation to measures necessary to safeguard CIÉ's financial sustainability." Whilst the letter states that nothing contained in the letter can be construed as a guarantee of the obligations or liabilities of CIÉ, it also states that "It remains Government policy that the business of CIÉ is at all times in a position to meet its liabilities" and "that the State will continue to exercise its shareholder rights with a view to ensuring that CIÉ manages its operations in a manner that will enable it to meet all its obligations in a timely manner. Any action to be considered by the State however would have to be in compliance with EU law, including State Aid rules which may require EU Commission notification and approval".

#### Conclusion

Having made due enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the cashflow generating from the CIÉ Group's trading activities and its existing banking facilities will be sufficient to fund the ongoing cash flow needs of the group, and to meet its financial covenants under the CIÉ Group's banking facilities agreements, for the period of at least 12 months from the date of approval of these financial statements. They also have a reasonable expectation that the Government will support measures to ensure financial stability. For these reasons, directors have concluded that the risks described above do not represent a material uncertainty that casts significant doubt on the Group's ability to continue as a going concern.

The directors, having regard to above, have a reasonable expectation that the CIÉ Group, and therefore the company, will have adequate resources to continue in operational existence for at least 12 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 Net (deficit)/surplus by activity

	Social Activities		Commercial Activities	
	2015	2014	2015	2014
Revenue	213,460	201,807	15,066	14,587
Costs	(265,608)	(255,729)	(10,441)	(9,135)
<b>Operating (deficit)/surplus</b>	<b>(52,148)</b>	<b>(53,922)</b>	<b>4,625</b>	<b>5,452</b>
Public service obligation payment	57,700	60,039	–	–
Additional government funding	–	–	–	–
<b>Net (deficit)/surplus</b>	<b>5,552</b>	<b>6,117</b>	<b>4,625</b>	<b>5,452</b>

### 4 Revenue

#### (a) Total revenue

This comprises operating turnover, net of recoverable VAT, and includes receipts under the Public Service Obligation Contract and revenue grants. Details of revenue grants are set out in note 17. The company is a transport service provider and provides services throughout Dublin and is regulated by the National Transport Authority (NTA).



## Notes to the Financial Statements (cont'd)

### 4 Revenue (cont'd)

#### (b) Public service obligation

The Public Service Obligation payment payable to Bus Átha Cliath – through its holding company, Córas Iompair Éireann, amounted to €57,700,000 for the year ended 31 December 2015 (2014 - €60,039,000).

### 5 Payroll and related costs

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Staff costs comprise:</b>		
Wages and salaries	145,592	141,658
Social insurance costs	14,365	14,004
Other retirement benefit costs	12,426	11,221
<b>Total staff costs (excluding directors remuneration)</b>	<b>172,383</b>	<b>166,883</b>
<b>Directors' remuneration</b>		
Emoluments		
– for services as directors	80	58
– for other services	106	113
	<b>186</b>	<b>171</b>
Contributions paid to defined benefit scheme	4	4
Total directors' remuneration and emoluments	190	175
<b>Total payroll and related costs</b>	<b>172,573</b>	<b>167,058</b>

Capitalised employee costs during the year amounted to €Nil (2014: €Nil).

Retirement benefits are accruing to 2 directors (2014: 2 directors) under a defined benefit pension scheme.

	<b>Numbers</b>	<b>Numbers</b>
	<b>2015</b>	<b>2014</b>
The average number of employees during the year were:		
Wages grade	2,901	2,791
Executive/clerical	374	365
Temporary/contract	38	20
<b>Total</b>	<b>3,313</b>	<b>3,176</b>

#### Key management compensation

Key management includes the directors and members of senior management. Wages and salaries costs include the following remuneration payable to the Chief Executive Officers.

## Notes to the Financial Statements (cont'd)

### 5 Payroll and related costs (cont'd)

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Chief Executive Officers</b>		
Basic salary	177	185
Social insurance costs	4	5
Taxable allowance and BIK	8	15
Post-retirement benefit costs	41	43
<b>Total</b>	<b>230</b>	<b>248</b>

The previous Chief Executive, Paddy Doherty, retired on 30 June 2015. Mr Doherty was replaced by Mr Ray Coyne, who took up the position of Chief Executive Officer on 01 July 2015. The Chief Executives salary is in line with the Department of Public Expenditure and Reform guidelines for Chief Executives.

The compensation paid or payable to key management for employee services (including the Chief Executive Officer) is shown below:

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Key Management Compensation</b>		
Salary	1,119	1,069
Social insurance costs	37	35
Taxable allowance and BIK	8	15
Post-retirement benefit costs	213	209
<b>Total</b>	<b>1,377</b>	<b>1,328</b>

The directors of the company were paid directors fees for services as directors during 2015 as follows:

Mr U. Courtney	€19,080
Prof. P. Barker	€11,130
Ms K. Barrington	€11,130
Ms G. Joyce	€11,130
Ms S. Madden	€4,876
Mr J Quinn	€4,876
Prof. K. Rafter	€11,130

Mr B McCamley and Mr T O'Connor did not receive any directors' fees from the company.

All payments comply in full with government guidelines for director's fees.

The expenses paid for directors in 2015 and 2014 amounted to nil.

## Notes to the Financial Statements (cont'd)

### 6 Materials and service costs

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Fuel and lubricants	32,442	32,494
Materials	17,947	17,976
Road tax and licences	687	696
Rent and rates	765	810
Foreign exchange losses	83	50
(Credit)/charge for movement in provision for impairment of stocks	(89)	(186)
(Credit)/charge for movement in provision for impairment of debtors	(25)	2
Operating lease rentals	508	525
Third party and employer's liability claims	10,041	7,500
Other services	30,962	28,792
	<b>93,321</b>	<b>88,659</b>

### 7 Exceptional operating costs

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Restructuring costs	326	295

### 8 Depreciation and amortisation of tangible and intangible assets

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Amortisation of intangible fixed assets (note 11)	1,524	1,532
Depreciation of tangible fixed assets (note 12)	28,842	26,034
Amortisation of EU/Exchequer capital grants (note 17)	(20,018)	(17,981)
	<b>10,348</b>	<b>9,585</b>

## Notes to the Financial Statements (cont'd)

### 9 Interest (payable)/receivable

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
(a) Interest receivable and similar charges		
<b>On balances with holding Company</b>	<b>-</b>	<b>92</b>
(b) Interest payable and similar charges		
On balances with holding Company	(166)	-
Other interest payments	(2)	(5)
	<b>(168)</b>	<b>(5)</b>

Other interest payments relate to interest on late payments.

### 10 Taxation

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Tax expense included in profit or loss</b>		
Current tax:		
Irish corporation tax on surplus for the financial year	-	-
Adjustments in respect of prior financial years	-	-
Current tax expense for the financial year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

#### Factors affecting tax charge for the year

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 2015 of 12.5% (2014: 12.5%) to the surplus for the year. The differences are explained below:

## Notes to the Financial Statements (cont'd)

### 10 Taxation (cont'd)

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Surplus on ordinary activities before tax	10,177	11,569
Surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2014: 12.5%)	1,272	1,446
<i>Effects of:</i>		
Depreciation in excess of capital allowances for year	3,097	2,557
Non-taxable income	(9,715)	(9,753)
Unrelieved tax losses carried forward	5,005	5,432
Income charged to tax at higher rate	501	488
Other timing differences	(160)	(170)
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

A potential deferred tax asset of €180.9m (2014: €175.3m) has not been recognised, as the future recovery against taxable profits is uncertain.

## Notes to the Financial Statements (cont'd)

### 11 Intangible Fixed Assets

	<b>Software</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>
<b>Cost</b>		
At 1 January 2015	10,859	10,859
Additions	89	89
Disposals	(106)	(106)
<b>At 31 December, 2015</b>	<b>10,842</b>	<b>10,842</b>
<b>Amortisation</b>		
At 1 January, 2015	6,007	6,007
Charge for the year	1,524	1,524
Disposals	(106)	(106)
<b>At 31 December 2015</b>	<b>7,425</b>	<b>7,425</b>
<b>Net book amounts</b>		
At 31 December, 2015	3,417	3,417
At 31 December, 2014	4,852	4,852
<b><i>In respect of the prior year</i></b>		
<b>Cost</b>		
At 1 January 2014	10,916	10,916
Additions	16	16
Disposals	(73)	(73)
<b>At 31 December 2014</b>	<b>10,859</b>	<b>10,859</b>
<b>Amortisation</b>		
At 1 January, 2014	4,548	4,548
Charge for the year	1,532	1,532
Disposals	(73)	(73)
<b>At 31 December 2014</b>	<b>6,007</b>	<b>6,007</b>
<b>Net book amounts</b>		
At 31 December 2014	4,852	4,852
At 31 December 2013	6,368	6,368

## Notes to the Financial Statements (cont'd)

### 11 Intangible Fixed Assets (cont'd)

The expected useful lives of the intangible assets for amortisation purposes is as follows:

Software – 3 - 5 years

### 12 Tangible fixed assets

	<b>Road Passenger Vehicles</b>	<b>Bus Stops and Shelters</b>	<b>Plant and Machinery</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Cost</b>				
At 1 January 2015	315,561	28,700	46,390	390,651
Additions	39,308	422	3,401	43,131
Disposals	(21,080)	–	(2,149)	(23,229)
<b>At 31 December 2015</b>	<b>333,789</b>	<b>29,122</b>	<b>47,642</b>	<b>410,553</b>
<b>Depreciation</b>				
At 1 January 2015	200,641	12,395	36,301	249,337
Charge for the year	23,379	1,977	3,486	28,842
Disposals	(20,986)	–	(2,148)	(23,134)
<b>At 31 December 2015</b>	<b>203,034</b>	<b>14,372</b>	<b>37,639</b>	<b>255,045</b>
<b>Net book amounts</b>				
<b>At 31 December 2015</b>	<b>130,755</b>	<b>14,750</b>	<b>10,003</b>	<b>155,508</b>
<b>At 31 December 2014</b>	<b>114,920</b>	<b>16,305</b>	<b>10,089</b>	<b>141,314</b>
<b><i>In respect of prior year</i></b>				
<b>Cost</b>				
At 1 January 2014	300,122	28,226	45,337	373,685
Additions	30,471	474	3,066	34,011
Disposals	(15,032)	–	(2,013)	(17,045)
<b>At 31 December 2014</b>	<b>315,561</b>	<b>28,700</b>	<b>46,390</b>	<b>390,651</b>

## Notes to the Financial Statements (cont'd)

### 12 Tangible fixed assets (cont'd)

	<b>Road Passenger Vehicles</b>	<b>Bus Stops and Shelters</b>	<b>Plant and Machinery</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>Depreciation</b>				
At 1 January 2014	194,686	10,419	35,031	240,136
Charge for the year	20,775	1,976	3,283	26,034
Disposals	(14,820)	–	(2,013)	(16,833)
<b>At 31 December 2014</b>	<b>200,641</b>	<b>12,395</b>	<b>36,301</b>	<b>249,337</b>
<b>Net book amounts</b>				
At 31 December 2014	114,920	16,305	10,089	141,314
<b>At 31 December 2013</b>	<b>105,436</b>	<b>17,807</b>	<b>10,306</b>	<b>133,549</b>

- (i) Road passenger vehicles at a cost of €56.8 million (2014: €52.9 million) were fully depreciated but still in use at the balance sheet date.
- (ii) There are no additions in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service (2014: €0.019 million).
- (iii) The company does not own the property in use; this is owned by the CIÉ Holding Company and is included in the financial statements of CIÉ.
- (iv) Assets with a carrying value of €95,000 were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets and a profit of €687,000 was obtained.

### 13 Stocks

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Maintenance materials and spare parts	2,127	2,525
Fuel, lubricants and other sundry stocks	1,694	1,516
	<b>3,821</b>	<b>4,041</b>

The stock above is stated net of a stock obsolescence provision of €360,000 (2014: €449,000).

There is no significant difference between the replacement cost of stock and their carrying amounts.



## Notes to the Financial Statements (cont'd)

### 14 Debtors

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Trade debtors	8,650	8,786
Amounts owed by holding company	120,831	105,079
Prepayments	31,841	28,068
Other debtors and accrued income	350	290
	<b>161,672</b>	<b>142,223</b>

Amounts owed by the holding company are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The directors acknowledge that, although the amounts owed by the parent company are repayable on demand, the company does not intend to seek repayment of the amounts due in the foreseeable future.

Contained within the prepayments figure are advanced capital payments of €31 million in 2015 (2014: €26.7 million in 2014).

The debtors above are stated net of provision for bad debts of €69,000 (2014: €127,000).

### 15 Creditors

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
Trade creditors	5,924	5,307
Income tax/levy deducted under PAYE	2,679	2,887
Pay related social insurance	1,934	1,875
Value added tax	165	344
Withholding tax	8	50
Other creditors	473	1,188
Deferred revenue	12,528	12,260
Deferred income	20,866	19,185
Accruals	11,990	11,533
	<b>56,567</b>	<b>54,629</b>
<b>Creditors for taxation and social insurance included above</b>	<b>4,786</b>	<b>5,156</b>

Trade and other creditors are payable at various date 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.

## Notes to the Financial Statements (cont'd)

### 16 Provisions for liabilities and charges

	Environment matters	Legal and related matters	Restructuring	Third party & employer liability claims	Total
	€'000	€'000	€'000	€'000	€'000
As at 1 January 2014	1,000	800	2,528	80,547	84,875
Charge/(credit) to profit and loss account (net)	1,500	400	294	7,500	9,694
Utilised during year	–	–	(1,156)	(5,787)	(6,943)
<b>As at 31 December 2014</b>	<b>2,500</b>	<b>1,200</b>	<b>1,666</b>	<b>82,260</b>	<b>87,626</b>
As at 1 January 2015	2,500	1,200	1,666	82,260	87,626
Charge/(credit) to profit and loss account (net)	–	250	325	10,041	10,616
Utilised during year			(723)	(6,436)	(7,159)
<b>As at 31 December 2015</b>	<b>2,500</b>	<b>1,450</b>	<b>1,268</b>	<b>85,865</b>	<b>91,083</b>

#### Environmental matters

The land and buildings occupied by Bus Átha Cliath are of varying age. The environmental provision relates to substantial building works that are currently required to be performed to meet the company's obligations under Environment and Health and Safety legislation.

#### Legal and related matters

The provision relates to third party and employee legal disputes. These disputes are currently on-going and the provision represents the estimated cost of settling these matters.

#### Restructuring provision

The restructuring provision relates to changed business processes and payments for staff who have agreed to exit on a voluntary basis. The provision relates to non-routine payroll expenditure. The provision is expected to be utilised during year ended 31 December 2016.

#### Third party and employer liability claims

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.

#### (a) External Insurance Cover

CIÉ has, on behalf of the company, the following external insurance cover:

- (i) Third party liability in excess of €2,000,000 on any one occurrence or series of occurrences arising out of any one road transport event, except in the case of claims subject to United States jurisdiction where the excess is US\$3,300,000.

### 16 Provisions for liabilities and charges (cont'd)

- (i) Aggregate cover in the twelve month period, April 2015 to March 2016, for third party liabilities in excess of a self-insured retention of €15,000,000 subject to an overall Group self-insured annual aggregate retention of €27,000,000, after which any individual self-insured retention in that annual period will be €50,000.
- (ii) Group Combined Liability Insurance with overall indemnity is €200,000,000 for the twelve month period, April 2015 to March 2016, for rail and road transport Third Party and Other Risks Liabilities, excluding Terrorism.
- (iv) All Risks, including storm damage, with an indemnity of €200,000,000 in respect of Group's property in excess of €1,000,000 on any one loss or series of losses, with the annual excess capped at €5,000,000 in aggregate after which any individual self-insured excess in that annual period will be €100,000.
- (v) Terrorism damage indemnity cover for the Group is €200,000,000, with an excess of €10,000,000 each and every loss, except for railway and road rolling stock whilst in transit where the excess is €500,000 for each and every loss in Ireland /Northern Ireland, and €250,000 each and every loss in the United Kingdom(excluding Northern Ireland).

Similar insurance arrangements are in place in respect of earlier years.

#### (b) Third Party and Employer Liability Claims Provisions 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 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 claims 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.

## Notes to the Financial Statements (cont'd)

### 17 Deferred income

This represents EU/Exchequer grants which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated:

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Capital Grants</b>		
Balance at 1 January	139,781	101,228
Received and receivable	38,580	56,740
Amortisation of capital grants (note 8)	(20,018)	(17,981)
Asset Disposal	(66)	(206)
<b>Balance carried forward at 31 December</b>	<b>158,277</b>	<b>139,781</b>
Apportioned:		
Current liability	20,866	19,185
Amounts falling due after more than one year	137,411	120,596
	<b>158,277</b>	<b>139,781</b>

### 17(a) Disclosure in accordance with Department of Finance Circular Reference 17/2010

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Capital grants</b>		
Vehicles and plant	38,580	56,740
Asset additions prior year paid	–	4,509
Total paid	38,580	61,249
<b>Revenue grants</b>		
Revenue grants to profit and loss account	234	220
Total paid	234	220
Total payments	38,814	61,469

The capital grants are amortised over the useful lives of the assets. Revenue grants are brought to profit and loss in full in the relevant year received. The relevant agency and programme is the NTA and the Capital Funding Programme 2015. Grants are restricted to Public Service Obligation (PSO) activities.

**17(b)** Total revenue grants including grants from NTA in 2015 were €442,000 (2014 €358,000).

**18 Share capital**

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Authorised:</b>		
Ordinary shares of €1.27 each	126,974	126,974
<b>Allotted, called up and presented as equity:</b>		
Ordinary shares of €1.27 each	69,836	69,836

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.

**19 Transition to FRS102**

This is the first year that Bus Átha Cliath has presented its results under FRS 102. The previous financial statements under Irish GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. There were no changes to profit and loss, total equity or other comprehensive income arising from the transition to FRS 102. There were changes in accounting policies and certain classifications in the financial statements between Irish GAAP as previously reported and FRS 102. These are set out below.

- (a) In accordance with FRS 102, revenue grants of €358,000 and the proceeds from the sale of scrap materials of €35,000, which were previously netted against expenses were reclassified as revenue grants and revenue respectively under FRS 102.
- (b) In accordance with FRS102, computer software with a net book value of €4.852 million at 31 December 2014 has been reclassified to intangible fixed assets in the current year.
- (c) Certain prior year comparative amounts have been reclassified on a basis consistent with the current year to accord with the presentation adopted Financial Reporting Standard 102 (FRS 102).
- (d) The company's statement of cash flows reflects the presentation requirements of FRS 102, which differ to FRS 1. In addition the statement of cash flows under FRS 102 reconciles profit for the financial year to cash and cash equivalents at the end of the financial year, whereas under previous Irish GAAP the cash flow statement reconciled profit for the financial year to cash at the end of the financial year.

## Notes to the Financial Statements (cont'd)

### 20 Cash Flow Statement

	<b>2015</b>	<b>2014</b>
	<b>€'000</b>	<b>€'000</b>
<b>Reconciliation of operating cash flows</b>		
Surplus before interest and taxation	10,345	11,482
Depreciation of tangible fixed assets	28,842	26,034
Amortisation of intangible fixed assets	1,524	1,532
Amortisation of capital grants	(20,018)	(17,981)
Profit on disposal of tangible fixed assets	(687)	(646)
Decrease/(increase) in stocks	220	(762)
Decrease in debtors	637	3,708
Increase/(decrease) in creditors and provisions	3,714	(492)
<b>Net cash generated from operating activities</b>	<b>24,577</b>	<b>22,875</b>

### 21 Pensions

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 Bus Átha Cliath 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 are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath, recognise a cost equal to their contribution for the period.

The valuations of the schemes under FRS 102 as at 31 December 2015 showed a deficit of €288 million, (2014: €701.8 million). The disclosures required under FRS 102 in respect of the group's defined benefit plans, in which the company participates, are set out in the financial statements of CIÉ for the year ended 31 December 2015 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The company's pension cost for the year under the defined benefit schemes was €12.4 million (2014: €11.2 million) and these costs are included in note 5. The company cost comprises of contributions payable for the year.

## Notes to the Financial Statements (cont'd)

### 22 Capital commitments

	2015	2014
	€'000	€'000
Contracted for:	22,696	20,792

Capital commitments represent capital expenditure projects that have been approved by Board whereby work has commenced on these projects but are not fully completed at the end of the period. The capital commitments included capital projects funded by the NTA to the value of €13.835 million (2014: €13.566 million).

### 23 Operating Leases

	2015	2014
	€'000	€'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	44	101
Between one and 5 years	73	97
	117	198

### 24 Guarantees and contingent liabilities

The CIÉ Group has borrowings of €53.6 million (2014: €66.5 million) at the balance sheet date. These borrowings are cross guaranteed by Bus Átha Cliath and the other subsidiaries in the CIÉ Group

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.

Bus Átha Cliath capital expenditure in respect of PSO Fleet is funded through Capital Grants from the National Transport Authority. This funding is provided in line with the provisions of the Direct Award Contract, signed on 1 December 2014 and certain contingent liabilities arise under these agreements. The directors believe that the risk of the National Transport Authority exercising their rights under the related agreements is remote.

### 25 Related party transactions

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post, Bank of Ireland and National Transport Authority. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

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

## Notes to the Financial Statements (cont'd)

### **26 Membership of Córas Iompair Éireann Group**

Bus Átha Cliath is a wholly owned subsidiary of CIÉ 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 Approval of financial statements**

The financial statements were authorised for issue by the board of directors on 6 April 2016.



Chairman's Statement

Review

Directors

Auditors

Financial Statements





