

# Connecting Communities





*In 2011 Bus Átha Cliath staged 19 public consultation sessions and implemented Network Direct proposals in 22 areas throughout the network.*

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



# Operations Review

## Overview

The economic environment continued to be a major influence on demand for services during the year but by year end the rate of decline compared to previous years had slowed appreciably. The process of bringing costs in line with lower revenue continued and by end 2011 recurring annual cost savings of €60 million and once-off cost reductions of €13 million had been generated. Some progress in returning to profitability was achieved in 2011 and this is expected to continue into 2012. It is reasonable to expect that this objective can be achieved within the next few years, with the support of stakeholders.

2011 was a year of many developments for Bus Átha Cliath. The Network Direct Project continued to successfully redesign services to match customer demand and to adjust service timetables in line with running time improvements and bus priority measures. The project, which commenced in 2010 following a strategic review of the operations of the company, involves a complex matrix of; timetable changes, staff reductions, bus fleet reduction, new termini, new routes, cancelled routes and staff working arrangements. It required extensive consultations with many stakeholders and a lengthy and detailed communications programme. In 2011 Bus Átha Cliath staged 19 public consultation sessions and implemented Network Direct proposals in 22 areas throughout the network. Network Direct revisions introduced in 2010 have all recorded increases in passenger numbers and it is anticipated that 2011 revisions will yield the same results. Marketing campaigns have been devised to promote the benefits of the 2011 revised services. The project is scheduled for completion in early 2012.

Along with implementing Network Direct revisions, 2011 has also seen long term technological projects come to fruition. 2011 saw the completion of the Automatic Vehicle Location and Control system (AVLC) facilitating the introduction of Real Time Passenger Information (RTPI) as a benefit available to all Bus Átha Cliath customers via website, iPhone and Android app and on-street RTPI units. The majority of commuters seeking RTPI information now have virtually instant access to it. The Leap Card was launched in late 2011 and further phases of product developments will take place during 2012.

In 2011 Bus Átha Cliath entered the world of social media with official Facebook and Twitter accounts proving to be invaluable tools in informing our customers of Bus Átha Cliath services and promotions. The ability of

social media to instantly disseminate information is particularly valuable during instances where services are negatively impacted by factors beyond its control such as the adverse weather conditions of October or the rolling traffic diversions, which were enforced during the state visits of U.S. President Barack Obama and Queen Elizabeth II of Great Britain in May.

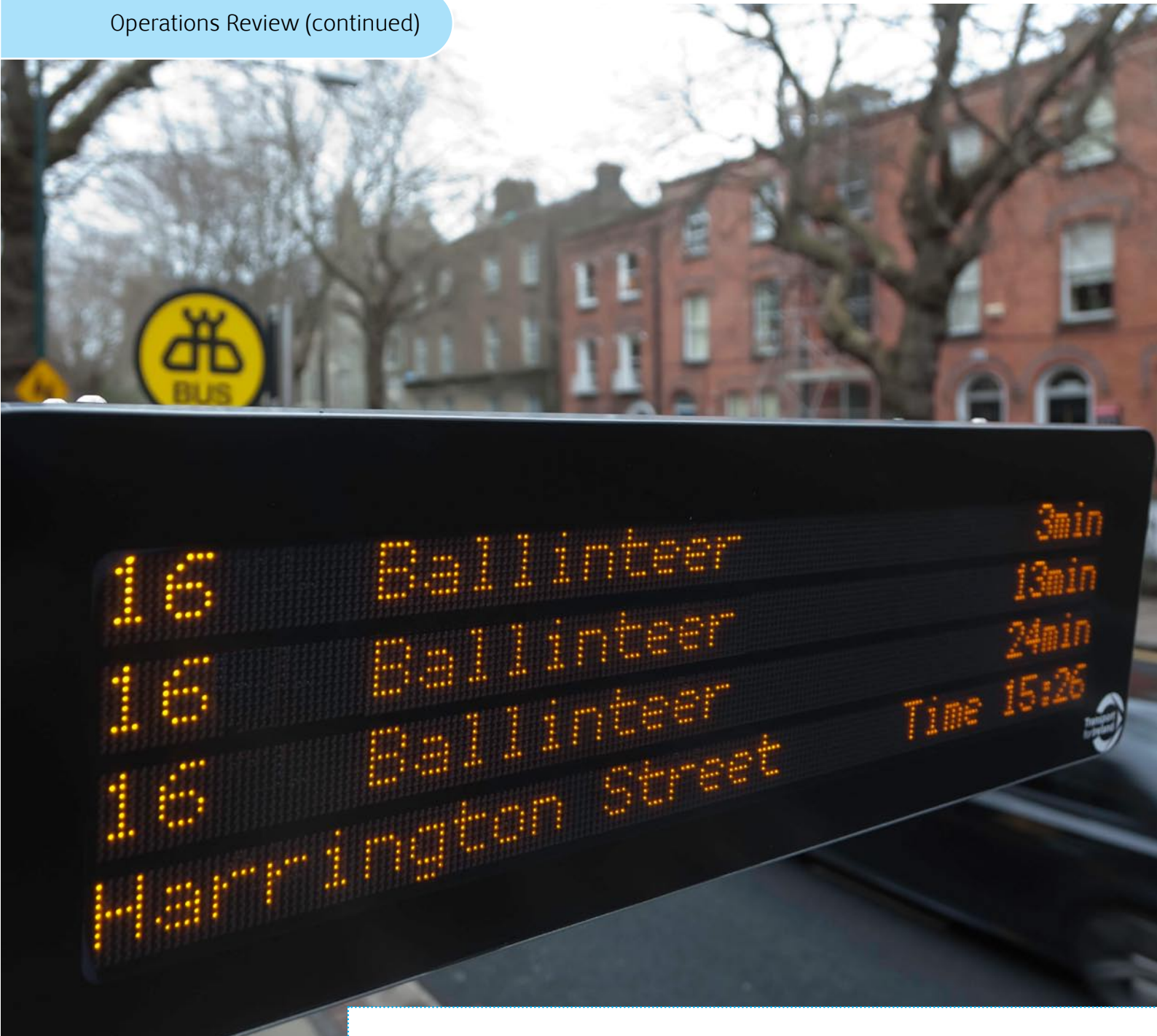
Other achievements for Bus Átha Cliath in 2011 included the increase in low floor accessible routes (moving the company further to a fully accessible fleet by the close of 2012), the on-going success of the Certificate of Professional Competence, improvements to Bus Átha Cliath's commercial Airlink services and the international recognition awarded to its commercial tour services. A series of service upgrades to Bus Átha Cliath's fleet and the implementation of energy efficiency measures have also been key elements of the developments undertaken this year. Bus Átha Cliath aims to build on the progress made in 2011 throughout the course of 2012.

## 2011 Operating Result

Bus Átha Cliath incurred a deficit of €18.2 million in 2011, compared to a deficit of €22.1 million in 2010.

The economic environment was again very difficult but customer demand held up well and finished the year 1.7% down on the previous year. Total passenger journeys amounted to 117 million in 2011 compared to 119 million in 2010. Passenger revenue stabilised at €170.0 million compared to €170.3 million in 2010 but the advertising market suffered from lower volumes and reduced rates resulting in a €2.8 million (26%) reduction in revenue earned from on-bus and bus shelter advertising. In the prevailing market conditions it was very difficult to recover a further cut of €2.7 million (3.6%) in Public Service Contract (PSC) payments through revenue growth. Revenue from other activities was €0.6 million lower. The National Transport Authority (NTA) approved an average fares increase of 3% which also helped to defray increased fuel and new Integrated Ticketing System (ITS) operating costs. The fares increase was implemented for cash fares on 7th February and for prepaid fares on 1st May. Total revenue, including PSC payments, reduced by €6.5 million.

Bus Átha Cliath has worked very hard to implement measures to deal with the effects of the recession. Through the progress achieved in implementing Network Direct in 2011, the pace of cost reductions has



*2011 was year of many developments for Bus Átha Cliath. An Automatic Vehicle Location and Control (AVLC) system became fully operational in all Bus Átha Cliath's depots in 2011.*

## Operations Review (continued)

accelerated. Operating costs were reduced by €13.7 million but increased fuel and ITS costs resulted in a net year-on-year reduction of €10.7 million. Since 2008, gross cost savings of €60 million have been generated across all areas of expenditure in the company. Unfortunately, cost increases, primarily in fuel taxes, have eroded the savings to a net betterment of €40 million.

Total payroll savings of €6.6m were achieved during the year and these will amount to approximately €12 million in a full year. These savings were generated mainly through headcount reduction as a result of the revised network of services, faster journey times and efficiency gains. Average staff numbers employed declined by 217 (6%) and the full year effect will bring the reduction to 9% in 2012. Since 2008, the average number of staff employed has reduced by 480 and this will exceed 600 (16%) in 2012. Over the same period, €24 million has been saved in payroll costs.

Apart from savings in payroll costs, significant reductions were also achieved in depreciation charges and in the cost of administration and support services. Over 200 buses have been taken out of the fleet and not replaced in recent years. In addition the average life of buses has been extended from 10 years to 12 years resulting in a reduced depreciation charge but this is mitigated to some extent by increased maintenance and refurbishment costs.

The intensive efforts at reducing costs have been largely successful in offsetting the decrease in customer revenues over recent years and the Department of Transport, Tourism & Sport and the NTA have received independent confirmation that Bus Átha Cliath is an efficient transport operator. However recent annual reductions in subvention and increases in fuel taxes have contributed to a significant underpayment for services provided under the Public Services Contract with a shortfall of €19 million being recorded in 2011 compared to a shortfall of €22.7 million in 2010.

Successive deficits have eroded the capital base of the company and net assets at end 2010 amounted to only €1.6 million. Based on the deficit for 2011 the net assets would have been negative €16.5 million at end 2011. In order to be in a position to comply with the European Communities (Road Passenger Transport) Regulations, 1991 to 1999 when the company applies for renewal of its Road Passenger Transport Operator's Licence, Bus Átha Cliath issued 30 million ordinary shares to CIÉ in December 2011. As a result net assets at 31st December 2011 amounted to €21.5 million.

While the share issue strengthens the Bus Átha Cliath balance sheet it does not help reduce the drain on the CIÉ Group cash resources caused by the annual operating deficits. A five year financial plan has been developed and presented to the Department of Transport, Tourism & Sport. It is envisaged that the company will return to profitable trading in 2014. Successful implementation of the plan requires an agreed multi-annual approach to; continuing cost reductions, fares and subvention, and some modest growth in the economy in 2014 and 2015.

## Bus Átha Cliath Network Direct

Throughout 2011 Bus Átha Cliath continued to progress the Route Network Review under the banner of Network Direct. Although the implementation of the project commenced in 2010, 2011 was the year in which the vast majority of revisions were introduced. The Network Direct project is the outcome of the widest ranging review of the Bus Átha Cliath network in the history of the company and is bringing significant benefits to customers. As part of Network Direct, Bus Átha Cliath carried out in-depth research and analysis into the current travel patterns of customers, customer experiences and expectations of their bus service. Up to one million journeys to work, across all transport modes, were analysed in detail to establish the current travel demands and patterns. Bus Átha Cliath also analysed its own data and assessed almost half a million customer movements each day along with journey times across the entire city. All service proposals and revisions were based on this extensive research and comply with the 2009 Cost and Efficiency Review of Bus Átha Cliath undertaken by Deloitte.

### The aim of the Network Direct project is to deliver:

- 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;

## Operations Review (continued)

- Less route variations making the network easier to understand;
- A new network of more direct orbital services;
- An increase in cross city routes to minimise customer interchange; and
- Improved connections with Rail and Luas transport modes.

Prior to the implementation of Network Direct in each area, Bus Átha Cliath undertook an in-depth public consultation process, where customers were able to provide feedback on the service proposals via e-mail, telephone and letter. This process was supported by a series of local public consultation events where members of the public could meet with senior Bus Átha Cliath representatives who could address queries regarding developments to local bus services. Where possible, Bus Átha Cliath incorporated the feedback into revised service proposals. Through a combination of the above elements, Bus Átha Cliath has designed a bus service that meets the changing needs of its customers and thereby encourages loyalty from existing customers and attracts new users to our service.

In 2011 Network Direct revisions were introduced in the following areas:

### Areas revised under Network Direct

Ballinteer	Crumlin	Merrion Road
Ballyfermot	Drumcondra	Ranelagh
Beaumont	Dundrum	Rathfarnham
Cabra	Edenmore	Sandyford
Clondalkin	Finglas	Tallaght
Clonskeagh	Firhouse	Templeogue
Coolock	Glasnevin	Terenure
	Malahide Road	

Bus Átha Cliath has devised a service that meets the changing needs of its customers and the results are evident in the following examples of increases in passenger numbers by the end of 2011 along QBCs and revised routes:

**Blanchardstown QBC** – Passenger numbers increased by 4%

**Stillorgan QBC** – Passenger numbers increased by 2%

**Lucan QBC** – Passenger numbers increased by 4%

**Northern Orbital Routes** – Passenger numbers increased by 15%

The major elements of Network Direct were substantially implemented by June 2012.

## Advances in Real Time Passenger Information (RTPI)

An Automatic Vehicle Location and Control (AVLC) system became fully operational in all Bus Átha Cliath's depots in 2011. The programme, funded by the Department of Transport, Tourism and Sport, ensures greater predictability and control of services and is the infrastructure upon which Real Time Passenger Information (RTPI) operates. The AVLC technology, fitted onto Bus Átha Cliath vehicles, feeds location data back to the Bus Átha Cliath Centralised Control Centre where services are monitored and regulated.

Due to the progress of Bus Átha Cliath's AVLC programme, in February 2011, Dublin City Council, on behalf of the NTA was able to launch the first 10 on-street RTPI display screens, which receive AVLC data and use it to provide RTPI. These 10 units were the first of a total of 272 information screens now located throughout the Bus Átha Cliath network allowing customers to determine the arrival time of their bus. Further display units are being deployed during 2012 and it is planned that a total of 500 RTPI units will be located throughout the Bus Átha Cliath network.

In July Bus Átha Cliath launched an RTPI facility on its website [www.dublinbus.ie](http://www.dublinbus.ie), ensuring greater ease of access to RTPI for all customers. In conjunction with this, Bus Átha Cliath launched an iPhone app. The app initially contained a route planner, route timetables and news items, but was upgraded and now provides customers with an RTPI facility. iPhone users can check the actual arrival time of their bus at all 5,000 bus stops and shelters on the Bus Átha Cliath network. The app won Best Travel and Tourism App at the second annual Appy awards, which recognise and honour the best in application development for smart-phones, tablets and social media platforms. In December 2011 an Android version of this app was launched. Customer response to RTPI has been extremely positive with weekly requests for RTPI averaging at just over 700,000. In 2011 the Bus Átha Cliath website ([www.dublinbus.ie](http://www.dublinbus.ie)) received Best IT

## Operations Review (continued)

Project of the Year (Public Sector) at the ICT Excellence Awards. The awards recognise the best in the Information and Communications Technology Industry in Ireland.

## Launch of Leap Card

In December 2011 the Minister of State with responsibility for Public and Commuter Transport, along with the NTA, officially launched Leap Card, the new integrated transport ticketing system for the Greater Dublin Area.

The first phase of the project is the introduction of the Leap card which carries a reloadable stored value purse (or travel credit). It was launched simultaneously on Bus Átha Cliath, Iarnród Éireann and Luas services. The Leap card offers customers discounts relative to the normal cash fares. During the next phase of development, the system will be enhanced with the introduction of daily and weekly fares capping, transfer rebates (discounts for transfer between services), automated top-up facilities and the implementation of all prepaid commuter tickets on the Leap card. Bus Átha Cliath, in conjunction with its ticket system supplier, and other transport operators will progressively deploy upgrades to their respective ticketing systems to support the increased range of functionality throughout 2012.

## Retaining and Attracting new customers

The primary activity in retaining and attracting customers is the Network Direct project which is transforming the network and will be complemented in 2012 by developments in RTPI, Network Direct consultation and implementation and promotion of 'Super Routes'. A mix of local and national press, area door-drops, on-bus leaflet distribution and information on the Bus Átha Cliath website were used to support Network Direct Information and Promotion Campaign. RTPI launched in September 2011 online, by SMS and via free iPhone and Android apps. A fully integrated marketing campaign ran in conjunction with the launch of RTPI including press, on-bus and online activity.

A mix of advertising campaigns ran throughout 2011 including:

- Value-campaigns undertaken to promote the benefits of tax-saverie and prepaid tickets;
- Added value and joint promotion – Bus Átha Cliath's 'Ticket Thursdays' campaign, which gives discounts to prepaid holders in participating city centre outlets and venues was run again in 2011; and
- Route Specific promotions – Significant service improvements have been made to key routes across the city as part of Network Direct. A critical part of the recruitment strategy for the first half of 2011 was to 'sell' these routes to non users, pushing the improved connection and frequency features of these routes. Bus Átha Cliath implemented route specific campaigns involving revised routes including: 9, 14, 39a, 46a and 145.

## Launch and Importance of Bus Átha Cliath Social Media

In March and April 2011 Bus Átha Cliath launched its official Facebook and Twitter accounts (DublinBusNews) for the purpose of providing service information, information on Network Direct, and publicising the latest Bus Átha Cliath promotions and launches. Social Media has proved to be a key tool in engaging with customers and, due to the growing prevalence of smart phones, an effective way to instantly disseminate information. These tools played a critically important role during the May 2011 visits of Queen Elizabeth II of Great Britain and of U.S. President, Barrack Obama where Dublin City experienced rolling traffic diversions throughout the course of the visits. A significant number of Bus Átha Cliath services were diverted but, through a thorough utilisation of its social media accounts, the company was able to keep its customers updated with all service developments. The importance of social media was also highlighted during the flooding that Dublin experienced in October where widespread flooding led to a significant number of service diversions.

## Severe Weather 2011

In October Dublin experienced a month's fall of rain in the space of one night and was subjected to wide scale flooding causing significant traffic disruptions. Bus Átha Cliath continued to provide a service for its customers. Both Luas and DART services experienced service stoppages so, in many areas across Dublin, Bus Átha Cliath was the sole public transport provider operating. Bus Átha Cliath's experience of operating during the cold



## Operations Review (continued)

snap of late 2010 ensured that a contingency action plan was already in place to deal with the possibility of a re-occurrence of adverse weather conditions.

Bus Átha Cliath's centralised operations control in Broadstone acted as a base control throughout the duration of the bad weather. The presence of Traffic Management CCTV screens in Operations Control and the deployment of Chief Inspectors throughout the network allowed Bus Átha Cliath to ascertain the standard of the roads. Based on this, Bus Átha Cliath introduced a series of route curtailments and diversions that ensured, in the vast majority of cases, customers were able to get to their point of destination. All DART, suburban rail and Luas tickets were honoured on Bus Átha Cliath services ensuring that all commuters were able to get to and from work. Customers were updated on service developments via the website, social media pages and information phone lines, which operated extended hours during the duration of the bad weather. All media outlets were regularly briefed on service developments. Through a combination of the above practices, customers were kept up to date with all service developments.

From October 27th to November 8th DART services were suspended between Grand Canal Dock and Sydney Parade to facilitate repairs to damages caused by flooding. Bus Átha Cliath honoured rail tickets for customers travelling south of Grand Canal Dock station and from November 3rd Bus Átha Cliath operated a shuttle service between Booterstown and Pearse rail stations. Full rail services were restored on November 8th.

## Public Service Contract- Bus Átha Cliath Continues to Meet its Goals

The Public Service Contract has been in existence between the NTA and Bus Átha Cliath since December 2009 and it sets out the network and range of services to be provided by Bus Átha Cliath, the performance levels to be achieved under the public service obligation and the compensation to be paid by the NTA for the provision of these services. Bus Átha Cliath report quarterly to the NTA on the performance measurements and Bus Átha Cliath has generally performed well. The NTA requires payments it makes under the Public Service Contract to be independently audited to verify that the contracted requirements have been met by Bus Átha Cliath. These payments amounted to €73.0 million in 2011 compared to €75.7 million in 2010. The Public Service Contract for

2010 was independently audited on behalf of the NTA during 2011 and the auditors concluded that Bus Átha Cliath had met or exceeded the standard of performance specified in the contract for PSO services. The auditors stated that Bus Átha Cliath's costs are consistent with those of a 'well-run' public transport operator and noted that there was a shortfall of €22.7 million in payments by the NTA to Bus Átha Cliath for the cost of delivering PSO services in 2010.

## 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 company's safety management system provides a detailed framework for the management of health and safety risks associated with the company's operations. Safety forms an integral part of the responsibilities of senior managers, middle managers and supervisors who, in turn, must ensure that their employees fully understand and comply with the requirements contained therein.

Whilst the requirement to provide adequate training and instruction is enshrined in the requirements of the Safety, Health and Welfare at Work Act, 2005, Bus Átha Cliath continues to recognise the importance of exceeding the minimum requirements by continually assessing the competency requirements of its employees. This is reflected in its planned training programme which includes specific non-statutory training and regular in-house communication briefings relating to safety-critical information. The ongoing delivery of Certificate of Professional Competency (CPC) training continues to be an effective means by which other safety-related information can be delivered. The company has also recently invested in a new driver training and evaluation system which provides for training by means of video assessment with subsequent one to one feedback sessions.

In relation to accidents, 2011 saw a significant reduction in the rate of collision accidents and customer accidents with reductions of 13.5% and 6% respectively when compared with 2010 figures. It is hoped that the rollout of new driver training to all drivers in early 2012 will help to

## Operations Review (continued)

provide for further reductions in these areas. In addition to this new training initiative, the company also completed a revision of its 'Dublin Bus Driver Safety Handbook' in late 2011. A copy of this booklet will be issued to each driver as part of scheduled training in early 2012.

## Fleet Accessibility – A bus service for everyone

In 2011, Bus Átha Cliath continued to focus on enhancing the accessibility of services for customers. An additional four routes were designated low floor wheelchair accessible in 2011 and the Bus Átha Cliath fleet is now at 92% meaning that it is well on target to having a fully accessible fleet by the end of 2012. The company's Travel Assistance Scheme, which was introduced in 2007, continues to enjoy an increase in subscriptions with user figures in 2011 over four times the user figures in 2007. The initiative was designed to provide advice on using public transport services to customers with reduced mobility, sensory impairments and learning disabilities. With the help of a full-time Bus Átha Cliath travel assistant, customers design a tailor-made travel plan, to suit his or her needs, ultimately leading to independent travel. Customers can access more information on Travel Assistance by contacting Bus Átha Cliath's Accessibility Officer on (01) 7033204 or by e-mailing [travelassist@dublinbus.ie](mailto:travelassist@dublinbus.ie).

## Corporate Social Responsibility (CSR) – Our work in the Community

Bus Átha Cliath undertakes a series of Corporate Social Responsibility (CSR) initiatives as a way of further committing itself to the communities that it serves within the Greater Dublin Area (GDA). The 2011 Bus Átha Cliath Community Support Programme (CSP) was the biggest and most successful event in the history of the programme. The CSP, which celebrated its eighth year in 2011, 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 1,300 local charities and voluntary organisations from communities across the GDA have benefited from the funding received from this programme. The cost of the programme is funded through long term unclaimed passenger change.

Another CSR activity is the Children's Art Competition, which utilises an annual art and poetry competition to instil a respect for public transport amongst our younger customers. Some of the winning entries are incorporated into a Bus Átha Cliath calendar, which has proved to be popular amongst older and younger customers alike. The programme was launched in 2001 and has proved to be extremely effective in tackling anti-social behaviour on buses and promoting a respect for public transport.

An offshoot development from the Children's Art Competition is the annual Niall Quinn Penalty Shootout, which was launched in 2003, where children receive coaching from the former International Republic of Ireland football player. This year's event took place in June at the East Wall Community Centre.

## Shuttle Service for Festival Events

Two high profile music events, Slane and Oxegen, took place during the summer of 2011. In both instances, Bus Átha Cliath provided a designated shuttle service to transport music fans to and from the events. For the Slane concert, Bus Átha Cliath provided 200 double deck buses and in conjunction with the Gardaí, Meath County Council and the organisers put in place improved parking and unloading procedures, which proved to be extremely successful. For the Oxegen music festival which ran from July 8th until July 10th, Bus Átha Cliath ran a shuttle service to the event in Punchestown. From June 30th to July 3rd the Tall Ships Festival took place in Waterford and Bus Átha Cliath provided a Park and Ride shuttle service at the event. In total 40 buses were deployed to Waterford for the duration of the festival.

## Developments in Commercial Services

In June 2011, Bus Átha Cliath launched an improved Airlink service, which uses the Port Tunnel in both directions of its route ensuring quicker journey times for customers travelling to Dublin Airport. The new Airlink route also incorporates an increased number of hotels, guesthouses, tourist and business districts along its revised route. The on-street information for Airlink was also redesigned to give it a more distinctive feel and make it easier to recognise. In February 2011, Bus Átha Cliath Hop-On Hop-Off Tour was voted top tour on [hostelworld.com](http://hostelworld.com), based

## Operations Review (continued)

on the website's customer reviews in 2010. Hostelworld.com is the world's leading hostel booking website. In May 2011 The Ghostbus Tour was awarded a 2011 Certificate of Excellence from the world's top travel website, Trip Advisor, for consistently receiving excellent ratings from their members.

## Fleet Refurbishment Programme 2011

In 2011 Bus Átha Cliath commenced a series of service upgrades on existing vehicles which will continue into 2012. The upgrades were achieved through funding from the NTA and will improve vehicle safety and reliability thus leading to greater customer satisfaction. The upgrades applied to a range of body work, mechanical and electrical elements of our older vehicles.

## Overview of Energy Usage in 2011

Bus Átha Cliath operated a fleet of 960 buses covering 60,086,140 kilometres in 2011. The primary energy consumption was the fuel usage associated with running the fleet of buses. The quantity of diesel fuel used in 2011 was 30,058,317 litres. The other main sources of energy usage include our seven maintenance garages and their associated gas and electricity usage. In addition we also have a number of office buildings including Head Office, the Procurement Department in Broadstone and the Employee Canteen, Earl Place. The breakdown of energy usage consists of fuel usage by our fleet (95.3% of consumption), electricity usage at our premises (2% of consumption) and gas consumption at our premises (2.7% of consumption). Up to 70% of electricity usage in our maintenance garages is associated with lighting the buildings and the external yard areas. Gas consumption is primarily associated with heating of the premises. Lighting, office equipment and air conditioning units account for the vast majority of the office energy consumption.

In 2011, Bus Átha Cliath consumed 320,876 MWh of energy, consisting of:

- 305,663 MWh of diesel fuel for running of the bus fleet;
- 6,422 MWh of electricity; and
- 8,791 MWh of natural gas.

### Actions Undertaken in 2011:

In 2011 Bus Átha Cliath undertook a range of initiatives to improve our energy performance, including:

- Rationalisation of the fleet through Network Direct, which resulted in our fleet covering 1.7 million kilometres less in 2011 representing a 2.7% reduction on the kilometres covered in 2010;
- Installation of energy efficient lights for Maintenance Facility Workshops and parking yards;
- Replacement of fuel pumps with high efficiency motors;
- Installation of gas pulse meters and link to BMS system as part of on-going monitoring of gas consumption in the maintenance facilities;
- Promotion of energy awareness among staff;
- Continuation of the energy monitoring at each premises;
- Participation in the SEAI public sector energy monitoring pilot programme;
- Idle speed modification on existing fleet to reduce fuel consumption; and
- Eco-driving module training as part of the CPC program for drivers.

Altogether, these and other measures are saving 15,703 MWh annually.

### Actions Planned for 2012:

In 2012, Bus Átha Cliath intends to further improve our energy performance by undertaking the following initiatives:

- Start trials of eco-driving for fleet using on-board technology;
- Upgrade and replace water pumps with energy efficient motors;
- Trial alternative energy efficient lighting for workshop pits and offices;
- Purchase of new vehicles which will be fitted with Euro 5 standard engines; and
- Identify further energy saving opportunities through the local energy management teams.

# Directors and Other Information

## Board of Directors

### Directors at 24th October 2012

Mr. K. Bonner, Chairman

Ms. G. Joyce

Mr. B. McCamley

Mr. W. McDermott

Ms. M. McGennis

Ms. U. McGrath

## Chief Executive

Mr. P. Doherty

## Secretary

Mr. R. O'Farrell

## Registered Office

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Website: [www.dublinbus.ie](http://www.dublinbus.ie)  
Registered Number: 119569

## Auditors

PricewaterhouseCoopers  
Chartered Accountants  
and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1



*In 2011 Bus Átha Cliath commenced a series of service upgrades on existing vehicles which will continue into 2012.*

# Report of Directors

The directors present their annual report together with the audited financial statements for the year ended 31st December 2011.

## 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.

In 2011, the company carried 117 million customers, representing a reduction of 1.7% on 2010. Total revenues amounted to €178.3 million in 2011 compared to €182.2 million in the previous year. During 2011, the Network Direct project to redesign services to match customer demand and to adjust service timetables in line with running time improvements and bus priority measures was substantially completed. In conjunction with stakeholders and through a combination of revenue growth and further reductions in the major operating costs, Bus Átha Cliath will strive to reduce the level of operating losses being incurred and return the company to profitability over the next three years.

## Results and Reserves

The financial statements for the year ended 31st December 2011 are set out in detail on pages 22 to 38. The results for 2011 show a deficit of €18,150,000 (2010 – €22,059,000).

## 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 quarterly and includes action plans for addressing the identified risks. Córas Iompair Éireann (CIÉ), on behalf of Bus Átha Cliath, enters into fuel and currency forward purchasing where it deems there is value and reduced risk to the company.

## Capital Investment

During 2011, investment in the fleet was limited to a number of refurbishment programmes as the process of

downsizing the fleet in line with more efficient schedules, faster running and reductions in demand continued. Investment in improving services continued with the assistance of National Transport Authority funding in the following areas:

- €3.5 million on refurbishment of buses;
- €1.5 million on the continuing development of the Automatic Vehicle Location and Control System (AVLC);
- €0.9 million on premises, IT systems and equipment;
- €0.8 million on network infrastructure;
- €0.7 million on ticketing systems; and
- €0.3 million on energy efficient lighting.

## Employee Development

Bus Átha Cliath is committed to ensuring that the necessary skills and knowledge are identified and developed so that all employees have the opportunity to develop and make a positive contribution.

A competency framework has been developed to identify the behaviours, skills and abilities essential to the successful performance of the various roles of employees in delivering a quality service to the required standard.

The Bus Átha Cliath Training Centre provides a number of training programmes to ensure that bus drivers are given the highest standard of training to enable them deliver a safe, efficient and reliable bus service to our customers. All bus drivers participate in one days training per year to qualify them for the Certificate of Professional Competence (CPC) in accordance with EU Directive 2003/59/EC and Road Safety Authority approval. In February 2011 Bus Átha Cliath received the HR Development Award for innovation and excellence at the Irish Logistics and Transport Awards (ILTA's) for developing and delivering cultural competence and disability training awareness. These modules have been incorporated into CPC training for Bus Átha Cliath drivers. In addition to CPC, a new driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change.

## Report of Directors (continued)

The training programme received the 2012 Chartered Institute of Logistics and Transport Safety Award for its innovative approach to driver skills training.

A programme of managerial development continued in 2011 with a number of managers and administration staff undertaking third level studies. Other role specific training continued for maintenance, supervisory and administrative staff.

## 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.

## 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 its workforce. The company's Equality and Diversity Strategy was selected for inclusion in the European Commission Compendium of Good Practice in Diversity.

Bus Átha Cliath continues to work in partnership with the Equality Authority and the Immigrant Council of Ireland on a number of initiatives to promote equality and diversity.

## 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. The names of persons who were directors during the year ended 31st December 2011 or who have since been appointed are set out below. Except where indicated they served as directors for the entire year.

Mr. K. Bonner Chairman (Appointed 29th June 2011)

Ms. G. Joyce (Appointed 30th July 2012)

Ms. N. Maher (Retired 1st June 2012)

Mr. B. McCamley

Mr. W. McDermott

Ms. M. Mc Gennis (Appointed 8th March 2011)

Ms. U. McGrath

Ms. M. Mooney (Retired 17th May 2012)

Mr. A. O'Byrne (Retired 31st May 2012)

Ms. G. Tuke (Retired 1st June 2012)

Dr. J.J. Lynch (Re-appointed 29th March 2011 and retired 28th June 2011.)

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.

## Attendance at Board/ Committee meetings

Listed below is board directors' attendance at Board/ Committee meetings during 2011.

Bus Átha Cliath Board/Committee Attendance Log 2011		
Director	Bus Átha Cliath Board	Safety Committee
Mr. K. Bonner	5/5	
Ms. N. Maher	7/10	4/4
Mr. B. McCamley	9/10	3/4
Mr. W. McDermott	10/10	
Ms. M. McGennis	6/8	
Ms. U. McGrath	8/10	4/4
Ms. M. Mooney	10/10	
Mr. A. O'Byrne	10/10	
Ms. G. Tuke	7/10	
Dr. J.J. Lynch	5/5	

*Note: The dates of the August and November meetings were changed on the 26th July 2011 by notification to the directors on that date.*

## Going Concern

The board of directors are satisfied that while a number of uncertainties exist, the company will have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the "going concern" basis for the preparation of the accounts. Note 1 "Going Concern" addresses those uncertainties and summarises the directors' conclusions in relation to going concern.

## Auditors

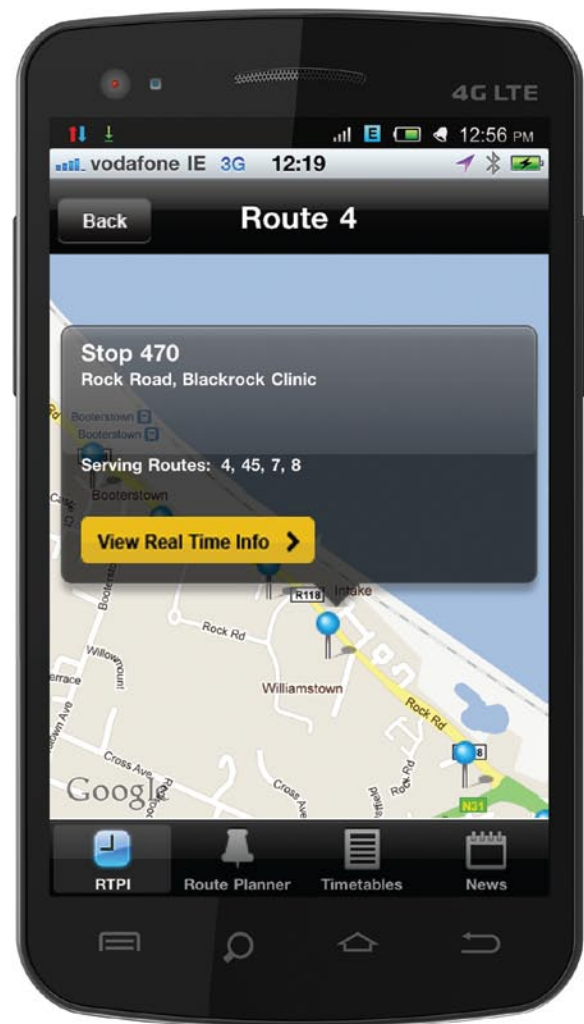
The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

**Mr. K. Bonner** Chairman

**Ms. G. Joyce** Director

24th October 2012

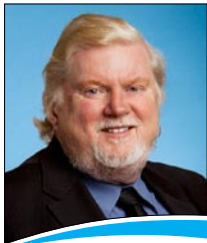






*Social Media has proved to be a key tool in engaging with customers and, due to the growing prevalence of smart phones, an effective way to instantly disseminate information.*

# Board of Directors



## Kevin Bonner, Chairman

Kevin Bonner was appointed as Chairman of Bus Átha Cliath and to the Board of CIÉ in June 2011. Kevin is a former Secretary General of the Department of Enterprise and Employment.



## Willie McDermott

Willie McDermott was appointed to the board in December 2009 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Willie joined Bus Átha Cliath in 1978 and works in Phibsboro Garage as a bus driver. He is a member of the NBRU and represents bus workers.



## Gary Joyce

Gary Joyce was appointed to the board in July 2012. Gary is Managing Director of Genesis, a strategic marketing and development consultancy. She has extensive non-executive experience having previously served as Chairman of ACC Bank

and as a member of a number of private sector, not-for-profit and state boards. She is currently a member of the Governing Authority of Dublin City University and the board of Galway Arts Festival.



## Marian Mc Gennis

Marian Mc Gennis was appointed to the board in March 2011. Marian was a TD for Dublin Central and a former member of Dublin City Council, Dublin County Council and Fingal County Council. As a member of the Oireachtas she was opposition spokesperson

on equality and a member of the National Economic and Social Forum. She has been involved in voluntary organizations for almost 30 years. Marian is a graduate of the National University of Ireland Maynooth and holds a Social Science degree in Sociology and Social Policy.



## Nuala Maher

Nuala was appointed to the board in June 2009. Nuala worked in International Banking for two decades but her more recent experience is in Human Resources, with a specific interest in Employee Communication. She has worked with a large number

of companies, both private and state sector, advising on employee engagement and communication practice. She holds an MSc in Organisation Behaviour from Trinity College. Nuala retired on 1st June 2012.



## Una McGrath

Una McGrath was appointed to the board in March 2010. Una previously worked as a consultant and business development manager in the area of travel behaviour change, brokering corporate and public sector support for sustainable travel.

She set up the Mater Hospital Campus Commuter Centre winning the Irish Times Living Dublin Award. She was appointed to the European Commission's Executive Agency for Competitiveness and Innovation expert panel to assess funding proposals for transport projects from member states. She currently works for Designing Dublin to grow stakeholder engagement with the city centre. Una holds a BA in International Marketing and Languages, DCU and a BA Design, DIT.



## Bill McCamley

Bill McCamley was first appointed to the board in December 1997 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Bill joined Bus Átha Cliath in 1974 and works in Phibsboro Garage as a bus driver. He is a member of SIPTU and has

represented bus workers at local and branch level over many years.

## Board of Directors (continued)

**Mary Mooney**

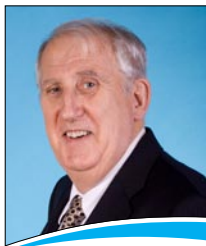
Mary Mooney was appointed to the board in May 2009. Mary is a former TD for Dublin South Central and a former member of Dublin City Council where she also chaired the Strategic Policy Committee for Housing. Mary has been a member of the Affordable

Homes partnership and is also a former Chairperson of the South Western Area Health Board. Mary also has a vast experience in marketing and management skills having previously managed and run her family's retail business. Mary retired on 17th May 2012.

**Grainne Tuke**

Grainne Tuke was appointed to the board in June 2009. Grainne is a solicitor by profession, holding a law degree from University College, Dublin and is a practising member of the Law Society. She has been in legal practice in both rural and urban areas in Ireland, covering

both a range of general and specialised practice areas of law for over 25 years. She has substantial practical experience in a wide range of areas including commercial and corporate law and practice, commercial property, construction and engineering, employment, technology and intellectual property, telecommunications, media and entertainment, medical, fisheries and forestry projects, transport, retail and regulatory and commercial matters. Grainne retired on 1st June 2012.

**Arnold O'Byrne**

Arnold O'Byrne was first appointed to the board in August 2001. Arnold worked for General Motors for thirty five years and in his final fifteen years with GM, was the Chairperson and Managing Director of Opel Ireland Ltd. Prior to that, he was the Chief Auditor

with responsibility for all GM operations in the UK and in Ireland. Since retirement from Opel Ireland Ltd, Arnold has held the positions of Chairperson and President of Capmark Commercial Mortgage Bank Europe plc. He is also a past president of the Society of the Irish Motor Industry (SIMI) and of the American Chamber of Commerce. Arnold is currently Chairperson of Capita Asset Services (Ireland) Ltd. Arnold retired on 31st May 2012.

# 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 2012. 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 of Bus Átha Cliath - Dublin Bus for the year ended 31 December 2011 which comprises: the accounting policies, the profit and loss Account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies on page 22.

### Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual 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 18.

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 and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2012. 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 company 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Operations Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. 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 judgements 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.

*PricewaterhouseCoopers, One Spencer Dock, North Wall Quay, Dublin 1, Ireland, I.D.E. Box No. 137  
T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, www.pwc.ie*



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUS ÁTHA CLIATH – DUBLIN BUS - continued**

**Opinion**

In our opinion, the financial statements;

- give a true and fair view, in accordance with Generally Accepted Accounting Policies in Ireland, of the state of the company's affairs as at 31 December 2011 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

We have obtained all the information and explanations 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 report of the directors on pages 12 to 14 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 24, are not more than half of the amount of its called up share capital and, in our opinion, on that basis there did exist at 31 December 2011, 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. The extraordinary general meeting of the company was held on 16 June 2010.

**Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern.

The Company incurred a net loss of €18.1 million during the year ended 31 December 2011 and, at that date, the Company had net assets of €21.5 million and net current assets of €31.3million, of which €71.1m relates to amounts due from the Holding Company CIE.

As set out in Note 1 of these financial statements, management's current projections show that the Company will incur further deficits in the period 2012 and 2013 with a return to profitability expected in 2014, 2015 and 2016. The resultant cash deficits will result in a requirement for additional funding from the CIE Group. Note 1 in the CIE Group accounts indicates that CIE is in discussions with its bankers in relation to the renewal of its existing bank facilities which are due for renewal at dates between January 2013 and October 2013, and are also in discussions with the Department of Transport, Tourism and Sport, the National Transport Authority, and the Group's Bankers' in respect of the additional funding which will be required. Those discussions have not been concluded at the date of approval of these financial statements.

These conditions, along with the other matters explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

**Teresa Harrington**  
**For and on behalf of PricewaterhouseCoopers**  
**Chartered Accountants and Statutory Audit Firm**  
**Dublin**

**01 November 2012**



*Introduction of Real Time Passenger Information (RTPI) as a benefit available to all Bus Átha Cliath customers via website, iPhone and Android app and on-street RTPI units.*

# 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 2012. 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) 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.

## (C) Leased Assets

### Operating Leases

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

## (D) 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.

## (E) 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.

## (F) 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.

## (G) 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	2011 €000	2010 €000
<b>Revenue</b>		<b>178,311</b>	182,153
<b>Costs</b>			
Payroll and related costs	3	(181,167)	(187,737)
Materials and services	4	(78,604)	(69,307)
Depreciation	5	(10,246)	(15,636)
Exceptional operating costs	6	(122)	(8,110)
<b>Total operating costs</b>		<b>(270,139)</b>	(280,790)
<b>Deficit before gain on disposal of tangible assets, interest and Public Service Obligation payment</b>		<b>(91,828)</b>	(98,637)
Gain on disposal of tangible assets		321	653
<b>Deficit before interest and Public Service Obligation payment</b>		<b>(91,507)</b>	(97,984)
Interest receivable	7	325	243
<b>Deficit for the year before Public Service Obligation payment</b>		<b>(91,182)</b>	(97,741)
Public Service Obligation payment	8	73,032	75,682
<b>Deficit for the year</b>		<b>(18,150)</b>	(22,059)
Accumulated deficit at beginning of the period		(30,183)	(8,124)
<b>Accumulated deficit at end of the period</b>		<b>(48,333)</b>	(30,183)

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

**Mr. K. Bonner** Chairman

**Ms. G. Joyce** Director

# Balance Sheet

As at 31st December	Notes	2011 €000	2010 €000
<b>Fixed assets</b>			
Tangible assets	9	<b>119,166</b>	133,956
<b>Current assets</b>			
Stocks	10	<b>4,002</b>	2,568
Debtors	11	<b>80,536</b>	65,052
Cash at bank and in hand		<b>135</b>	187
		<b>84,673</b>	67,807
<b>Creditors</b> (amounts falling due within one year)	12	<b>(53,353)</b>	(64,699)
<b>Net current assets</b>		<b>31,320</b>	3,108
<b>Total assets less current liabilities</b>		<b>150,486</b>	137,064
<b>Provision for liabilities and charges</b>	14	<b>(73,676)</b>	(78,834)
<b>Deferred income</b>	15	<b>(55,307)</b>	(56,670)
		<b>21,503</b>	1,560
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	16	<b>69,836</b>	31,743
Profit and loss account		<b>(48,333)</b>	(30,183)
<b>Shareholders' funds</b>	17	<b>21,503</b>	1,560

On behalf of the board

**Mr. K. Bonner** Chairman

**Ms. G. Joyce** Director

# Cash Flow Statement

		2011	2010
	Notes	€000	€000
As at 31st December			
Net cash outflow from operating activities	18 (A)	(23,978)	(17,962)
Returns on investments and servicing of finance	18 (B)	325	243
Capital expenditure	18 (B)	(6,400)	(9,295)
Net cash inflow from disposal of tangible fixed assets	18 (B)	307	650
Capital grants received	18 (B)	6,168	6,200
<b>Cash outflow before use of liquid resources and financing</b>		<b>(23,578)</b>	<b>(20,164)</b>
Net management of liquid resources		(14,723)	20,250
Issue of ordinary share capital		38,093	—
<b>(Decrease)/increase in cash in the year</b>		<b>(208)</b>	<b>86</b>

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)/increase in cash in the year	18 (C)	(208)	86
Net cash inflow/(outflow) from holding company balance	18 (C)	14,723	(20,250)
<b>Movement in net funds in the year</b>		<b>14,515</b>	<b>(20,164)</b>
Net funds at 1st January	18 (C)	56,558	76,722
<b>Net funds at 31st December</b>	18 (C)	<b>71,073</b>	<b>56,558</b>

# Notes to Financial Statements

## 1. Going concern – Material uncertainty

The company incurred a net loss of €18.1 million during the year ended 31st December 2011 and, at that date, the company had net assets of €21.5 million. Management's current projections show that the company will incur further deficits in the period 2012 and 2013 with a return to profitability expected in 2014, 2015 and 2016. The resultant cash deficits will result in a requirement for additional funding from the CIÉ Group. A copy of the Going Concern disclosure included in note 1 of the CIÉ financial statements is included below:

"The financial statements have been prepared on the going concern basis, which assumes that the Group will be able to continue in operational existence for the foreseeable future.

The Group continues to operate in a very challenging environment. The continued deterioration of the Irish economy has adversely affected the Group's financial performance and poses challenges for the future. Passenger journeys have decreased and overall reductions in Government Public Expenditure have caused consequent reductions in the level of State funding to CIÉ.

The Group exceeded its available borrowing facilities during 2012, and the excess to date has been met by advance payments of the Public Service Obligation. Without mitigating measures, it is expected that the Group will again exceed its existing borrowing facilities in 2013. Coupled with this, the existing Group bank borrowings facilities (of €107 million) are due to expire on various dates between January and October 2013. At 31st December 2011 the Group had bank and leasing debt outstanding of €77.8 million. The maximum debt facilities currently available to the Group amount to €121 million (including leasing facilities of €14 million).

The Department of Transport, Tourism and Sport has committed additional funding to the Group to fund ongoing activities of the Group to 31 December 2012. The format and extent of this funding has not yet been finalised. The Minister for Transport, Tourism and Sport has provided a letter of support to the Group dated 30th August 2012. The letter states the Department "continues to monitor the financial position of CIÉ and is engaging with the company in relation to measures necessary to safeguard CIÉ's financial sustainability." Whilst the letter states that nothing contained in the letter can be construed as a guarantee of the obligations or liabilities of CIÉ, it also states that "It remains Government policy that the business of CIÉ is at all times in a position to meet its liabilities. The State is CIÉ's sole shareholder and I can confirm that the State will continue to exercise its shareholder rights with a view to ensuring that CIÉ manages its operations in a manner that will enable it to meet all its obligations in a timely manner. Any action to be considered by the State however would have to be in compliance with EU law, including State Aid rules which may require Commission notification and approval.

Management's current projections indicate that the Group will incur further deficits in the period 2012, 2013 and 2014, with a return to profitability expected in 2015 and 2016. The resultant cash deficits will result in a requirement for renewed facilities and other funding and measures including cost reduction and the realisation of assets.

These circumstances give rise to uncertainty for the business and cast doubt on the Group's ability to continue to trade as a going concern in its current form.

Following a comprehensive review of the Group's business plan and the underlying assumptions for the period 2011 to 2016 and its budget for the year 2012, and having considered the output of recent discussions which have taken place by Group management with the Department of Transport, Tourism and Sport, the Board Members have a reasonable expectation that planned actions, together with renewed facilities and other funding, the additional funding committed by the Department of Transport, Tourism and Sport, the additional revenue generated by fare increases, the support of the Government, and the successful implementation of cost reduction measures will ensure that the Group will have sufficient resources to continue its operations for the foreseeable future.

The Board Members have a reasonable expectation that although there are a number of uncertainties facing the Group, that these uncertainties can be addressed through a range of measures. These measures include:

- Realisation of non-core assets;
- Reduction in cost base including payroll reductions;
- Multi-annual fare increases; and
- Curtailment of own-funded capital programme

Management have had initial discussions with their bankers in relation to the new facilities in 2013. As the outcome of the Groups negotiations with the Banks, the Department of Transport, Tourism and Sport and the National Transport Authority is not entirely within the Group's control, the Board Members have concluded that the risk represents a material uncertainty which casts significant doubt about the Group's ability to continue as a going concern. Nonetheless, having made due enquiries and considering the uncertainties described above, the Board Members have a reasonable expectation that renewed facilities and other funding will be made available to the Group and that Government will support measures to ensure financial stability. For these reasons, the Board Members continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would be required if the Group were unable to continue as a going concern."

## Notes to the Financial Statements (continued)

**2. Net (Deficit)/Surplus by activity**

	Social Activities		Commercial Activities	
	2011 €000	2010 €000	2011 €000	2010 €000
As at 31st December				
Revenue	167,200	171,227	11,111	10,926
Costs	(259,180)	(269,637)	(10,313)	(10,257)
Operating (deficit)/surplus	(91,980)	(98,410)	798	669
Public Service Obligation payment	73,032	75,682	—	—
Net (deficit)/surplus	(18,948)	(22,728)	798	669

**3. Payroll and related costs**

	2011 €000	2010 €000
<b>Staff costs</b>		
Wages and salaries	154,507	160,057
Social welfare costs	14,892	15,034
Other pension costs	11,617	12,532
Own work capitalised	(54)	(61)
<b>Total staff costs</b>	<b>180,962</b>	<b>187,562</b>
<b>Directors' remuneration</b>		
<b>Emoluments</b>		
- for services as directors	84	60
- for other services	121	115
<b>Total directors' remuneration and emoluments</b>	<b>205</b>	<b>175</b>
<b>Total payroll and related costs</b>	<b>181,167</b>	<b>187,737</b>

Directors' emoluments for 2011 include Directors' Fees as follows:

Mr. K. Bonner €10,966, Ms. N. Maher, U. McGrath, Ms. M. Mooney, Mr. A. O'Byrne, and Ms. G. Tuke €12,600 each and Ms. M. McGennis €10,319.

Mr. B McCamley and Mr. W. McDermott did not receive any Directors' Fees from the company.

Included in Wages and Salary costs is an amount of €188,150 paid to Mr. P. Doherty, Chief Executive.

	Staff Numbers	
	2011	2010
The average number of employees during the year was:	3,345	3,562

## Notes to the Financial Statements (continued)

**4. Materials and Services**

	2011 €000	2010 €000
Fuel and lubricants	31,285	29,713
Materials	17,250	16,839
Road tax and licences	585	615
Rent and rates	839	803
Operating lease rentals	564	540
Third party and employer's liability claims	6,434	(1,251)
Expenses paid to directors	1	7
Other services	21,999	22,278
Revenue grants (note 15)	(353)	(237)
	<b>78,604</b>	<b>69,307</b>

The expenses paid for directors in 2011 include €423 in respect of conference fees for Ms. U. McGrath and €94 travel expenses for Mr. K. Bonner.

**5. Depreciation**

	2011 €000	2010 €000
Depreciation (note 9)	21,185	30,967
Amortisation of EU/Exchequer capital grants (note 15)	(10,939)	(15,331)
	<b>10,246</b>	<b>15,636</b>

**6. Exceptional Operating Costs**

	2011 €000	2010 €000
<i>Business restructuring</i>	122	8,110

As part of a cost reduction programme, the company introduced a voluntary severance and early retirement programme. The cost in 2011, including severance payments and other costs associated with the programme is €0.122 million (2010 - €8.110 million).

## Notes to the Financial Statements (continued)

**7. Interest (Receivable)/Payable**

	2011 €000	2010 €000
On balances with holding company	(321)	(247)
Other interest (receipts)/payments	(4)	4
	<u>(325)</u>	<u>(243)</u>

**8. Public Service Obligation**

The Public Service Obligation payment payable to Bus Átha Cliath - Dublin Bus through its holding company, Córas Iompair Éireann, amounted to €73,032,000 for the year ended 31st December 2011 (2010 - €75,682,000).

**9. Tangible Fixed Assets**

	Road Passenger Vehicles €000	Bus Stops and Shelters €000	Plant and Machinery €000	Total €000
<b>Cost</b>				
At 1st January 2011	290,696	25,702	59,183	375,581
Additions	2,145	767	3,488	6,400
Disposals	(17,469)	—	(9,717)	(27,186)
<b>At 31st December 2011</b>	<u>275,372</u>	<u>26,469</u>	<u>52,954</u>	<u>354,795</u>
<b>Depreciation</b>				
At 1st January 2011	199,730	4,915	36,980	241,625
Charge for the year	14,662	1,711	4,812	21,185
Disposals	(17,468)	—	(9,713)	(27,181)
<b>At 31st December 2011</b>	<u>196,924</u>	<u>6,626</u>	<u>32,079</u>	<u>235,629</u>
<b>Net book amounts</b>				
<b>At 31st December 2011</b>	<u>78,448</u>	<u>19,843</u>	<u>20,875</u>	<u>119,166</u>
At 31st December 2010	90,966	20,787	22,203	133,956

## Notes to the Financial Statements (continued)

**9. Tangible Fixed Assets (continued)**

(a) The directors have reviewed the estimate of useful lives of road passenger vehicles and the allocation of depreciation over the vehicles' lives in the light of changing operating patterns. The directors have decided to increase the estimate of the useful lives of most road passenger vehicles and to revise the allocation of depreciation to accounting periods over those lives with effect from 1st January 2011. As a result of these changes, most road passenger vehicles will be depreciated over 12 rather than 10 years. This has resulted in a reduction of €5.864 million in the depreciation charge in 2011.

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

	<b>Lives (Years)</b>
Road passenger vehicles	7 – 12
Bus stops and shelters	3 – 15
Plant and machinery	3 – 10

(c) Road passenger vehicles at a cost of €72,681,000 (2010 - €67,058,000) were fully depreciated but still in use at the balance sheet date.

(d) Included in additions above are €Nil (2010 - Nil) in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service.

**10. Stocks**

	2011 €000	2010 €000
Maintenance materials and spare parts	2,618	1,392
Fuel, lubricants and other sundry stocks	1,384	1,176
	<b>4,002</b>	<b>2,568</b>

**11. Debtors**

	2011 €000	2010 €000
Trade debtors	6,333	6,696
Amounts owed by holding company	71,094	56,371
EU/Exchequer grants receivable	248	—
Other debtors and accrued income	2,861	1,985
	<b>80,536</b>	<b>65,052</b>



## Notes to the Financial Statements (continued)

### 12. Creditors

	2011 €000	2010 €000
Bank overdraft	156	—
Trade creditors	3,343	5,297
Income tax/levy deducted under PAYE	3,585	2,254
Pay related social insurance	1,978	1,983
Value added tax and other taxes	201	225
Other creditors	3,525	3,759
Deferred revenue	8,122	8,358
Accruals	8,912	9,963
Voluntary severance	3,033	11,183
Third party and employer's liability claims ( <i>note 14</i> )	10,000	8,000
Deferred income ( <i>note 15</i> )	10,498	13,677
	<b>53,353</b>	<b>64,699</b>
Creditors for taxation and social welfare included above	<b>5,764</b>	<b>4,462</b>

### 13. Lease Obligations

	2011 €000	2010 €000
<b>Operating Leases</b>		
Commitments under non-cancellable operating leases payable in the coming year expire as follows:		
Within one year	134	73
Between two and five years	302	21
	<b>436</b>	<b>94</b>

## Notes to the Financial Statements (continued)

**14. Provision for liabilities and charges**

	2011 €000	2010 €000
<b>Third party and employer's liability claims</b>		
Balance at 1st January	86,834	95,400
Utilised during the year	(9,159)	(6,913)
Transfer from profit and loss account	6,001	(1,653)
<b>Balance carried forward at 31st December</b>	<b>83,676</b>	<b>86,834</b>
<b>Apportioned:</b>		
Current liability ( <i>note 12</i> )	10,000	8,000
Amounts falling due after more than one year	73,676	78,834
	<b>83,676</b>	<b>86,834</b>

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 and 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) water damage where the excess is €2,000,000; and
  - (b) 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 2011 to March 2012; 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 includes Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2011 to March 2012, for all rail and road transport, Third Party and Other Risks liabilities;

**14. Provision for liabilities and charges (continued)****(A) External Insurance Cover (continued)**

- (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.

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.

## Notes to the Financial Statements (continued)

**15. Deferred Income**

	2011 €000	2010 €000
<b>This account represents EU/Exchequer grants which are accounted for in accordance with accounting policy E.</b>		
<b>European Union/Exchequer grants</b>		
Balance at 1st January	70,347	79,514
Received and receivable	6,750	6,437
<b>Transfer to profit and loss account</b>		
Amortisation of capital grants ( <i>note 5</i> )	(10,939)	(15,331)
Write-off of grant aided assets	—	(36)
Revenue grant ( <i>note 4</i> )	(353)	(237)
<b>Balance carried forward at 31st December</b>	<b>65,805</b>	<b>70,347</b>
<b>Apportioned:</b>		
Current liability ( <i>note 12</i> )	10,498	13,677
Amounts falling due after more than one year	55,307	56,670
	<b>65,805</b>	<b>70,347</b>

### 16. Share Capital

	2011 €000	2010 €000
<b>Authorised:</b>		
Ordinary shares of €1.27 each at 1st January	38,092	38,092
Increase in Authorised Shares	88,882	—
Ordinary shares of €1.27 each at 31st December	<u>126,974</u>	<u>38,092</u>
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of €1.27 each at 1st January	31,743	31,743
Increase in Issued Shares	38,093	—
Ordinary shares of €1.27 each at 31st December	<u>69,836</u>	<u>31,743</u>

### 17. Reconciliation of Movement in Shareholders' Funds

	2011 €000	2010 €000
Balance at 1st January	1,560	23,619
Deficit for the year	(18,150)	(22,059)
Ordinary Shares issued	38,093	—
<b>Balance at 31st December</b>	<u>21,503</u>	<u>1,560</u>

## Notes to the Financial Statements (continued)

**18. Cash Flow Statement**

	2011 €000	2010 €000
<b>(A) Reconciliation of operating deficit to operating cash flows</b>		
Operating deficit before interest and Public Service Obligation payment	(91,507)	(97,984)
Public Service Obligation payment ( <i>note 8</i> )	73,032	75,682
	<b>(18,475)</b>	(22,302)
Depreciation	21,185	30,967
Amortisation of capital grants	(10,939)	(15,331)
Gain on disposal of tangible assets	(321)	(653)
(Increase)/decrease in stocks	(1,434)	224
(Increase)/decrease in debtors	(513)	712
Decrease in creditors and provisions	(13,481)	(11,579)
<b>Net cash outflow from operating activities</b>	<b>(23,978)</b>	<b>(17,962)</b>
<b>(B) Analysis of cash flows for headings netted in the cash flow statement</b>		
<b>Servicing of finance</b>		
Interest received	321	247
Other interest receipts/(payments)	4	(4)
<b>Net cash inflow from servicing of finance</b>	<b>325</b>	<b>243</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(6,400)	(9,295)
Net cash inflow from disposal of tangible assets	307	650
EU/Exchequer capital grants	6,168	6,200
<b>Net cash inflow/(outflow) from capital expenditure</b>	<b>75</b>	<b>(2,445)</b>

**18. Cash Flow Statement (continued)**

	At 1st Jan. 2011 €000	Cash Flow €000	At 31st Dec. 2011 €000
<b>(C) Analysis of net funds</b>			
Cash at bank and in hand	187	(52)	135
Overdraft	-	(156)	(156)
		(208)	
Holding company balance	56,371	14,723	71,094
		14,723	
<b>Total</b>	<b>56,558</b>	<b>14,515</b>	<b>71,073</b>

**19. 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 2011 there was a deficit of €159.2 million on the schemes.

The pension cost for the year on the defined benefit schemes was €11.6 million; these costs are also included in note 3.

## Notes to the Financial Statements (continued)

**20. Capital Commitments**

	2011 €000	2010 €000
Contracted for	7,972	4,871
Authorised by the directors but not contracted for	25,958	—
	<b>33,930</b>	<b>4,871</b>

**21. 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.

**22. 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 various City and County Councils, the Dublin Airport Authority and the ESB. 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.

**23. 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.

**24. Approval of Financial Statements**

The directors approved the financial statements on 24th October 2012.





*In June 2011 Bus Átha Cliath launched an improved Airlink service, which uses the Port Tunnel in both directions of its route ensuring quicker journey times for customers travelling to Dublin Airport.*

