Bus Átha Cliath

Annual Report and Financial Statements 2008

Driving Investment

PRN.A9/0117

Contents

Bus Átha Cliath would like to acknowledge funding on major projects by the Irish Government under the National Development Plan 2007 - 2013, Transport 21 as well as co-funding by the European Union.

Design: firstimpression

2008 was a difficult year for Bus Átha Cliath due to the effect of the recession on passenger numbers.

The company had projected passenger carryings to increase to 151 million (+2%) in 2008 based on continued growth in the economy, further expansion of new developing areas around the city and the enhanced network of services put in place throughout 2007. However, due to increased unemployment and weakness in the retail and construction sectors, passenger numbers decreased by 3% to 143.5 million. This reduction was experienced across all sectors of the city. As a result of the decline in passenger numbers Bus Átha Cliath incurred a deficit of €14.9 million in 2008. A cost effectiveness plan to address these losses was developed for implementation during the first quarter of 2009.

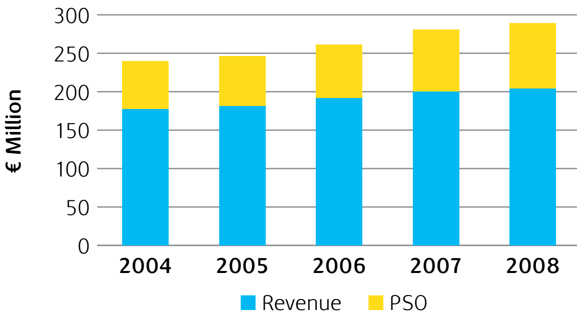
General Performance

During 2008 Bus Átha Cliath carried 143.5 million passengers, operated a fleet of almost 1,200 buses over 193 routes and travelled over 63 million kilometres. The company remains the largest transport provider in the Dublin area with over 93% of the population having access to its services and 70% of public transport users choosing the bus as their mode of transport. This demonstrates the ability of the bus to provide transport for the public in an economic, flexible and citywide manner.

Bus Átha Cliath, like all public transport companies in Europe receives a Public Service Obligation (PSO) payment, for the provision of non-commercial services from the Exchequer. For 2008 this amounted to €85.6 million, which represented 28% of operating costs. This is one of the lowest subsidy levels given to a European public bus transport company.

A Memorandum of Understanding on performance targets and service levels for 2008 was agreed between the company and the Department of Transport. The total amount of PSO payable was linked to achievement of these targets. Bus Átha Cliath succeeded in satisfying the criteria for full PSO payment.

Revenue Split



Deloitte Report

In June 2008 the Minister for Transport commissioned a Deloitte led consortium to undertake a cost and efficiency review of Bus Átha Cliath and their report was published in February 2009.

The report concluded that benchmarking of the cost base of Bus Átha Cliath indicates that it is generally as efficient as comparable organisations. Deloitte found that levels of operational subvention are generally higher in Europe. The PSO payment equates to 28% of total expenditure in Bus Átha Cliath while in London it is 38.5%, excluding network management costs, in Brussels it is 68% and in Lyon it is 79%. The benchmarking also found that for Bus Átha Cliath, scheduling of buses and drivers, fleet management, administration and "back office" expenses are all in line with industry norms. Deloitte recommended that the network of services should be redesigned to reduce the number of variations on routes and to eliminate duplication of services with the objective of simplifying the network. This will result in fewer route legs and more coordination of service timings on the common sections of routes. Bus Átha Cliath is supportive of the Deloitte recommendations and is engaged in expediting their implementation. The key to success will be support for the changes envisaged from local representatives and from local communities.

Capital Investment in the Fleet

Capital investment by Bus Átha Cliath and the Government continues to focus on improving the quality of service in the Greater Dublin Area:

As part of its continuing fleet replacement programme, a further 74 low floor double deck buses were delivered and introduced into service during 2008 with the balance of 26 buses delivered in the early weeks of 2009.

These purchases were made possible through an Exchequer funding contribution under the Transport 21 Investment Programme and are part of Bus Átha Cliath's continuing fleet replacement programme which ensures that the average age of fleet continues to remain at six years.

Automatic Vehicle Location and Control (AVLC)

A contract has been awarded, specifications have been completed and system development has commenced on the project to install an Automatic Vehicle Location and Control (AVLC) system throughout the Bus Átha Cliath fleet. The AVLC system is the platform upon which Real Time Passenger Information (RTPI) will be introduced. The project is part of an overall plan to address disruption to scheduled services caused by traffic congestion and ensure a greater predictability of service. The AVLC project will provide accurate location of every bus in real time and facilitate corrective actions being taken to ensure reliability of service. In addition to this, bus location data, from the AVLC central computer system, will be transmitted to Dublin City Council's SCATS traffic control central computer. This will allow for greater bus prioritisation at signal controlled junctions. A major benefit of the system will be the availability of RTPI to the public through mobile phones and the internet. The provision of RTPI at bus stops is the subject of a separate project, for which Dublin City Council has been assigned responsibility by the Department of Transport.

The system will be tested on a designated route in autumn 2009. It is anticipated that AVLC will be fully operational across all depots by quarter 4, 2010. The overall project cost is €11 million.

Smartcard

The entire Bus Átha Cliath fleet is now fitted with smartcard reader machines and the process of introducing prepaid smartcards to replace the old magnetic strip technology is well under way. Smartcard tickets were introduced in July 2008. By the end of 2008, 55% of prepaid tickets were on smartcards. This will increase progressively during 2009. The new style tickets offer increased efficiency, reliability and speedier boarding times leading to quicker journey times.

The Bus Átha Cliath smartcard was developed with the agreement of the Integrated Ticketing Project Board (ITPB), which is overseeing the introduction of the multi-operator Integrated Ticketing Scheme for the Greater Dublin Area. The Bus Átha Cliath smartcard will integrate fully with the Integrated Ticketing Scheme when it is launched.

A Greener Alternative

The ongoing fleet replacement programme at Bus Átha Cliath has brought about significant reductions in emissions from the fleet as older vehicles with higher emission levels are replaced with new vehicles to the latest European emission standard. All vehicles introduced to the fleet in 2008 were to the Euro 4 standard and incorporate Selective Catalytic Reduction technology which significantly reduces NO_x and other pollutants.

Hybrid vehicles are a developing technology and have potential to save fuel and reduce all emissions including CO_2. Bus Átha Cliath took delivery of its first hybrid bus in December and the bus which is double deck and low floor wheelchair accessible has entered service for a trial period of three years. Other features of the bus which are being tested include a reduction in engine noise and regenerative braking, which uses the energy dissipated during braking to charge its battery.

Bus Átha Cliath is committed to reducing emissions through continuing to keep pace with new technologies both in the area of biofuel and alternative drivelines. Through a combination of such practices, the company aims to achieve significant results.

A Commitment to Constant Improvement

Bus Átha Cliath and the Quality Bus Network Office have been working together to achieve increased prioritisation across the city through the continuous introduction of new Quality Bus Corridors (QBCs) and the upgrading of existing ones in the Greater Dublin Area. During 2008, major radial QBCs were upgraded to Blanchardstown, Malahide, and Swords. Commuters were informed of these and other service improvements through a direct marketing campaign. Over 180,000 homes in the Greater Dublin Area located within the catchment area of key QBCs, received a detailed mail-pack which included; a timetable and a linear route map for all local services, a complimentary bus ticket and information about the time, money and environmental savings to be made by using the bus.

The QBCs allow buses to bypass congestion leading to a reduction in journey times and increased reliability of the bus services. They facilitate a greater adherence to the timetable and provide a more predictable service for the public.

There were a number of service developments including direct routing, strong all day frequency, cross city operation and higher frequency to the bus network in the developing areas such as Finglas, North and South Docklands, Swords and Stepaside.

New Look Service Information

In 2008 Bus Átha Cliath began the process of redesigning how service information is presented with the aim of enabling customers to more easily understand and access their local services.

During the first phase of this project over 80 new bus stops were upgraded to display redesigned timetables and linear route maps for all routes serving each new bus stop. This new information helps customers to estimate the minimum length of time they are likely to wait for their next bus. A new mapping structure is also being developed which has the potential to present the entire public transport network as a linear or 'spider map', together with key interchange points with bus, rail and Luas. The new look bus stops have been installed from O'Connell Street to Mountjoy Square, at Dublin Airport, at the Blanchardstown Centre, and at St. Stephen's Green.

Visibility has also been improved in consultation with accessibility groups through a new colour scheme and an increase in font size. These new style bus-stops are designed to integrate with the new bus shelter design and with the updated streetscape within the city centre. This is a proven design which complies with the highest accessibility standards.

Work continued on the development of the new Bus Átha Cliath website (**www.dublinbus.ie**) which went live in March 2009 and provides an extremely customer friendly means of understanding the Bus Átha Cliath network and selecting the right route and ticket.

In tandem with the new website, a timetable publishing system was developed to allow instant updating of timetables across all information carriers, streamlining the process of getting information to customers.

Access for All

Bus Átha Cliath is committed to improving accessibility and all new buses which are purchased for city routes are low floor wheelchair accessible. Currently 39% of all bus stops have been fitted with an accessibility kerb which raises the level of the pavement making boarding the bus much easier. In addition to having no step upon entry, a ramp can be extended to facilitate entry by people with mobility and sensory impairments. There are also colour contrasting interior poles, improved interior lighting, improved grip bars and palm activated bell pushes all of which will aid the transport of people with sensory impairments. Currently 78% of the fleet is low floor wheelchair accessible and Bus Átha Cliath is on target to have a fully accessible fleet by 2012.

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 or contractors employed by the company.

The safety management policy outlines the responsibilities of all managers and supervisors and sets out the manner in which safety is to be managed by Bus Átha Cliath.

Continuous improvement of employee safety competencies through training and awareness is one of the most important performance measures for managers and supervisors. Internal and external auditing of safety related activities is employed to monitor safety standards.

During 2008, the strong focus on safety helped reduce employee lost time accidents very significantly (37%) and road traffic accidents were reduced by 7%, despite an increase in mileage run.

New legislation, which came into force in September 2008, makes it mandatory for all staff involved in driving buses to obtain a Certificate of Professional Competency. The certificates are issued by the Road Safety Authority and qualification requires a minimum of 35 hours refresher safety training for all PSV and HGV drivers over a five year period.

Every bus is now fitted with digital CCTV cameras which help ensure that Bus Átha Cliath continues to provide the community with safe and reliable public transport.

Corporate Social Responsibility

This year's Community Support Programme (CSP) was the biggest and most successful to-date. Now in its fifth year, the CSP was established to help groups and organisations in the Greater Dublin Area whose work, for the most part, goes unrecognised outside the circle of people they help. To date over 900 groups from communities across Dublin have benefited from receipt of grants under the programme. This year a special documentary was produced which highlighted the work of the Community Support Programme and it was broadcast on Dublin Community Television.

For the second year running Bus Átha Cliath held an exhibition to showcase the winning entries in this year's Schools Art Competition. The entries were displayed in Charleville Mall City Library for the last two weeks in December. Programmes such as these allow Bus Átha Cliath to get to know some of the younger customers and impress upon them the importance of the role of the bus in the community and the respect due to it.

Directors at 26th August 2009

Chairman	Dr. J.J. Lynch
Directors	Ms. N. Maher Mr. B. McCamley Mr. J. Moloney Ms. M. Mooney Mr. A. O'Byrne Ms. G. Tuke
Chief Executive	Mr. J. Meagher
Secretary	Mr. R. O'Farrell
Registered Office	59 Upper O'Connell Street Dublin 1
Telephone	+353 1 872 0000
Facsimile	+353 1 873 1195
Website	www.dublinbus.ie
Registered Number	119569
Auditors	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1

The directors present their annual report together with the audited financial statements for the year ended 31st December 2008.

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.

The major factor affecting operating and financial performance during the year was the rapidly deteriorating economic environment. Passenger numbers declined by 3% during the year to 143.5 million compared to 147.5 million in 2007 while total revenues amounted to €204 million in 2008 compared to €200 million in the previous year. Despite the difficult operating environment the company continued to develop the standard of customer service, the quality of the fleet and the range of the network. The company's services remain the backbone of public transport in the Greater Dublin Area and the network is constantly evolving to meet the needs of the communities it serves.

Capital Investment

During 2008, investment in improving the fleet and passenger services, made possible through a significant Exchequer funding contribution under Transport 21 included:

- 100 new low floor double deck buses
- €3.3 million on various accessibility projects

Employee Participation

Communication workshops for all operational staff commenced in 2007. These workshops focus on safety, customer service, disability awareness, and employee well being. A programme of managerial development continued with a number of managers and administration staff undertaking third level studies.

Equality and Diversity

The Equality and Diversity Strategy enables Bus Átha Cliath to deliver a more efficient and fulfilling work environment for staff, meet the changing needs of customers and develop a greater connection to the entire community served.

Bus Átha Cliath is committed to delivering a quality service to all its customers and to creating a fair and inclusive workplace where individuals are respected and people can work to the best of their ability.

The company has developed an action plan covering the principles of equality and inclusion and this reflects the diversity of our workforce.

The Equality and Diversity Strategy was selected for inclusion in the European Commission Compendium of Good Practice in Diversity.

Results and Reserves

The financial statements for the year ended 31st December 2008 are set out in detail on pages 14 to 27. The results for 2008 show a deficit of €14.9 million (2007 – surplus of €4.8 million).

Health and Safety

The company is fully committed to complying with the Safety, Health and Welfare at Work Act, 2006 and all other national and EU regulations. The Safety Statement adopted by the company in February 1991 is kept under review and updated on an ongoing basis.

Payment Practices

Bus Átha Cliath acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment) Regulation 2002. The company payment policy is to comply with the requirements of the Regulation.

Principal Risks

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 periodically and includes action plans for addressing the identified risks.

Córas Iompair Éireann (CIÉ), on behalf of Bus Átha Cliath, enters into currency forward purchasing where it deems there is value and reduced risk to the company.

Books of Account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Bus Átha Cliath, 59 Upper O'Connell Street, Dublin 1.

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 Córas Iompair Éireann Group accounts.

Directors

The directors of the company are appointed by the Minister for Transport. Prior to 1st August 2008 directors were appointed by the Chairman of Córas Iompair Éireann with the consent of the Minister. The names of persons who were directors during the year ended 31st December 2008 or who have since been appointed are set out below. Except where indicated they served as directors for the entire year.

Dr. J.J. Lynch	Chairman (Re-appointed 28th March 2008)
Mr. T. Coffey	(Re-appointed 29th April 2008 retired 28th April 2009)
Mr. D. Egan	(Retired 8th February 2008 re-appointed 26th February 2008 retired 25th February 2009)
Ms. N. Maher	(Appointed 2nd June 2009)
Mr. B. McCamley	(Re-appointed 1st January 2009)
Mr. J. Moloney	(Re-appointed 1st January 2009)
Ms. M. Mooney	(Appointed18th May 2009)
Mr. A. O'Byrne	(Re-appointed 1st June 2009)
Ms. G. Tuke	(Appointed 2nd June 2009)
Mr. P. Webster	(Re-appointed 1st June 2008 retired 31st May 2009)

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 Group's business other than one director who declared an interest in a company which won a tender following an independently verified selection process.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

Dr. J.J. Lynch Chairman
Mr. A. O'Byrne Director

26th August 2009

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the requirements of the Irish Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Bus Átha Cliath – Dublin Bus

We have audited the financial statements on pages 14 to 27. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on pages 14.

Respective responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 11.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2008 and of its loss and cash flows for the period then ended; and

- have been properly prepared in accordance with the requirements of the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 9 and 10 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 16, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31st December 2008, a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin, Ireland

26th August 2009

The significant accounting policies and estimation techniques adopted by the company are as follows:

(A) Basis of Accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

(B) Revenue

Revenue comprises the gross value of services provided.

(C) Tangible Assets and Depreciation

Tangible assets are stated at historical cost less accumulated depreciation based on that historical cost.

The bases of calculation of depreciation are as follows:

(i) 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.

(ii) 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.

(iii) Plant and Machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives.

(D) Leased Assets

Operating Leases

Rental payments under operating leases are charged to the profit and loss account as they accrue.

(E) Stocks

Stocks of materials and spare parts are valued at the lower of average cost and net realisable value. Stocks which are known to be obsolete at the balance sheet date are written off and provision is made in respect of stocks which may become obsolete in the future.

(F) Grants

(i) European Union and Exchequer Grants

European Union (EU) and Exchequer grants, which relate to capital expenditure on specific projects, 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. Grants in respect of revenue expenditure are credited to deferred income as they become receivable and released to the relevant expenditure account in the year to which the expenditure relates.

(ii) Public Service Obligation Payment

The Public Service Obligation payment received during the year is dealt with in the profit and loss account.

(G) Foreign Currency

Transactions denominated in foreign currency are translated into euro at the rate ruling at the date of the transaction, or at contract rates where the amounts payable or receivable are covered by forward contracts.

Realised exchange gains or losses on transactions settled during the year are treated as part of the surplus or deficit for the year from ordinary activities.

Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date or at contract rates where applicable.

(H) Pensions

The expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from the independent actuary, at what is expected to be a stable percentage of pensionable pay. Variations from regular pension costs, identified by periodic actuarial valuations, are spread over the expected average remaining service lives of the members of the scheme. The capital cost of supplementary pension benefits is provided for and charged to the profit and loss account in the year that the related employee severance is recognised and is included in the cost of severance.

Year ended 31st December	Notes	2008 €000	2007 €000
Revenue		**203,668**	200,364
Costs			
Payroll and related costs	2	**(205,676)**	(193,733)
Materials and services	3	**(85,093)**	(76,220)
Depreciation	4	**(17,693)**	(16,863)
Total operating costs		**(308,462)**	(286,816)
Deficit before gain on disposal of tangible assets, interest, Public Service Obligation payment, and release of provision		**(104,794)**	(86,452)
Profit on disposal of tangible assets		**1,487**	1,444
Deficit before interest, Public Service Obligation payment, and release of provision		**(103,307)**	(85,008)
Interest receivable	5	**2,734**	2,453
Deficit for the year before Public Service Obligation payment, and release of provision		**(100,573)**	(82,555)
Public Service Obligation payment	6	**85,629**	80,078
Deficit for the year before release of provision		**(14,944)**	(2,477)
Release of provision for liabilities and charges	12	**—**	7,301
(Deficit)/surplus for the year		**(14,944)**	4,824

All figures relate to the continuing activities of the company.

There were no recognised gains or losses other than those included in the profit and loss account.

On behalf of the board

Dr. J.J. Lynch Chairman

Mr. A. O'Byrne Director

Balance Sheet

As at 31st December	Notes	2008 €000	2007 €000
Fixed assets			
Tangible assets	*7*	**171,527**	163,540
Current assets			
Stocks	*8*	**3,029**	3,113
Debtors	*9*	**85,812**	89,187
Cash at bank and in hand		**145**	750
		88,986	93,050
Creditors (amounts falling due within one year)	*10*	**(61,738)**	(60,300)
Net current assets		**27,248**	32,750
Total assets less current liabilities		**198,775**	196,290
Provision for liabilities and charges	*12*	**(89,237)**	(77,500)
Deferred income	*13*	**(72,994)**	(67,302)
		36,544	51,488
Financed by:			
Capital and reserves			
Called up share capital	*14*	**31,743**	31,743
Profit and loss account		**4,801**	19,745
Shareholders' funds	*15*	**36,544**	51,488

On behalf of the board

Dr. J.J. Lynch Chairman

Mr. A. O'Byrne Director

Cash Flow Statement

Bus Átha Cliath

Year ended 31st December	Notes	2008 €000	2007 €000
Net cash inflow from operating activities	*16 (A)*	**12,405**	19,551
Returns on investments and servicing of finance	*16 (B)*	**2,734**	2,453
Capital expenditure	*16 (B)*	**(41,555)**	(38,302)
Net cash inflow from disposal of tangible fixed assets	*16 (B)*	**1,547**	1,444
Capital grants received	*16 (B)*	**22,697**	24,869
Cash (outflow)/inflow before use of liquid resources and financing		**(2,172)**	10,015
Net management of liquid resources		**1,229**	(10,085)
Decrease in cash in the year		**(943)**	(70)

Liquid resources comprise amounts owed by the holding company, which represents cash generated not immediately required for operations, which is made available to the holding company, repayable on demand.

Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year	*16 (C)*	**(943)**	(70)
Net cash (outflow)/inflow from holding company balance	*16 (C)*	**(1,229)**	10,085
Movement in net funds in the year		**(2,172)**	10,015
Net funds at 1st January	*16 (C)*	**77,549**	67,534
Net funds at 31st December	*16 (C)*	**75,377**	77,549

1. NET SURPLUS BY ACTIVITY

	Social Activities		Commercial Activities	
	2008	2007	**2008**	2007
	€000	€000	**€000**	€000
Revenue	**188,633**	184,211	**15,035**	16,153
Costs	**(292,225)**	(266,180)	**(12,016)**	(9,438)
Operating (deficit)/surplus	**(103,592)**	(81,969)	**3,019**	6,715
Public Service Obligation payment	**85,629**	80,078	**—**	—
Net (deficit)/surplus	**(17,963)**	(1,891)	**3,019**	6,715

2. PAYROLL AND RELATED COSTS

	2008	2007
	€000	€000
Staff costs		
Wages and salaries	**180,743**	169,618
Social welfare costs	**16,434**	15,321
Other pension costs	**8,441**	8,665
Own work capitalised	**(63)**	—
Total staff costs	**205,555**	193,604
Directors' remuneration		
Emoluments		
- for services as directors	**62**	62
- for other services	**59**	67
Total directors' remuneration and emoluments	**121**	129
Total payroll and related costs	**205,676**	193,733

	Staff Numbers	
	2008	2007
The average number of employees during the year was:	**3,825**	3,650

3. MATERIALS AND SERVICES

	2008 €000	2007 €000
Fuel and lubricants	**24,227**	19,330
Materials	**18,753**	18,778
Road tax and licences	**703**	703
Rent and rates	**818**	754
Auditors' remuneration	**44**	48
Operating lease rentals	**527**	506
Third party and employer's liability claims	**14,323**	9,888
Other services	**25,803**	26,480
Revenue grants *(note 13)*	**(105)**	(267)
	85,093	76,220

4. DEPRECIATION

	2008 €000	2007 €000
Depreciation *(note 7)*	**33,508**	30,267
Amortisation of EU/Exchequer capital grants *(note 13)*	**(15,815)**	(13,404)
	17,693	16,863

5. INTEREST (RECEIVABLE)/PAYABLE

	2008 €000	2007 €000
On balances with holding company	**(2,736)**	(2,457)
Other interest payments	**2**	4
	(2,734)	(2,453)

6. PUBLIC SERVICE OBLIGATION

The Public Service Obligation payment payable to Bus Átha Cliath - Dublin Bus through its holding company, Córas Iompair Éireann, amounted to €85,629,000 for the year ended 31st December 2008 (2007 - €80,078,000).

7. TANGIBLE FIXED ASSETS

	Road Passenger Vehicles €000	Bus Stops and Shelters €000	Plant and Machinery €000	Total €000
Cost				
At 1st January 2008	317,452	10,847	43,448	371,747
Additions	30,018	7,093	4,444	41,555
Disposals	(14,396)	—	(23)	(14,419)
At 31st December 2008	333,074	17,940	47,869	398,883
Depreciation				
At 1st January 2008	181,187	612	26,408	208,207
Charge for the year	28,500	1,434	3,574	33,508
Disposals	(14,325)	—	(34)	(14,359)
At 31st December 2008	195,362	2,046	29,948	227,356
Net book amounts				
At 31st December 2008	137,712	15,894	17,921	171,527
At 31st December 2007	136,265	10,235	17,040	163,540

(a) The expected useful lives of the various types of assets for depreciation purposes are as follows:

	Lives (Years)
Road passenger vehicles	7 – 10
Bus stops and shelters	3 – 15
Plant and machinery	3 – 10

(b) Road passenger vehicles at a cost of €31,762,000 (2007 - €31,227,000) were fully depreciated but still in use at the balance sheet date.

(c) Included in additions above are €3,048,000 (2007 - €2,477,000) in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service.

8. STOCKS

	2008 €000	2007 €000
Maintenance materials and spare parts	**1,871**	2,183
Fuel, lubricants and other sundry stocks	**1,158**	930
	3,029	3,113

These amounts include parts and components necessarily held to meet long-term operational requirements. The replacement value of stocks is not materially different from their book value.

9. DEBTORS

	2008	2007
	€000	€000
Trade debtors	**8,787**	10,370
Amounts owed by holding company	**75,570**	76,799
EU/Exchequer grants receivable	**—**	220
Other debtors and accrued income	**1,455**	1,798
	85,812	89,187

10. CREDITORS (amounts falling due within one year)

	2008	2007
	€000	€000
Overdraft	**338**	—
Trade creditors	**5,728**	6,999
Income tax deducted under PAYE	**1,933**	1,888
Pay related social insurance	**2,615**	2,404
Value added tax and other taxes	**252**	1,827
Other creditors	**1,614**	3,916
Deferred revenue	**8,791**	7,144
Accruals	**15,458**	10,266
Voluntary severance	**57**	94
Third party and employer's liability claims *(note 12)*	**8,000**	10,000
Deferred income *(note 13)*	**16,952**	15,762
	61,738	60,300
Creditors for taxation and social welfare included above	**4,800**	6,119

11. LEASE OBLIGATIONS

	2008	2007
	€000	€000
Operating Leases		
Commitments under non-cancellable operating leases payable in the coming year expire as follows:		
Within one year	**169**	110
Between one and five years	**269**	180
	438	290

12. PROVISION FOR LIABILITIES AND CHARGES

	2008 €000	2007 €000
Third party and employer's liability claims		
Balance at 1st January	**87,500**	94,592
Utilised during the year	**(4,217)**	(9,250)
Transfer from profit and loss account	**13,954**	9,459
Release of provisions for liabilities and charges – see note below	**—**	(7,301)
Balance carried forward at 31st December	**97,237**	87,500
Apportioned:		
Current liability *(note 10)*	**8,000**	10,000
Amounts falling due after more than one year	**89,237**	77,500
	97,237	87,500

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

Provisions coming forward from previous years have been transferred to the Profit & Loss Account based on recent claims history.

(A) External Insurance Cover

Córas Iompair Éireann 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 actions taken for road claims subject to United States of America jurisdiction where the excess is US$3,300,000;

(ii) Third Party Liability for the Group in excess of €150,000 on any one occurrence or series of occurrences arising out of Other Risks events, except;

(a) at Ossory Road, Dublin, in the case of flood damage, where the excess is a non-ranking €1,000,000;

(b) any other flood damage where the excess is €250,000; and

(c) any claims subject to United States of America jurisdiction where the excess is US $150,000.

(iii) Road transport liabilities in excess of a self insured retention of €15,000,000 in aggregate in the twelve month period, April 2008 to March 2009; subject to an overall Group self insured retention of €27,000,000;

(iv) Group Combined Liability insurance, which does not exclude Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2008 to March 2009, for rail and road transport third party and other risks liabilities;

(v) 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; and

(vi) Terrorism indemnity cover for the Group is €200,000,000 with an excess of €500,000 in respect of railway and road rolling stock and €150,000 in respect of other property damage, for each and every loss.

12. PROVISION FOR LIABILITIES AND CHARGES *(continued)*

(B) Third Party and Employer Liability Claims Provisions and Related Recoveries

Provision is made at the year end for the estimated cost of liabilities incurred but not finalised 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 externally in managing claims but excludes the internal overhead of claims management fees. 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 outstanding potential liabilities the company calculates individual file valuations to which contingency provisions are added with the assistance of external actuarial advice. The actuary's mathematical modelling is generally based upon 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 create distortions in the underlying statistics or which might cause the potential liabilities to increase or reduce when compared with the cost of previously finalised claims including, for example, changes in the legal environment, the effects of inflation, changes in operational activity 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 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 recoveries having regard to notification from the company's brokers of any re-insurers in run off.

13. DEFERRED INCOME

	2008 €000	2007 €000
This account represents EU/Exchequer grants which are accounted for in accordance with accounting policy F.		
European Union/Exchequer grants		
Balance at 1st January	**83,064**	71,635
Received and receivable	**22,802**	25,136
Transfer to profit and loss account		
Amortisation of capital grants *(note 4)*	**(15,815)**	(13,404)
Write-off of grant aided assets	**—**	(36)
Revenue grant *(note 3)*	**(105)**	(267)
Balance carried forward at 31st December	**89,946**	83,064
Apportioned:		
Current liability *(note 10)*	**16,952**	15,762
Amounts falling due after more than one year	**72,994**	67,302
	89,946	83,064

14. SHARE CAPITAL

	2008 €000	2007 €000
Authorised:		
Ordinary shares of €1.27 each	**38,092**	38,092
Allotted, called up and fully paid:		
Ordinary shares of €1.27 each	**31,743**	31,743

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 €000	2007 €000
Balance at 1st January	**51,488**	46,664
(Deficit)/surplus for the year	**(14,944)**	4,824
Balance at 31st December	**36,544**	51,488

16. CASH FLOW STATEMENT

	2008 €000	2007 €000
(A) Reconciliation of operating deficit to operating cash flows		
Operating deficit before interest, Public Service Obligation payment	**(103,307)**	(77,707)
Public Service Obligation payment *(note 6)*	**85,629**	80,078
	(17,678)	2,371
Depreciation	**33,508**	30,267
Amortisation of capital grants	**(15,815)**	(13,404)
Gain on disposal of tangible assets	**(1,487)**	(1,444)
Decrease /(increase) in stocks	**84**	(401)
Decrease /(increase) in debtors	**2,146**	(2,496)
Increase in creditors and provisions	**11,647**	4,658
Net cash inflow from operating activities	**12,405**	19,551

(B) Analysis of cash flows for headings netted in the cash flow statement

	2008 €000	2007 €000
Servicing of finance		
Interest received	**2,736**	2,457
Other interest payments	**(2)**	(4)
Net cash inflow from servicing of finance	**2,734**	2,453

	2008 €000	2007 €000
Capital expenditure		
Purchase of tangible fixed assets	**(41,555)**	(38,302)
Net cash inflow from disposal of tangible assets	**1,547**	1,444
EU/Exchequer capital grants	**22,697**	24,869
Net cash outflow from capital expenditure	**(17,311)**	(11,989)

16. CASH FLOW STATEMENT (continued)

	At 1st Jan. 2008 €000	Cash Flow €000	At 31st Dec. 2008 €000
(C) Analysis of net funds			
Cash at bank and in hand	750	(605)	145
Overdraft	—	(338)	(338)
		(943)	
Holding company balance	76,799	(1,229)	75,570
		(1,229)	
Total	77,549	(2,172)	75,377

17. PENSIONS

The employees of Bus Átha Cliath are members of the Córas Iompair Éireann Group pension schemes. The Córas Iompair Éireann Group operates two defined benefit pension schemes covering the majority of employees, each of which is funded by contributions from the Group and the members.

The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. It is not possible to identify the individual members' shares of the Córas Iompair Éireann Group pension scheme assets and liabilities, on a consistent and reasonable basis as even if it were possible to allocate non-active members across subsidiaries based on last day of employment, members may have worked for more than one subsidiary. Therefore, it is not possible to identify to whom the liability (and corresponding asset) for successive periods of employment belongs. The contributions to these schemes have been accounted for, as if it were a defined contribution scheme as permitted by Financial Reporting Statement (FRS) No. 17 (Retirement Benefits) by the Córas Iompair Éireann Group companies.

The most recent actuarial valuations of the schemes for the provisions of FRS 17 showed that at 31st December 2008 there was a deficit of €567.6 million on the schemes.

The pension cost for the year on the defined benefit schemes was €8.4 million these costs are also included in note 2.

18. CAPITAL COMMITMENTS

	2008 €000	2007 €000
Contracted for	**36,339**	36,251
Authorised by the directors but not contracted for	**15,107**	33,093
	51,446	69,344

19. CONTINGENT LIABILITIES

Pending Litigation

The company, from time to time, is party to various legal proceedings. 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.

20. RELATED PARTY TRANSACTIONS

Entities controlled by the Irish Government are related parties of the company by virtue of the Irish Government's control of the holding company, Córas Iompair Éireann.

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

The financial statements of Córas Iompair Éireann provide the information required by Financial Reporting Standard No. 8 (Related Party Disclosures) concerning transactions between that company, its subsidiaries and the Irish Government.

21. MEMBERSHIP OF CÓRAS IOMPAIR ÉIREANN GROUP

Bus Átha Cliath - Dublin Bus is a wholly owned subsidiary of Córas Iompair Éireann (the Group) and the financial statements reflect the effects of Group membership.

22. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 26th August 2009.