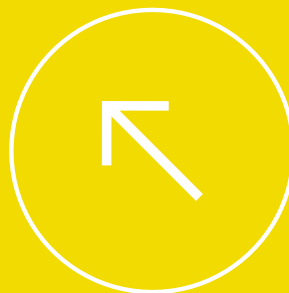
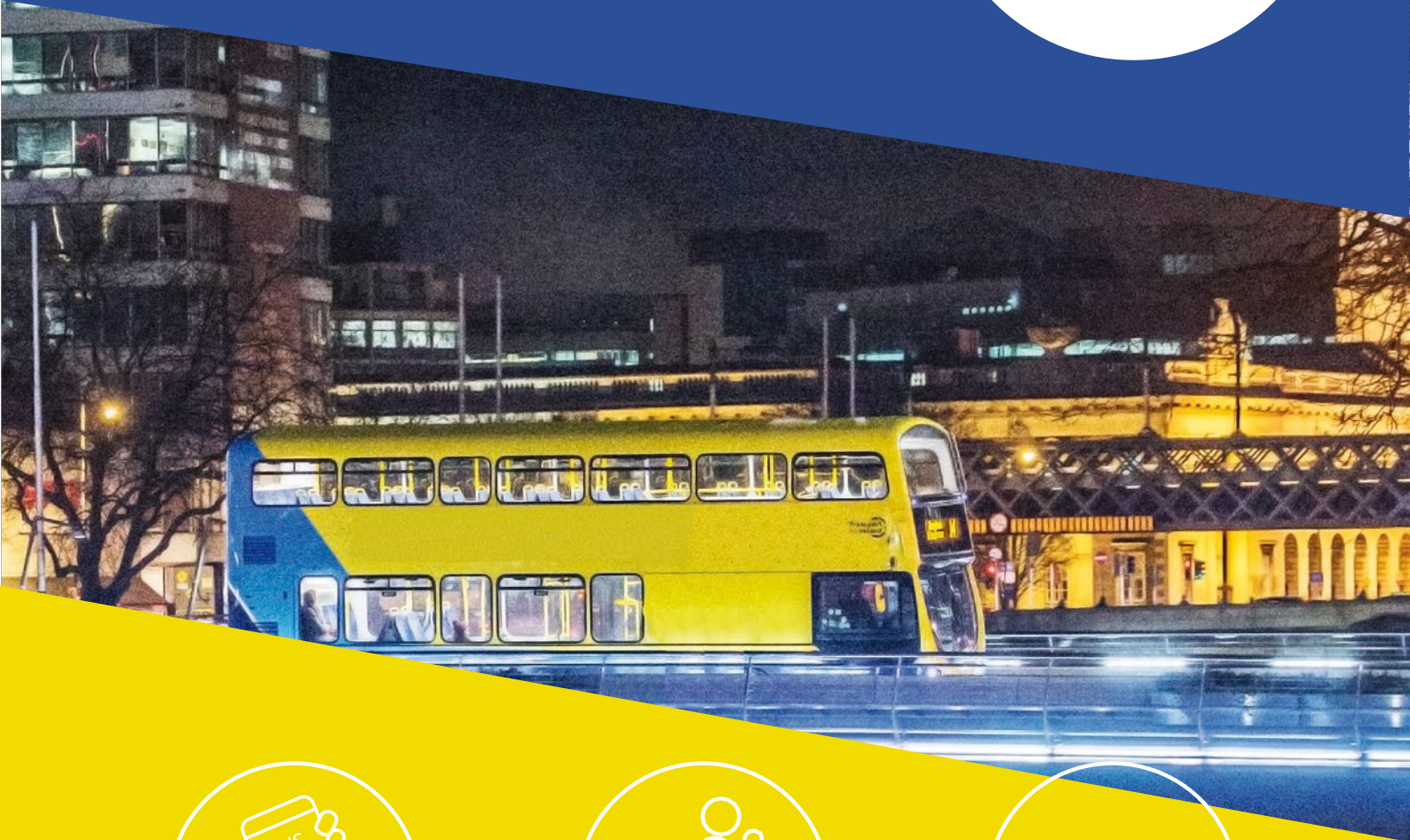


Bus Átha Cliath

Annual Report 2016





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Financial and Operating Highlights 2016



Revenue Growth

2016 €8m

2015 €12m



Surplus

2016 €2.6m

2015 €10.2m



New Buses

2016 110

2015 90



Passenger Journeys

2016 128m

2015 122m



Number of employees

2016 3,431

2015 3,313



No. of KMs Travelled

2016 57.3m

2015 57.0m



Number of Buses

2016 989

2015 980



Low Floor Accessible Fleet

100%

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Córas Iompair Éireann would like to acknowledge funding on major projects by the Irish Government under the EU and by the Infrastructure and Capital Investment 2012-2016 Medium Term Exchequer framework.

Chairman's Statement



2016 Review

I am pleased to present the Annual Report of Bus Átha Cliath for the year ended December 2016 and to report a robust financial performance during a challenging year.

Bus Átha Cliath is a progressive, performance driven, urban bus operator with a clear, strategic vision for transport in the Greater Dublin Area (GDA). As Ireland's largest public transport provider, Bus Átha Cliath is a lifeline to the city itself, of crucial importance to the transport network of the city and to the economy of the Greater Dublin Area. This year has been a year of significant positive progress. There was strong growth in our Public Service Obligation (PSO) routes and commercial services in 2016. Customers travelling on our services increased by 4.7% on 2015 (122.4m passenger journeys) to 128.2 million in 2016.

Surplus for the year was €2.6 million compared to €10.2 million in 2015. These results reflect growth in customer volume, a new pay agreement with our employees, more productive ways of working and adjusted customer fare levels. This enables us to focus on delivering an efficient service. Customer revenue ended the year at €236 million, an increase of €8 million on 2015 figures. We had more customers (5.8m) carried on more buses (9) covering more ground than last year (300,000 kilometres).

Public transport is key to making our city's growth productive, facilitating new jobs and housing by providing the access required by our customers. Bus Átha Cliath is well placed to provide urban bus transport solutions to ensure that our city remains a vibrant place for both economic and social activity.

2016 saw continued growth in our PSO business. An additional 110 new double deck buses were added to our fleet, a mix of additional capacity and replacement of older vehicles. Three new routes were added to our network serving DCU and much needed capacity was added on key QBCs to cater for the growing demand. Additional resources were also added to counteract the impact of increasing congestion on our streets.

Easter 2016 was a time of great celebration as the city and the country celebrated the centenary of the 1916 Easter Rising. This was a historic occasion for the country and the biggest event organised in the city in over 50 years. Bus Átha Cliath was the largest provider of public transport over the Easter weekend, with over 1.5 million people visiting Dublin city centre to enjoy hundreds of events across the capital. The planning and execution of such a major transport operation is a testament to the expertise, dedication and professionalism of our employees. To further mark this momentous year, Bus Átha Cliath launched The 1916 Tour – Beyond Barricades. Commercial services were also expanded during 2016 with an enhanced frequency provided on our Airlink 747 service and the establishment of a new Airlink 757 service.

Governance

The Board is committed to the highest standard of corporate governance to manage risks and drive the innovation and growth in Bus Átha Cliath. Bus Átha Cliath has appropriate measures in place to comply with 2009 Code of Practice for the Governance of State Bodies. A new Code of Practice was introduced in August 2016 and the company is in the process of implementing the updated code. The changes arising from the implementation of the 2016 Code of Practice for the Governance of State Bodies will be fully reflected in the 2017 financial statements.

People

Bus Átha Cliath faced challenges in 2016 as it worked towards securing a new pay agreement with all employees. The company also worked closely with all stakeholders to deliver services to the standard expected in the PSO Direct Award Contract. I want to thank all employees for their dedication and commitment to the company and for their focus in providing a transport service where people feel safe, connected and part of sustainable community life in Dublin.

I would also like to note the positive engagement with the National Transport Authority (NTA), as we work towards our shared objectives of increasing public transport usage and enhancing public transport services.

Outlook

2017 will again present many challenges and significant opportunities for all of us here in Bus Átha Cliath. Luas Cross City will be operational and the impact of Bus Market Opening will be known. We have submitted a strong and competitive bid, focussed on our core values for the tendered services and will continue to work with all stakeholders to ensure Bus Átha Cliath's role as a provider of safe, reliable and high quality public transport network is recognised. We will continue to address challenges in respect of both PSO and commercial services to safeguard the long term future of the company.

Areas of focus in 2017 include reducing emissions by continuing to keep pace with new technologies, introduction of limited stop services and increased revenue and customer growth. Continued and consistent investment in our fleet is required to ensure that our service remains efficient and reliable.

We have a clear and strong strategy to work towards for the future which will ensure that Bus Átha Cliath continues to deliver innovative, efficient and reliable services. The Board and I have every confidence that we are in position to remain as Ireland's largest public transport provider and to grow and constantly improve the service and experience we give our customers every day.

Uiltan Courtney

Chairman
Bus Átha Cliath

Operations Review

Overview

Bus Átha Cliath faced a number of key challenges in 2016 as it continued its mission to deliver an effective public service, providing efficient, reliable and safe services for our customers. Customer numbers on our PSO routes and commercial services grew by 4.7% to 128.2 million despite the loss of six days of services for our customers due to industrial action in September 2016. However the continued economic recovery also resulted in increased traffic congestion and cost pressures associated with increased demand for services.

The company was pleased to introduce an additional 110 new vehicles into service in 2016. The new buses are another significant development in the provision of convenient, comfortable and sustainable public transport for the people of Dublin. Bus Átha Cliath continued to operate a fully low floor accessible fleet.

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

The company incurred cost increases in respect of a pay agreement reached with staff during 2016. This agreement also included a commitment to continue our focus on delivering cost efficiencies across all expenditure categories in order to ensure we continue to deliver value for money.

2016 Operating Result and Financial Position

In 2016 Bus Átha Cliath earned a net surplus of €2.6 million. This compares with a surplus of €10.2 million in 2015.

The key aspects of the financial results include operating revenue growth of €8 million, an increase of €16 million in operating costs and an increase of €1.9 million in the Public Service Obligation (PSO) payments. The increase in operating costs reflects a pay increase of 3.75%, implemented during 2016. While this increase follows a pay freeze in place since 2008 and a reduction in terms and conditions introduced in 2013 to 2015 due to the financial crisis, it has resulted in increased costs of €6.5m in 2016. The company has also incurred costs associated with providing additional services for customers due to the recovering economy. These demand led cost increases are reflected in the financial results for 2016.

Total operating revenue grew by €8 million (3.6%) from €228.1 million to €236.2 million in 2016. This increase in revenue reflects the 4.7% overall increase in customer demand. As customers continue to migrate from the more costly cash option to the Integrated Ticketing System (ITS), a dilution of the overall average fare per passenger journey was experienced in 2016.

A six-day industrial dispute occurred in September 2016. The industrial action, causing significant disruption to our customers, was greatly regretted by the company. The net impact of this dispute is reflected in the financial statements primarily in reduced revenue levels and NTA penalties, along with reductions in payroll and fuel costs during the period of the dispute. Total payroll costs increased by €10.8 million (6.3%) to €183.4 million as the average pay per employee increased together with an increase in average staff numbers associated with increased demand in 2016 of 118 over the previous year.

Expenditure on materials and services for the year increased by €5 million (5.4%) on 2015. Expenditure on maintenance of buildings, infrastructure access charges and cost allocations from ITS were the main contributors to the increase.



Highlights

Bus Átha Cliath received PSO payments of €59.6 million in 2016; an increase of €1.9 million compared to 2015. Bus Átha Cliath continues to work closely with the National Transport Authority (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 plans to continue on-going growth in network services and achieving further operational efficiencies.

The increased network of services and improved service reliability, the success of RTPi and Integrated Ticketing System (ITS) and service availability have all contributed directly to generating increased customer demand for our bus services. The company will seek to continually improve its service offering to customers and to increase the number of public transport users through a combination of investment in key customer-focussed projects, increased marketing activity on our core routes, and specific targeted off-peak and weekend campaigns.

The Importance of a Safe Workplace

The health and safety of employees and customers is one of the core values of Bus Átha Cliath. In line with its business strategy, the company's vision is to provide a transport service where people feel safe and to build on the experiences of its customers and employees to continuously improve their working and commuting environments.

Bus Átha Cliath's Safety Management System provides the framework for addressing hazards and risks in the workplace and sets out the structures, responsibilities

and arrangements for the effective management of health and safety. Underpinning this framework is a comprehensive range of safety policies, systems and procedures to help minimise the risk of accident or injury to employees, customers and anyone affected by the company's activities.

In 2016, Bus Átha Cliath continued with its programme of driver recruitment, bringing the total number of new drivers recruited since April 2014 to 455.

In June 2016, the Institute of Road Transport Engineers (IRTE) re-certified all Bus Átha Cliath engineering workshops to the Workshop Accreditation Standard, following a series of in-depth depot audits by the Freight Transport Association of Ireland (FTAI), who act on behalf of the IRTE. Bus Átha Cliath first achieved IRTE Workshop accreditation in 2013 and was the first Irish company to be certified to the standard.

In continuing to recognise the importance of joint working for the benefit of public safety, the company donated one of its double decker buses to the Dublin Fire Brigade (DFB) Training Centre in August 2016. The vehicle is now being used by DFB to assist in the training of firefighters and paramedics and, where required, for large scale evacuations from live emergency scenes.

Bus Átha Cliath also delivered a number of key safety initiatives during the course of 2016, including the implementation of a zero tolerance policy on the use of mobile phones and electronic devices whilst driving. Given that driver distraction can play a part in 20-30% of all road traffic collisions, the company recognised the importance of implementing such a key safety policy and further supporting the Road Safety Authority's ongoing campaign on driver distraction.

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In recognising the substantial growth in the cycling population in Dublin, the company also developed a new driver training video with two core objectives in mind:

- 1) To further improve bus drivers' overall awareness in relation to cyclists
- 2) To promote the importance of cyclist safety to a wider audience

The video looks at the important safety considerations for drivers when sharing the road with cyclists, and puts a particular emphasis on the key scenarios that can potentially result in conflict. The video now forms an integral part of continuous driver refresher training in Bus Átha Cliath and the content is being released on social media to further heighten the public's overall awareness of the subject.

As part of its cyclist safety initiative, Bus Átha Cliath also supported Trinity College's annual Green Week in November 2016 by teaming up with Healthy Trinity: Smarter Travel and Dublin Cycling Campaign to host a cyclist safety event on the grounds of the college. The objective of the initiative was to raise student awareness when it comes to sharing the road with buses, to give participants an opportunity to learn about blind spots and particularly to educate those who were new to cycling or less experienced when it comes to navigating the streets of Dublin by bike. The initiative afforded attendees the opportunity to sit in the driver's seat, watch the Bus Átha Cliath driver training video and learn all about blind spots around buses.

The company now plans to continue this initiative into 2017 by visiting a number of other third level institutes in Dublin.

Developments in Commercial Services

2016 has been an extremely challenging year for Bus Átha Cliath's commercial services. The company launched a number of new services, and enhanced existing services for customers. Commercial services carried 2.8 million customers in 2016 which is an increase of 11% on 2015. 2016 saw the launch of a new increased frequency on the Airlink 747 service to meet increased demand. The Airlink 757 service was launched to target a new market of accommodation providers and businesses on the south side of Dublin. The 1916 Beyond Barricades tour was a great success quickly soaring the ranks of Tripadvisor to be 15th under "Tours of Dublin". A new Bus and Travel Information Desk was designed and built in Dublin Airport and provides a "go to" point at Terminal 1

for bus customers. However, commercial services were significantly impacted by the industrial relations dispute during 2016 and the product incurred a deficit of €0.6m in 2016. This includes some exceptional items and the focus for 2017 is to return the service to profit through a combination of revenue maximisation and robust cost management.

Plans for 2017 include:

- Development and launch of new commercial brand – DoDublin
- Development and launch of new DoDublin website
- Continuation of 1916 Beyond Barricades Tour
- Continued focus on growing revenue on Airlink and City Tours

Market Opening

In June 2016, the NTA issued the Invitation to Negotiate (ITN) for the tendering of 10% of orbital routes within the GDA. The company was committed to entering a competitive bid aligned to our core values and to seek to retain the operation of the current network of PSO services. The Bus Átha Cliath bid was submitted in February 2017 and the company will continue to work pro-actively with all stakeholders to manage the future operation of PSO services.

Luas Cross City

During 2016, Luas Cross City construction works continued to be a major challenge for Bus Átha Cliath contributing to increased journey times through the city centre. However, due to thorough planning and communications with all parties involved, Bus Átha Cliath have continued to operate a quality and reliable service. Planning for further construction works, erecting overhead catenary and testing trams during 2017 is well underway through the multi-agency process chaired by the NTA, involving An Garda Síochána, Dublin City Council, Transport Infrastructure Ireland (TII) and the main project contractors. The project is due for completion at the end of 2017.

Public Service Contract

Bus Átha Cliath focused on achieving the performance target obligations under the Direct Award Public Service Contract 2014-2019. The contract outlines the standards of operational performance and customer services that Bus Átha Cliath must maintain. The targets centre on lost kilometres, reliability, punctuality and customer information. Bus Átha Cliath is focused on ensuring a high quality service is provided for all customers and compliance with all performance targets.

Accessibility – A Bus Service for all

Bus Átha Cliath continues to provide a fully accessible service. We meet with disability groups at least four times a year, listen to their concerns and improve our service accordingly. Our travel assistance scheme continues to operate, in 2016 we provided 1,009 assists to people who are learning to travel independently.

Technological Advancements

RTPI (on bus stop signs, on website and mobile app) continues to provide a key component of service delivery. Independent surveys carried out by NTA record an accuracy of 97.5% for the RTPI displayed at bus stop signs. The accuracy of RTPI on our website is even greater. The quantity of RTPI signs at bus stops reached 574 at the end of 2016 (2015: 562 RTPI signs). Bus Átha Cliath and the NTA plan to further increase this in 2017, with the deployment of up to 75 additional display units in the Dublin area.

All new additions to the fleet in 2016 came equipped with an on-board audio announcement system and audio visual displays. The programme of retrofitting the electronic displays on older buses is now complete. At the end of 2016, a total of 430 buses had the electronic displays installed as original equipment and 407 buses were retrofitted. All buses have next stop audio announcements.

During 2016, a system was deployed which allows the inclusion on the website and smart phone App of stop-specific service disruption messages to be displayed alongside predicted arrival times.

The statistics produced by the Automated Vehicle Location Control (AVLC) system are used for reporting and planning. During 2016, a system was deployed for exporting statistics from the AVLC system on a daily

basis to the NTA's Bus Data Management System.

At the end of 2016 this system was in final test phase, with live operation due to commence in early 2017. This will allow the NTA to monitor, in an automated way, key performance indicators of the PSO contract.

The bus stop names used in the AVLC and RTPI systems are now being shared with the ticketing system. This development, rolled out in 2016, means that the bus stop names (in both Irish and English) printed on paper tickets sold on bus are now consistent with the stop names displayed to customers on web, app and RTPI display units located at bus stops.

Leap Card

Leap Card usage continued to grow in 2016. By the end of 2016, more than 2 million Leap Cards had been issued; approximately 1 million of these were in use during the last six months of 2016. A number of Bus Átha Cliath prepaid tickets (Airlink, Nitelink, Travel 90 (single ticket) and Tours tickets) remain available on disposable smart cards, mainly to serve the tourist market.

Leap Cards accounted for approximately 73% of all Bus Átha Cliath passenger boarding numbers (including Department of Social Protection free travel passes) by December 2016, having risen from 70% at the start of the year. Leap Card offers customers significant savings, with on-bus fares at least 20% more expensive than the Leap Card.

A 1916 commemorative Leap Card was issued in March 2016, to coincide with the State's official 1916 commemorations. A total of 50,000 cards were issued. The cards, which were not reloadable and cost €10, contained a single all-operator one day family pass.

A Smart Phone App using Near Field Communication technology (available for a range of Android phones) was deployed by the NTA at the start of 2016; this app provides facilities to both top-up the stored value purse and also check card balances. By the end of 2016 e-purse top-ups of over €1 million per month were being added to Leap Cards using the app.

Customer Value Campaign

Our 'Value Campaign' was launched in February 2016. The objectives of the campaign were to generate awareness of Leap Card Capping and to educate customers on the benefits of Capping. The proposition was 'You could be getting free travel on your bus at the weekends with your Leap Card'. The campaign helped to highlight that after a long week commuting to work or college, Bus Átha Cliath users could also enjoy free travel at the weekend if they just use their Leap Card. The creative directed customers to www.dublinbus.ie/farecalculator where an online calculator was live so customers could input their daily spend to determine whether they could avail of free travel.

The campaign was very well received and attained a high level of positive publicity and interaction with customers through a competition which we ran through our Facebook channel.

1916 Commemorations

Bus Átha Cliath was proud to be a part of the 1916 Commemoration celebrations by providing visitors with transport to events and supporting cultural initiatives commemorating the men and women of the Rising. We also partnered with Royal Irish Academy to provide a free e-book; "1916: Portraits and Lives" which launched on the Late Late Show in mid-March. To support this we undertook a "Routes to the Rising" Outdoor Campaign. The campaign included artwork from the book and headlines of what routes the people profiled in the book would have travelled on to the Rising and included real stories of their travels on the tram. The campaign ran from 14 March – 10 April and included six sheets, on bus posters, Wi-Fi splash page, EDM, support on social media and in the news update section of dublinbus.ie and app.

Female Driver Recruitment Campaign

On Tuesday 9 February 2016, we launched the advertising campaign for the Bus Átha Cliath Open Day for Women Drivers through radio, online and print advertisements. The campaign, run by the Human Resources Department, aimed to encourage more women to apply for a position of bus driver. The campaign used the tagline 'Take a Different Route' and attempted to highlight the skills needed for the role of a bus driver that women may not realise they already use in their day to day lives.

The campaign was very successful with the Human Resources Department receiving over 170 applications for the Open Day within a week of the campaign airing, resulting in the need to schedule two additional open days to meet the demand.

DB and Route Alerts Information Campaign

The 'Cut to the Chase' campaign went live on Monday 7 November 2016 to help educate our customers on #DB and the route alerts feature on the Bus Átha Cliath App. The campaign was centred on assisting customers to find the latest information for their bus route and to highlight the message that Bus Átha Cliath continues to improve their customers experience through innovation.

Digital

The company continues to invest in digital and social media advertising. Bus Átha Cliath invest in digital and social media advertising in order to communicate at all levels with our customers. Unlike traditional marketing, social media allows us to interact directly and immediately with our customers.

Downloads of our app amounted to 1,472,483 at 31 December 2016. Android downloads account for 54% of all downloads with iPhone at 46%. The volume of customers accessing the Bus Átha Cliath website from a mobile device is constantly increasing and makes up 80% of the overall traffic coming to the website.

We continue to use social media as a tool to build brand advocates, promote the community work we currently do and develop partnerships and alliances. To achieve this, we have implemented an engagement plan consisting of a content calendar to promote our services and products (apps, tickets etc.) in line with events taking place in Dublin. We aim to enhance our social media platforms to become the home of customer engagement with a particular focus on Facebook. We have also expanded our presence on social media by launching our Instagram account in December 2016.

Another key channel is Electronic Direct Mail (EDM) which we issue on a monthly basis to update customers on campaigns which helps us spread the reach of the campaign by providing an additional media channel. Our EDM keeps our loyal customers engaged and informed through promotional and informational campaigns. We have over 355,000 customers signed up to receive EDM from us.

Social Media and EDM:

- Number of Facebook Followers - 39,000
- Number of Twitter Followers - 59,000
- Website Traffic Average Monthly Sessions - 709,368
- Email Sign-ups - 355,000

Energy and Sustainability

Bus Átha Cliath operated a fleet of 989 Buses covering 57.3 million kilometres in 2016. The primary energy consumption is the fuel usage associated with running the fleet of buses. The quantity of diesel fuel used in 2016 was 27.4 million litres. The other main energy sources include Bus Átha Cliath’s seven depots and a number of office buildings. The breakdown of energy usage consists of fuel usage by the fleet (94.5% of consumption), electricity usage at Bus Átha Cliath premises (1.6% of consumption) and gas consumption at the premises (3.9% of consumption). Up to 70% of electricity usage in the company’s depots is associated with lighting the buildings and the external yard areas. Gas consumption is primarily associated with heating of the premises. Lighting, office equipment and air conditioning units account for the majority of the office energy consumption.

In 2016, Bus Átha Cliath consumed 294,508 MWh of energy (2015: 296,578 MWh), consisting of:

Bus Átha Cliath Energy Consumption 2016	MWh
Diesel Fuel	278,405
Electricity	4,614
Natural Gas	11,489
Total	294,508

Actions Undertaken in 2016

In 2016 Bus Átha Cliath undertook a range of initiatives to improve energy performance, including:

- Fleet replacement of new vehicles with Euro 6 standard engines -a smaller and more efficient engine combined with lighter chassis providing reduced fuel consumption. The new fleet of buses fitted with Euro 6 engines are 20% more efficient than the buses they replaced
- Energy monitoring of Electricity and Gas consumption
- Trials of LED Lights in offices
- Periodic Fuel consumption reports for each vehicle via SAP system
- Trial High Bay LED lighting in workshop and NSB Areas
- Continuation of eco driving training and vigital vanguard training for drivers
- Completed ISO 50001 SEAI Training programme

Actions Planned for 2017

In 2017, Bus Átha Cliath intends to further improve energy performance by undertaking the following initiatives:

- Installation of an automated fuel management system in each depot
- Complete trials of on board technology system to provided eco-driving feedback for the fleet
- Replacement of older vehicles with new vehicles fitted with Euro 6 standard engines
- Rollout the Installation of an automated fuel management system in each depot
- Complete the implementation of ISO 50001 - Energy Management System

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

Fleet Replacement Programme

During 2016, Bus Átha Cliath took delivery of 110 new double deck buses with Volvo B5TL chassis and Wrightbus (Ballymena) bodywork. These vehicles will contribute to a significant improvement in NOx and particulate emissions. The body work on the vehicles is significantly lighter and more fuel efficient than previous models which will also improve CO₂ emissions. In addition, the new buses are equipped with a number of features which will enhance the customer experience and improve satisfaction. These include a separate wheelchair and buggy space, next stop passenger information (audio and visual) and Wi-Fi capability. The vehicles are also fitted with centre doors for customer exit which will enhance boarding and reduce dwell times at stops. All replacement vehicles were funded by the NTA. The Fleet Refurbishment Programme progressed steadily during 2016 on VT and EV type buses.

Corporate Social Responsibility (CSR)

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

1. The Bus Átha Cliath Community Spirit Awards
2. The Bus Átha Cliath Children's Art Competition

Eighty-five charities and voluntary groups from the Greater Dublin Area (GDA) were awarded grants of €1,000, €2,000 or €5,000 with over 1,800 charities and local organisations benefiting from the grants since the inception of the awards. Winners of the top awards this year were: Edenmore Drug Intervention Team Youth Outreach Project, Family Carers Ireland, Southside Travellers Action Group, St Brendan's Hospital Mental Health Association and Fold Ireland Housing Association.

The second element of the Community Spirit Initiative is the annual Children's Art Competition and Calendar. Bus Átha Cliath employs dedicated School and Community Co-ordinators who build and maintain relationships with young people in national and secondary schools across Dublin. Each year the co-ordinators select a number of national schools across the company's route network to participate in the competition and invite the children to submit a bus themed picture or poem. This year, over 2,000 children from 24 schools entered the competition. A selection of the winning entries were chosen to be displayed in this year's calendar. The competition promotes the value

of public transport in local communities to younger passengers and creates awareness of the negative impact of anti-social behaviour on buses for the local community itself. The winning entries were published in the Children's Art Calendar 2017, which was then distributed among the participating schools, Bus Átha Cliath employees and elected representatives in the GDA. Along with incorporating the winning entries into a calendar for distribution. Bus Átha Cliath staged an exhibition of some of the winning entries in Wood Quay Venue on 8 December 2016, to launch the 2017 calendar.

Business in the Community Ireland

Bus Átha Cliath is a member of Business in the Community (Ireland) (BITCI), a group of companies committed to continually improving their positive impact on society. BITCI is Ireland's only membership network dedicated to responsible and sustainable business.

Bus Átha Cliath is working with BITCI to design a new CSR vision and strategy for the business which will enhance our commitment to being a responsible organisation with an active role in the sustainability of the environment and community life. They have carried out an assessment of our practises and benchmarked them under their "Business Working Responsibly" mark which is Ireland's only certified standard for CSR audited by the National Standards Authority of Ireland. They will also guide us on implementing best practise in CSR.

Senior Management Team

The senior management team is based at 59 Upper O’Connell Street, Dublin 1 under the leadership and direction of Chief Executive Ray Coyne.

Our experienced senior management team covers roles across all the key functions of our business in areas such as operations, finance, human resources and engineering.



Chief Executive Officer

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 spent time as the Human Resources’ Services Manager.

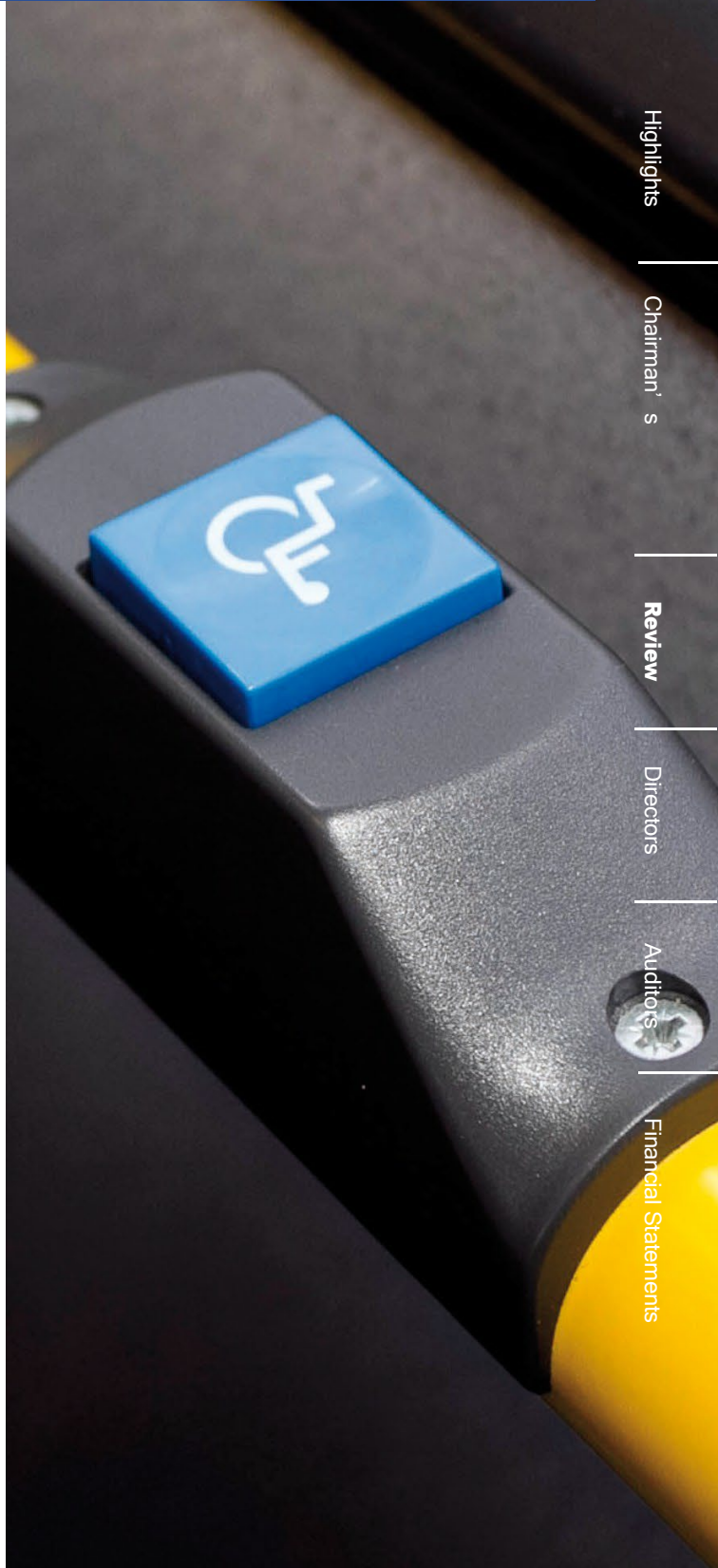
Throughout his career, Ray has developed a deep understanding of the public transport sector from the viewpoint of all stakeholders. As Project Manager for Network Direct, the largest revision of a public transport network in Europe, he was responsible for the strategic redesign and implementation of 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 (MBA) from University College Dublin (UCD) and an honours degree in Management and Information Systems from Dublin Business School.



Head of Operations

Dónal Keating was appointed Head of Operations in 2011. He graduated from University College Cork with an Engineering Degree, and began his career in Bus Átha Cliath in 1980 in the Service Planning Department. He has since held several senior management

positions throughout his career in the company. Dónal holds an MSc in Transportation, an MBA and a Certificate of Professional Competence in Road Transport Operations Management. He is a chartered member of both the Chartered Institute of Logistics and Transport (CILT) Ireland and the Institute of Engineers Ireland (IEI), and is a member of the current council of CILT.





Chief Financial Officer and Company Secretary

Andrea Keane is Chief Financial Officer and Company Secretary of Bus Átha Cliath, recently joining the company in September 2016. Andrea previously worked

as Chief Financial Officer and Company Secretary for Bus Éireann, a role that she held since 2006. Andrea has responsibility 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 an associate member of the Chartered Institute of Management Accountants. Andrea worked in Iarnród Éireann as Manager Management Accounts between 1997 and 2006, and has also worked in the private sector in a number of Financial and Management Accounting roles.



Head of Human Resources and Development

Phil Donohue was appointed Head of Human Resources and Development in 2010. Prior to this 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.



Chief Engineer

Shane Doyle was appointed Chief Engineer when Bus Átha Cliath was established in February 1987 and has held the post since that date. His role includes responsibility for the technical, safety, purchase,

maintenance and performance of the fleet. He is also responsible for procurement, health and safety across the entire company. Previously, he was Maintenance Engineer for Dublin City Services (DCS) from 1982 to 1987 when DCS was the division of CIÉ which operated the bus network in Dublin. Prior to that, he was Maintenance Manager for CIÉ in Cork from 1980 to 1982 with responsibility for maintenance of buses and road freight vehicles operating in the South West region and before that held the post of Maintenance Engineer for CIÉ in Galway with responsibility for vehicle maintenance in the Western region in 1979/1980. He holds a Bachelor of Mechanical Engineering degree from UCD, an MSc in Management from TCD and a Diploma in Accounting and Finance from the Association of Chartered and Certified Accountants (ACCA.).

Directors and Other Information

Board of Directors at 29 June 2017

Mr U. Courtney (Chairman)

Prof. P. Barker

Ms G. Joyce

Ms S. Madden

Mr T. O'Connor

Mr J. Quinn

Prof. K. Rafter

Chief Executive

Mr R. Coyne

Secretary and Registered Office

Ms A. Keane

59 Upper O'Connell Street

Dublin 1

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Bus Átha Cliath
59 Upper O'Connell Street
Dublin 1

Telephone: +353 1 872 0000

Website: www.dublinbus.ie

Registered No: 119569

Independent Auditors

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

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The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014, the Transport Act 1950 and the Transport (Re-organisation of Córas Iompar Éireann) Act 1986 for the year ended 31 December 2016.

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 and 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 is 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 fifteen 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 Córas Iompair Éireann convene an extraordinary general meeting of the company.

Going Concern

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

Principal Activities and Financial Review

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

Córas Iompair Éireann (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 revenues increased by 3.6% to €236.2 million in 2016 from €228.1 million in the previous year. Passenger demand in 2016 showed sustained growth through the year. Bus Átha Cliath carried 128.2 million customers, representing an increase of 4.7% on 2015 (122.4 million).

The Surplus after tax for the year ended 31 December 2016 was €2.6m which compares with a surplus of €10.2m in 2015, a reduction of €7.6m on 2015. The financial results have been impacted by an industrial dispute in September which lasted six days. The company also reached agreement with staff, following discussions at the Workplace Relations Commission, to increase pay rates by 3.75% from 1 January 2016. The cost of this increase is reflected in the 2016 annual accounts. Commercial services faced a number of challenges, including the impact of the industrial dispute, in 2016, resulting in a deficit being incurred for the year. PSO services continued to record strong passenger growth and funding levels facilitated the expansion and enhancement of PSO services in the year.

The company's net assets have strengthened to €42.5m in 2016, an increase of 6.5% on the prior year. Bus Átha Cliath's liquidity is in a positive position with a current asset to current liability ratio of 2.4.

The Directors review the periodic management accounts, financial accounts, financial and non-financial KPI's at the scheduled Bus Átha Cliath Board meetings.

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

Dividends

There were no dividends paid or declared in 2016 or 2015.

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. Bus Átha Cliath implemented a new Risk Management Framework during 2016 and a Risk Management Information System which allows for the real time reporting of risks which are evaluated and reviewed on a monthly basis by management and a quarterly basis by the Board.

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. An objectives driven risk prioritisation system was in place throughout the year which focuses the Board on the identified risks.

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

Capital Investment

During 2016, investment in the fleet continued and 110 new buses were delivered into service 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. Investment in improving services continued with the assistance of National Transport Authority funding including an investment of €42.5 million for the new buses over the past two years.

The Board

The company is controlled through its board of directors. The board met on ten occasions during 2016 (ten in 2015) 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 2016 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

Ms K. Barrington (retired 8 September 2016)

Ms G. Joyce

Ms S. Madden

Mr B. McCamley (retired 11 February 2017)

Mr T. O'Connor

Mr J. Quinn

Prof. K. Rafter

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 and Risk Committee

At 29 June 2017, the Audit, Finance and Risk Committee (AFRC) comprises the following non-executive members of the Board: Prof. Patricia Barker, Gary Joyce, Prof. Kevin Rafter and Joe Quinn.

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

During the year ended 31 December 2016, the committee monitored the budgetary process, kept under review the effectiveness of the company's internal controls and risk management systems. In particular, they:

- participated, via the Chairman of the Bus Átha Cliath AFRC, in the CIÉ Group selection process for the appointment of Auditors to the CIÉ Group and Bus Átha Cliath,
- engaged with the external auditor to ask such questions as to satisfy ourselves as to their independence,
- engaged with the CFO and the external auditor to assure ourselves as to the accounting judgements applied to the financial statements,
- received regular reports on the development of the Integrated Ticketing System (ITS) and engaged with the CFO on the measures being taken to protect the integrity of this revenue stream. In particular, reviewed the ISAE 3402 reports prepared by the NTA's 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 the audit,
- communicated clearly to the newly appointed External Auditors that they may request a meeting of AFRC at any time if they consider that one is necessary to discuss a specific item or items,
- engaged with the internal auditor to assess our reliance on his team's work output and conclusions,
- met with the Procurement Officer to satisfy ourselves as to the rigour of the policies and procedures for procurement and contract management,
- conducted regular reviews of the 2016 Operating Results and satisfied ourselves with regard to the reasonableness of the 2017 Budget and Business Plan 2016-2021,
- received regular reports on the development of the Integrated Ticketing System (ITS) and engaged with the CFO on the measures being taken to protect the integrity of this revenue stream,
- monitored implementation of recommendations arising from Internal Audit Reports,

- engaged with the CFO, at least twice yearly, to receive a statement of his/her assurance that no matters relating to fraud have come to his/her attention which have not, in the ordinary course of reporting to the AFRC, been drawn to the committee's attention,
- monitored the implementation and roll out of a new Risk Management System,
- 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 introduction of the new requirement of The Companies Act, 2014 and in particular to the establishment of the Directors Compliance Assurance Process,
- monitored the application of the company's Good Faith Reporting policy where complaints were received,
- conducted an internal review of our performance during the year under review,
- engaged with the CFO and the external auditor to assure ourselves as to the accounting judgements applied to the financial statements.

The Terms of Reference of the AFRC have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Chairman of the committee met with the Chairman of the company to discuss matters arising from the conduct of the AFRC's business. The Committee met seven times in 2016 (seven in 2015).

The External Auditors, Deloitte, were appointed during the year ended 31 December 2016 for a three year period following a procurement and tender process. There were no contractual obligations that acted to restrict the Audit, Finance and Risk Committee in making this recommendation.

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

Board Safety Committee

At 29 June 2017, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the Board: Ms. Siobhán Madden (Chairman), and Mr. Joe Quinn and Mr Thomas O'Connor. Mr McCamley and Ms Barrington have retired from the Board as at this time. Mr. Thomas O'Connor was appointed to the committee on 8 February 2017.

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

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

The Terms of Reference of the Board Safety Committee are as follows:

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

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

The Committee met on a total of five occasions during 2016 (2015 – four times) in accordance with the planned schedule for BSC meetings. Some of the key items reviewed during the year included the following:

- Development and production of a new cyclist safety video which has now been incorporated into the driver refresher training programme, as well as being promoted publicly through social media and visits to third level colleges.
- Implementation of various safety policies, to include the implementation of an updated policy on the use of mobile phones and portable electronic devices whilst driving.
- Performance of new drivers introduced since April 2014.
- The review of recommendations and actions arising from Vehicle Safety incidents
- The adoption of key safety initiatives for 2017, to include the following;
 - A focused campaign on improving customer safety awareness
 - A review of employee lost-time accidents and the mechanisms for seeking reductions.

Board Remuneration and Succession Committee

At 29 June 2017, the Remuneration and Succession Committee comprises the following non-executive members of the Board; Prof. Kevin Rafter (Chairman), Ultan Courtney, Prof. Patricia Barker and Gary Joyce.

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

- To ensure implementation of government policy in relation to the remuneration of the Chief Executive and managers who report directly to him/her, and to ensure that the arrangements put in place by the Department of Finance/Department of Public Expenditure and Reform and the Department of Transport, Tourism and Sport for determining and approving the remuneration of the Chief Executive, are implemented and adhered to.
- To ensure that any Government guidelines and Bus Átha Cliath/CIE Group Policies regarding the remuneration of senior managers are adhered to.

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

The Remuneration and 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 2016 (2015 – two meetings). In addition to this formal

work programme, a member of the committee assisted in the recruitment process for a new Chief Financial Officer and Company Secretary which concluded in June 2016.

Board Strategy Review Group

At 29 June 2017, the Strategy Review Group (SRG) comprises the following non-executive members of the Board; Ultan Courtney (Chairman), Prof. Patricia Barker, Gary Joyce, Siobhán Madden, Joe Quinn and Prof. Kevin Rafter.

The mandate from the Board for the SRG is;

- To review the main strategic assumptions which guide the company's five year rolling business plan and make recommendations to management.
- To review the updated plan prior to it being submitted to the Bus Átha Cliath Board for approval.

- To review the key assumptions which inform the preparation of the annual budget in the context of the approved business plan.
- To consider any event which would have a major effect on the prospects of achieving the annual budget or business plan targets.

During the year ended 31 December 2016, the SRG undertook; an overview of the Public Transport market in the context of the Public Service Contract; reviewed the market opening bid strategy, assessed the implications of the resolution of the industrial relations dispute and monitored development of business plan key performance indicators.

The Terms of Reference of the SRG have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Committee met four times in 2016.

Attendance at Board and Committee Meetings

Listed below is board directors' attendance at Board and Committee meetings during 2016.

Director	Board	Safety	Audit Finance and Risk Committee	Remuneration and Succession Committee	Strategy Review Group
Ultan Courtney - Chairman	10/10			2/2	4/4
Prof. Patricia Barker	10/10		7/7	2/2	3/4
Kathleen Barrington	7/7	4/4			2/2
Gary Joyce	8/10		5/7	2/2	4/4
Siobhán Madden	9/10	5/5			4/4
Bill McCamley	9/10	5/5			
Thomas O'Connor	9/10				
Joe Quinn	10/10	1/1	7/7		4/4
Prof. Kevin Rafter	9/10	4/4	6/7	2/2	4/4

Employee Development

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

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

In addition to CPC, a driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change. The training programme has been acknowledged by the Chartered Institute of Logistics and Transport and the Road Safety Authority for its innovative approach to driver skills training.

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

All employees are attending local communications workshops over a two year period to establish a stronger communications network between employees and management. The purpose of the workshops is to engage with employees, update them on all the challenges facing Bus Átha Cliath and allow for dialogue to take place between both sides with the ultimate goal of creating greater awareness and support of the Bus Átha Cliath future business strategy.

A programme of managerial development continued in 2016 with a number of managers and administrative employees undertaking third level studies. We provide a management coaching and development programme and an executive mentoring programme for newly appointed executives and managers to support them in their roles. Other role specific training continued for engineering, supervisory and administrative employees.

Health and Safety

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

Equality and Diversity

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

The company has an Equality, Diversity and Non-Discrimination 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.

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

During 2016, Bus Átha Cliath again worked in partnership with the Immigrant Council of Ireland, National Transport Authority and other public transport providers on the national Stop Racism campaign.

Bus Átha Cliath again took part in the annual GLEN Workplace Equality Index. The index is Ireland's benchmark for lesbian, gay, bisexual and transgender workplace equality and Bus Átha Cliath's participation demonstrates the Company's commitment to developing an inclusive workplace.

In 2016, Bus Átha Cliath held a number of open days for women for the purpose of encouraging more women to apply for the position of bus driver. The open days

proved very successful and in December 2016 the first ever all female class of bus drivers graduated from the Company's Training Centre in Phibsboro.

Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the Code of Practice for the Governance of State Bodies are provided in the C oras Iompair  ireann Group Annual Report. The code provides minimum standards and the Board endeavours to ensure compliance with best practice in Corporate Governance in the conduct of its business. Bus  atha Cliath continues to adopt the 2009 version of the Code of Practice for the Governance of State Bodies and is currently working through the transition to the 2016 code. The changes arising from the implementation of the 2016 Code of Practice for the Governance of State Bodies will be fully reflected in the 2017 financial statements.

Payment Practices

Bus  atha 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

Agreement between management and employee representatives in relation to the ranking of the 2016 pay increase for pension was achieved in February 2017. The 2016 pay increase ranks for pension in line with basic payments to staff.

Auditors

Following a procurement process, Deloitte, Chartered Accountants and Statutory Audit Firm were selected as new external auditors for the CI  Group in 2016. The Chairman of the Audit, Finance and Risk Committee and the Bus  atha Cliath Chief Financial Officer were involved in the tender evaluation process. The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

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.

Directors' Responsibilities 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.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Prof. P. Barker
Director

Date: 29 June 2017

Board of Directors



Ultan Courtney: Chairman

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

Highlights

Chairman's



Patricia Barker

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

Review

Directors



Kathleen Barrington

Kathleen Barrington was appointed to the Board in September 2013. Kathleen is a communications consultant with a special interest in reputation management, public affairs, media relations and plain English. Kathleen was previously a government media adviser and an award-winning financial journalist with a special interest in consumer and investor issues. Kathleen was a member of the Consultative Consumer Panel of the Financial Regulator from 2007-2010. Kathleen retired from the Board on 8 September 2016.

Auditors

Financial Statements



Gary Joyce

Gary Joyce was appointed to the board in 2012 and reappointed for a further three year term in July 2015. She is Managing Partner of Genesis, a consulting firm that specialises in customer and market strategy. She has extensive non-executive director experience in the public, private and not-for-profit sectors and is currently Deputy Chair of the Child and Family Agency and is on the board of Sam McCauley Chemists and Galway International Arts Festival. She is a Fellow of the Institute of Management Consultants & Advisers and of the Marketing Institute of Ireland.



Siobhán Madden

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



Bill McCamley

Bill McCamley was first appointed to the Board in December 1997 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Bill joined Bus Átha Cliath in 1974 and worked in Phibsboro garage as a bus driver. He has held a variety of positions in his trade union, SIPTU, including membership of the Regional, Divisional and Branch committees. Bill is presently a member of the Transport Sector and Dublin District committees. He has represented his trade union at a number of European transportation conferences and was a member of the Department of Justice Working Party on Bus Violence (1996). Bill has written extensively on transportation and trade union issues, including a book on the history of Dublin's tram-workers. Bill retired from the Board on 11 February 2017.



Joe Quinn

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



Thomas O'Connor

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



Kevin Rafter

Prof. Kevin Rafter was appointed to the board in January 2013 and was reappointed for a further three-year term in January 2016. As an academic he has published numerous books and academic research articles on topics related to media and politics with a specific emphasis on Ireland. He is Chairperson of the Compliance Committee of the Broadcasting Authority of Ireland, a member of the Solicitors Disciplinary Tribunal and a non-executive director at Oxfam Ireland. He has a BA (Mod) and MLitt in economics and a MA and PhD in political science, and completed a Diploma in Corporate Law & Governance in 2016.

Independent Auditors' Report

to the Members of Bus Átha Cliath

We have audited the financial statements of Bus Átha Cliath for the financial year ended 31 December 2016 which comprise the Profit and Loss Account, Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 27. 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 ("relevant financial reporting framework").

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial

information in the Annual Report 2016 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2016 and of the profit 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.

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 we are required 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 (2009) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal financial 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 13.1 (iii) of the 2009 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
Chartered Accountants and Statutory Audit Firm
Dublin

30 June 2017

Profit and Loss Account

For the Financial Year Ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Operating revenue		236,195	228,084
Public Service Obligation payment		59,558	57,700
Revenue grants		140	442
Total revenue	4	295,893	286,226
Costs			
Payroll and related costs	5	(183,359)	(172,573)
Materials and services	6	(98,294)	(93,321)
Total operating costs		(281,653)	(265,894)
EBITDA before exceptional costs		14,240	20,332
Exceptional operating costs	7	(1,739)	(326)
Depreciation and amortisation (net)	8	(10,738)	(10,348)
Gain on disposal of tangible assets		741	687
Surplus before interest and tax		2,504	10,345
Interest receivable and similar charges	9a	346	–
Interest payable and similar charges	9b	(228)	(168)
Surplus for the year		2,622	10,177
Tax on surplus	10	–	–
Surplus for the year after tax		2,622	10,177

Statement of Total Comprehensive Income

For the Financial Year Ended 31 December 2016

	2016 €'000	2015 €'000
Surplus for the year	2,622	10,177
Other comprehensive income for the year	–	–
Total comprehensive income for the year	2,622	10,177

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Balance Sheet

As at 31 December 2016

	Notes	2016 €'000	2015 €'000
Fixed assets			
Intangible assets	11	2,170	3,417
Tangible assets	12	177,649	155,508
		179,819	158,925
Current assets			
Stocks	13	4,071	3,821
Debtors	14	143,805	161,672
Cash at bank and in hand		815	550
		148,691	166,043
Creditors (amounts falling due within one year)	15	(61,878)	(56,567)
Net current assets		86,813	109,476
Total assets less current liabilities		266,632	268,401
Provision for liabilities	16	(96,586)	(91,083)
Deferred income	17	(127,517)	(137,411)
Net Assets		42,529	39,907
Capital and Reserves			
Called up share capital	18	69,836	69,836
Profit and loss account		(27,307)	(29,929)
Equity		42,529	39,907

On behalf of the board

Mr U. Courtney

Chairman

Prof. P. Barker

Director

Date: 29 June 2017

Statement of Changes in Equity

For the Financial Year Ended 31 December 2016

	Called Up Share Capital €'000	Profit and Loss Account €'000	Total €'000
Balance at 1 January 2015	69,836	(40,106)	29,730
Surplus for the year	–	10,177	10,177
Other comprehensive income for the year	–	–	–
Balance at 31 December 2015	69,836	(29,929)	39,907
Balance at 1 January 2016	69,836	(29,929)	39,907
Surplus for the year	–	2,622	2,622
Other comprehensive income for the year	–	–	–
Balance at 31 December 2016	69,836	(27,307)	42,529

Highlights

Chairman's

Cashflow Statement

For the Financial Year Ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Net cash generated from operating activities	19	19,593	24,577
Cash flow from investing activities			
Purchase of intangible fixed assets		(1,266)	(89)
Purchase of tangible fixed assets		(21,453)	(47,464)
Proceeds from disposal of tangible fixed assets		755	715
Capital grants received	17	15,015	38,580
Increase in balance with parent company		(12,497)	(15,752)
Interest received/(paid)	9	118	(168)
Net cash used in investing activities		(19,328)	(24,178)
Cash flow from financing activities		–	–
Net cash used in financing activities		–	–
Net increase in cash and cash equivalents		265	399
Cash and cash equivalents at beginning of year		550	151
Cash and cash equivalents at end of year		815	550

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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 subsidiary, is Ireland’s national statutory authority providing land public transport within Ireland. CIÉ is wholly owned by the Government of Ireland and reports to the Minister for Transport, Tourism and Sport.

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

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

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

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

FRS 102 allows a qualifying entity certain disclosure exemptions. Bus Átha Cliath has not taken advantage of any available exemption for qualifying entities for the year ended 31 December 2016.

(b) Going concern

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

(c) Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

(d) Turnover

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

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

On Bus Cash

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

Integrated Ticketing System (ITS) e-purse revenue

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

Taxsaver

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

Bus Shelter Advertising Revenue

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

Department of Social Protection (DSP) revenue

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

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

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

Grants for capital expenditure

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

Public Service Obligation (PSO) payments

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

Revenue Grants

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

(f) **Material and service costs**

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

(g) **Interest receivable/interest payable**

Interest income or expenses 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. 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 are between 3 and 12 years.

Bus stops and shelters

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

Plant and machinery

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

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

(ii) Subsequent additions

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

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

Repairs and maintenance costs are expensed as incurred.

(iii) Derecognition

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

(m) Impairment of non-financial assets

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

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

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

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

(n) Leased assets

Operating leases do not transfer substantially 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 profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

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

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

(i) Post-employment benefits

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

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

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

All of the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan. The scheme rules do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit costs for the schemes, as a whole, are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath recognise a cost equal to their contribution for the period. Further details of these schemes are set out in note 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 notes 18 of the financial statements.

(u) Critical accounting estimates and assumptions

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

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

(i) Useful economic lives of intangible and tangible assets

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

(ii) Defined benefit pension scheme

The CIÉ group, of which the company is a member has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a 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.

2. Going concern

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

The Group has provided a letter of financial support to the Company which confirms that the Group 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 signing the financial statements. In the event of default by any CIÉ subsidiary undertaking who owe amounts to the Company, the Parent will compensate for losses incurred”.

Background

Company

At 31 December 2016 the Company had net assets of €43 million (2015: €40 million) and net current assets of €87 million (2015: €109 million).

Net current assets include non-cash liabilities of €36 million (2015: €33 million) relating to deferred income in respect of capital grants and revenue. Therefore, excluding these non-cash items the Company has net current assets of €123 million (2015: €142 million).

Net assets of the Company include non-cash liabilities of €163 million (2015: €170 million) relating deferred income in respect of capital grants and revenue. Therefore, excluding these items the Company has net assets of €207 million (2015: €210 million).

Group

At 31 December 2016 the Group had net liabilities of €585 million (2015: €206 million) and net current liabilities of €233 million (2015: €275 million).

The net current liabilities include non-cash items of €289 million (2015: €274 million) relating to deferred income in

respect of capital grants, deferred revenue and amounts repayable to funding agencies in respect of a VAT settlement. Therefore, excluding these non-cash items the Group has net current assets of €56 million (2015: net current liabilities €1 million).

The net liabilities of the Group include liabilities in respect of defined benefit pension obligations of €730 million (2015: €288 million) and other non-cash items of €2,621 million (2015: €2,728 million) relating to deferred income in respect of capital grants, deferred revenue and amounts repayable to funding agencies in respect of a VAT settlement. Therefore, excluding these items the Group has net current assets of €2,766 million (2015: €2,810 million).

Nature of Uncertainties Facing Group

While trading performance continued to improve during 2016 the Group continues to face a challenging business environment which gives rise to uncertainties.

While management are confident that overall financial levels including those required for the Group to meet its financial covenants will continue to be met in the forthcoming year, the Group's future performance is subject to a number of challenging targets and assumptions which require constant monitoring and oversight by management.

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

Revenue

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

This uncertainty is mitigated by the fare increases agreed for the current year being in line with plan and by the ongoing monitoring and review of revenue performance relative to plan.

Operating Costs

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

During 2016 Bus Éireann, a subsidiary undertaking identified a range of initiatives which, when implemented during 2017 in consultation with staff, are forecast to achieve improvements, efficiencies and reductions in costs which will be sufficient to return Bus Éireann to a financially sustainable position. While there are uncertainties associated with the timing of the achievement of these measures, Bus Éireann has the capacity to fund the costs of transition and the transition period during which these initiatives are being implemented. In addition, during 2016 Bus Átha Cliath, a subsidiary undertaking incurred cost increases in respect of a pay agreement reached with staff.

These uncertainties are mitigated by monitoring and review of cost performance relative to plan. In respect of Bus Éireann, the range of initiatives to be implemented have now been agreed with staff.

Investment Costs

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

The Group's plans for 2017 are subject to additional capital expenditure funding support from the Department of Transport, Tourism and Sport ("DTTaS") and the NTA, and also envisage funding investment from operating cash flows.

The Group's sustainability in the longer term is dependent on an appropriate level of government funding being in place to fund the public transport services that are required under the Group's Public Service Obligation contracts.

The Group's sustainability is particularly sensitive to uncertainty associated with funding future investment. During 2016 Iarnród Éireann and the NTA refreshed their review and evaluation of possible solutions to Iarnród Éireann's financial requirements. The additional Government funding provision which was approved in December 2016, combined with the commitments received in respect of 2017 funding, provides the cash flow capacity to fund the planned investment requirements – both capital and maintenance – of Iarnród Éireann in 2017.

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

As mitigation, the Group manages the authorisation of material investments and seeks confirmation of appropriate funding being in place from the DTTaS/NTA prior to the commencement of those investments. In respect of the Group's Public Service Obligation contracts, the contracts with Dublin Bus and Bus Éireann were signed in December 2014 and are for a period of five years, to 2019. In the case of Iarnród Éireann, the current contract was signed in December 2009 and is for a period of 10 years, to 2019.

Liquidity

In July 2013 the Group successfully completed negotiations with the Group's banks in relation to re-financing and increasing the banking facilities available to the Group. Committed facilities of €160 million were secured up to July 2018, of which €39 million has subsequently been repaid and is not available to be redrawn under the Group's term loan facility. At 31 December 2016 the Group had drawn down €41 million under the term loan facilities. The undrawn amount available to the Group under the Group's revolving credit facilities was €80 million.

These facilities contain a number of financial covenants, all of which have been met by the Group in 2016. Management expect that the Group will continue to meet the covenants set out in the facility agreement for the period of at least 12 months from the date of approval of these financial statements. The Group has commenced the process of renewing its banking facilities during the current year.

The Group continuously monitors the actual and forecast use of its banking facilities and adherence to the financial covenants within its facilities.

Pensions

The Group's pension schemes are in deficit, the liability position of the pension schemes increased significantly in the year. The increase in liability arose mainly as a result of the low interest rate environment prevailing in Ireland and internationally. Financial markets remain volatile, the Schemes continue to be exposed to significant movements in the underlying interest rates under which liabilities are measured and the valuation of assets held by the schemes. The ongoing volatility in the valuation of the schemes require careful monitoring and the identification of measures which can be implemented, on an agreed basis, to reduce the risk in relation to the schemes.

The Group considers that the appropriate long-term mitigation for this risk is to de-risk the schemes in consultation with staff, CIÉ is engaging with its staff to identify and agree on measures which are designed to de-risk the schemes. The Group manages its budgets to ensure that, in the short-term, the cash implications of its pension obligations are accounted for appropriately.

Managements Actions

In addition to the mitigations outlined above the Group and CIÉ management have taken and are continuing to take a number of actions, including:

- Continuous review of risks and opportunities affecting the Group's business plan.
- Discussions with the NTA and the DTTaS on the appropriate funding structure/net financial effect for Bus Átha Cliath, Bus Éireann and Iarnród Éireann.
- Continued implementation and rigorous monitoring of cost saving initiatives.
- Close monitoring by management of the daily, weekly and monthly cash position across the Group.
- Implementation of revenue protection initiatives and seeking new revenue generating activities.

Letter of Support

The ongoing support of the DTTaS has been evidenced in the letter of support dated 29 June 2017.

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

Conclusion

Having made due enquiries, and considering the uncertainties and mitigations described above for the Company and the Group, the Board of Directors have a reasonable expectation that the cash flow generating from the Company and Group's trading activities and its existing banking facilities will be sufficient to fund the ongoing cash flow needs of the Company and the Group, and to meet the Group's financial covenants under the Group's banking facilities agreements for the period of at least 12 months from the date of approval of these financial statements.

They also have a reasonable expectation that the Government will support measures to ensure financial stability.

Taking account of all of the above, the Board of Directors have concluded that the risks described above do not represent a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Board of Directors, having regard to the 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 (deficit)/surplus by activity

	Social Activities		Commercial Activities	
	2016	2015	2016	2015
	€000	€000	€000	€000
Revenue	220,572	213,460	15,763	15,066
Costs	(276,922)	(265,608)	(16,349)	(10,441)
Operating (deficit)/surplus	(56,350)	(52,148)	(586)	4,625
Public service obligation payment	59,558	57,700	–	–
Additional government funding	–	–	–	–
Net (deficit)/surplus	3,208	5,552	(586)	4,625

Bus Átha Cliath received a total of €74.7m (2015: €96.5m) in subvention from the National Transport Authority, €15m (2015: €38.6m) was recognised as deferred income in the Balance Sheet and will be amortised over the useful economic life of the related assets.

4. Revenue

(a) Total revenue

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

(b) Public service obligation

The Public Service Obligation payment payable to Bus Átha Cliath - through its holding company, Córas Iompair Éireann, amounted to €59,558,000 for the year ended 31 December 2016 (2015 - €57,700,000).

5. Payroll and related costs

	2016	2015
	€'000	€'000
Staff costs comprise:		
Wages and salaries	155,218	145,592
Social insurance costs	15,375	14,365
Other retirement benefit costs	12,555	12,426
Total staff costs (excluding directors remuneration)	183,148	172,383
Directors' remuneration		
Emoluments		
- for services as directors	92	80
- for other services	117	106
	209	186
Contributions paid to defined benefit scheme	2	4
Total directors' remuneration and emoluments	211	190
Total payroll and related costs	183,359	172,573

Capitalised employee costs during the year amounted to €Nil (2015: €Nil).

Retirement benefits are accruing to two directors during the year (2015: two directors) under a defined benefit pension scheme.

No costs were incurred in respect of loss of office for any directors during 2016 or 2015 or after the balance sheet date.

	Numbers	Numbers
	2016	2015
The average number of employees during the year were:		
Wages grade	2,993	2,901
Executive/clerical	384	374
Temporary/contract	54	38
Total	3,431	3,313

Key management compensation

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

	2016	2015
	€'000	€'000
Chief Executive Officers		
Basic salary	167	177
Social insurance costs	4	4
Taxable allowance and BIK	–	8
Post-retirement benefit costs	41	41
Total	212	230

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

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

	2016	2015
	€'000	€'000
Key Management Compensation		
Salary	1,112	1,119
Social insurance costs	39	37
Taxable allowance and BIK	–	8
Post-retirement benefit costs	250	213
Total	1,401	1,377

The directors of the company were paid directors fees for services as directors during 2016 as follows:

Mr U. Courtney €21,600

Prof. P. Barker €12,600

Ms K. Barrington €9,740

Ms G. Joyce €12,600

Ms S. Madden €12,600

Mr J. Quinn €12,600

Prof. K. Rafter €12,600

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

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

The expenses paid for directors in 2016 and 2015 amounted to nil.

6. Materials and service costs

	2016	2015
	€'000	€'000
Fuel and lubricants	33,016	32,442
Materials	17,889	17,947
Road tax and licences	725	687
Rent and rates	861	765
Foreign exchange losses	27	83
(Credit)/charge for movement in provision for impairment of stocks	41	(89)
(Credit)/charge for movement in provision for impairment of debtors	(42)	(25)
Operating lease rentals	450	508
Third party and employer's liability claims	8,579	10,041
Other services	36,748	30,962
	98,294	93,321

7. Exceptional operating costs

	2016	2015
	€'000	€'000
Restructuring costs (Note 16)	1,739	326

8. Depreciation and amortisation of tangible and intangible assets

	2016	2015
	€'000	€'000
Amortisation of intangible fixed assets (note 11)	2,513	1,524
Depreciation of tangible fixed assets (note 12)	30,310	28,842
Amortisation of EU/Exchequer capital grants (note 17)	(22,085)	(20,018)
	10,738	10,348

9. Interest (payable)/receivable

	2016	2015
	€'000	€'000
(a) Interest receivable and similar charges		
On balances with holding Company	346	–
(b) Interest payable and similar charges		
On balances with holding Company	(225)	(166)
Other interest payments	(3)	(2)
	(228)	(168)

10. Taxation

	2016	2015
	€'000	€'000
Tax expense included in profit or loss		
Current tax:		
Irish corporation tax on surplus for the financial year	–	–
Adjustments in respect of prior financial years	–	–
Current tax expense for the financial year	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Deferred tax expense for the financial year	–	–
Tax on profit on ordinary activities	–	–

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 2016 of 12.5% (2015: 12.5%) to the surplus for the year. The differences are explained below:

	2016	2015
	€'000	€'000
Surplus on ordinary activities before tax	2,622	10,177
Surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2015: 12.5%)	328	1,272
Effects of:		
Depreciation in excess of capital allowances for year	3,523	3,097
Non-taxable income	(10,205)	(9,715)
Unrelieved tax losses carried forward	5,843	5,005
Income charged to tax at higher rate	534	501
Other timing differences	(23)	(160)
Current tax charge for the year	-	-

A potential deferred tax asset of €185.1m (2015: €180.9m) has not been recognised, as the future recovery against taxable profits is uncertain.

11. Intangible fixed assets

	Software	Total
	€'000	€'000
Cost		
At 1 January 2016	10,842	10,842
Additions	1,266	1,266
Disposals	(440)	(440)
At 31 December 2016	11,668	11,668
Amortisation		
At 1 January 2016	(7,425)	(7,425)
Charge for the year	(2,513)	(2,513)
Disposals	440	440
At 31 December 2016	(9,498)	(9,498)
Net book amounts		
At 31 December, 2016	2,170	2,170
At 31 December, 2015	3,417	3,417

	Software €'000	Total €'000
In respect of the prior year		
Cost		
At 1 January 2015	10,859	10,859
Additions	89	89
Disposals	(106)	(106)
At 31 December 2015	10,842	10,842
Amortisation		
At 1 January, 2015	(6,007)	(6,007)
Charge for the year	(1,524)	(1,524)
Disposals	106	106
At 31 December 2015	(7,425)	(7,425)
Net book amounts		
At 31 December 2015	3,417	3,417
At 31 December 2014	4,852	4,852

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

Software – 3-5 years

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12. Tangible fixed assets

	Road Passenger Vehicles €'000	Bus Stops and Shelters €'000	Plant and Machinery €'000	Total €'000
Cost				
At 1 January 2016	333,789	29,122	47,642	410,553
Additions	47,127	4,141	1,213	52,481
Disposals	(19,981)	(275)	(1,682)	(21,938)
At 31 December 2016	360,935	32,988	47,173	441,096
Depreciation				
At 1 January 2016	(203,034)	(14,372)	(37,639)	(255,045)
Charge for the year	(26,191)	(1,997)	(2,122)	(30,310)
Disposals	19,960	275	1,673	21,908
At 31 December 2016	(209,265)	(16,094)	(38,088)	(263,447)
Net book amounts				
At 31 December 2016	151,670	16,894	9,085	177,649
At 31 December 2015	130,755	14,750	10,003	155,508
In respect of the prior year				
Cost				
At 1 January 2015	315,561	28,700	46,390	390,651
Additions	39,308	422	3,401	43,131
Disposals	(21,080)	–	(2,149)	(23,229)
At 31 December 2015	333,789	29,122	47,642	410,553
Depreciation				
At 1 January 2015	200,641	12,395	36,301	249,337
Charge for the year	23,379	1,977	3,486	28,842
Disposals	(20,986)	–	(2,148)	(23,134)
At 31 December 2015	203,034	14,372	37,639	255,045
Net book amounts				
At 31 December 2015	130,755	14,750	10,003	155,508
At 31 December 2014	114,920	16,305	10,089	141,314

- (i) Road passenger vehicles at a cost of €26.1 million (2015: €56.8 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 (2015: 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 €30,000 were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets and a profit of €741,000 was obtained.

13. Stocks

	2016	2015
	€'000	€'000
Maintenance materials and spare parts	2,703	2,127
Fuel, lubricants and other sundry stocks	1,368	1,694
	4,071	3,821

The stock above is stated net of a stock obsolescence provision of €402,000 (2015: €360,000).

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

14. Debtors

	2016	2015
	€'000	€'000
Trade debtors	9,516	8,650
Amounts owed by holding company	133,328	120,831
Prepayments	347	31,841
Other debtors and accrued income	614	350
	143,805	161,672

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

There are no prepayments for advanced capital payments in 2016 (2015: €31 million).

The debtors above are stated net of provision for bad debts of €19,000 (2015: €69,000).

15. Creditors

	2016	2015
	€'000	€'000
Trade creditors	4,979	5,924
Income tax/levy deducted under PAYE	4,686	2,679
Pay related social insurance	2,773	1,934
Value added tax	122	165
Withholding tax	12	8
Other creditors	2,795	473
Deferred revenue	11,973	12,528
Deferred income	23,674	20,866
Accruals	10,864	11,990
	61,878	56,567
Creditors for taxation and social insurance included above	7,593	4,786

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

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

CIÉ Group is registered as a single entity for VAT purposes and makes a single VAT return in respect of all Group activities. During 2016, the Revenue Commissioners agreed a revised basis for calculating the VAT liability of the CIÉ Group. This agreement gave rise to a settlement of €53.9m which reflects the revised Revenue interpretations of the vatable activities of the Group on the basis of calculating its VAT liability from November 2002 onwards.

The VAT settlement has been accounted for through the financial statements of CIÉ rather than in the financial statements of the individual subsidiary companies. All Group Companies agree that there is currently no basis, given the passage of time, and the nature of the settlement, for determining the retrospective allocation of the VAT refund between CIÉ Group Companies. A detailed and resource intensive review would be required to establish an accurate allocation basis. A cost/benefit analysis of the process required was considered and it was determined that the cost would outweigh the benefit. It was therefore decided to reflect the refund in the financial statements of the CIÉ Group rather than the financial statements of the individual subsidiary companies. Further details in relation to this VAT repayment are included in the CIÉ Group Accounts for 2016.

16. Provisions for liabilities

	Environment matters €'000	Legal and related matters €'000	Restructuring €'000	Third party & employer liability claims €'000	Total €'000
As at 1 January 2015	2,500	1,200	1,666	82,260	87,626
Charge/(credit) to profit and loss account (net)	–	250	325	10,041	10,616
Utilised during year			(723)	(6,436)	(7,159)
As at 31 December 2015	2,500	1,450	1,268	85,865	91,083
As at 1 January 2016	2,500	1,450	1,268	85,865	91,083
Charge/(credit) to profit and loss account (net)	1,558	200	1,739	8,595	12,092
Utilised during year	–	(500)	(270)	(5,819)	(6,589)
As at 31 December 2016	4,058	1,150	2,737	88,641	96,586

Environmental matters

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

Legal and related matters

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

Restructuring provision

The restructuring provision relates to changed business processes and payments for staff who 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 2016.

Third party and employer liability claims

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

Third Party and Employer Liability Claims Provisions and Related Recoveries

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

CIE 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 grants which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated:

	2016	2015
	€'000	€'000
Capital Grants		
Balance at 1 January	158,277	139,781
Received and receivable	15,015	38,580
Amortisation of capital grants (note 8)	(22,085)	(20,018)
Asset Disposal	(16)	(66)
Balance carried forward at 31 December	151,191	158,277
Apportioned:		
Current liability	23,674	20,866
Amounts falling due after more than one year	127,517	137,411
	151,191	158,277

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

	2016	2015
	€'000	€'000
Capital grants		
Vehicles and plant	15,015	38,580
Asset additions prior year paid	-	-
Total paid	15,015	38,580
Revenue grants		
Revenue grants to profit and loss account	91	234
Total paid	91	234
Total payments	15,106	38,814

The capital grants are amortised over the useful lives of the assets. Revenue grants are brought to profit and loss in full in the relevant year received. The relevant agency and programme is the NTA and the Capital Funding Programme 2016. Grants are restricted to Public Service Obligation (PSO activities).

17(b) Total revenue grants including grants from NTA in 2016 were €140,000 (2015: €442,000).

18. Share capital

	2016	2015
	€'000	€'000
Authorised:		
100,000,000 Ordinary shares of €1.27 each	126,974	126,974
Allotted, called up and presented as equity:		
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

	2016	2015
	€'000	€'000
Reconciliation of operating cash flows		
Surplus before interest and taxation	2,504	10,345
Depreciation of tangible fixed assets	30,310	28,842
Amortisation of intangible fixed assets	2,513	1,524
Amortisation of capital grants	(22,085)	(20,018)
Profit on disposal of tangible fixed assets	(741)	(687)
(Increase)/decrease in stocks	(250)	220
(Increase)/decrease in debtors	(664)	637
Increase in creditors and provisions	8,006	3,714
Net cash generated from operating activities	19,593	24,577

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 Córas Iompair Éireann Group pension schemes. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method.

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

The valuations of the schemes under FRS 102 as at 31 December 2016 showed a deficit of €730 million, (2015: €288 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 2016 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The company's pension cost for the year under the defined benefit schemes was €12.6 million (2015: €12.4 million) and these costs are included in note 5. The company cost comprises of contributions payable for the year.

21. Capital commitments

	2016	2015
	€'000	€'000
Contracted for:	6,777	22,696

Capital commitments represent capital expenditure projects that have been approved by Board whereby work has commenced on these projects but are not fully completed at the end of the period. The capital commitments included capital projects funded by the NTA to the value of €835,000 (2015: €13.835 million).

22. Operating leases

	2016	2015
	€'000	€'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	105	44
Between one and five years	153	73
	258	117

23. Guarantees and contingent liabilities

The CIÉ Group has borrowings of €40.9 million (2015: €53.6 million) at the balance sheet date. These borrowings are cross guaranteed by Bus Átha Cliath and the other subsidiaries in the CIÉ Group

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

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

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, Bank of Ireland and National Transport Authority. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

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

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. 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

Agreement between management and employee representatives in relation to the ranking of the 2016 pay increase for pension was achieved in February 2017. The 2016 pay increase ranks for pension in line with basic payments to staff.

27. Approval of financial statements

The financial statements were authorised for issue by the board of directors on 29 June 2017.

