Annual Report and Financial Statements 2009

Bus Átha Cliath

DRIVING EFFICIENCY

PRN.A10/0299

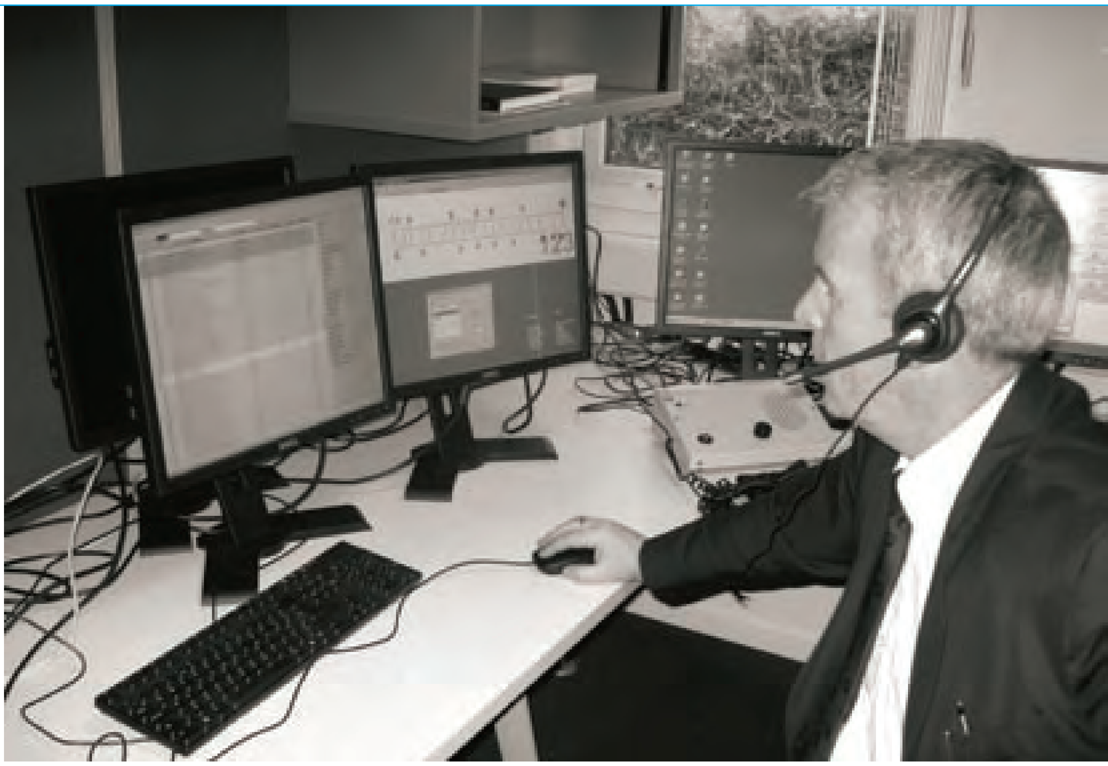
CONTENTS

Bus Átha Cliath would like to acknowledge funding on major projects by the Irish Government under the National Development Plan 2008 - 2013, Transport 21 as well as co-funding by the European Union.

Design: firstimpression

transport21 progress in motion

NDP National Development Plan Transforming Ireland



Bus Átha Cliath

OPERATIONS REVIEW

Overview

The recession has had a major effect to date on the finances of Bus Átha Cliath in 2009 through:

- the loss of customer business with more unemployment, reduced retail activity and also less social activity; and
- the loss of exchequer funding through reduced subvention and the elimination of the fuel duty rebate.

In 2009, the combined effect of loss of customer business and reduced exchequer funding is estimated to be **€43 million** in total - **€27 million** due to reduced business and **€16 million** related to reduced exchequer support.

2009 Operating Result

Bus Átha Cliath incurred a deficit of **€12.9 million** in 2009 despite implementing a major cost reduction programme, reducing staff numbers by **226** (6%) and also implementing a pay pause. The company carried **128.3 million** customers compared to **143.5 million** in 2008 and **147.5 million** in 2007.

Design for Efficiency

There will be significant change in the experience that Bus Átha Cliath will offer customers; thereby enhancing loyalty amongst existing customers whilst attracting new users.

An average fares increase of **7%** was implemented in January 2009 but it was required to fund the withdrawal of excise duty which has increased the cost of fuel by **€12 million** per annum.

In order to address the factors which are adversely impacting on financial performance, Bus Átha Cliath implemented a major cost reduction plan during the year. Following acceptance of terms set out by the Labour Court, the company fully implemented the planned cost reductions commencing in April. The service changes made were chosen with a view to minimising the effect on customers and there has been minimal customer reaction. As a result of the actions taken, cost savings of approximately **€20 million** were generated in 2009 and the full year effect of the cost reduction programme will be approximately **€30 million**, as further savings of up to **€10 million** carry over into 2010. In addition, the phase of the National Wage Agreement due on 1st April 2009 was not paid, saving **€10 million** in a full year.

The current economic uncertainty combined with pressure on Exchequer funding means the financial position for 2010 remains very challenging and even after the full implementation of the cost reduction programme in 2009, a significant deficit would be incurred in 2010 if further difficult cost efficiency measures are not implemented. These cost efficiency measures will be primarily based on the implementation of the Network Review recommendations to simplify the route network.

Bus Átha Cliath Route Network Review

A Network Review team was set up in June 2009 and have been working full time on the project under the direction of a Board Advisory Group.

The network was segmented into 18 areas for analysis. This process allowed for continuous adjustments to be made as redesign progressed and ensured that the overall objectives were met and the maximum benefits achieved. Work to date has focused on data analysis and the redesign of the network. This phase is now complete.

OPERATIONS REVIEW (CONTINUED)

During the redesign phase consultations took place with key strategic stakeholders including Political Representatives, National Transport Agency, Local Authorities, Dublin City Business Association, Dublin Chamber of Commerce, Rail Procurement Agency, Bus Éireann and Iarnród Éireann. Communications will continue to take place with political and business interests on a structured basis.

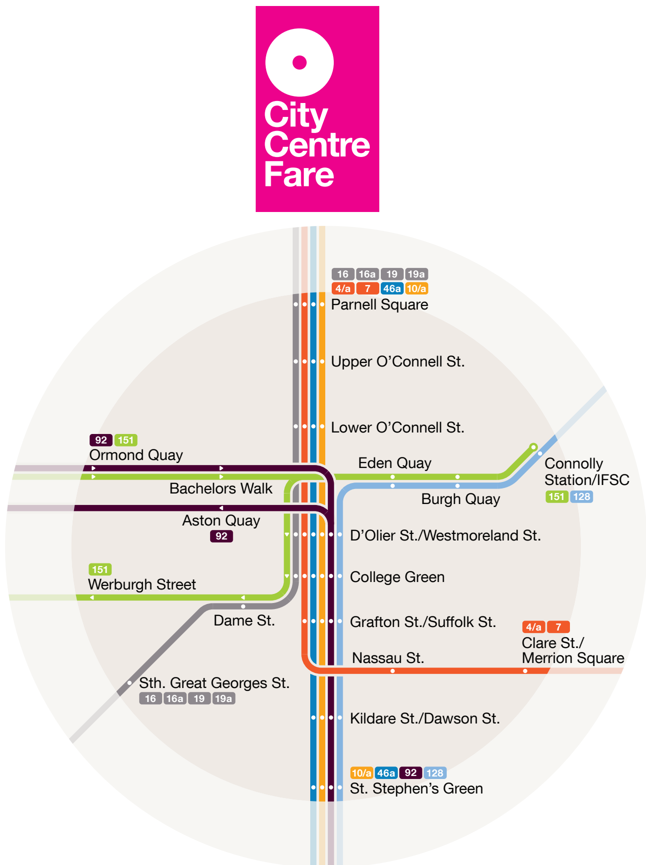
Key findings from the research indicate that the core attributes of an effective service are: frequency, punctuality, speed, directness and consistency and consequently the new Bus Átha Cliath Network will be characterised by the following:

- An increase in the number of high frequency routes (10 minute headway or better in peak times);
- More direct alignments to/from key areas of work/leisure;
- Greater use of Quality Bus Corridors (QBC);
- Even headways from departure points on a corridor basis;
- Less route variations making the network more simple to understand;
- A new network of more direct orbital services;
- An increase in cross city routes minimising customer interchange; and
- Improved connections with Rail and Luas transport modes.

Through a combination of the above elements, there will be significant change in the experience that Bus Átha Cliath can offer its customers and thereby encourage loyalty from existing customers and attract new users to our service.

Public Transport Contract

On 1st December 2009 a Public Service Contract was signed between the National Transport Authority (NTA) and Bus Átha Cliath. The contract sets out, in detail, the network and range of services to be provided by Bus Átha Cliath, the performance levels to be achieved by them under the public service obligation and the compensation to be paid by the NTA for the provision of these services. While the contract is challenging in many respects for Bus Átha Cliath we look forward to working in the new regulatory environment and building a strong working relationship with the NTA.



Opening of College Green Quality Bus Corridor

On 28th July 2009, the College Green Quality Bus Corridor (QBC) came into operation. Its introduction has had a very significant impact on bus services and is benefiting thousands of commuters each day. Buses are now operating more smoothly and consistently through the city centre with a strong improvement in journey times and reliability. Bus Átha Cliath closely monitored bus services operating through the bus corridor and results from the early weeks of operation were extremely positive and encouraging. The new QBC has delivered

OPERATIONS REVIEW (CONTINUED)

major benefits to all transport operators, as well as cyclists, pedestrians, taxis and car users doing business in the city centre. The QBC was temporarily suspended in the evening for the Christmas shopping period, and was fully restored on 18th January 2010. To coincide with the opening of the College Green QBC, Bus Átha Cliath launched its new 50 cent City Centre Fare for travel within the city centre area.

Start of AVLC Trial in Centralised Operations Control

The development of the Automatic Vehicle Location and Control (AVLC) system is continuing and is steadily progressing. The 123 service, a cross city route based in Summerhill depot was selected as the best option for a test route to trial AVLC and once the trial is completed, it will be extended to all routes at Summerhill depot. The trial is being monitored in the newly centralised operations control in Broadstone depot. Following thorough evaluation and testing on the 123 service and then throughout Summerhill depot, AVLC will be extended to other Bus Átha Cliath depots later in 2010.

AVLC is the infrastructure which will allow the eventual introduction of Real Time Passenger Information (RTPI) in the form of bus location information to screens at bus stops. Dublin City Council is responsible for erecting the display screens at a wide range of bus stops throughout the city which will allow customers to ascertain the arrival time of their bus. Customers will also be able to receive real time bus service information through mobile phones and on the Bus Átha Cliath website. In addition, 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.

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 are employed to monitor safety standards.

During 2009, a strong focus on safety helped to significantly reduce the number of accidents involving Bus Átha Cliath vehicles. A reduction of over 11% was achieved in the accident rate per million vehicle kilometres.

Following the introduction of the driver Certificate of Professional Competence (CPC) in September 2008, Bus Átha Cliath completed its first year of training in 2009 where a total of 2,714 employees received the Year 1 training module. The second year of CPC training commenced on the 2nd February 2010.

Advancing Efficiency

The new control centre ensures that all operational knowledge is centralised giving increased control over the running of services.

OPERATIONS REVIEW (CONTINUED)

Fleet Accessibility — A Bus Service for Everyone

Bus Átha Cliath is committed to improving accessibility to its services and all new buses purchased for city routes will be low floor, wheelchair accessible. Currently 88% of the fleet is low floor, wheelchair accessible and the goal is to have a fully accessible fleet by 2012. To facilitate those people with sensory impairments, all new buses purchased have colour contrasting interior poles, improved interior lighting, improved grip bars and palm activated bell pushes.

Our "Travel Assistance Scheme" promotes independent use of public transport amongst those who have mobility or sensory impairments and learning difficulties. The initiative offers practical advice on using public transport and a trained "Travel Assistant" to accompany users during their first use of public transport. Since its inception the scheme has gone from strength to strength with user figures for 2009 over double the figure for its inception year.

Corporate Social Responsibility (CSR) — Our Work in the Community

As the largest public transport provider in the Greater Dublin Area, Bus Átha Cliath plays an integral part in the various communities that make up our customer base and the company's various corporate and social responsibility programmes are a way of building links with the communities we serve.

This year's Community Support Programme (CSP) was our biggest and most successful event in the history of the programme. Now in its sixth 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 1,000 groups from communities across Dublin have benefited from receipt of grants from the programme.

Other CSR initiatives which took place throughout the year included the annual Penalty Shoot Out with CSP patron Niall Quinn and the Schools Art Competition and Calendar 2010. 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 Dublin City Library, Pearse Street for the last two weeks in late November/early December. Programmes such as these allow Bus Átha Cliath to get to know some of our younger customers and impress upon them the importance of the role of the bus in the community and the respect due to it.

DIRECTORS AND OTHER INFORMATION

Directors at 31st March 2010

Chairman	Dr. J.J. Lynch
Directors	Ms. N. Maher Mr. B. McCamley Mr. W. McDermott Ms. U. McGrath 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

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited financial statements for the year ended 31st December 2009.

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 economic recession which reduced demand for services. In 2009 the company carried 128.3 million customers, representing a drop of 10.6% on 2008. Total revenues amounted to €196 million in 2009 compared to €204 million in the previous year. In order to address the factors which were adversely impacting on financial performance, Bus Átha Cliath implemented a major cost reduction plan during 2009.

The current economic uncertainty combined with pressure on the Exchequer means the financial position for 2010 remains very challenging. Even after the full implementation of the cost reduction programme in 2009 further difficult cost efficiency measures will be necessary to maintain financial stability. These cost efficiency measures will be primarily based on the implementation of the Network Review recommendations to simplify the route network.

Results and Reserves

The financial statements for the year ended 31st December 2009 are set out in detail on pages 14 to 28. The results for 2009 show a deficit of €12,925,000 (2008 – €14,944,000).

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 fuel & currency forward purchasing where it deems there is value and reduced risk to the company.

Capital Investment

During 2009, investment in the fleet was deferred pending a more certain economic and operating environment. Investment in improving customer services continued through significant Exchequer funding under Transport 21 in the following areas:

- €3.3 million on various accessibility projects;
- €3.3 million on the continuing development of the Automatic Vehicle Location and Control System (AVLC); and
- €0.2 million on fleet safety systems.

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 in 2009 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.

REPORT OF THE DIRECTORS (CONTINUED)

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

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.

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 2009 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 2009 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 (Retired 27th March 2009 re-appointed 29th March 2009)
Mr. T. Coffey	(Retired 28th April 2009)
Mr. D. Egan	(Retired 25th February 2009)
Ms. N. Maher	(Appointed 2nd June 2009)
Mr. B. McCamley	(Re-appointed 1st December 2009)
Mr. W. McDermott	(Appointed 1st December 2009)
Ms. U. McGrath	(Appointed 15th March 2010)
Mr. J. Moloney	(Re-appointed 1st January 2009 retired 30th November 2009)
Ms. M. Mooney	(Appointed 18th May 2009)
Mr. A. O'Byrne	(Re-appointed 1st June 2009)
Ms. G. Tuke	(Appointed 2nd June 2009)
Mr. P. Webster	(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.

REPORT OF THE DIRECTORS (CONTINUED)

Attendance at Board/Committee meetings

Listed below is board directors attendance at Board/ Committee meetings during 2009.

Bus Átha Cliath Board/Committee Attendance Log 2009		
Director	Bus Átha Cliath Board	Safety Committee
Dr. J.J. Lynch	9/10	
Mr. T. Coffey	2/3	
Mr. D. Egan	2/2	1/1
Ms. N. Maher	5/5	
Mr. B. McCamley	8/10	4/4
Mr. W. McDermott	1/1	
Mr. J. Moloney	7/10	
Ms. M. Mooney	6/6	
Mr. A. O'Byrne	7/10	
Ms. G. Tuke	5/5	
Mr. P. Webster	4/5	

Going Concern

The board directors are satisfied that the company has 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 accounts.

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

31st March 2010

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.

REPORT OF THE AUDITORS

Independent Auditors' Report to the Members of Bus Átha Cliath – Dublin Bus

We have audited the financial statements on pages 14 to 28. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on pages 14 and 15.

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.

REPORT OF THE AUDITORS (CONTINUED)

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 31st December 2009 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 8 to 10 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 17, 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 2009, 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

31st March 2010

PRINCIPAL ACCOUNTING POLICIES

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.

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(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.

PROFIT AND LOSS ACCOUNT

Year ended 31st December	Notes	2009 €000	2008 €000
Revenue		**196,307**	203,668
Costs			
Payroll and related costs	*2*	**(197,183)**	(204,499)
Materials and services	*3*	**(76,277)**	(85,093)
Depreciation	*4*	**(16,990)**	(17,693)
Exceptional operating costs	*5*	**(5,925)**	(1,177)
Total operating costs		**(296,375)**	(308,462)
Deficit before gain on disposal of tangible assets, interest and Public Service Obligation payment		**(100,068)**	(104,794)
Gain on disposal of tangible assets		**2,625**	1,487
Deficit before interest and Public Service Obligation payment		**(97,443)**	(103,307)
Interest receivable	*6*	**1,319**	2,734
Deficit for the year before Public Service Obligation payment		**(96,124)**	(100,573)
Public Service Obligation payment	*7*	**83,199**	85,629
Deficit for the year		**(12,925)**	(14,944)
Accumulated surplus at beginning of the period		**4,801**	19,745
Accumulated (deficit)/surplus at end of the period		**(8,124)**	4,801

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	2009 €000	2008 €000
Fixed assets			
Tangible assets	*8*	**155,663**	171,527
Current assets			
Stocks	*9*	**2,792**	3,029
Debtors	*10*	**86,014**	85,812
Cash at bank and in hand		**101**	145
		88,907	88,986
Creditors (amounts falling due within one year)	*11*	**(70,901)**	(61,738)
Net current assets		**18,006**	27,248
Total assets less current liabilities		**173,669**	198,775
Provision for liabilities and charges	*13*	**(85,900)**	(89,237)
Deferred income	*14*	**(64,150)**	(72,994)
		23,619	36,544
Financed by:			
Capital and reserves			
Called up share capital	*15*	**31,743**	31,743
Profit and loss account		**(8,124)**	4,801
Shareholders' funds	*16*	**23,619**	36,544

On behalf of the board

Dr. J.J. Lynch Chairman

Mr. A. O'Byrne Director

CASH FLOW STATEMENT

Year ended 31st December	Notes	2009 €000	2008 €000
Net cash inflow from operating activities	*17 (A)*	**8,958**	12,405
Returns on investments and servicing of finance	*17 (B)*	**1,319**	2,734
Capital expenditure	*17 (B)*	**(18,189)**	(41,555)
Net cash inflow from disposal of tangible fixed assets	*17 (B)*	**2,634**	1,547
Capital grants received	*17 (B)*	**6,623**	22,697
Cash inflow/(outflow) before use of liquid resources and financing		**1,345**	(2,172)
Net management of liquid resources		**(1,051)**	1,229
Increase/(decrease) in cash in the year		**294**	(943)

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			
Increase/(decrease) in cash in the year	*17 (C)*	**294**	(943)
Net cash inflow/(outflow) from holding company balance	*17 (C)*	**1,051**	(1,229)
Movement in net funds in the year		**1,345**	(2,172)
Net funds at 1st January	*17 (C)*	**75,377**	77,549
Net funds at 31st December	*17 (C)*	**76,722**	75,377

NOTES TO THE FINANCIAL STATEMENTS

1. NET SURPLUS BY ACTIVITY

	Social Activities		Commercial Activities	
	2009 €000	2008 €000	**2009 €000**	2008 €000
Revenue	**182,964**	188,633	**13,343**	15,035
Costs	**(281,324)**	(292,225)	**(11,107)**	(12,016)
Operating (deficit)/surplus	**(98,360)**	(103,592)	**2,236**	3,019
Public Service Obligation payment	**83,199**	85,629	**—**	—
Net (deficit)/surplus	**(15,161)**	(17,963)	**2,236**	3,019

2. PAYROLL AND RELATED COSTS

	2009 €000	2008 €000
Staff costs		
Wages and salaries	**168,834**	179,566
Social welfare costs	**15,621**	16,434
Other pension costs	**12,613**	8,441
Own work capitalised	**—**	(63)
Total staff costs	**197,068**	204,378
Directors' remuneration		
Emoluments		
- for services as directors	**49**	62
- for other services*	**66**	59
Total directors' remuneration and emoluments	**115**	121
Total payroll and related costs	**197,183**	204,499

The board directors were paid Directors' Fees in 2009 as follows:
Mr. T. Coffey €7,000, Mr. D. Egan €4,466, Ms. N. Maher €5,250, Ms. M. Mooney €5,732, Mr. A. O'Byrne €13,417, Ms. G. Tuke €5,250 and Mr. P. Webster €8,167.

Dr. J.J. Lynch, Mr. B. McCamley, Mr. W. McDermott and Mr. J. Moloney did not receive any Directors Fees from the company.

Included in Wages and salaries is an amount of €237,357 paid to Mr. J. Meagher, Chief Executive, for executive services.

** Worker director*

	Staff Numbers	
	2009	2008
The average number of employees during the year was:	**3,699**	3,825

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIALS AND SERVICES

	2009 €000	2008 €000
Fuel and lubricants	**26,284**	24,227
Materials	**17,389**	18,753
Road tax and licences	**689**	703
Rent and rates	**836**	818
Auditors' remuneration	**46**	44
Operating lease rentals	**537**	527
Third party and employer's liability claims	**7,451**	14,323
Expenses paid to directors	**5**	4
Other services	**23,307**	25,799
Revenue grants *(note 14)*	**(267)**	(105)
	76,277	85,093

Included in the expenses paid to directors in 2009 is €4,907 paid to Mr. D. Egan for travelling expenses.

4. DEPRECIATION

	2009 €000	2008 €000
Depreciation *(note 8)*	**34,025**	33,508
Amortisation of EU/Exchequer capital grants *(note 14)*	**(17,035)**	(15,815)
	16,990	17,693

5. EXCEPTIONAL OPERATING COSTS

	2009 €000	2008 €000
Business restructuring	**5,925**	1,177

As part of a cost reduction programme, the company introduced a voluntary severance and early retirement programme. The cost in 2009, including severance payments and other costs associated with the programme is €5.925 million.

6. INTEREST (RECEIVABLE)/PAYABLE

	2009 €000	2008 €000
On balances with holding company	**(1,324)**	(2,736)
Other interest payments	**5**	2
	(1,319)	(2,734)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. PUBLIC SERVICE OBLIGATION

The Public Service Obligation payment payable to Bus Átha Cliath - Dublin Bus through its holding company, Córas Iompair Éireann, amounted to €83,199,000 for the year ended 31st December 2009 (2008 - €85,629,000).

8. TANGIBLE FIXED ASSETS

	Road Passenger Vehicles €000	Bus Stops and Shelters €000	Plant and Machinery €000	Total €000
Cost				
At 1st January 2009	333,074	17,940	47,869	398,883
Additions	8,174	4,716	5,299	18,189
Disposals	(31,570)	—	—	(31,570)
At 31st December 2009	309,678	22,656	53,168	385,502
Depreciation				
At 1st January 2009	195,362	2,046	29,948	227,356
Charge for the year	28,891	1,295	3,839	34,025
Disposals	(31,542)	—	—	(31,542)
At 31st December 2009	192,711	3,341	33,787	229,839
Net book amounts				
At 31st December 2009	116,967	19,315	19,381	155,663
At 31st December 2008	137,712	15,894	17,921	171,527

(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 €42,825,000 (2008 - €31,762,000) were fully depreciated but still in use at the balance sheet date.

(c) Included in additions above are €Nil (2008 - €3,048,000) in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. STOCKS

	2009 €000	2008 €000
Maintenance materials and spare parts	**1,349**	1,871
Fuel, lubricants and other sundry stocks	**1,443**	1,158
	2,792	3,029

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.

10. DEBTORS

	2009 €000	2008 €000
Trade debtors	**8,091**	8,787
Amounts owed by holding company	**76,621**	75,570
Other debtors and accrued income	**1,302**	1,455
	86,014	85,812

11. CREDITORS (amounts falling due within one year)

	2009 €000	2008 €000
Overdraft	**—**	338
Trade creditors	**5,757**	5,728
Income tax/levy deducted under PAYE	**2,255**	1,933
Pay related social insurance	**2,937**	2,615
Value added tax and other taxes	**233**	252
Other creditors	**1,499**	1,614
Deferred revenue	**8,637**	8,791
Accruals	**12,197**	15,458
Voluntary severance	**12,522**	57
Third party and employer's liability claims *(note 13)*	**9,500**	8,000
Deferred income *(note 14)*	**15,364**	16,952
	70,901	61,738
Creditors for taxation and social welfare included above	**5,425**	4,800

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LEASE OBLIGATIONS

	2009 €000	2008 €000
Operating Leases		
Commitments under non-cancellable operating leases payable in the coming year expire as follows:		
Within one year	**112**	169
Between one and five years	**103**	269
	215	438

13. PROVISION FOR LIABILITIES AND CHARGES

	2009 €000	2008 €000
Third party and employer's liability claims		
Balance at 1st January	**97,237**	87,500
Utilised during the year	**(8,924)**	(4,217)
Transfer from profit and loss account	**7,087**	13,954
Balance carried forward at 31st December	**95,400**	97,237
Apportioned:		
Current liability *(note 11)*	**9,500**	8,000
Amounts falling due after more than one year	**85,900**	89,237
	95,400	97,237

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. PROVISION FOR LIABILITIES AND CHARGES (continued)

(A) External Insurance Cover (continued)

(iii) road transport liabilities in excess of a self insured retention of €15,000,000 in aggregate in the twelve month period, April 2009 to March 2010; subject to an overall Group self insured retention of €27,000,000 in the annual aggregate after which any individual self insured retention in that annual period will be €50,000;

(iv) Group Combined Liability Insurance, which does not exclude Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2009 to March 2010, for all rail and road transport, Third Party and Other Risks liabilities;

(v) All Risks for the Group, 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; 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. PROVISION FOR LIABILITIES AND CHARGES (continued)

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

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.

14. DEFERRED INCOME

	2009 €000	2008 €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	**89,946**	83,064
Received and receivable	**6,890**	22,802
Transfer to profit and loss account		
Amortisation of capital grants *(note 4)*	**(17,035)**	(15,815)
Write-off of grant aided assets	**(20)**	—
Revenue grant *(note 3)*	**(267)**	(105)
Balance carried forward at 31st December	**79,514**	89,946
Apportioned:		
Current liability *(note 11)*	**15,364**	16,952
Amounts falling due after more than one year	**64,150**	72,994
	79,514	89,946

15. SHARE CAPITAL

	2009 €000	2008 €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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 €000	2008 €000
Balance at 1st January	**36,544**	51,488
Deficit for the year	**(12,925)**	(14,944)
Balance at 31st December	**23,619**	36,544

17. CASH FLOW STATEMENT

	2009 €000	2008 €000
(A) Reconciliation of operating deficit to operating cash flows		
Operating deficit before interest and Public Service Obligation payment	**(97,443)**	(103,307)
Public Service Obligation payment *(note 7)*	**83,199**	85,629
	(14,244)	(17,678)
Depreciation	**34,025**	33,508
Amortisation of capital grants	**(17,035)**	(15,815)
Gain on disposal of tangible assets	**(2,625)**	(1,487)
Decrease in stocks	**237**	84
Decrease in debtors	**849**	2,146
Increase in creditors and provisions	**7,751**	11,647
Net cash inflow from operating activities	**8,958**	12,405

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

	2009 €000	2008 €000
Servicing of finance		
Interest received	**1,324**	2,736
Other interest payments	**(5)**	(2)
Net cash inflow from servicing of finance	**1,319**	2,734
Capital expenditure		
Purchase of tangible fixed assets	**(18,189)**	(41,555)
Net cash inflow from disposal of tangible assets	**2,634**	1,547
EU/Exchequer capital grants	**6,623**	22,697
Net cash outflow from capital expenditure	**(8,932)**	(17,311)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. CASH FLOW STATEMENT (continued)

	At 1st Jan. 2009 €000	Cash Flow €000	At 31st Dec. 2009 €000
(C) Analysis of net funds			
Cash at bank and in hand	145	(44)	101
Overdraft	(338)	338	–
		294	
Holding company balance	75,570	1,051	76,621
		1,051	
Total	75,377	1,345	76,722

18. 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 they were defined contribution schemes, 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 2009 there was a deficit of €547.0 million on the schemes.

The pension cost for the year on the defined benefit schemes was €12.6 million; these costs are also included in note 2.

19. CAPITAL COMMITMENTS

	2009 €000	2008 €000
Contracted for	10,891	36,339
Authorised by the directors but not contracted for	950	15,107
	11,841	51,446

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. 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.

21. 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.

22. 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.

23. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 31st March 2010.