

# Bus Átha Cliath Annual Report and Financial Statements 2019

*Driving Change for a Sustainable Future*



# Financial and Operating Highlights



Operating Revenue  
**2019 €263.0m**  
(-0.1%)  
2018 €263.3m  
(+4.6%)



## Financial Result

PSO

**2019 €1.2m\***  
2018 €0.3m

\* before exceptional costs

Commercial Operations

**2019 €5.6m**  
2018 €3.4m



New Buses

**2019 104**  
2018 141



Number of  
Customer Journeys

**2019 141.8m**  
2018 143.5m





Number of Employees

**2019 3,475**  
2018 3,432



Number of KMs Travelled

**2019 55.1m**  
2018 57.1m



Number of Buses

**2019 1,018**  
2018 1,010

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# Chairman's Statement



*'In a rapidly changing industry, we must stay focused on quality, reliability, sustainability and delivering for the communities we serve.'*

## Introduction

2019 has been a successful year for Bus Átha Cliath as we continue to grow, innovate and provide value for money for the customers and communities we serve. I am pleased to present the Annual Report of Bus Átha Cliath for the year ended December 2019 and to report a strong financial performance for the year.

In 2020 the COVID-19 pandemic has had an unprecedented impact on all aspects of Irish society including Bus Átha Cliath. By any measure, the transformation of society, and our company, over the past seven months has been phenomenal. From providing our day to day PSO services to delivering innovative solutions like our shuttle service for Mater Hospital employees, Bus Átha Cliath as a public transport company has shown its flexibility and resilience in the face of this unprecedented challenge. As Chairman I would like to put on the record our thanks for the dedication, support and professionalism of our employees, trade unions, National Transport Authority (NTA) and Government, without which we would not have been in a position to provide continuous service for essential workers and all our customers through every phase of this pandemic.

In presenting this Annual Report, we seek to manage risk for our business during unprecedented times while aiming to make progress on so much, from transforming the customer experience, to transitioning towards a low emission fleet and meeting the challenge of climate change by helping build a sustainable, dynamic European city. As a frontline service supporting the state through the crisis we will continue to provide a safe service to our valued colleagues and customers.

## Building on our growth

Bus Átha Cliath has a long history of supporting economic and social development across the Greater Dublin Area (GDA). Public transport is a key enabler of sustainable development in Ireland and with 142 million customer journeys in 2019, Bus Átha Cliath remains by far the largest provider of public transport in the country.

Our Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) were €13.4 million compared to €11.6 million in 2018. This consistent level of profit (before exceptional items) was driven by like-for-like growth in customer numbers, after excluding the impact of the Bus Market Opening, continued focus on improving the customer experience and adjusted customer fare levels. Customer revenue ended the year at €263.0 million, a slight decrease of €0.3 million on 2018 figures.

Strong financial results provide the company with robust foundations, allowing Bus Átha Cliath to invest in and contribute towards the development of a sustainable, high quality public transport system for Dublin. A profitable performance is essential to ensuring a viable future for Bus Átha Cliath. The company had a very strong performance, meeting the needs of our customers, whilst delivering cost efficiencies and value for money, and these were key factors in securing the five-year Direct Award Contract in December 2019.

The long-term success of our business, however, is not just about commercial performance. For our business to succeed, it should have a clear purpose and embody a strong culture and values which animate its strategy in a way that resonates with society and has a net positive impact on the communities we serve.

This clear purpose can be seen in our commitment to building an inclusive, progressive company which is representative of the communities we serve. This is why, in 2019, Bus Átha Cliath redoubled its efforts to tackle female under representation in public transport, with the launch of a 'Give it A Spin' Female Recruitment Campaign. The highly successful campaign invited women to attend one of our open days where they were given the opportunity to drive one of our training buses, meet some of our female drivers and inspectors, and learn more about working in Bus Átha Cliath.

## Working together for Dublin

As we reflect on the 2019 achievements, I want to thank employees for their dedication and commitment to achieving our contract targets, and in particular our front-line employees, who are the public face of Bus Átha Cliath. We delivered for our customers through your commitment and our relentless focus on delivering a service that meets strict contract performance targets.

I would like to thank the Chief Executive Officer and his Senior Leadership Team, who over the last year have brought about significant change in the business through the development of Strategy 2021, positioning it for long term sustainable growth.

On behalf of the Board and myself I would also like to acknowledge the support of our shareholder, the Minister for Transport, Tourism and Sport, Mr Shane Ross and the officials of his Department during 2019.

Increasingly policy makers understand that public transport does not just affect our daily lives by helping us move around cities; it also creates new employment opportunities, unlocks efficient housing development, and provides social integration and inclusion, shaping the whole character of the city.

Throughout 2019, the company also interacted on a regular basis with NTA and looks forward to continued progress in our mutual aim of increasing public transport use across the GDA.

## Governance

The Board remains committed to the highest standard of corporate governance to manage risks and drive both innovation and growth in Bus Átha Cliath. During 2019 we continued to focus attention on ensuring that the company has appropriate measures in place to comply with the 2016 Code of Practice for the Governance of State Bodies (the Code).

This is designed to ensure that both commercial and non-commercial State bodies meet the highest standards of corporate governance. It provides a framework for the application of best practice and is intended to take account of developments in respect of oversight, reporting requirements and the appointment of Board members. The Code is based on the underlying principles of good governance:

- accountability
- transparency
- probity, and
- a focus on the sustainable success of the organisation over the longer term

## Looking forward to a sustainable Dublin

Looking ahead, we continue to face significant challenges but I know the company and the entire city and county can rely on the dedicated and committed employees of Bus Átha Cliath to continue to provide essential services. I know that the company will be at the heart of renewal and regeneration plans for Dublin.

As we emerge from this public health crisis, we must think about what new services and new infrastructure Dublin needs to facilitate economic renewal, social integration and the effective operation of public transport in the city. BusConnects is an ambitious and welcome investment of €2 billion in Dublin's bus system. Bus Átha Cliath is firmly of the view that BusConnects is key to delivering a strong public transport response to the many challenges posed by recent events. Through ongoing service development and investment, Bus Átha Cliath will continue to provide reliable services, high-quality customer experience and innovative developments to our customers while also demonstrating our status as a leader within the field of public transport.

Despite the uniquely challenging times, we will stay focused on safety, quality, reliability, sustainability and delivering for the communities we serve. This has been the cornerstone of our approach over the last 12 months and will be vital to our future success.

To those who have given up their seats so that essential workers can travel to work we thank you and we look forward to welcoming you all back soon.



**Ultan Courtney**  
Chairperson

# Chief Executive's Review



*'There is no path to a truly sustainable Dublin without a public transport system that is high quality, universal and easy for everyone to access.'*

## Introduction

Throughout 2019 Bus Átha Cliath has continued to deliver high quality public transport for communities across the Greater Dublin Area (GDA). We focused on enhancing our customer experience and with 142 million customer journeys in 2019, the effectiveness of this approach is clear.

2020 has seen our country face the biggest public health crisis since the Spanish Flu in 1918. COVID-19 has revealed how valuable it is for companies to have operational expertise, plan for the long-term and recognise certain risks before they arise. At Bus Átha Cliath we have long embraced this approach and the effectiveness of this has been seen in our ability to react quickly and effectively to the pandemic. In that sense we are very fortunate as a business because even at times like this our mission and our purpose is very clear. Keeping our services running supported others in doing their vital frontline jobs. I know that none of this would be possible without the commitment and flexibility of the Bus Átha Cliath team, and I would like to take this opportunity to thank all employees for their hard work. I would also like to thank the board for their support and assistance during this challenging time for the company.

While we have faced many challenges, this year has also seen several notable achievements. As Chief Executive, I know these achievements would not have been possible without the commitment and hard work of our 3,475 employees and our board of directors. We have a proven ability to deliver a good public transport service and I recognise that this is due to the combined effort of every employee throughout the company.

## A changing environment

Our work over the last 12 months continues to be aligned to the priorities of the company's Strategy 2021 Plan and Government's Climate Action Plan. These key areas, covering transitioning towards a low emission fleet, encouraging modal shift by introducing additional services, and future proofing public transport, have underpinned everything we have done, from introducing 24 hour services and trialling new hybrid buses to the signing of the Business in the Community Ireland Carbon Pledge.

However, a necessary pre-condition for change and progress is a consistency of approach, which means deciding on the appropriate investment in sustainable public transport and having the commitment and consensus to maintain this investment across political and economic cycles.

This is why, in October, I welcomed the publication of the National Transport Authority's (NTA) revised Dublin Area Bus Network redesign proposals. The views of our customers and people across the GDA are clearly reflected in this revised network redesign. Investment of this scale in urban bus public transport will benefit everyone and will be key to the creation of a sustainable Dublin.

## Delivering a sustainable Dublin

As Chief Executive of Bus Átha Cliath, I'm conscious of the role we play and the leadership we need to provide to build a low carbon, sustainable Dublin. There is no path to a truly sustainable Dublin without a public transport system that is high quality, universal and easy for everyone to access.

Today, people in Dublin and across Ireland, are demanding solutions on sustainability. Bus Átha Cliath is a solutions provider. With 142 million customer journeys in 2019, we removed 160,000 cars off the roads of Dublin City and the GDA. Every single full bus in 2019 replaced the equivalent of 80 cars on our roads, reducing emissions by almost 90% and freeing up to 300 metres of roadway.

This commitment to playing a leading role in the drive towards a sustainable Dublin influenced our decision to trial nine hybrid buses in our fleet in 2019. These nine vehicles – trialled on Route 25 – are quieter, more fuel-efficient and cleaner than standard diesel buses, with estimated emission reductions of CO<sub>2</sub> of up to 30%.

All of this shows clearly that we are the providers of a public service that has the capability to reduce emissions and traffic congestion dramatically. That has a direct impact on quality of life as well as social and economic progress. I want to see more people use our buses regularly and experience quality customer service, excellent reliability and efficiency in 2020.

## A renewed mandate to deliver

Underpinning our commitment to delivering high quality public transport is our new Direct Award Contract which I signed on behalf of Bus Átha Cliath. This Direct Award Contract runs from 1 December 2019 until 30 November 2024 and provides us with the opportunity to operate a greater number of Public Service Obligation bus services serving communities across the GDA.

This decision reflects the commitment and skills of our employees who have been crucial to the progress Bus Átha Cliath has made over the last 5 years. While this is a great achievement for us all, now is not a time for complacency or to take success for granted. The Direct Award Contract sets out a clear roadmap towards our continued growth and I look forward to working in partnership with the NTA in the years ahead to continue the success of public transport and the city as a whole. The board provided expert guidance and support for the company during the process to agree the new Direct Award Contract and I would like to acknowledge the efforts and insights of all directors in agreeing this key contract.

## Our ambition

Our ambition is to become the mobility partner of choice and be recognised by the industry as setting the standards for public transport excellence in Ireland and Europe.

We embrace this target knowing our partners, whether they are people using our services, authorities, Government or commercial bodies, have a choice. They can either contract services out to Bus Átha Cliath or work with another operator. They can choose to travel with Bus Átha Cliath or use another mobility provider to reach their destination. To become the preferred choice for all our customers, we need to continue to provide high quality services.

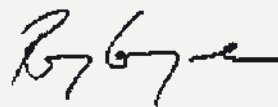
In December 2019, we introduced the first ever 24 hour public transport routes in the GDA. These 24 hour services are a vital addition to the public transport offering of our capital city as we all look to facilitate the creation of a circular, sustainable economy. These services on Routes 15 and 41 are bringing the many benefits of public transport to even more people and businesses including mobility, safety, sustainability and inclusion. They are helping unlock the full potential of Dublin's vibrant and growing 24 hour economy while also providing early morning journeys into the city centre for our commuters, further assisting in the fight against congestion.

## Public transport must lead

We recognise that public transport is an ever-evolving industry and, in 2020, we will see some fundamental changes to our industry.

Bus Átha Cliath and public transport in Ireland is facing a bright future, which will bring with it its own challenges. Unless we invest in high quality, sustainable public transport, and invest wisely, customer growth (and economic growth) could be blown off course as congestion and other pressures will begin to impact the economic progress we have achieved over the last five years.

We cannot sit back and wait for others to make these changes. I am pleased that is not the path Bus Átha Cliath is taking. Instead, we are planning for the sustainable urban bus public transport of the future.



**Ray Coyne**  
Chief Executive Officer

# A Bus Service For All

We are proud to transport all our customers around the Greater Dublin Area. We offer priority spaces and seating to customers with buggies, older people, pregnant people and people with disabilities. We are always working to ensure that everyone has a safe and comfortable journey with us. All our buses have a wheelchair bay and over half our buses also have a designated buggy space.

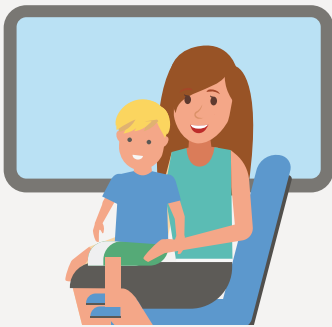
In 2019, The Travel Assistance Scheme assisted 1,267 people in learning to travel independently on the Dublin public transport system. This consisted of 640 people with learning difficulties, 354 with mobility difficulties and 273 with sensory difficulties.

Our diverse workforce is proud to serve a diverse community in the Dublin area.



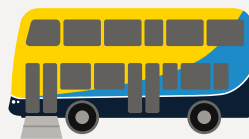
Number of Travel Assists in

**2019 - 1,267**



Lower Floor Accessible Fleet-

**100%**  
of fleet



Audio and Visual Announcements

**100%**  
of fleet



CCTV

**100%**  
of fleet



# Our People

Almost

**3,500**

people work here in many different roles.



**18%**

of our people come from countries other than Ireland, with

**70**

countries represented in our workforce.





# Our work in the Community

We awarded grants to

**88**

community groups, ranging from

**€1,000**

to

**€5,000**



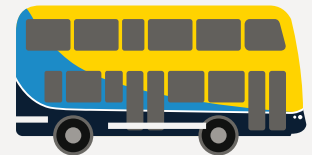
We are a proud supporter of cultural initiatives and events across the community, including Darkness Into Light Festival, Africa Day, Dublin LGBTQI+ Pride and Culture Night.



Since 2004, we have supported almost

**2,000**

grassroots community and voluntary groups, across the Greater Dublin Area, through our Community Spirit Awards.



Our two dedicated Community Spirit Initiative buses made

**400**

trips, bringing thousands of children on school trips and Summer projects.

Over

**2,000**



school children entered our Schools Art Competition in 2019 and a selection of winning artwork featured in our Children's Art Calendar.



Our Schools and Community Co-ordinators made

**317**

visits to schools across the Greater Dublin Area as part of our Schools Education Programme.

We were the winners of the Excellence in Diversity and Inclusion Award from Chambers Ireland at the annual CSR awards.



Highlights

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# Our Purpose

As Ireland's largest public transport provider, our purpose is to deliver high quality public transport services which meet the needs of people, support the economic growth of our city and also meet our social and environmental aspirations which are representative of a progressive European capital city.

With 2019 seeing a 5% increase in Public Service Obligation (PSO) customer growth, on a like-for-like basis after excluding the impact of the Bus Market Opening, it is clear that Bus Átha Cliath is Ireland's leading public transport operator and our focus remains to be one of the best performing, most trusted and sustainable companies.

Achieving this ambition has been the focus of our work in 2019, a year which has seen the company make progress in the areas of:

- Performance
- Sustainability
- Direct Award Contract delivery
- Corporate Responsibility

Beyond maintaining what Bus Átha Cliath has, we must think about what new additional urban bus services are needed, if we are to truly fulfil our ambitions and purpose for Dublin in 2020 and beyond.

## Sustainability

Our passion for delivering high quality, low emission public transport is the catalyst behind all we do as a company and the reason that we work to manage our operations responsibly and sustainably.

It is also the reason why we have as a company adopted nine Sustainable Development Goals (SDGs), which will underpin our sustainability activity in 2020.

Our SDGs are:



As a socially responsible business we are working hard to reduce the environmental impact of both our internal and external activities.

Our environmental impact includes internal operations and the resources that we use during the day to day running of our depots.

We have offices, canteens, engineering workshops and maintenance works which are operational 24 hours, seven days per week.

Progress in 2019 includes:

- 160,000 cars off the road each day
- 16% improvement in fuel efficiency
- 30% less CO<sub>2</sub> emissions
- 60% of our fleet now utilises euro 6 engines
- 58% cheaper to travel by bus than car meaning public transport is good for your pocket and our planet
- ISO 50001 energy management achieved
- Signed Business in the Community Ireland (BITCI) Carbon Pledge and now reporting on scope 3 emissions
- Introduction of ban on single use plastics

In addition to this, Bus Átha Cliath has set ambitious targets to be reached by 2020 and is committed to measuring and reporting on our progress in a transparent and meaningful way.

**Sustainability plans for 2020:**

- Delivery of 75 hybrid vehicles by end of 2020
- Surveying sites with ESB for charging infrastructure
- Water harvesting in Summerhill depot and roll out to other depots
- Progression of energy awareness campaigns
- Applying for ISO 14001 Environmental Management standard
- Implementation of SDGs

Our employees play an active part in implementing the strategies that help to meet our targets and achieve the environmental goals we believe are crucial to building a climate resilient Dublin.

In 2019, we consumed 265,649 MWhs of energy, comprised of:

	2019 MWh	2018 MWh
Bus fleet diesel	250,288	267,592
Electricity	4,576	4,457
Natural gas	10,785	11,111

**Direct Award Contract delivery**

At the core of our mission to deliver for the city is Bus Átha Cliath’s Direct Award Contract. This contract runs from 1 December 2019 until 30 November 2024 and provides us with the opportunity to operate a greater number of PSO bus services serving communities across the Greater Dublin Area (GDA). This decision reflects the commitment and skills of our 3,475 employees who have been crucial to the progress Bus Átha Cliath has made.

The Direct Award Contract sets out a clear roadmap towards the continued growth of Bus Átha Cliath and the company looks forward to working in partnership with the National Transport Authority to continue the success of public transport and the city.

**Corporate Responsibility**

Bus Átha Cliath’s Corporate Responsibility (CR) vision is “To drive Dublin life forward by supporting, improving and enhancing the lives of the people and communities that we proudly serve.” We are a member of Business in the Community Ireland (BITCI), a group of companies committed to continually improving their positive impact on society.

The company’s CR initiatives fall under the following areas:

- Bus Átha Cliath Community Spirit Awards
- Schools Education Programme
- Support of local and cultural events

Since the Community Spirit Awards began in 2004, grants have been provided to almost 2,000 grassroots voluntary and community groups across the GDA. This year, a total of 88 groups were awarded grants of €1,000, €2,000 or €5,000, which will allow them to develop new projects, improve their locality and help raise community spirit.

Bus Átha Cliath employs dedicated School and Community Co-ordinators who promote the concept of respecting public transport amongst school children through the Schools Education Programme. In 2019, the Co-ordinators made 317 visits to national schools. Each year, a different selection of schools is invited to participate in the Schools Art Competition with a selection of winning artwork featuring in a new calendar produced annually. This year, over 2,000 children from 26 schools entered the competition. Our two Community Spirit Initiative buses bring thousands of children on school trips and to and from summer projects each year, with a total of 400 trips made in 2019.

We are proud to support cultural initiatives and events throughout the city. It is an opportunity for us to assist and partner with projects that benefit local communities. This year we supported the following events:

- Darkness into Light Festival
- UCD Festival
- Dublin LGBTQ+ Pride
- Culture Night

## A bus service for all

At the heart of being a responsible business is our commitment to building a truly high quality, bus service for all. That has influenced our commitment to providing the Travel Assistance Scheme which has helped 1,267 people to use public transport independently.

The success of this scheme is down to encouraging inclusivity across public transport by providing a personalised travel service to customers who have mobility issues and other disabilities in the independent use of Bus Átha Cliath, DART and Luas.

In 2019, the Travel Assistance Scheme was selected to receive the prestigious Lord Mayor's Award and received this recognition from the then Lord Mayor of Dublin, Paul McAuliffe, at a special awards ceremony at the Mansion House.

The award recognised the success of the Travel Assistance Scheme over the last 11 years, and our commitment to delivering accessible and inclusive bus services for the people we serve.



# Our Performance

Bus Átha Cliath is operating in a changing and dynamic operating environment, characterised by opportunities and challenges which have a direct impact on the company's performance. The key principles underpinning the company's performance are:

- Steady and sustainable improvements in the services we offer our customers
- Prudent financial management of the taxpayer's investment

With 142 million customer journeys in 2019, Bus Átha Cliath is and will continue to be the largest mode of public transport in the years ahead.

The loss of approximately 10% of PSO routes and their replacement with additional services within the Bus Átha Cliath network means:

- Overall customer journeys reduced by just 1.1%
- Total PSO revenue reduced by only €2.5m compared to 2018
- Growth on core PSO services remained very strong, with the company seeing growth of 5% on a like-for-like basis
- PSO services delivered a surplus of €1.2m before exceptional items

This strong operating performance can only be delivered because of the clarity of Bus Átha Cliath's purpose and the quality of our people.

Equally, growth in customer numbers is driven by our commitment to enhancing the customer experience and expanding PSO and Commercial services. 2019 saw our Commercial services deliver a very strong performance with revenue increases of 10% achieved in the year. Commercial services achieved a surplus of €5.6 million in 2019 building on from a surplus of €3.4 million in 2018, an improvement of €2.2 million.

This was achieved through a combination of revenue growth and targeted cost management. Revenue increased from €20.3 million to €22.6 million, an increase of €2.3 million. Expenditure was held at 2018 levels under a targeted cost management plan. The continuing profitability of Commercial services provides a basis for further growth and investment in 2020.

Our PSO services expanded in December with the introduction of 24 hour services on Routes 15 and 41. This meant that an additional 350 services were added to these routes from December 2019.

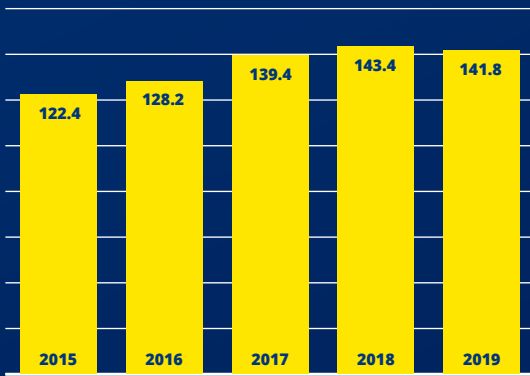
In addition to this investment in 24 hour services, 2,311 additional services (December 2019 vs December 2018) were introduced on existing routes across the Greater Dublin Area to meet increased customer demand. This improvement in the customer experience was further enhanced by the introduction of 104 new vehicles to the PSO fleet in 2019.

This investment, in partnership with the National Transport Authority (NTA), in 24 hour services ensures Bus Átha Cliath is playing a leading role in the creation of new employment opportunities and strengthening Dublin's social sphere.

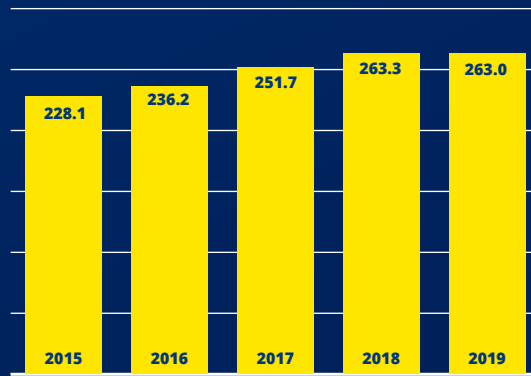


Total Company

Customer Journeys - millions

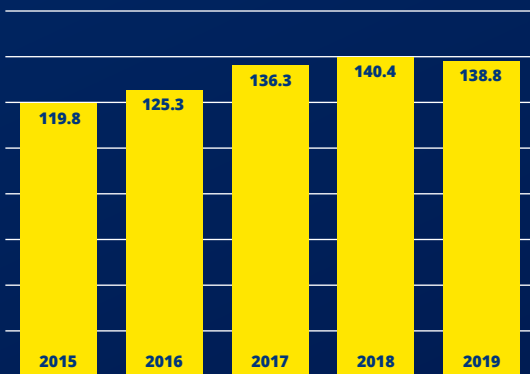


Operating Revenue - € millions

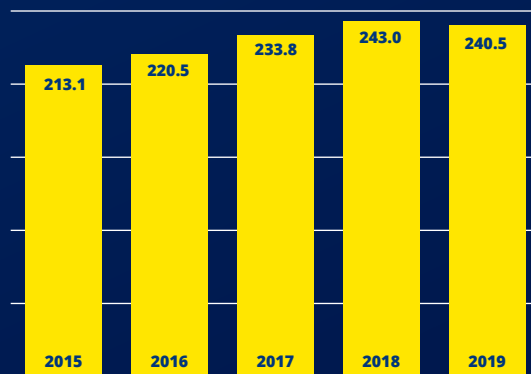


PSO

Customer Journeys - millions

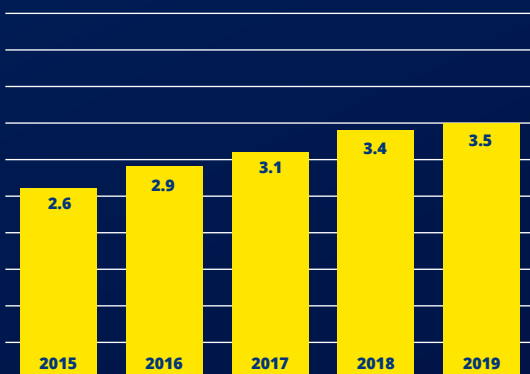


Operating Revenue - € millions

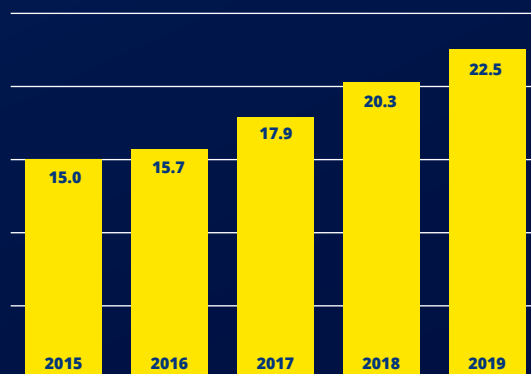


Commercial

Customer Journeys - millions



Operating Revenue - € millions



## Total company revenue

Total operating revenue held in line with the prior year level at €263.0 million compared to €263.3 million in 2018.

## Total company operating expenditure

Total operating costs have decreased from €292.9 million in 2018 to €289.7 million in 2019, a net decrease of €3.2 million. The company has incurred additional costs associated with providing additional services for customers in response to increased demand arising from the recovering economy. The company has also delivered cost efficiencies across a number of areas in 2019. These demand-led cost increases, and the associated revenue increases, along with cost efficiencies delivered by Bus Átha Cliath are reflected in the financial results for 2019.

## PSO operating result and financial position

Bus Átha Cliath earned a surplus of €6.8 million before exceptional costs in 2019 compared to a surplus of €3.8 million in 2018. The company achieved a modest €1.2 million surplus for the operation of PSO services before exceptional costs. The company continued to engage in detailed discussions with all stakeholders throughout 2019 regarding an appropriate return for PSO services. This included discussions regarding the importance of ensuring the company remains in a stable financial position and is therefore well positioned to meet the transport needs of the community. The company also remains committed to enhancing our value for money proposition and to delivering cost efficiencies across all expenditure categories.

PSO services (deficit)/surplus:	2019 €'000	2018 €'000
Revenue	240,517	243,060
Costs	(279,238)	(283,818)
<b>Operating (deficit)</b>	<b>(38,721)</b>	<b>(40,758)</b>
PSO payment	39,901	41,134
<b>Net surplus before exceptional operating costs</b>	<b>1,180</b>	<b>376</b>
Exceptional operating costs	(5,390)	(76)
<b>Net (deficit)/surplus</b>	<b>(4,210)</b>	<b>300</b>

The cost of operating PSO services reduced from €283.8 in 2018 to €279.2 million in 2019, a reduction of €4.6 million. PSO revenue reduced by €2.5 million in the same period. PSO services recorded a surplus of €1.2 million before exceptional item and a deficit of €4.2 million after exceptional item. The 2019 result for PSO services reflects the impact of the completion of the transfer of 10% of PSO routes to a new operator under the 2017 tender process along with the establishment of enhanced services for customers. The exceptional item includes the repayment of subvention to the NTA following the completion of the 2014 Direct Award Contract.



Bus Átha Cliath continues to work closely with the NTA to deliver an enhanced network of services and to further improve the quality of our service offering to customers. It is recognised by all stakeholders that a reasonable surplus on the PSO contract is critical if the company is to continue its progress towards financial stability which in turn will generate cash for essential investment and provide greater security around provision of transport services. The company is continuing its discussions with the NTA with regard to the overall level of surplus required on PSO services.

As noted in the 2018 Financial Statements the allowable PSO costs under the contract do not include the full pay rate increase provided as part of the WRC 2016 Pay Agreement. This pay agreement provided for an increase of 3.75% per annum for a three-year period, commencing on 1 January 2016. The agreement provided for 1% of this increase to be funded via internal efficiency measures. The net payroll increase, requiring funding, was therefore 2.75%. The contract payroll indexation increase over this period is lower than the 2.75% required. When these costs are taken into account PSO services has recorded a surplus of €1.2 million before exceptional items.

The 2014 Direct Award Contract (the "2014 DAC") for the period from 1st December 2014 to 30th November 2019 includes provisions to avoid overcompensation for the operation of PSO services. In each accounting year, 2015 to 2018 (inclusive), Bus Átha Cliath reported the PSO compensation received from the NTA under the 2014 DAC.

In December 2019, the NTA informed Bus Átha Cliath that on completion of the NTA's review of total compensation provided under the 2014 DAC, the NTA deemed there to be overcompensation under the contract. The NTA instructed Bus Átha Cliath to repay deemed overcompensation in the amount of €4.9 million to the NTA.

The company has provided for the amount of such deemed overcompensation in the 2019 Financial Statements in accordance with the instruction from the NTA.

The NTA has continued to engage with the company to ensure that capital investments in PSO fleet and customer enhancements are continuing as part of the joint NTA and Bus Átha Cliath commitment to improve PSO services.



# Our People

Bus Átha Cliath understands that our people are our greatest asset. We invest in the development of our diverse workforce to ensure they have the capability to make a positive contribution and are fulfilled in their roles enabling them to provide the highest standard of service and safety to our customers.

The company has developed policies to create a working environment that integrates, benefits from and achieves equality for all our employees.

## Gender pay gap

In line with Bus Átha Cliath's commitment to providing a positive and progressive workplace for all our employees, EY was commissioned to conduct a gender pay gap analysis. The results of the analysis showed, that while there is still work to be done, the gender pay gap of 2.3% in Bus Átha Cliath compares very favourably to the Irish average of 18%.

EY also found that the company's Diversity and Inclusion Strategy helps to encourage women at all levels to put themselves forward for different roles across the company. The report also noted that the low numbers of women in the workforce (7%) was a contributing factor to the low gender pay gap but that the company is actively working to address this imbalance with our female recruitment campaign. The report concluded that the systematic approach to equality, diversity and inclusion is very impressive and serving Bus Átha Cliath very well.

## Diversity and inclusion

Bus Átha Cliath is dedicated to the principals of equality, diversity and non-discrimination. Our workforce represents 70 different countries and is reflective of the diversity of the communities we serve. We strive to develop policies that are inclusive, such as our award winning Gender Transition Policy, and provide equality and diversity training for employees.



As the gender pay gap report noted, female employees are under-represented in Bus Átha Cliath, accounting for 7% of total employees and 3.5% of bus drivers. To address this imbalance the company launched a female recruitment campaign in 2019. The company ran a series of open days which invited interested women to attend our Training Centre, drive a bus and to meet with other female bus drivers and inspectors with the long-term goal of increasing the number of female drivers by 100%.



As the only public transport provider in Ireland to have taken part in, and provided support to, Dublin's Annual LGBTQ+ Pride Parade for the last ten years, we were privileged to invite some older members of Ireland's LGBTQ+ community to celebrate Pride 2019 on-board our specially wrapped rainbow bus. We created a video titled 'The Long Road to Pride' highlighting their experience of the parade and demonstrating our support of our LGBTQ+ employees and customers.



## Earn as you learn

Bus Átha Cliath offers an Earn as you Learn scheme to encourage young people to apply to become heavy vehicle mechanics with the company. These applications are open to anyone aged sixteen or over who fulfil certain educational criteria.

In 2019, 10 new apprentices started their first year training and 10 graduated as fourth year apprentices.

## A good employer

Bus Átha Cliath has developed a number of initiatives to position the company as an employer of choice and to ensure we are best placed to retain the talent we recruit and develop. We offer:

- An interactive wellbeing website
- An Education Support Scheme
- An Employee Assistance Programme
- A Cycle to Work Scheme
- Free Dublin Bus travel to all employees
- Subsidised GP to all employees and their families

## Training

Our bus drivers are trained to the highest standard, in our world class training centre in Phibsboro, Dublin 7, to ensure the safety and wellbeing of our customers and other road users.

In 2019, we further developed our cyclist awareness training by launching a virtual reality (VR) training initiative. This initiative allows drivers to use an Oculus VR headset and experience, in 360 degrees and real time, the journey of a cyclist through the city. The video will be seen by all new drivers joining Bus Átha Cliath during their initial training programme. It will also be seen by all drivers during their bi-annual driver awareness training.

Bus Átha Cliath will continue to develop and promote inclusive policies and procedures within the company to ensure that our employees are supported throughout their career and are empowered to make a positive contribution to the service we provide.

# Senior Leadership Team



## Ray Coyne

Ray Coyne was appointed Chief Executive of Bus Átha Cliath in 2015. Ray has over 25 years' experience with the company and before taking up his current role, he was Human Resources Services Manager.

Throughout his career, Ray has developed a deep understanding of the public transport sector. As Project Manager for Network Direct, the largest revision of a public transport network in Europe, he was responsible for the strategic redesign and implementation of the main public transport network in Dublin. He also held a number of operational roles earlier in his career including Area Operations Manager, at both Harristown and Conyngham Road depots.

Ray holds a Master of Business Administration from University College Dublin and an honours degree in Management and Information Systems from Dublin Business School.



## Andrea Keane

Andrea Keane is Chief Financial Officer and Company Secretary of Bus Átha Cliath. She joined the company in September 2016. Andrea previously worked as Chief Financial Officer and Company Secretary for Bus Éireann.

In her current position she is responsible for all financial matters within the company and as Company Secretary is responsible for advising the Board, through the Chairman, on governance issues. Andrea is a member of the Chartered Institute of Management Accountants. She previously worked in Iarnród Éireann as Manager of Management Accounts, and has also worked in the private sector in a number of Financial and Management Accounting roles.



## Phil Donohue

Phil Donohue was appointed Head of Human Resources and Development in 2010. Prior to this appointment he was Employee Relations Manager. In his current position he is responsible for leading and managing the Human Resources function and for creating, implementing and nurturing the overall HR strategy which is central to ensuring the continued success of Bus Átha Cliath.

Phil joined Bus Átha Cliath in 1984 and has worked in a variety of operational roles including Divisional Manager in area west, area north west and area south.



## Donal Keating

Donal Keating was appointed Head of Operations in 2011. He began his career in Bus Átha Cliath in 1980 in the Service Planning Department. He has since held several senior management positions in the company. In his current position he is responsible for leading and managing the Operations function.

Donal holds an Engineering Degree from University College Cork, a Master of Science in Transportation, a Master of Business Administration and a Certificate of Professional Competence in Road Transport Operations Management. He is a member of both the Chartered Institute of Logistics and Transport (CILT) Ireland and the Institute of Engineers Ireland and is a member of the current Council of CILT.

Donal retired as Head of Operations and from Bus Átha Cliath in August 2020.



**Frank Kerr**

Frank Kerr was appointed Chief Engineer of Bus Átha Cliath in December 2018. In his current position he is responsible for the technical, maintenance and performance of the fleet. In his previous role, he was Senior Engineer in the Chief Engineer's Department and Maintenance Manager Ringsend.

Prior to that, he was Maintenance Manager for CIÉ in Cork with responsibility for maintenance of buses and road freight vehicles operating in the southern region.

Frank holds a Bachelor of Mechanical Engineering degree from University College Dublin and is a member of the Institute of Engineers Ireland.



**Ciarán Rogan**

Ciarán Rogan joined Bus Átha Cliath in 2017 as Head of Commercial and Business Development. In his current position he is responsible for quality and customer experience, commercial performance and business development, marketing, communications and public affairs, regulatory affairs, customer information and digital activity.

Ciarán has extensive experience in public transport with Translink in Northern Ireland and through the International Association of Public Transport. He has also worked in the higher education, tourism, agri-food and consultancy sectors.

Ciarán is a graduate of University College Dublin and holds postgraduate qualifications from Université Catholique de Louvain and Ulster University.





# Directors and Other Information

## Board of Directors at 18 November 2020

Mr U. Courtney (*Chairman*)  
 Ms L. Carroll  
 Mr. S. Hannan  
 Ms E. Howley  
 Ms S. Madden  
 Mr T. O'Connor  
 Mr J. Quinn  
 Mr K. Wallace  
 Ms R. Widdis

## Chief Executive

Mr R. Coyne

## Secretary and Registered Office

Ms A. Keane  
 59 Upper O'Connell Street  
 Dublin 1

## Registered Office:

Bus Átha Cliath  
 59 Upper O'Connell Street  
 Dublin 1

Telephone: +353 1 872 0000

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

**Registered No:** 119569

Company limited by shares and registered as a Designated Activity Company under the Companies Act 2014

## Independent Auditors

Deloitte Ireland LLP  
 Chartered Accountants and Statutory Audit Firm  
 Deloitte & Touche House  
 Earlsfort Terrace  
 Dublin 2

# Directors' Report

The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014, the Transport Act 1950 and the Transport (Re-organisation of Córas Iompair Éireann (CIÉ)) Act 1986 for the year ended 31 December 2019.

## Directors' Compliance Statement

For the purposes of Section 225 of the Companies Act 2014 (the "Act"), we, the directors:

1. Acknowledge that we are responsible for securing the company's compliance with its relevant obligations as defined in Section 225 (1) of the Act (the "relevant obligations"); and
2. Confirm that each of the following has been done:
  - (i) a compliance statement (as defined in Section 225 (3) (a) of the Act) setting out the company's policies (that in our opinion, are appropriate to the company) respecting compliance by the company with its relevant obligations has been drawn-up;
  - (ii) appropriate arrangements or structures, that are, in our opinion, designed to secure material compliance with the company's relevant obligations, have been put in place; and
  - (iii) during the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (ii) above has been conducted.

A detailed process was undertaken by both Bus Átha Cliath and other CIÉ Group companies to comply in full with the requirements of the Companies Act 2014 in relation to Directors' Compliance Statements. In order to provide assurance a review was carried out. This review was commissioned by the CIÉ Group for all CIÉ Group operating companies and carried out by CIÉ Group Internal Audit Department. A comprehensive report was issued to and reviewed in detail by the Bus Átha Cliath Audit, Finance & Risk Committee. The report confirmed that Bus Átha Cliath was in full compliance with the requirements relating to Directors' Compliance Statements.

## Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records in accordance with Section 281 to 285 of Companies Act 2014 are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Bus Átha Cliath, 59 Upper O'Connell Street, Dublin 1.

## Share capital

Details of the company share capital are set out in Note 18. There were no movements in share capital during the year.

The company has no subsidiaries and no investments in other companies and this is consistent with the prior year.

## Shareholders' meetings

An annual general meeting of the company is held once every calendar year at such time (not being more than 15 months after the holding of the last preceding annual general meeting) and place as may be prescribed by the directors. The directors may either whenever they think fit or on requisition of CIÉ convene an extraordinary general meeting of the company.

## Going concern

The Irish economy is experiencing a negative economic reaction arising from COVID-19. This has resulted in reduced revenue in both Commercial and PSO businesses. The directors gave detailed consideration to the nature of the uncertainties facing the company when considering whether it remained appropriate to adopt the going concern basis in preparing the financial statements for 2019. The going concern basis assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. The principle uncertainties facing Bus Átha Cliath can be summarised as follows:



### Commercial Services

Commercial Services were suspended in April 2020 due to the COVID-19 pandemic. The business is projected to incur a loss in 2020 and 2021. However swift action by the board and management have minimised the losses on Commercial Services. Having considering detailed scenarios and projections, the directors are satisfied that the quantum of losses are sustainable and the company has sufficient resources to fund these losses.

### PSO Services

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract (Contract) during 2020. The shortfall in revenue in 2020 and 2021 has been quantified and downside scenarios have been considered. Bus Átha Cliath was operating under a net cost PSO contract in 2020 under which the company retained fare box revenue and PSO funding was provided to meet the cost of essential but uneconomic services. The NTA and the Department of Transport indicated early in 2020 that additional funding would be made available in order to ensure the full continuation of these vital public services. In 2021 the company will operate under a gross cost PSO Contract and the responsibility for revenue will lie with the NTA.

- under a net cost contract the company retains the fare box revenue and is compensated by the NTA for the difference between the contract revenue and contract expenditure
- under a gross cost contract the revenue responsibility lies with the NTA and the company is paid for the cost of operating PSO services, calculated in accordance with the contract provisions

The directors considered a range of scenarios in order to understand the quantum of funding likely to be required for 2020 and 2021. Following detailed engagement with management and all key stakeholders, and a rigorous review of all publicly available information, the directors are satisfied that it remains the intention of the NTA that the company will be funded in line with the PSO Contract.

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

- it remains the intention of the NTA to fund Bus Átha Cliath to allow the company to continue to operate PSO Services in line with the Contract, in 2021

- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required for 2020 and 2021
- the Exchequer budget included adequate provision for the continuation of PSO Services in 2021
- the NTA will receive sufficient funding from the Exchequer in order to fund the PSO Contract

The company has now received almost the full quantum of funding required for 2020. The directors would like to acknowledge the additional funding support received from the NTA and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

CIÉ Group operates a pooled treasury system and Bus Átha Cliath relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Bus Átha Cliath is evidenced in the Letter of Support from CIE to Bus Átha Cliath dated 18th November 2020.

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

## Principal activities and financial review

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

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

Total operating revenue decreased by 0.1% to €263.0 million in 2019 from €263.3 million in the previous year. Passenger demand in 2019 remained strong throughout the year with 142 million customer journeys, representing a decrease of 1.1% on 2018 journeys.

In 2019 Bus Átha Cliath earned a surplus of €2.5 million before tax. This compares to a surplus of €3.7 million in 2018. Commercial services recorded a surplus of €5.6 million while Public Service Obligation (PSO) services achieved deficit of €1.2 million, both results are before income tax.

The key aspects of the financial results include stable revenue performance in spite of the loss of approximately 10% of PSO routes under the Bus Market Opening, a decrease of €3.2 million in operating costs and a €4.9 million exceptional operating cost relating to a subvention reserve repayment to the NTA. Bus Átha Cliath continues to work closely with the NTA to deliver an enhanced network of services and to improve the quality of our service offering to customers. It is recognised by all stakeholders that a reasonable surplus on the PSO contract is critical if the company is to continue its progress towards financial stability which in turn will generate cash for essential investment and provide greater security around provision of transport services. The company is continuing its discussions with the NTA with regard to the overall level of surplus required on PSO services. As noted in the 2018 Financial Statements the allowable PSO costs under the contract do not include the full pay rate increase provided as part of the WRC 2016 Pay Agreement. This pay agreement provided for an increase of 3.75% per annum for a three-year period, commencing on 1 January 2016. The agreement provided for 1% of this increase to be funded via internal efficiency measures. The net payroll increase, requiring funding, was therefore 2.75%. The contract payroll indexation increase over this period is lower than the 2.75% required. When these costs are taken into account the net position for PSO services is a surplus of €1.2 million, before exceptional costs.

The NTA has established provisions to avoid overcompensation for public transport services under the PSO Direct Award Contract. The 2014 Direct Award Contract concluded in 2019 and the NTA has reviewed the level of compensation provided to Bus Átha Cliath under the PSO contract 2014-2019 and deemed that Bus Átha Cliath had received overcompensation in the amount of €4.9 million in respect of 2015 and 2016. The NTA had previously instructed Bus Átha Cliath to retain this deemed overcompensation for investment in PSO services but has now instructed Bus Átha Cliath to repay the deemed overcompensation to the NTA. This is included as an exceptional item in the 2019 Financial Statements.

Commercial services continued to perform strongly in 2019 on both Airlink Services and in City Tours. Commercial services achieved a surplus of €5.6 million in 2019 building on from a surplus of €3.4 million in 2018. This was achieved through a combination of revenue growth and targeted cost management. Revenue increased from €20.3 million to €22.6 million, an increase of €2.3 million. Expenditure was held at 2018 levels under a targeted cost management plan. The continuing profitability of Commercial services provides a basis for further growth and investment in 2020.

The company's net assets have strengthened to €48.6 million in 2019, an increase of 3% on the prior year. Bus Átha Cliath's liquidity is in a positive position with a current asset to current liability ratio of 2.3.

The directors review the periodic management accounts, financial accounts, financial and non-financial KPIs and budgets at the scheduled Bus Átha Cliath Board meetings.

The company is reliant upon funding from the NTA for the provision of socially desirable but economically unviable public transport services.

## Dividends

There were no dividends paid or declared in 2019 or 2018.

## Principal risks and risk management

The company is committed to managing risk in a systematic and disciplined manner. The key risks facing the company are identified through a company-wide risk management process. A Risk Management Framework and a Risk Management Information System, implemented in 2016, allows for the real time reporting of risks which are evaluated and reviewed on a monthly basis by management and on a quarterly basis by the Board. An objectives driven risk prioritisation system was in place throughout the year which focuses the Board on the identified risks.

CIÉ enters into fuel and currency forward purchasing arrangements where it deems there is value and reduced risk to the group. CIÉ is the counter party in respect of these transactions.

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

## Capital investment

Investment in improving services continued with the assistance of the NTA. During 2019 fleet investment also continued and Bus Átha Cliath took delivery of 104 new buses to replace older vehicles and to increase capacity. Other significant expenditure included fleet refurbishment programmes to maintain quality and reliability for the benefit of the customer.

## Consultancy expenditure

The 2016 Code of Practice for the Governance of State Bodies requires disclosure in the Annual Report of details of expenditure on external consultants/advisors in the financial year. The company adopted the following definition of consultancy expenditure:

*“Consultancy is where a person, organisation or group is engaged to provide intellectual or knowledge-based services (e.g. expert analysis and advice) through delivering reports, studies, assessments, recommendations, proposals, etc. that contribute to decision-making or policy-making in a contracting authority. The engagement should be for a limited time period to carry out a specific finite task or set of tasks involving expert skills or capabilities that would not normally be expected to reside within the contracting authority. The information sought by this disclosure is to reflect the level of consultancy expenditure incurred by the State body in the financial year. It is not intended to include expenditure on processes which have been outsourced under ‘business as usual’.”*

In line with the 2016 Code of Practice for the Governance of State Bodies, consultancy costs incurred in 2019 by the company included in materials and services (see Note 6) are set out in the table below:

Category	2019 €000
Building design fees	60
Customer charter	66
Industrial relations	17
Organisational strategy	392
Regulatory	131
Safety	20
Stakeholder engagement	72
Talent development	19

## The Board

The company is controlled through its Board of Directors. The Board met nine times during 2019 (10 times in 2018) and has a schedule of matters reserved for its approval.

## Directors

The directors of the company are appointed by the Minister for Transport, Tourism and Sport. The names of persons who were directors during the year ended 31 December 2019 or who have since been appointed are set out below. Except where indicated they served as directors for the entire period up to the date of the approval of these financial statements.

Mr U. Courtney	(chairman)
Prof P. Barker	(retired 10 February 2019)
Ms L. Carroll	(appointed 5 April 2019)
Mr S. Hannan	
Ms E. Howley	
Ms S. Madden	
Mr T. O'Connor	
Mr J. Quinn	
Prof K. Rafter	(retired 22 January 2019)
Mr K. Wallace	(appointed 5 April 2019)
Ms R. Widdis	(appointed 5 April 2019)

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

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

## Audit, Finance & Risk Committee

At 18 November 2020, the Audit, Finance and Risk Committee (AFRC) comprises the following non-executive members of the Board: Ms L. Carroll (Chairman), Ms S. Madden, Mr J. Quinn and Mr K. Wallace. Mr C. Maybury and Mr K. Kelly are external members of the AFRC. Prof. K. Rafter retired from the Board on 22 January 2019. Prof. P. Barker retired from the Board on 10 February 2019. Mr J. Quinn was appointed as Chairman of the committee on 11 February 2019. Mr J. Quinn retired as Chairman of the committee on 16 March 2020 and Ms L. Carroll was appointed as Chairman of the committee from 16 March 2020. Ms L. Carroll, and Mr K. Wallace were appointed to the committee on 15 May 2019. The Board appointed two external members, Mr C. Maybury and Mr K. Kelly, to the committee effective 26 February 2019.

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

During the year ended 31 December 2019, the committee monitored the budgetary process, and kept under review the effectiveness of the company's internal controls and risk management systems. In particular, the committee:

- engaged with the external auditor to ask such questions as to satisfy itself as to their independence
- engaged with the CFO and the external auditor to assure itself as to the accounting judgements applied to the financial statements
- received regular reports on the development of the Integrated Ticketing System and engaged with the CFO on the measures being taken to protect the integrity of this revenue stream. In particular, reviewed the ISAE 3402 report prepared by the NTA's auditors and ISAE 3000 report produced by our own auditors
- held a private discussion, without management, with the external auditors to ensure that there were no issues of concern and to receive matters arising from their audit
- communicated clearly to the external auditors that they may request a meeting with the committee at any time if they consider that one is necessary to discuss a specific item or items
- engaged with the internal auditor to assess the committee's reliance on his team's work output and conclusions, and held a private discussion, without management, with the internal auditor to ensure that there were no issues of concern and to receive matters arising from their audits
- met with the Chief Procurement Officer to satisfy itself as to the rigour of the policies and procedures for procurement and contract management
- conducted regular reviews of the 2019 operating results and satisfied itself with regard to the reasonableness of the 2020 Budget and Business Plan 2020-2024
- monitored implementation of recommendations arising from Internal Audit reports
- engaged with the CFO, at least twice yearly, to receive a statement of assurance that no matters relating to fraud have come to her attention which have not, in the ordinary course of reporting to the AFRC, been drawn to the committee's attention
- monitored the Risk Management System (RMS), including the results of an external review of the RMS
- engaged with the Risk Manager on a regular basis regarding the major risks and uncertainties impacting on the company
- dedicated significant time and attention to the requirements of the Companies Act 2014 and the Companies (Statutory Audits) Act 2018 and in particular provided oversight for the Board in relation to the Directors' Compliance Assurance Process
- monitored the application of the company's Protected Disclosure Policy where complaints were received
- conducted an internal review of our performance during the year under review
- monitored the company's progress in negotiating the 2019 Direct Award Contract (DAC), and engaged with senior management on all financial, operational and commercial aspects of the new DAC through presentations from and discussions with the company it's legal advisors and other external experts

- engaged with the CFO and the external auditors on the application of critical accounting estimates and assumptions, including the accounting treatment adopted by the company in relation to Public Service Obligation buses provided by the NTA under a lease agreement
- monitored and reviewed the company's compliance with the requirements of the General Data Protection Regulations
- monitored and reviewed the company's assessment of the potential impact of Brexit and its preparations for a potential 'hard' or 'no deal' Brexit
- monitored and reviewed the company's compliance with the requirements of the 2016 Code of Practice for the Governance of State Bodies
- engaged with management in relation to the ongoing promotion and strengthening of the company's Code of Ethics.

The Terms of Reference of the AFRC have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Chairman of the committee met with the Chairman of the company to discuss matters arising from the conduct of the AFRC's business. The AFRC met nine times in 2019 (seven times in 2018). The AFRC performs the role of the Audit Committee required to be established under Section 167 of the Companies Act 2014.

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

## Board Safety Committee

At 18 November 2020, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the Board: Ms S. Madden (Chairman), Mr S. Hannan, Ms E. Howley and Mr T. O'Connor. Mr J. Quinn retired from the committee on 23 January 2019. Ms E. Howley was appointed to the committee on 23 January 2019.

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

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

The Terms of Reference of the BSC are as follows;

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

The committee is authorised, by the Bus Átha Cliath Board, to investigate any activity within its terms of reference, to obtain the resources it needs to do so and to gain full access to information. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the committee. The committee is authorised by the Board to obtain outside professional advice and, if necessary, to invite external consultants with relevant experience to attend meetings.

The committee met four times during 2019 (four times in 2018) in accordance with the planned schedule for BSC meetings. Some of the key items reviewed during the year included the following;

- launch of an employee 'virtual reality' training video, focused on cyclist safety. The video was shot from a cyclist point of view and helps illustrate to drivers the environment in which cyclists operate in Dublin City Centre
- full health screening of employees to help develop an employee health and wellbeing programme
- completion of various fleet improvement modifications arising from a review of 2018 customer accidents
- review of recommendations and actions arising from vehicle safety incidents
- enhanced testing programme for contracted services vehicles

- re-certification of the Environmental Health and Safety Department to ISO 45001
- propose proactive customer engagement by Bus Átha Cliath with various groups of its customers regarding preventative safety matters
- adoption of key safety initiatives for 2020, to include the following;
  - ▶ implementation of a drug and alcohol testing policy
  - ▶ establish a sustainable safety culture within Bus Átha Cliath
  - ▶ further enhancement of safety processes throughout Bus Átha Cliath.

## Board Remuneration & Succession Committee

At 18 November 2020, the Remuneration & Succession Committee comprises the following non-executive members of the Board; Ms R. Widdis (Chairman), Ms L. Carroll, Mr U. Courtney and Ms E. Howley. Prof K. Rafter retired as Chairman of the committee and from the Board on 22 January 2019. Prof P. Barker retired from the committee and from the Board on 10 February 2019. Ms L. Carroll, Ms E. Howley and Ms R. Widdis were appointed to the committee on 15 May 2019.

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

- ensure implementation of Government policy in relation to the remuneration of the Chief Executive Officer (CEO) and managers who report directly to him, and to ensure that the arrangements put in place by the Department of Finance, Department of Public Expenditure and Reform and the Department of Transport, Tourism and Sport for determining and approving the remuneration of the CEO, are implemented and adhered to
- ensure that any Government guidelines and Bus Átha Cliath/CIÉ Group policies regarding the remuneration of senior managers are adhered to
- approve the remuneration package and the appointment/re-appointment of the CEO and all senior managers who report directly to the CEO
- determine performance criteria against which the performance of the CEO will be measured, which are consistent with the corporate plan approved by the Board
- in line with Government policy, to approve any performance-related policy in respect of the CEO and managers who report directly to him. The CEO's review shall be undertaken by the Chairman of the Board
- approve and regularly update succession plans covering the CEO and to also consider any proposals from the CEO regarding skills, succession planning or headcount issues
- where special arrangements are proposed in relation to specific appointments, to approve such arrangements and to ensure the approval of such arrangements by the Department of Finance, Department of Public Expenditure and Reform and the Department of Transport, Tourism and Sport
- review and approve the section of the Chairman's annual letter to be sent to the Minister for Transport, Tourism and Sport relating to the affirmation that the Government guidelines in relation to the payment of fees to the directors of the Board are being complied with (which is required to be delivered pursuant to the 2016 Code of Practice for the Governance of State Bodies)
- review and approve the sections of the Annual Report and Financial Statements to be published by the company which relate to details of fees to be paid to each Board director, the expenses paid to the directors and the salary of the CEO
- ensure adequate plans are in place to take account of an unforeseen absence of the CEO
- perform any other functions appropriate to a Remuneration & Succession Committee or assigned to it by the Board from time to time

The Remuneration & Succession Committee was formally established by a decision of the Bus Átha Cliath Board in 2014. The committee's Terms of Reference were subsequently approved by the Board and are reviewed on an annual basis and amended as appropriate. In line with its agreed work programme the committee met twice in 2019 (twice in 2018). During 2019 the committee, on behalf of the Board, again devoted considerable attention to Board succession planning in order to ensure the Board continues to have the requisite skills and experience to both discharge its statutory responsibilities and fully address the key strategic issues facing Bus Átha Cliath. The committee also engaged with management in relation to Talent Management Development within

the organisation and in considering the findings of the Gender Pay Gap Survey produced by external consultants for Bus Átha Cliath.

## Board Strategy Review Group

At 18 November 2020, the Strategy Review Group (SRG) comprises the following non-executive members of the Board; Mr K. Wallace (Chairman), Ms L. Carroll, Mr U. Courtney, Ms E. Howley, Ms S. Madden, Mr J. Quinn and Ms R. Widdis. Prof K. Rafter retired from the Board on 22 January 2019. Prof P. Barker retired from the Board on 10 February 2019. Mr U. Courtney retired as Chairman of the committee on 1 January 2020 and Mr K. Wallace was appointed as Chairman of the committee from 1 January 2020. Ms L. Carroll, Mr K. Wallace and Ms R. Widdis were appointed to the committee on 15 May 2019.

The mandate from the Board for the SRG is;

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

During the year ended 31 December 2019, the SRG undertook a detailed review of the company's five-year plan 2020-2024 as well as conducting a review of the key strategic issues facing the company in the coming years including the impact of the new 2019 Direct Award Contract. The SRG continues to monitor key strategic performance indicators.

The Terms of Reference of the SRG have been approved by the Board and amended as appropriate. The committee met twice in 2019 (twice in 2018).

## Attendance at Board and committee meetings

Listed below is the attendance of Board Directors at Board and committee meetings during 2019.

Director	Board	Safety Committee	Audit Finance & Risk Committee	Remuneration & Succession Committee	Strategy Review Group
Ultan Courtney (Chairman)	9/9			2/2	2/2
Professor Patricia Barker	1/1			1/1	1/1
Lynda Carroll	7/7		7/7	1/1	1/1
Stephen Hannan	9/9	4/4			
Elaine Howley	7/9	2/4		1/1	2/2
Siobhán Madden	9/9	4/4	9/9		2/2
Thomas O'Connor	8/9	3/4			
Joe Quinn	8/9		8/9		1/2
Professor Kevin Rafter					1/1
Keith Wallace	5/7		6/7		1/1
Rachel Widdis	6/7			1/1	1/1

## Employee development

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

The Bus Átha Cliath Training Centre provides a number of training programmes to ensure that bus drivers are given the highest standard of training to enable them to deliver a safe, efficient and reliable bus service to our customers. All bus drivers participate in one-day's training each year to qualify them for the Certificate of Professional Competence (CPC) in accordance with EU Directive 2003/59/EC and Road Safety Authority approval.

In addition to CPC, a driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change. The Training Centre also provides induction programmes for new bus drivers, driving instruction for category C, D and E driving licences, and a customer care training programme.

## Health and safety

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





## Diversity and inclusion

Bus Átha Cliath has always been very proud of the fact that we serve a diverse community from a diverse employment pool. This includes all employees up to Board level. Bus Átha Cliath is very mindful of the Employment Equality Acts 1998 – 2015 (EEA) which prohibits discrimination on nine specified grounds. All of the nine grounds are very important to us and Bus Átha Cliath is fully committed to a board that fully reflects the society in which we live and work.

Bus Átha Cliath has a Diversity and Inclusion Policy which is kept under regular review. Bus Átha Cliath has been the proud recipient of a number of awards for its work and initiatives in this area in recent years and continues to place great importance on this issue. As part of Global Diversity Awareness Month in 2020 we have unveiled a newly wrapped bus featuring the flags of 72 countries which represents the countries of origin our employees, and demonstrates our continued promotion and support of Diversity and Inclusion.

### Diversity and inclusion – our board

Bus Átha Cliath fully co-operates with the Department of Transport, Tourism and Sport (DTTas) in ensuring that the board remains fully reflective of the community we serve, and we believe that a diverse and balanced board contributes significantly to the strength of the board's overall ability to carry out its challenging remit.

As at 31 December 2019, the board had five (56%) male and four (44%) female members, with zero positions vacant. The board composition therefore meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are planned to maintain and support gender balance on our board:

- the Minister will continue to be advised upon vacancies of any potential implication for gender balance arising from the vacancy(ies) to be filled; and
- the Bus Átha Cliath Diversity and Inclusion Policy will continue to be regularly reviewed and updated in line with best practice in this area.

### Diversity and inclusion – our employees and customers

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

The company has a Diversity and Inclusion Strategy in place which reflects our continuing commitment to equality, diversity and non-discrimination for our employees, our customers and the wider community

we seek to serve. It is designed to ensure an efficient and fulfilling work environment for our employees, to meet the changing needs of our customers and underpin the quality of their experience of our services, and to deepen our connection to the diversity of the communities that we serve. It includes an annual action plan which sets out the specific steps and commitments that we take each year to progress these objectives across each of the business functions in Bus Átha Cliath.

In 2019, Bus Átha Cliath won an award in the Chambers Ireland Corporate Social Responsibility Awards for our Workplace Gender Transition Policy and Guidelines in the Diversity & Inclusion category.

## 2016 Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the 2016 Code of Practice for the Governance of State Bodies are provided in the CIÉ Annual Report. The code provides minimum standards and the Board endeavours to ensure compliance with best practice in Corporate Governance in the conduct of its business. The requirements of the 2016 Code of Practice for the Governance of State Bodies have been fully reflected in the 2019 financial statements and the Statement of Internal Control is set out below.

### Public Spending Code

Bus Átha Cliath acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the Public Spending Code. All Irish public bodies are obliged to treat public funds with care, and to ensure that the best possible value for money is obtained whenever public money is being spent or invested. The Board endeavours to ensure compliance with the relevant aspects of the Public Spending Code.

### Payment practices

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

## Post balance sheet events

We have considered the impact of the ongoing COVID-19 pandemic on the financial results of the company and on the company's ability to continue as a going concern. We are satisfied that the COVID-19 pandemic is not a post balance sheet event which requires adjustment to the financial statements. Further details on our assessment of the COVID-19 pandemic on the company's ability to continue as a going concern are set out on page 22. Management's assessment of post balance sheet events is set out in Note 26 to the financial statements. There have been no other significant post balance sheet events which require adjustment to the financial statements.

## Auditors

Since the financial year end, in line with public procurement requirements, a formal external audit tender process was undertaken by CIÉ, following which the Boards (CIÉ and Bus Átha Cliath) selected Mazars as the external auditor for the Group including Bus Átha Cliath, subject to the approval of the Minister for Transport. A resolution to formally approve the appointment of Mazars, subject to the approval of the Minister for Transport, as external auditors will be put to shareholders at the AGM. Deloitte Ireland LLP, Chartered Accountants, intend to resign as external auditors with effect from the AGM date and have confirmed, in accordance with Section 400 of the Companies Act 2014, that there are no circumstances in connection with their resignation which should be brought to the attention of the members or creditors of the Company

## Disclosure of information to auditors

So far as each of the directors in office at the date of approval of the financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Statement of Internal Control

## Scope of responsibility

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

## Purpose of the system of internal control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Bus Átha Cliath for the year ended 31 December 2019 and up to the date of approval of the financial statements.

## Capacity to handle risk

Bus Átha Cliath has an Audit, Finance and Risk Committee (AFRC). The Charter and Terms of Reference of the AFRC provides for a number of directors to be appointed to the committee, one of whom is the Chair. The AFRC met nine times in 2019.

Bus Átha Cliath, as part of the Córas Iompar Éireann (CIÉ) Group, has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the AFRC.

Bus Átha Cliath, as part of the CIÉ Group, has developed a Risk Management Policy (the Policy) which delegates responsibility for risk management to the company's Chief Risk Officer, and she has established a reporting structure. The Board has responsibility for and approves the Risk Management Frameworks, tailored to address the specific strategic objectives, and to manage the specific risk exposures efficiently and effectively, within the context of the Policy.

The Policy is designed to ensure that appropriate procedures are in place within Bus Átha Cliath to identify, assess and manage the key risks facing all areas of the business. The key risks are those that can damage its reputation, operational and/or financial capability or cause hazards or prevent it from achieving its objectives in a risk averse manner.

## Risk and control framework

Risk assurance is provided by way of the three lines of defence. The key differentiating factor between these three lines of defence is their levels of independence.

The three lines of defence governance model distinguishes between risk ownership, supervision and oversight as follows:

- Risk Ownership, i.e. functions owning and managing risks as part of their day-to-day activities (first line of defence);
- Risk Supervision, i.e. functions overseeing risks and providing robust challenge to the management teams (second line of defence); and
- Risk Oversight, i.e. functions providing independent assurance (third line of defence).

Risk Ownership is aligned with business ownership. As the heads of the departments are responsible for achieving business objectives, they are ultimately responsible, as Risk Owners, for identifying and managing risks associated within their areas of responsibility. They exercise this responsibility by ensuring that risk identification is fully incorporated into the day-to-day activities of those working within their departments.

Newly identified risks are assigned to a Risk Owner, that is, Head of the Department. This individual may delegate the management of the risk to a Risk Manager who will be responsible for the further analysis, evaluation and treatment of the risk in question.

Bus Átha Cliath has implemented a risk management system via an auditable risk software system, OpRiskControl, which has been designed to ensure that Risk Owners and other department resources, adopt a consistent, robust approach at every stage of the risk management process, from risk identification through to escalation. In accordance with ISO 31000 Risk Management, it is policy that risks

be defined at a level that can be managed, that is, they are sufficiently articulated so that the possible extent and likelihood of the event can be appraised and mitigating actions put in place.

Risks are evaluated by the responsible Risk Owner using risk criteria tables which have been developed so that risks which are outside of risk appetite, are assigned the appropriate risk rating, and are escalated to the appropriate level of oversight.

## Ongoing monitoring and review

All newly identified risks and principal risks and decisions and details of any emerging risks are subject to peer review by the executive team.

Periodic reports will incorporate the following as standard:

- Principal risks
- Changes in principal risk ratings
- Newly identified risks
- Emerging risks
- Overview of risk universe
- Risks in breach of risk appetite and mitigating actions

A report of all risks, status as against risk appetite and performance as against KPIs is thereafter escalated to the AFRC, quarterly, with supporting risk detail reports.

In addition to the above, all top group principal risks and emerging risks are escalated for assessment by the CIÉ executive board on a group-wide basis. A report of top group principal risks, status as against risk appetite and performance as against KPI's with supporting risk detail reports is escalated to each sitting of the AFRC and to the CIÉ Board quarterly.

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. Bus Átha Cliath confirms that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;

- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

## Procurement

Bus Átha Cliath confirms it has procedures in place to ensure compliance with current procurement rules and guidelines. CIÉ Group previously advised the Department of Transport, Tourism and Sport that it is applying a threshold of €50,000 for procurement non-compliances due to the volume of purchases within the CIÉ Group and the additional cost of supplying information at the lower limit.

A small number of instances of non-compliances with procurement procedures were noted for 2019. The non-compliances primarily related to the timely and accurate submission of derogations and the extension of certain contracts beyond the procurement compliant period. The total value of the non-compliant transactions amounted to €2.1 million from a total spend of €80 million. The root cause of the non-compliant expenditure has been identified with a remedial action plan to be implemented over the coming months.

## Review of effectiveness

The Code published by the Department of Public Expenditure and Reform requires an external review of effectiveness of risk management framework of each State Body be completed "on a periodic basis". Mazars was engaged to perform a strategic review of the Company Risk Management Framework and Risk Register in the previous year, 2018. Mazars has been re-engaged to perform a review of the Company Risk Management Framework to ensure the framework is updated to reflect the requirements of the 2019 Direct Award Contract.

The company was found to be compliant with the Code following the 2018 review.

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

Bus Átha Cliath confirms that the Board conducted an annual review of the effectiveness of the internal controls for 2019.

### Internal control issues

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements.

# Directors' Responsibility Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

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

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

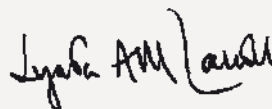
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for ensuring the company's compliance with the 2016 Code of Practice for the Governance of State Bodies.

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

**On behalf of the Board**



**Mr U. Courtney**  
Chairman



**Ms L. Carroll**  
Director

18 November 2020

# Directors' Biographies



## Ultan Courtney; Chairman

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



## Lynda Carroll

Lynda Carroll was appointed to the Board of Bus Átha Cliath on 5 April 2019. Lynda has over 30 years' experience in financial services at Board and Senior Executive level in the private and public sector. She has been Managing Director of De Lage Landen Ireland and Vice President Global Structured Finance Europe, Lead Central Bank of Ireland prudential supervisor of one of Ireland's pillar banks and Head of Capital Allocation & Risk Based Pricing at Allied Irish Banks plc. She holds a Master of Arts degree from University College Dublin and is a Chartered Accountant and Chartered Tax Advisor. She also holds a Chartered Accountants Ireland Diploma in International Financial Reporting Standards and the UCD Michael Smurfit Graduate Business School Professional Diploma in Corporate Governance.

She is a member of the Board of Governors and Guardians of the National Gallery of Ireland, a member of the Board of Diversified Notes plc and of the Board of The Ark, Children's Cultural Centre Company. Lynda now works as an Independent Non-Executive Director in the financial services, state and voluntary sector.



## Stephen Hannan

Stephen Hannan was appointed to the Board of Bus Átha Cliath in December 2017 following his election to the CIÉ Board under the Worker Participation (State Enterprises) Acts 1977 to 2001. He works as a bus driver in Ringsend depot. He is a member of SIPTU and has held a wide variety of positions within the trade union for almost 30 years. Stephen is President of the Bus Drivers Committee, Vice-chairman of the Transport Sector Committee, a member of the Divisional Committee and a depot representative.



## Elaine Howley

Elaine Howley was appointed to the Board of Bus Átha Cliath in August 2018. Elaine has many years of experience advocating for the rights and full participation of people with disabilities. She has a particular interest in public transport and access to services, information and public places. She has led services for people who live with disability for over 25 years. Elaine was the first Liaison Officer for students with disabilities and was a founding member of the Association for Higher Education Access and Disability. She was Director of Advocacy and Policy in National Council for the Blind Ireland (NCBI) and CEO of NCBI Services. Elaine is the coordinator of the European Blind Union's Low Vision Network. Elaine's advocacy work has included international campaigns such as the campaign for ratification of the Marrakesh Treaty and the UN Convention on the Rights of Persons with Disabilities. Elaine holds a Masters Degree in Social Work, a National Qualification in Social Work and Higher Diploma in Systemic Family Therapy. Elaine is a member of the Institute of Directors with a Professional Diploma in Company Direction, Human Rights and Equality.



**Siobhán Madden**

Siobhán Madden was appointed to the Board of Bus Átha Cliath in June 2015. Siobhán is a legal consultant and solicitor who worked for many years in international aircraft leasing, mainly in the International Financial Services Centre, Dublin. She specialises in financial services, corporate governance and the law relating to aviation and other mobile transport equipment. Siobhán is a tax consultant, a member of the New York Bar, and the International Bar Association. She studied in Trinity College, was a partner for 15 years in a leading Dublin law firm, and has gained international experience working in Dublin, New York and France for major international companies.



**Joe Quinn**

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



**Thomas O'Connor**

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



**Keith Wallace**

Keith Wallace was appointed to the Board of Bus Átha Cliath on 5 April 2019. Keith has a wide range of experience in the public transport field and a passion for good corporate governance. He is the Director of his own consultancy business and has previously held senior executive positions in Caledonian Sleeper, Govia Thameslink Railway and Scott Wilson. He has also served in a non-executive capacity on a number of Boards and is currently a non-executive Director of Scottish Autism. Keith holds a Degree in Civil Engineering from Heriot-Watt University Edinburgh and is a Chartered Engineer and a Chartered Director.



**Rachel Widdis**

Rachel Widdis was appointed to the Board of Bus Átha Cliath on 5 April 2019. Rachel is an adjunct assistant professor teaching Business and Human Rights and Business Ethics in the Law and Business schools in Trinity College. She previously held positions in Structured Finance in ABN-AMRO Luxembourg, EMEA Business Development in Paris and as a Financial Analyst in Citigroup in London. Rachel holds Masters Degrees in Business and in Law. Her PhD concerns the responsibilities of corporations to respect human rights. Rachel's advocacy work has included victims' rights, trafficking in human beings, and as an expert advisor on research in refugee camps. She has worked on a number of voluntary Boards and committees in culture and sport.



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

## Report on the audit of the financial statements

### Opinion on the financial statements of Bus Átha Cliath (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of the surplus for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Cash Flow Statement; and
- the related notes 1 to 27, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("the relevant financial reporting framework").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

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

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

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

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

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Directors Report does not reflect the companies compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.



Ciarán O'Brien

For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

18 November 2020

# Profit and Loss Account

As at 31 December 2019

	Notes	2019 €'000	2018 €'000
<b>Revenues</b>			
Operating revenue		263,001	263,280
Public Service Obligation payment		39,901	41,134
Revenue grants		101	125
<b>Total revenue</b>	4	<b>303,003</b>	<b>304,539</b>
<b>Costs</b>			
Payroll and related costs	5	(201,639)	(198,079)
Materials and services	6	(88,012)	(94,821)
<b>Total operating costs</b>		<b>(289,651)</b>	<b>(292,900)</b>
<b>EBITDA before exceptional costs</b>		<b>13,352</b>	<b>11,639</b>
Exceptional operating costs	7	(5,390)	(76)
Depreciation and amortisation (net)	8	(6,237)	(8,155)
Gain on disposal of tangible assets		737	312
<b>Surplus before interest and tax</b>		<b>2,462</b>	<b>3,720</b>
Interest payable and similar charges	9	(6)	(33)
<b>Surplus before tax</b>		<b>2,456</b>	<b>3,687</b>
Tax on surplus	10	(1,040)	-
<b>Surplus for the year</b>		<b>1,416</b>	<b>3,687</b>

# Statement of Total Comprehensive Income

For the Financial Year Ended 31 December 2019

	2019 €'000	2018 €'000
Surplus for the year	1,416	3,687
<b>Total comprehensive income for the year</b>	<b>1,416</b>	<b>3,687</b>

All results derive from continuing activities.

Highlights

Chairman's Statement

Review

Financial Statements

# Balance Sheet

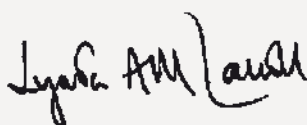
As at 31 December 2019

	Notes	2019 €'000	2018 €'000
<b>Fixed assets</b>			
Intangible assets	11	833	495
Tangible assets	12	196,256	190,853
		<b>197,089</b>	<b>191,348</b>
<b>Current assets</b>			
Stocks	13	3,592	3,344
Debtors	14	188,161	169,338
Cash at bank and in hand		1,075	1,323
		<b>192,828</b>	<b>174,005</b>
<b>Creditors (amounts falling due within one year)</b>	15	<b>(84,236)</b>	<b>(76,777)</b>
<b>Net current assets</b>		<b>108,592</b>	<b>97,228</b>
<b>Total assets less current liabilities</b>		<b>305,681</b>	<b>288,576</b>
Provision for liabilities	16	(86,595)	(92,629)
Deferred income	17	(170,451)	(148,728)
<b>Net assets</b>		<b>48,635</b>	<b>47,219</b>
<b>Capital and reserves</b>			
Called up share capital	18	69,836	69,836
Profit and loss account		(21,201)	(22,617)
<b>Equity</b>		<b>48,635</b>	<b>47,219</b>

On behalf of the Board



Mr U. Courtney  
Chairman



Ms L. Carroll  
Director

18 November 2020

# Statement of Changes in Equity

For the Financial Year Ended 31 December 2019

	Called up share capital €'000	Profit and loss account €'000	Total €'000
<b>Balance at 1 January 2018</b>	69,836	(26,304)	43,532
Total comprehensive income for the year	–	3,687	3,687
<b>Balance at 31 December 2018</b>	<b>69,836</b>	<b>(22,617)</b>	<b>47,219</b>
<b>Balance at 1 January 2019</b>	69,836	(22,617)	47,219
Total comprehensive income for the year	–	1,416	1,416
<b>Balance at 31 December 2019</b>	<b>69,836</b>	<b>(21,201)</b>	<b>48,635</b>

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# Cashflow Statement

For the Financial Year Ended 31 December 2019

	Notes	2019 €'000	2018 €'000
<b>Net cash generated from operating activities</b>	19	<b>20,765</b>	<b>15,698</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible fixed assets		(799)	(292)
Purchase of tangible fixed assets		(7,633)	(4,953)
Proceeds from disposal of tangible fixed assets		737	601
Capital grants received		4,758	1,563
Increase in receivable balance with parent company		(18,070)	(12,245)
Interest paid	9	(6)	(33)
<b>Net cash used in investing activities</b>		<b>(21,013)</b>	<b>(15,359)</b>
<b>Cash flow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(248)</b>	<b>339</b>
Cash and cash equivalents at beginning of year		1,323	984
<b>Cash and cash equivalents at end of year</b>		<b>1,075</b>	<b>1,323</b>



# Notes to the Financial Statements

## 1. Significant Accounting Policies

### Statement of compliance

The financial statements of Bus Átha Cliath have been prepared on a going concern basis in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2014.

### Activities and ownership

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

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

Bus Átha Cliath, the company, is a Commercial State Company and is part of the CIÉ Group of companies. The company was re-registered as a Designated Activity Company effective from 1 February 2016, under the Companies Act 2014. The company is registered in Dublin. The company registration number is 119569 and the registered office is located at 59 Upper O'Connell Street, Dublin 1.

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

### Summary of significant accounting policies

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

As permitted by the Companies Act 2014, the directors have adapted the prescribed format of the profit and loss account in a manner appropriate to the nature of the company's business. EBITDA is company earnings before adjustment for interest and taxation charged, depreciation of fixed assets and amortisation of capital grants received.

#### (A) Basis of preparation

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

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

FRS 102 allows a qualifying entity certain disclosure exemptions. Bus Átha Cliath has not taken advantage of any available exemption for qualifying entities for the year ended 31 December 2019.

#### (B) Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis. Further information is set out in Note 2.

*(C) Foreign currency*

*(i) Functional and presentation currency*

The functional currency and presentational currency of the company is the Euro, denominated by the symbol “€” and unless otherwise stated, the financial statements have been presented in thousands (€’000).

*(ii) Transactions and balances*

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

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

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

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

*(D) Turnover*

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

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

*On bus cash*

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

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

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

*Taxsaver*

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

*Bus shelter advertising revenue*

Bus shelter advertisement revenue is recognised over the period of the relevant contract. Revenue is earned monthly from the contract with the associated revenue receipts received in arrears.

*Department of Employment Affairs and Social Protection revenue (DEASP)*

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

*(E) Grant income – European Union and public service obligations and other Exchequer grants*

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

*Grants for capital expenditure*

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

*Public Service Obligation (PSO) payments*

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

*Revenue grants*

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

*(F) Materials and services costs*

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

*(G) Interest receivable/interest payable*

Interest income or expense is recognised using the effective interest method.

*(H) Exceptional costs*

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

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

*(I) Taxation*

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

Current or deferred taxation assets and liabilities are not discounted.

*(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

*(ii) Deferred tax*

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

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

*(J) Related parties*

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

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

*(K) Intangible fixed assets*

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

*(L) Tangible fixed assets*

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

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

**Road passenger vehicles**

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

**Bus stops and shelters**

Bus stops and shelters are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. The expected useful life of assets in this category is between 3 and 15 years.

**Plant and machinery**

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

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

*(ii) Subsequent additions*

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

Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs and maintenance costs are expensed as incurred.

*(iii) Derecognition*

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

*(M) Impairment of non-financial assets*

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

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-in-use, pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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

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

*(N) Leased assets*

Operating leases do not transfer substantially the risk and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease.

*(O) Stocks*

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

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

*(P) Cash and cash equivalents*

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

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

*(Q) Financial instruments*

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

*(i) Financial assets*

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

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

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

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

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

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

*(ii) Financial liabilities*

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

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

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

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

## *(R) Provisions and contingencies*

### *(i) Provisions*

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

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

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

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

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

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

Provisions are not made for future operating losses.

### *(ii) Contingencies*

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

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

*(S) Employee benefits*

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

*Post-employment benefits*

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

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

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

All of the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan. The scheme rules do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit costs for the schemes, as a whole, are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is the entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath recognise a cost equal to their contribution for the period. Further details of these schemes are set out in Note 20.

*(T) Equity*

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

*(U) Critical accounting estimates and assumptions*

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

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

*(i) Useful economic lives of intangible and tangible assets*

The annual amortisation charge for intangible assets and the depreciation charge for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The useful economic lives for each class of intangible and tangible assets are set out at (K) and (L) above. The carrying amount of intangible and tangible assets are set out in notes 11 and 12.



*(ii) Defined benefit pension scheme*

The CIÉ Group, of which the company is a member has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including assumptions in respect of life expectancy, salary increases and the discount rate on corporate bonds. Further details are set out in Note 20.

*(iii) Third party and employer liability claims provision and related recoveries*

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

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

Further details are set out in Note 16 to the financial statements.

*(iv) Road passenger vehicles received under the bus leasing agreement with the NTA*

Additions to road passenger vehicles received under the bus leasing agreement with the NTA are recognised in line with Significant Accounting Policy (L) above. Similarly, a corresponding grant for capital expenditure is recognised in line with Significant Accounting Policy (E) above.

The company has applied judgement to the recognition of an asset and corresponding grant in incidences where the NTA provide bus assets to the company under a lease agreement.

In substance there have been no significant changes to the rights and obligations of the company and NTA, as prescribed in the Direct Award Contract December 2014 – November 2019, which expired on 30 November 2019 and in the Direct Award Contract December 2019 – November 2024, which commenced on 1 December 2019. The company is getting the right to use the asset for what would appear to be the major part of the buses economic life for an annual rental charge that does not reflect the value of the asset under lease. Furthermore, substantially all the risks and rewards of ownership transfer to the company on receipt of the bus.

The cost applicable to the road passenger vehicles received under the bus leasing agreement is based on advice from the NTA on the cost the NTA incurred to acquire each bus from the supplier.

Further details are set out in Note 12 to the financial statements.

## 2. Going concern

The 2019 financial statements have been prepared on a going concern basis. This assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The directors have given very careful consideration to the going concern basis of preparation at this time and are satisfied that it is appropriate for the 2019 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

### Financial position as at 31 December 2019

At 31 December 2019 the company had net assets of €49 million (2018: €47 million) and net current assets of €109 million (2018: €97 million).

Net current assets includes a non-cash liability of €27 million (2018: €26 million) relating to deferred income in respect of capital grants. Capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding this non-cash item the company has net current assets of €136 million (2018: €123 million).

Net assets of the company includes a non-cash liability of €198 million (2018: €175 million) relating to deferred income in respect of capital grants. Therefore, excluding this item the company has net assets of €247 million (2018: €222 million).

### Impact of COVID-19 pandemic

The Irish economy is experiencing a negative economic reaction arising from the COVID-19 pandemic. The primary impact on Bus Átha Cliath relates to a significant reduction in passenger journeys. A detailed assessment of the effects of the pandemic on each element of the business has been completed. The principle uncertainties facing the company are summarised as follows:

- the company is now projected to incur a loss on its Commercial Services business in financial years 2020 and 2021
- a significant reduction in PSO fare box revenue has increased the level of NTA funding and wider Exchequer funding required to meet costs for 2020 and 2021

### Commercial activities

Commercial Services were suspended in April 2020 due to the COVID-19 Pandemic. The business will incur a loss in 2020 and 2021. Measures such as staff redeployment and other cost reduction measures minimise the ongoing costs to be incurred in these activities while maintaining medium term capabilities to operate these businesses profitably in the future.

A small team continues to work on future opportunities for Commercial Services as the environment improves. However swift action by the board and management has minimised the losses on Commercial Services. Having considering detailed scenarios and projections, the directors are satisfied that the quantum of losses are sustainable and the company has sufficient resources to fund these losses.

### PSO Direct Award Contract

During 2019 the NTA awarded a five-year Direct Award Contract (the Contract) to Bus Átha Cliath. Under the Contract, the company is operating under a net cost contract basis in financial year 2020 and will operate under a gross cost contract basis from 1 January 2021. Under the gross cost contract basis revenue responsibility transfers to the NTA.

### 2020 financial year

The company has continued to operate PSO services in line with the Contract during 2020. Based on an assumption that there would be ongoing restrictions during 2020, the company provided an assessment of the negative financial impact arising from a shortfall in fare box revenue at an early stage in the year. A number of downside scenarios have been quantified and considered. The company is operating under a net cost contract basis in 2020 under which the company retained fare box revenue and PSO funding was provided to meet the cost of essential but uneconomic services.

The NTA and the Department of Transport (DoT) indicated early in 2020 that additional funding would be made available in order to ensure the continuation of these vital public services. The company has now received almost the full quantum of funding required for 2020.

The directors would like to acknowledge the additional Exchequer funding support received from the NTA and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

### 2021 financial year

In 2021 the company will operate under a gross cost contract basis and responsibility for revenue will lie with the NTA. The NTA has confirmed its intention to continue to provide PSO funding in line with the Contract in 2021. The directors considered a range of scenarios in order to understand the quantum of funding likely to be required for 2021.

Consideration of the assumption that appropriate levels of PSO funding could be provided in 2021 was an essential element in the director's assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Bus Átha Cliath to operate PSO Services in line with the Contract;
- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required be provided;
- the Exchequer Budget included adequate provision to fund the company's PSO Contract;
- the NTA will receive sufficient funding from the Exchequer in order to fund the PSO Contract.

The directors considered all relevant information in forming a view as to the reasonableness of their conclusions in relation to the provision of such funding and detailed documentation was provided to the directors to assist them in their deliberations. This included consideration of management engagement with key stakeholders, detailed modelling and scenario planning, Exchequer Budget 2021, as well as all relevant publically available information.

#### On-going management actions

Bus Átha Cliath management is continuing to take a number of actions, including:

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

#### CIÉ Group

CIÉ Group (the Group) operates a pooled treasury system and Bus Átha Cliath relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of the Group for Bus Átha Cliath is evidenced in the Letter of Support from CIÉ to the company dated 18th November 2020. The letter states, "It remains CIÉ policy that the company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the company to continue operating and liquidating its liabilities in the normal course of business for at least a period of twelve months after the date of the signing of the financial statements".

#### Consolidated CIÉ Group Budget

The CIÉ Board approved a consolidated group budget for 2021 on 4th November 2020. Although passenger volumes are forecast to remain below 2019 levels in 2020 and in 2021, based on the continued operation of the Group's direct award contracts on the agreed basis, the consolidated Group budget for 2021 shows that the Group has sufficient resources to absorb the losses which are forecast to occur in the period of at least 12 months from the date of approval of these financial statements.

#### Conclusion

The directors of Bus Átha Cliath, having regard to the factors outlined above, have a reasonable expectation that the company will have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

### 3. Net surplus by activity

	Social Activities		Commercial Activities	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Revenue	240,517	243,060	22,585	20,345
Costs	(279,238)	(283,818)	(16,959)	(16,958)
<b>Operating (deficit)/surplus</b>	<b>(38,721)</b>	<b>(40,758)</b>	<b>5,626</b>	<b>3,387</b>
Public Service Obligation payment	39,901	41,134	-	-
<b>Net surplus before exceptional operating costs</b>	<b>1,180</b>	<b>376</b>	<b>5,626</b>	<b>3,387</b>
Exceptional operating costs	(5,390)	(76)	-	-
<b>Net (deficit)/surplus</b>	<b>(4,210)</b>	<b>300</b>	<b>5,626</b>	<b>3,387</b>

Bus Átha Cliath originally received a total of €53,543,000 in subvention from the NTA relating to 2019, including performance deductions of €779,000. €15,326,000 related to capital projects and was recognised as deferred grant income (note 17) in the balance sheet and will be amortised over the useful economic life of the related assets. The final agreed figure for operating subvention, after performance deductions, amounted to €39,901,000 and accordingly €1,684,000 was recognised as a reduction in the NTA creditor (amounts falling due within one year) in the balance sheet at 31 December 2019.

Included in revenue is €4,160,000 received from the NTA in relation to the Bus Shelter Advertising co-operation agreement.

## 4. Revenue

### (a) Total revenue

This comprises operating turnover, net of recoverable VAT, and includes receipts under the PSO contract and revenue grants. Details of revenue grants are set out in Note 17. The company is a transport service provider and provides services throughout Dublin and is regulated by the NTA.

### (b) Public service obligation

The PSO payment payable to Bus Átha Cliath – through its holding company, CIÉ, amounted to €39,901,000 for the year ended 31 December 2019 (2018: €41,134,000).

## 5. Payroll and related costs

	2019 €'000	2018 €'000
<b>Employee costs comprise:</b>		
Wages and salaries	168,695	166,922
Social insurance costs	17,121	16,854
Other retirement benefit costs (note 20)	15,610	14,089
<b>Total employee costs (excluding directors' remuneration)</b>	<b>201,426</b>	<b>197,865</b>
<b>Directors' remuneration</b>		
Emoluments		
– for services as directors	90	85
– for other services	119	124
	<b>209</b>	<b>209</b>
Contributions paid to defined benefit scheme	4	5
<b>Total directors' remuneration and emoluments</b>	<b>213</b>	<b>214</b>
<b>Total payroll and related costs</b>	<b>201,639</b>	<b>198,079</b>

Retirement benefits are accruing to 2 directors during the year (2018: 2 directors) under a defined benefit pension scheme.

No costs were incurred in respect of loss of office for any directors during 2019 or 2018 or after the balance sheet date.

	Number of Employees	
	2019	2018
The average number of employees during the year were:		
Wages grade	3,033	2,998
Executive/clerical	381	381
Temporary/contract	61	45
<b>Total</b>	<b>3,475</b>	<b>3,424</b>

### Key management compensation

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

	2019 €'000	2018 €'000
<b>Chief Executive Officer compensation</b>		
Basic salary	200	179
Social insurance costs	5	4
Post-retirement benefit costs	55	47
<b>Total</b>	<b>260</b>	<b>230</b>

The Chief Executive's salary is in line with the Department of Public Expenditure and Reform guidelines for Chief Executives.

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

### Key management compensation

	2019 €'000	2018 €'000
Salary	1,208	1,262
Social insurance costs	39	41
Post-retirement benefit costs	238	230
<b>Total</b>	<b>1,485</b>	<b>1,533</b>

The directors of the company were paid directors' fees for services as directors during 2019 as follows:

Mr U. Courtney	€21,600
Prof. P. Barker	€3,440
Ms L. Carroll	€7,170
Ms E. Howley	€15,750
Ms S. Madden	€12,600
Mr J Quinn	€12,600
Prof. K. Rafter	€3,150
Mr K. Wallace	€7,170
Ms R. Widdis	€7,170

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

All payments comply in full with Government guidelines for directors' fees.

The expenses paid for directors in 2019 amounted to €1,408 (2018: nil).

#### 5(a) Payroll and related costs: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

	2019 €'000	2018 €'000
<b>Included in wages and salaries:</b>		
Salary	108,390	106,652
Overtime	15,728	15,785
Allowances	44,577	44,485
<b>Total</b>	<b>168,695</b>	<b>166,922</b>

Number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €25,000 from €50,000 upwards.

	Number of Employees	
	2019	2018
€50,000 to €75,000	1,156	1,226
€75,001 to €100,000	113	112
€100,001 to €125,000	33	31
€125,001 to €150,000	8	1
Over €150,001	4	5

### 5(b) Payroll and related costs: additional disclosure requirements under the Department of Public Expenditure and Reform Circular Reference 13/2014

Number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €10,000 from €60,000 upwards.

	Number of Employees	
	2019	2018
€60,000 to €70,000	282	278
€70,001 to €80,000	87	95
€80,001 to €90,000	41	50
€90,001 to €100,000	37	34
€100,001 to €110,000	19	13
€110,001 to €120,000	10	14
€120,001 to €130,000	7	4
€130,001 to €140,000	4	1
€140,001 to €150,000	1	0
Over €150,001	4	5

## 6. Materials and services costs

	2019	2018
	€'000	€'000
Fuel and lubricants	25,667	27,295
Materials	18,643	17,812
Road tax and licences	827	820
Rent and rates	731	708
Foreign exchange losses	26	23
Charge for movement in provision for impairment of stocks	44	124
(Credit)/charge for movement in provision for impairment of debtors	(12)	9
Operating lease rentals	487	465
Third party and employer's liability claims	568	5,051
Other services	41,031	42,514
<b>Total</b>	<b>88,012</b>	<b>94,821</b>



#### 6(a) Materials and services costs: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

Travel and subsistence	2019 €'000	2018 €'000
National travel and subsistence	–	1
International travel and subsistence	35	38
Hospitality	52	46
<b>Total</b>	<b>87</b>	<b>85</b>

### 7. Exceptional operating costs

	2019 €'000	2018 €'000
Restructuring costs (note 16)	480	76
Subvention reserve repayable to NTA	4,910	–
<b>Total</b>	<b>5,390</b>	<b>76</b>

The 2014 Direct Award Contract (DAC), for the period 1 December 2014 to 30 November 2019, has established provisions to avoid overcompensation for public transport services under PSO contracts. In each accounting year, 2015 to 2018, under the 2014 DAC period, Bus Átha Cliath reported the PSO compensation received from the NTA.

In 2019, the NTA advised the company, on completion of a review of the 2014 DAC, that it deemed there to be overcompensation in respect of PSO services delivered under the contract. The NTA instructed Bus Átha Cliath to repay any such deemed overcompensation to the NTA. The NTA confirmed the deemed over-compensation to be an amount of €4,910,000 and the company has provided for the amount of deemed overcompensation in line with the NTA's instructions.

#### 7(a) Termination/severance: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

No termination or severance payments made in the reporting period.

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

	2019 €'000	2018 €'000
Amortisation of intangible fixed assets (note 11)	461	652
Depreciation of tangible fixed assets (note 12)	34,340	33,904
Amortisation of EU/Exchequer capital grants (note 17)	(28,564)	(26,401)
	<b>6,237</b>	<b>8,155</b>

## 9. Interest payable and similar charges

	2019 €'000	2018 €'000
On balances with holding company	3	26
Other interest payments	3	7
	<b>6</b>	<b>33</b>

## 10. Taxation

	2019 €'000	2018 €'000
<b>Tax expense included in profit or loss</b>		
Current tax:		
Irish corporation tax on surplus for the financial year	1,040	–
Adjustments in respect of prior financial years	–	–
Current tax expense for the financial year	1,040	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Deferred tax expense for the financial year	–	–
<b>Tax on profit on ordinary activities</b>	<b>1,040</b>	<b>–</b>

### Factors affecting tax charge for the year

Tax assessed for the financial year differs than that determined by applying the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2019 of 12.5% (2018: 12.5%) to the surplus for the year. The differences are explained below:

	2019 €'000	2018 €'000
Surplus on ordinary activities before tax	2,456	3,687
Surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2018: 12.5%)	307	461
<i>Effects of:</i>		
Depreciation in excess of capital allowances for year	3,729	3,752
Non-taxable income	(2,897)	(8,483)
Unrelieved tax losses carried forward	(569)	3,569
Income charged to tax at higher rate	521	513
Other timing differences	(51)	188
<b>Current tax charge for the year</b>	<b>1,040</b>	<b>–</b>

A potential deferred tax asset of €193.1 million (2018: €193.4 million) has not been recognised, as the future recovery against taxable profits is uncertain. Bus Átha Cliath is in compliance with the requirements of Department of Public Expenditure and Reform Circular Reference 44/2006: Tax Clearance Procedures Grants, Subsidies and Similar Payments.

## 11. Intangible fixed assets

	Software €'000	Total €'000
<b>Cost</b>		
At 1 January 2019	12,361	12,361
Additions	799	799
Disposals	(16)	(16)
<b>At 31 December 2019</b>	<b>13,144</b>	<b>13,144</b>
<b>Amortisation</b>		
At 1 January 2019	(11,866)	(11,866)
Charge for the year (note 8)	(461)	(461)
Disposals	16	16
<b>At 31 December 2019</b>	<b>(12,311)</b>	<b>(12,311)</b>
<b>Net book amounts</b>		
At 31 December 2019	<b>833</b>	<b>833</b>
At 31 December 2018	<b>495</b>	<b>495</b>

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

Software            3-5 years

## 12. Tangible fixed assets

	Road passenger vehicles €'000	Bus stops and shelters €'000	Plant and machinery €'000	Total €'000
<b>Cost</b>				
At 1 January 2019	392,162	32,988	49,443	474,593
Additions	39,239	–	541	39,780
Disposals	(39,712)	(82)	(660)	(40,454)
<b>At 31 December 2019</b>	<b>391,689</b>	<b>32,906</b>	<b>49,324</b>	<b>473,919</b>
<b>Depreciation</b>				
At 1 January 2019	(221,035)	(20,457)	(42,248)	(283,740)
Charge for the year (note 8)	(30,541)	(2,071)	(1,728)	(34,340)
Disposals	39,678	82	657	40,417
<b>At 31 December 2019</b>	<b>(211,898)</b>	<b>(22,446)</b>	<b>(43,319)</b>	<b>(277,663)</b>
<b>Net book amounts</b>				
<b>At 31 December 2019</b>	<b>179,791</b>	<b>10,460</b>	<b>6,005</b>	<b>196,256</b>
At 31 December 2018	171,127	12,531	7,195	190,853

- (i) Road passenger vehicles at a cost of €70.5 million (2018: €74.6 million) were fully depreciated but still in use at the balance sheet date.
- (ii) There are no additions in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service (2018: Nil).
- (iii) The company does not own the property in use; this is owned by the CIÉ Holding Company and is included in the financial statements of CIÉ.
- (iv) Assets with a carrying value of €39,000 were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets and a profit of €737,000 was obtained.
- (v) Road passenger vehicles above include the recognition of 95 buses received under a bus leasing agreement with the NTA. The buses recognised in 2019 came into service in the period from 01 January to 31 December 2019. The buses received are restricted for use in specified public transport services only.
- The buses have been recognised at a cost of €32.1 million (2018: €56.4 million). The cost is based on confirmation from the NTA on the cost the NTA incurred to acquire each bus from the supplier.
- Under the 2014 DAC, it was recognised that the NTA can make available grant funding to facilitate the acquisition of new buses to meet the company's obligations to provide specified public transport services under the PSO contract. The 2014 DAC completed on 30 November 2019 and the 2019 DAC was implemented from 1 December 2019. The 2019 DAC does not substantially change the substance of the transaction set out in the following paragraphs for 2019.

Prior to 2017 the company received grant funding from the NTA to facilitate a planned approach to fleet replacement. The company purchased vehicles directly from the supplier following a competitive tendering process. The vehicles were recognised as additions to the tangible fixed assets and the associated grants from the NTA recognised as deferred income. The cost of the vehicles is depreciated over its useful life and the corresponding grant amortised over the same period.

In 2017, a new arrangement came into effect where the NTA now purchase buses directly with the contract for purchase being between the NTA and the supplier. A formal leasing agreement between the company and the NTA facilitates the leasing of these buses from the NTA to the company for the provision of PSO services in connection with the Direct Award Contract.

The leasing agreement offers the company the right to use the new buses, which are fit to meet the operational requirements of the company, at a rental amount of €1 per annum.

In 2019, it is management's assessment that substantially all the risks and rewards of ownership of the buses transfer to the company on receipt of the buses from the NTA.

In 2019, management reviewed the rights and obligations of both the company and the NTA under this funding arrangement in comparison to the rights and obligations of both parties under the pre-2017 funding arrangement and concluded that, in respect of the 2017, 2018 and 2019 transaction, although the leasing agreement modifies the Direct Award Contract there is no significant change in the substance of the arrangement between the company and the NTA.

Management concluded that for the financial statements to present a true and fair view of the assets, liabilities, financial position, financial performance and cash flows of the company for 2017, 2018 and 2019 it is appropriate to recognise the new buses acquired under the lease agreement as tangible fixed assets and an associated grant in deferred income. The cost of these vehicles will depreciate over the useful life of the asset and the corresponding grant amortised over the same period.

Management will review and consider the accounting treatment of all bus related assets arising from the full implementation of the 2019 Contract in 2020 and the subsequent transition to a gross cost contract basis in 2021 as responsibility for passenger revenue migrates to the NTA.

### 13. Stocks

	2019	2018
	€'000	€'000
Maintenance materials and spare parts	1,887	1,762
Fuel, lubricants and other sundry stocks	1,705	1,582
	<b>3,592</b>	<b>3,344</b>

The stock above is stated net of a stock obsolescence provision of €524,000 (2018: €480,000).

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

## 14. Debtors

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Trade debtors	9,626	8,978
Amounts owed by holding company	177,280	159,210
Prepayments	836	730
Other debtors and accrued income	419	420
	<b>188,161</b>	<b>169,338</b>

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

The debtors above are stated net of provision for bad debts of €17,000 (2018: €29,000).

## 15. Creditors (amounts falling due within one year)

	<b>2019</b>	<b>2018</b>
	<b>€'000</b>	<b>€'000</b>
Trade creditors	7,647	4,605
Corporation tax	1,040	–
Income tax/levy deducted under PAYE	2,875	3,357
Pay related social insurance	2,294	2,403
Value added tax	285	87
Withholding tax	22	71
Other creditors	14,350	13,050
Deferred revenue	12,667	12,903
Deferred income (note 17)	27,216	26,037
Accruals	15,840	14,264
	<b>84,236</b>	<b>76,777</b>
Creditors for pay related taxation and social insurance included above	5,476	5,918

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors' usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Deferred revenue relates to revenue from Tax saver tickets.

## 16. Provision for liabilities

	Environment matters €'000	Legal and related matters €'000	Restructuring & other employee matters €'000	Third party & employer liability claims €'000	Total €'000
As at 1 January 2018	4,246	525	3,190	88,168	96,129
Charge to profit and loss account	600	-	76	4,992	5,668
Utilised during year	(463)	(350)	(1,211)	(7,144)	(9,168)
<b>As at 31 December 2018</b>	<b>4,383</b>	<b>175</b>	<b>2,055</b>	<b>86,016</b>	<b>92,629</b>
As at 1 January 2019	4,383	175	2,055	86,016	92,629
Charge to profit and loss account	182	25	2,388	568	3,163
Utilised during year	(2,241)	-	(602)	(6,354)	(9,197)
<b>As at 31 December 2019</b>	<b>2,324</b>	<b>200</b>	<b>3,841</b>	<b>80,230</b>	<b>86,595</b>

### *Environment matters*

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

### *Legal and related matters*

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

### *Restructuring & other employee matters*

The restructuring provision relates to changed business processes and payments for employees who are impacted by such changes. The provision relates to non-routine payroll expenditure. The provision is expected to be utilised during year ended 31 December 2020.

Other employee matters relate to post-retirement benefit costs provided for at 31 December 2019 of €1.9m (2018: nil).

### *Third party and employer liability claims*

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

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

CIÉ as a self-regulated body operates a self-insurance model whereby the operating companies bear the financial risk associated with the cost of claims, subject to certain "one-off" incidents and annual caps in the case of third party claims. The estimated cost of claims includes expenses to be incurred in settling claims. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

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

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

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

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

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

## 17. Deferred income

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

	2019 €'000	2018 €'000
<b>Capital grants</b>		
Balance at 1 January	174,765	159,487
Received and receivable	19,358	1,563
Recognised under bus leasing agreement (note 12)	32,147	56,366
Amortisation of capital grants (note 8)	(28,564)	(26,401)
Asset disposals	(39)	(16,250)
<b>Balance at 31 December</b>	<b>197,667</b>	<b>174,765</b>
AppORTIONED:		
Current liability (note 15)	27,216	26,037
Amounts falling due after more than one year	170,451	148,728
	<b>197,667</b>	<b>174,765</b>



**17(a) Disclosure in accordance with Department of Public Expenditure and Reform Circular Reference 13/2014**

	2019 €'000	2018 €'000
<b>Capital grants</b>		
Vehicles and plant	4,032	63
<b>Total capital grants received</b>	<b>4,032</b>	<b>63</b>

Capital grants are amortised over the useful lives of the assets. The relevant agency and programme is the NTA and the 2019 Capital Funding Programme and the sponsoring Government department is the Department of Transport, Tourism and Sport. Grants are restricted to PSO activities.

	2019 €000	2018 €000
<b>Revenue grants</b>		
Accessibility Programme – NTA	101	114
Cordon Counts Programme – NTA	–	11
<b>Total revenue grants received</b>	<b>101</b>	<b>125</b>

Revenue grants are brought to profit and loss account in full in the relevant year received. The relevant agency and programme are set out above and the sponsoring Government department is the Department of Transport, Tourism and Sport. Grants are restricted to PSO activities.

**17(b)** Total capital grants recognised in 2019 were €51,505,000 (2018: €57,929,000), including €32,147,000 (2018: €56,366,000) recognised under the bus leasing arrangement (note 12), €4,032,000 (2018: €63,000) received from the NTA under the Capital Funding Programme and €15,326,000 (2018: €1,500,000) received from the NTA under the capital allowance within the Total Operating Price funding programme.

**18. Share capital**

	2019 €'000	2018 €'000
<b>Authorised:</b>		
100,000,000 Ordinary shares of €1.27 each	126,974	126,974
<b>Allotted, called up and presented as equity:</b>		
55,000,000 Ordinary shares of €1.27 each	69,836	69,836

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

## 19. Cash flow statement

	2019 €'000	2018 €'000
<b>Reconciliation of operating cash flows</b>		
Surplus before interest and tax	2,462	3,720
Depreciation of tangible fixed assets	34,340	33,904
Amortisation of intangible fixed assets	461	652
Amortisation of capital grants	(28,564)	(26,401)
Gain on disposal of tangible fixed assets	(737)	(312)
(Increase)/decrease in stocks	(248)	1,700
(Increase)/decrease in debtors	(753)	148
Increase in creditors and provisions	13,804	2,287
<b>Net cash generated from operating activities</b>	<b>20,765</b>	<b>15,698</b>

## 20. Pensions

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

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

The valuations of the schemes under FRS 102 as at 31 December 2019 showed a deficit of €799 million, (2018: €547 million). The disclosures required under FRS 102 in respect of the group's defined benefit plans, in which the company participates, are set out in the financial statements of CIÉ for the year ended 31 December 2019 which are publicly available from CIÉ, Heuston Station, Dublin 8, Ireland.

The company's pension cost for the year under the defined benefit schemes was €15.6 million (2018: €14.1 million) and these costs are included as post-retirement benefits in Note 5. The company's cost comprises of contributions payable for the year.

## 21. Capital commitments

	2019 €'000	2018 €'000
Contracted for:	3,411	9,804

Capital commitments represent capital expenditure projects that have been approved by Board whereby work has commenced on these projects but are not fully completed at the end of the year. The capital commitments included capital projects funded by the NTA to the value of €0.4 million (2018: €4.4 million).

## 22. Operating leases

	2019 €'000	2018 €'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	101	60
Between one and 5 years	118	148
	<b>219</b>	<b>208</b>

## 23. Guarantees and contingent liabilities

The CIÉ Group has borrowings of €24 million (2018: €28 million) at the balance sheet date.

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

Bus Átha Cliath's capital expenditure in respect of PSO fleet is funded through capital grants from the NTA. This funding is provided in line with the provisions of the Direct Award Contract. A new Direct Award Contract (2019 Contract) was signed with the NTA, effective from 1 December 2019. Certain contingent liabilities arise under these agreements.

The 2014 Contract also has established provisions to avoid overcompensation for public transport services under PSO contracts. The directors believe that the risk of the NTA exercising their rights under the related agreements is remote.

## 24. Related party transactions

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post and the NTA. The NTA is a significant related party whereby Bus Átha Cliath have entered into a 5 year contract for over 90% of the trading activity of the company through a Direct Award Contract for passenger transport in the Greater Dublin Area. The contract is from 1 December 2019 to 30 November 2024. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

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

## 25. Membership of Córas Iompair Éireann Group

Bus Átha Cliath is a wholly owned subsidiary of CIÉ and the financial statements reflect the effects of Group membership.

Some group wide functions such as Treasury, Legal, Property and Pensions are carried out by the holding company on a shared services basis for which the company and other subsidiary companies are charged on an agreed apportionment basis. Copies of the CIÉ consolidated financial statements can be obtained from the Company Secretary at Heuston Station, Dublin 8, Ireland.

## 26. Post balance sheet events

Since 31 December 2019, the COVID-19 Pandemic has resulted in significant restrictions on the provision of public transport services and travel both domestically and internationally. This has had a direct impact on the operations of the company and the wider CIÉ Group. Measures taken by the Irish Government to contain the spread of the virus, including restricting capacity on public transport, restricting the use of public transport for essential journeys at certain periods, the introduction of travel bans as well as local and national lockdowns. All services operated in line with the Irish Government guidelines on social distancing and reduced capacity since the outbreak commenced. These measures have resulted in significantly reduced passenger journeys and revenue on public transport services in the Greater Dublin Area.

As a result of the COVID-19 outbreak, and the measures taken to contain the spread of the virus, the company experienced an 88% reduction in passenger journeys during certain periods of 2020 compared to 2019. Overall, passenger journeys for 2020 are expected to reduce by over 50% compared to 2019. The company suspended the operation of its Commercial Services division in March 2020 and operations remain suspended at this point in time.

The company has determined that these events are non-adjusting post balance sheet events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the Irish Government's response, remains unclear at this time. The company has advanced scenario planning in place. It is not possible to predict the duration and severity of these events, as well as their precise impact on the financial position and results of the company for future periods.

During 2020 the continued delivery of an effective network of PSO services remained an essential part of Government plans. The NTA provided additional PSO funding to Bus Átha Cliath to compensate the company for COVID-19 related revenue decline on PSO services. This funding is being made available under the provisions of the 2019 Direct Award Contract.

Management will continue to actively monitor and assess the impact of the COVID-19 Pandemic on the company.

## 27. Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 18 November 2020.



59 Upper O'Connell Street,  
Dublin 1  
[www.dublinbus.ie](http://www.dublinbus.ie)