

Bus Átha Cliath Annual Report and Financial Statements 2020



Transporting Ireland to a Sustainable Future

Delivering for the city



73 countries: **21%** of our employees come from countries other than Ireland



We invested in our future with a €15.2 million investment in our new Broadstone Depot home to **100** buses and **300** team members



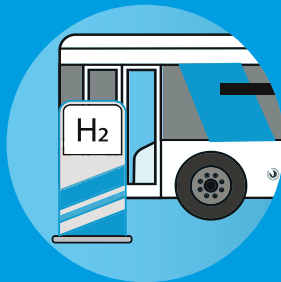
Signatories of Business in the Community Ireland's **Low Carbon Pledge**



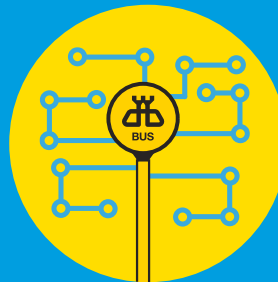
Introduced a **ban** on single - use plastics



74 more hybrid buses purchased by the National Transport Authority



We took part in the **first ever** Hydrogen bus trial Ireland



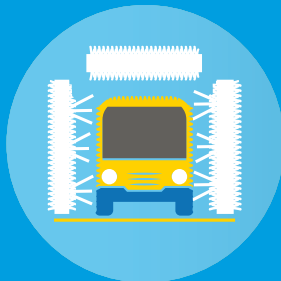
117 Routes including **15** high-frequency ones that criss-cross the city



In 2020 Route 39a became our **3rd** 24-hour service



Provided 45 million essential journeys since March 2020



Enhanced cleaning of our buses at **23** hubs across the city and upon return of buses to depots during the day



50,000 seat signs fitted on our fleet - reminding customers to keep a physical distance



7,500 signs displayed onboard – to promote exiting by centre doors, use of face coverings, indication of maximum capacity

Financial and Operating Results



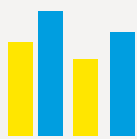
Number of employees

2020: 3,573
2019: 3,475



Operating revenue

2020: €125.1 million
2019: €263.0 million



PSO Surplus/Deficit

2020: €1.1 million
2019: (€4.2 million)



Commercial Services (deficit)/surplus

2020: (€11.0 million)
2019: €5.6 million



Number of customer journeys

2020: 69.4 million
2019: 141.8 million



Buses in the fleet

2020: 994
2019: 1,018



Number of KMs travelled

2020: 54 million
2019: 55 million

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Chairperson's Statement



The commitment and resilience of our employees has been tremendous; demonstrating, beyond doubt, their commitment to our customers and the communities we serve.

Bus Átha Cliath, like all businesses, operates today in a world challenged by COVID-19. The pandemic has revealed how valuable it is for companies to have operational expertise, plan for the long-term, and recognise risks before they arise. At Bus Átha Cliath we have long embraced this approach and the effectiveness of this has been seen in our ability to adapt quickly and effectively to the pandemic.

Last year, we carried 69.4 million customers helping them to get to and from their destinations safely. From March 2020 we provided 45 million essential journeys. This included delivering innovative solutions like our shuttle service for Mater Hospital employees. Bus Átha Cliath demonstrated flexibility and resilience in the face of this unprecedented challenge. Our proactive approach has been underpinned by a culture of safety which has ensured that those making essential journeys and our 3,573 employees are protected and safe.

As Chairperson, I would like to put on the record our thanks for the dedication, support and professionalism of our employees, trade unions, National Transport Authority (NTA) and Government, without which we would not have been in a position to provide continuous service for essential workers and all our customers through every phase of this pandemic. The commitment and resilience of our employees has been tremendous; demonstrating, beyond doubt, their commitment to our customers and the communities we serve.

COVID-19 has reduced customer journeys by 51%. Customer revenue ended the year at €125.1 million compared to €263.0 million in 2019. It is important to acknowledge the support of the National Transport Authority (NTA) in providing additional funding to ensure public transport services continue despite the significant drop in fare income.

Enhancing our Services for Dublin

The pandemic has offered us a glimpse of what is possible for our city. With the optimal operating environment, we can have fast, frequent, punctual, and reliable bus services to the city centre. With less cars on the road during lockdowns, we've seen Bus Átha Cliath journey times reduced, bringing essential workers to their destinations more quickly. We can now see a city where priority lies with the bus user, the pedestrian and the cyclist. This will provide freedom of movement and the choice of mode with the bus option playing its part.

We have seen what Dublin looks like without congestion and we now know what the city can be like with more space for people and businesses. As Chairperson of Ireland's largest public transport company, I believe not only is it possible to do things differently but that it is essential if we are to have a truly sustainable city and country and transport service. Apart from COVID-19, congestion and climate challenges pose the most significant risks to economic progress and social mobility in the Greater Dublin Area.



While many may point to changed work and travel patterns arising from COVID-19, Bus Átha Cliath believes that the building of public infrastructure and increased public transport services should anticipate, create and meet changes in customer demand. Towards the end of last year, Bus Átha Cliath introduced a new package of services which included another new 24/7 service on Route 39a and over 800 additional services across 7 routes. Thanks to this investment in sustainable public transport, there has been a boost for employment too in the company, with a total of 80 new driver and mechanic jobs.

These improvements are a vital addition to the sustainable public transport offering of our capital city as we all look to keep the circular and sustainable economy on the move. We are helping to unlock the full potential of Dublin's vibrant and growing 24-hour economy while also providing early morning journeys into the city centre for our commuters, further assisting in the fight for freedom of movement and choice for our customers.

The investment in facilities and infrastructure to support the fleet is also a priority. Our newly refurbished Broadstone Depot is a crucial part of our, and Dublin's, transport services future. The redevelopment of the depot is a part of the company's long-term growth strategy in preparing for the future and working to create a more sustainable European capital city. The new historic Broadstone Depot continues as a large and proud employer in the area and is still very much part of the community, building on that bond by preserving the heritage of the building at its heart.

Supporting our People

As a company we are committed to remaining an employer of choice, promoting equality, accommodating diversity, and ensuring non-discrimination for both our employees and our customers. Our people are our greatest asset. We have especially seen this during the COVID-19 pandemic when they rallied to be there when our customers needed us most.

Bus Átha Cliath acknowledged its hard working and diverse workforce. We thank them for the extra effort employees have put in this year to keep the city moving and ensuring other frontline workers get to and from work. We recognised this achievement by unveiling a specially wrapped bus featuring the flags of 73 countries, the number of countries Bus Átha Cliath employees come from.

Bus Átha Cliath always seeks to have a work culture that fosters customer service, community support, teamwork, inclusiveness and celebrates diversity. It ensures we are a public service provider in every sense of the word, and an employer which mirrors the communities that it serves. It is important that all members of the public feel welcome and safe on our services and we will not tolerate any form of behaviour that tries to weaken the welcome to one and all.

Delivering progress

Operating in a fully competitive environment, Bus Átha Cliath is positive in its future and its capacity to grow public and commercial services. While many challenges lie ahead, the company can be confident in its ability to tackle each one to ensure it remains an integral part of public transport provision in Dublin.

As we recover from COVID-19, the urban bus will continue to be by far the largest mode of sustainable public transport in Dublin for decades to come. In September 2020, the NTA published the BusConnects network plan for Dublin. We look forward to commencing the delivery of this project with them in 2021. The plan is a €2 billion investment in the urban bus system and a vote of confidence in us and our loyal customers.

Bus Átha Cliath believes that BusConnects will be radically innovative while at the same time acting as an engine for economic renewal and action on climate change. It also offers the opportunity of increasing reliability, reducing journey times, and further enhancing the customer experience.

As we reflect on the challenges and achievements of 2020, I know we can continue to meet our commitments to our customers and stakeholders through our valued workforce particularly our front-line employees.

I would like to commend the Chief Executive Officer and his Senior Leadership Team, who over the last year have driven Bus Átha Cliath's response to COVID-19 and delivered on our commitment to safety, quality, reliability, sustainability, and protecting the communities we serve.

On behalf of the Board and myself I would also like to acknowledge the support of our shareholder, Minister for Transport, Climate, Environment & Communications Eamon Ryan and the officials of his Department during 2020. It is a great honour to be nominated for reappointment as Chairperson of the board of Bus Átha Cliath by the Minister in 2021.

J.R.R Tolkien wrote that "courage is found in unlikely places" and during the past year our colleagues showed that to be true and for which we will always be grateful.



Ultan Courtney
Chairperson



Chief Executive's Review



We will continue to adapt and change with the pace of the city, connecting new communities with new routes, new buses and new technologies. Our low emission fleet, sustainability initiatives and depot investments mean we are set to meet Dublin's transport needs now and into the future.

In 2020, Bus Átha Cliath has faced and adapted to the many significant changes and financial and logistical challenges caused by COVID-19. Our impact and role as a public transport provider has never been more important to help the country respond to COVID-19 and support front line workers in carrying out their important work. This is a responsibility we take seriously.

Throughout this pandemic our business has focused on high quality, reliable public transport for those who need it most. Our Response Plan has ensured that we can have a meaningful and positive impact in the communities we serve. Safety is a core value of our organisation and continues to be our priority as we work to keep the city and its people moving. The measures we have put in place including reduced capacity, enhanced fleet cleaning, on-board public health signage and announcements, consistent customer communications and employee engagement have kept customers and employees informed and safe.

As a large employer of frontline employees, we are extremely aware that supporting their well-being is essential during the crisis. During the pandemic all work environments changed. We adapted quickly and provided information, supports and well-being programmes to protect our employees and their families through the uncertain and complex nature of this pandemic.

Throughout this crisis we have all shown our flexibility and resilience in the face of many challenges. This has been made possible by the continued dedication and hard work of our 3,573 employees. As Chief Executive, I know our strong response and service delivery is due to the combined effort of every employee throughout the company who have gone above and beyond during this pandemic. I would like to take this opportunity to thank all who diligently stepped up to reassure customers and supported frontline workers in keeping the people of Dublin safe and essential services provided.

I would also like to thank the board for their support and assistance during this challenging time for the company.



Driving a Sustainable City

While the pandemic has brought many challenges, we have also achieved our goals in key areas such as sustainability targets, service improvement and expansion.

Over the last number of years, we have played a leading role in the fight against climate change by trialling new technologies and vehicles. In 2020, 74 more hybrid buses were purchased by the National Transport Authority for addition to the fleet. This is another important step on the journey towards making our low emission Bus Átha Cliath fleet even more environmentally efficient. They will not only reduce greenhouse gas emissions by at least 30% but will also improve the customer experience. The purchase and introduction of these buses represents a significant step forward in the transition to a low and zero emission urban public bus fleet, as provided for in the Irish Government's Project Ireland 2040 and Climate Action Plan. The buses also feature the new green, yellow and white Transport for Ireland, (TFI) livery, which will be phased in across the entire public service obligation (PSO) fleet over the coming years.

We also participated in Ireland's first hydrogen bus trial. The trial will provide us with valuable insights into an important carbon cutting technology. It is an important step on the road to decarbonising the public transport fleet in Dublin and a cleaner and more sustainable capital city as a result.

Last year, we also signed up to Business in the Community Ireland's Low Carbon Pledge to reduce our direct carbon footprint by 50% by 2030. We have renewed this in 2021 which includes a commitment to setting science-based carbon emissions reduction targets by 2024, which must include our entire carbon footprint and be in line with the Paris Agreement.

We participated in the Carbon Disclosure Project as part of the CIÉ Groups Sustainability Strategy 2020 and achieved a B rating. The CIÉ Group is the first Irish organisation to achieve this rating in the first year of reporting.

I am under no illusion of the enormity of the task ahead of us all in fighting climate change. It will take hard work, dedication and commitment to achieve, however, we are doing this because it is the right thing to do for our company, our communities, our city and our future.

Building our future

Following a significant investment of €15.2 million, we commenced operations in our new depot in Broadstone Phibsboro in November 2020. The site has been restored to become a modern bus depot for Dublin city. Broadstone depot brings additional capacity within the Bus Átha Cliath network and supports our ability to expand our bus services in the city. The entire site, which also features Bus Átha Cliath Phibsboro Depot, Central Control, Driving Training Centre, Technical Training Centre, a Bus Éireann Depot and a Luas stop is a strategically important transport hub enabling the growth of the city.

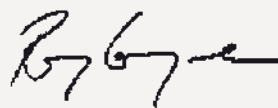
At the end of last year, we introduced significant improvements across seven bus routes in the network and a new 24-hour service for Route 39a (between Ongar and UCD Belfield). The new service improvements, which include an additional 824 departures per week, are as a result of a €4.9 million investment, provided by the National Transport Authority (NTA). The funding has led to the creation of 80 additional jobs. These enhancements are part of a continuing programme of improvements and offer customers more choice and a more frequent and reliable bus service throughout the week and across the city. Our 24-hour services facilitate increasing employment in the night-time economy as businesses expand their opening hours, create 24-hour airport links serving numerous residential areas and reduce night-time carbon emissions.

Bus Átha Cliath is committed to continuously improving our network and providing a reliable, accessible and efficient service for everyone. These improvements continue to show buses are the best transport choice for the city. Our public transport service must reflect the changing needs of customers and these improvements will bring the many benefits of public transport to even more people and businesses including mobility, safety, sustainability, and inclusion.

Supporting recovery

Although customer demand has fallen substantially and will take time to recover, we are now looking forward to where Bus Átha Cliath, and other public transport operators, will enable and support economic renewal. We will work with the NTA, Department of Transport and Government to ensure public transport can safely facilitate the phased reopening of the economy. Challenges and opportunities remain both in the short term and longer term. Our customers will be entering into a new world as we progress with the gradual reopening of business and society. We look forward to serving them again.

We will continue to adapt and change with the pace of the city, connecting new communities with new routes, new buses and new technologies. Our low emission fleet, sustainability initiatives and depot investments mean we are set to meet Dublin's transport needs now and into the future.



Ray Coyne
Chief Executive Officer



Every dock,
every shift,
every oil,
every grease.
We know what
it takes.



Our Purpose



To lead the way to better mobility solutions for everyone, so individuals, communities, society and the economy grows.



Our Purpose

To lead the way to better mobility solutions for everyone, so individuals, communities, society and the economy grows.

As the largest public transport provider in Ireland, Bus Átha Cliath plays a crucial role in contributing to a cleaner environment and more sustainable Ireland. We are working to foster innovation, upgrade to a greener fleet while protecting our natural resources, and work in collaboration with our stakeholders for a better future for our company, our community, our city.

In 2020, COVID-19 brought significant challenges which affected customer capacity and impacted our financial performance. Bus Átha Cliath was classified as an essential service and continued to operate through the pandemic, ensuring healthcare and other essential workers could travel safely and keep performing their vital roles.

Despite the challenges, we continued to achieve progress on many of our goals:

- Providing a safe, quality and reliable public transport service in line with our Direct Award Contract
- Delivering on our commitment to being a responsible organisation with an active role in environmental, sustainable and community life
- Future proofing public transport

Our goals are aligned to our core Sustainable Development Goals (SDGs), which will continue to underpin our objectives in 2021.



Health and Safety

While the global COVID-19 pandemic has impacted severely on every part of our business, employees' daily lives, society and our economy, Bus Átha Cliath has adapted and adhered to the guidelines put in place by the Government, following the advice of the National Public Health Emergency Response Team (NPHER).



A COVID-19 Response Plan and Statement was developed in line with Government guidance. The Response Plan details the policies, practices and information necessary for us to meet the Government's 'Return to Work Safely Protocol' and to prevent the spread of COVID-19 in the workplace. The plan was implemented by a dedicated COVID-19 response team and gives an overview of key areas that employers must assess to ensure compliance with the protocol and to minimise the risk to employees and others. It also commits to managing Health and Safety, outlining responsibility, accountability and listing of the principal hazard(s) identified, i.e., Coronavirus Disease (COVID-19), risk assessment(s), adequate prevention and control measures within the company's working environment.

We put a number of safe working practices in place to support employees and prevent the spread of COVID-19 in the workplace across all locations. These included:

- Lead Worker representatives (COVID-19 Compliance Officers) in each location. All trained through a remote training hub
- Working at Home Policy introduced for desk-based employees where possible. This was supported by resources and a working from home assessment issued to all employees
- Employee Travel Policy introduced which is aligned with HSE guidance
- Sanitisers located in common areas and dedicated sanitiser stations in entrance areas
- 45,000 reusable face coverings issued to all employees
- Contact tracing books in place at all locations
- Offices and common areas assessed, and social distancing measures put in place including appropriate signage and staggered working hours and breaks in buildings and depots
- 7,200 Safety care packs provided to all employees
- Gyms and recreational areas closed as per guidelines
- Implemented procedures with respect to supervision of employee and contractor health
- Dedicated COVID-19 PPE kit installed in all First Aid cabinets and specific instructions issued to all First Aiders
- Additional cleaning procedures implemented including increased touch point cleaning in offices and buildings

These measures were supported by an internal engagement campaign to inform, educate and support employees with these changes to their work environment. This included signage and continuous awareness messages to all employees at each location and through email and Yammer.

To protect our employees and customers, a number of safety practices are now in place on board our fleet of 994 buses. These include:

- Enhanced cleaning of our buses each day and night including 23 dedicated hubs across the city and upon return of buses to depots during the day
- Enhanced cleaning of drivers' cabs and frequently used touch points on board
- Use of key advertising sites on-board to support Department of Health and HSE public health advice
- 50,000 seat signs fitted on our fleet to implement social distancing on board
- 26,000 window signs requesting customers to keep windows open for ventilation
- 7,500 signs promoting our key safety messages including the mandatory wearing of face coverings

These are supported by on-board announcements reiterating the safety measures and a digital awareness campaign on our social media channels to keep customers updated on the changing environment and support essential front-line workers in planning their journeys.

We are currently working with the Department of Health on priority roll out of the COVID-19 vaccine to public transport front line workers.

Innovation and Infrastructure

Following a significant investment of €15.2 million, the new Broadstone Depot was successfully opened in November 2020. A part of Ireland's transport infrastructure since 1850, Broadstone Depot is now one of eight Bus Átha Cliath depots. It is the result of a multi-year project with design, development and planning taking almost two years.

The new depot offers increased capacity within Bus Átha Cliath's depot network – an additional 130 vehicles can be maintained from the new facility. The 1850s dilapidated railway maintenance facility has been transformed into a modern vehicle maintenance workshop and vehicle parking facility. The depot is not only catering for the vehicle maintenance requirements of the existing Bus Átha Cliath fleet but is also equipped to maintain future vehicle specifications, such as diesel

electric hybrid vehicles and is also flexible enough to suit hydrogen vehicles into the future if required.

The Broadstone site is a protected site. The construction incorporated sustainable design and build aspects which focused on re-utilising as much of the existing structure as possible which meant the embodied carbon and energy within that structure was retained. Bus Átha Cliath worked closely with conservation architects to ensure the restoration and preservation of the site. The restoration details have been considered to reduce emissions and its carbon footprint.

These include:

- Reduction in the volume of concrete required to approximately 20% of that of a new build of a similar size
- Use of concrete with a 50% GGBS (Ground-granulated blast-furnace slag) cement content with a carbon footprint up to 15 times less than traditional cement
- Retention and repair of the original cast iron structure and overhead gantry cranes in the old garage, the 1970s portal frame and the timber trusses where possible
- Use of other natural materials and low energy products including slate roof, timber in roof repair, zinc cladding and glulam timber to construct new roof areas

Through Phibsboro Tidy Towns and Swift Conservation Ireland, and with funding from the Community Environment Action Fund (Local Agenda 21) of Dublin City Council, Bus Átha Cliath has incorporated swift nesting boxes onto the site to help preserve and expand the swift population.

One of the long-term goals achieved was to increase the capacity of vehicle maintenance across Bus Átha Cliath's depots. This gives us capacity for route expansion in the coming years and creates capacity at other locations so that additional services can be added where required.

The project was delivered on time (with the exception of a delay associated with the impact of COVID-19) and on-budget.



Our Footprint

Bus Átha Cliath is an integral part of the solution in helping to create a more sustainable Ireland through modal shift and also being a responsible business across all of our operations in a cleaner, greener and zero emissions organisation. Our environmental strategy and ISO certified energy management system underpin our commitment to reducing our environmental impact across our network, 8 depots and workplaces. They also ensure we measure and report our progress in a transparent and meaningful way.

Progress in 2020 includes:

- 86,700 cars off the road each day
- 19% improvement in fuel efficiency
- 49% less CO2 emissions
- 60% of our fleet now utilises euro 6 engines
- 58% cheaper to travel by bus than car meaning public transport is good for your pocket and our planet
- ISO 50001 energy management achieved
- Signed Business in the Community Ireland (BITCI) Carbon Pledge and now reporting on scope 3 emissions
- Introduction of ban on single use plastics
- Achieved a B rating across the CIÉ group for the Carbon Disclosure Project

In 2020, we consumed 238,836 MWh's of energy, comprised of:

	2020 MWh	2019 MWh
Bus fleet diesel	224,395	250,288
Electricity	4,422	4,576
Natural gas	10,019	10,785

In line with new targets set out under the Programme for Government and the 2019 Climate Action Plan, Bus Átha Cliath has committed to reducing our Greenhouse Gas emissions by 50% by 2030 and achieving net zero by 2050. The EU's Clean Vehicle Directive sets out targets on public-sector heavy-duty fleets and means we are working to achieve a 45% low or zero emissions fleet by 2026 and 65% by 2030.

To meet these targets and build on our progress, our plans for 2021 include:

- Delivery of 74 hybrid vehicles and charging infrastructure in the first quarter of 2021
- Future planning with National Transport Authority (NTA) and ESB networks for charging infrastructure for full battery electric vehicles
- Rainwater harvesting in Summerhill depot which will be rolled out to other depots
- Progression of energy awareness campaigns
- Applying for ISO 14001 environmental management standard
- Implementation of our nine core UN Sustainable Development Goals
- Building energy efficiency pilot project at Ringsend depot

- Launch of our environment report to external and internal stakeholders
- Participation in the National Transport Authority's Hydrogen Bus trial

Delivery of our Direct Award Contract

Central to Bus Átha Cliath's business is effective and efficient delivery of bus services for the Greater Dublin Area (GDA) under the 'Direct Award Contract' with the NTA. This contract runs until November 2024 and provides the opportunity to operate a greater number of bus services serving communities across the GDA funded by Public Service Obligation.

The successful and profitable delivery of this contract reflects the commitment, professionalism and skills of our 3,573 employees who are crucial to the continued success of Bus Átha Cliath.

The Direct Award Contract also sets out a clear roadmap towards the continued growth of Bus Átha Cliath through delivery of the new bus network for Dublin under the BusConnects project, a programme of investment of €2 billion in bus services for the capital. This is a positive opportunity for the city, the business and all employees and we are working in close partnership with the NTA to deliver this exciting programme of enhancements to continue the success of public transport.

Community Engagement

Bus Átha Cliath is committed to having a positive social impact on the communities we proudly serve. This is reflected in our Community Spirit Initiative (CSI) which aims to support, improve and enhance the lives of the people in the communities in which our services operate. Unfortunately, the programmes under the CSI were impacted by COVID-19 in 2020. Our Community Spirit Awards opened to applicants in November and we received 345 applications from grassroots voluntary and community groups across the GDA. The award winners will be announced in the first quarter of 2021. Our Schools Education Programme, which assists and helps to keep communities safe by educating younger citizens on the importance of respecting public transport, was suspended.

The ethos of the CSI is to support our customers, colleagues and stakeholders, working to build trust and to develop strategic partnerships in the communities we operate in. To fulfill our commitment to communities during COVID-19, we looked for new ways to collaborate with internal and external stakeholders. We undertook community engagement partnerships with charities who are responding to the needs of communities during the pandemic.



These included:

- Creatives Against COVID-19 "Have HeART":**
 The goal of this campaign was to inspire Irish people to "Have HeART" by purchasing an original art print from the Creatives Against COVID-19 online store. The proceeds from every purchase were donated equally between ISPC Childline and Women's Aid, helping vulnerable women and children affected by the pandemic. Advertisements promoting the campaign and displaying the art were showcased on 101 buses across the fleet.
- Pride and BeLong To:** As part of our continued support of the LGBTI+ community and Dublin Pride, we partnered with BeLong To and highlighted the work the charity carries out to support and encourage young LGBTI+ people in our country. The specially designed T-sides featured on 100 buses and displayed contact information for the group who offer supports such as providing youth social groups, mental and sexual health services, and drug and alcohol support. The campaign saw an increase of over 200% of people accessing their vital services.
- Dublin Samaritans 24/7 Annual Awareness Day:**
 Each year on 24 July, the charity celebrates the 24/7 nature of the service provided by 2,300 Samaritans volunteers across the country. Because of COVID-19 constraints, a normal awareness day was not possible. To help raise awareness, a specially commissioned bus carried the Samaritans messaging and helpline details 116 123 which travelled across the city throughout the day. Samaritans reported a significant growth in calls from people experiencing increased feelings of loneliness, isolation, anxiety and suicidal feelings during the pandemic.
- Depaul Christmas Fundraising Appeal:**
 By December 2020, the organisation supported almost 300 children and 422 families during COVID-19. They also supported 127 families to move away from homelessness during this period. To help Depaul continue this work, we supported their annual appeal through a joint awareness campaign which featured on 75 buses across the fleet.

These partnerships were supported by joint digital awareness campaigns. Being able to focus on different sectors of the community provided us with the

opportunity to highlight the resources that are available to our customers, our employees and the wider public in Dublin who may need support during this particularly challenging time.

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. In 2021 they will facilitate a review of our community engagement initiatives. This is with a view to refreshing the approach to ensure that all initiatives maintain the desired social impact and support our core business strategy. This will be achieved through qualitative research with key internal and external stakeholders.

Accessibility

Bus Átha Cliath works to provide a secure and sustainable form of transport mobilising and connecting people and communities across Dublin, enabling people to fulfil their lives. Bus Átha Cliath has a commitment to improving the journey experience for our customers with disabilities and mobility impairments.

Our fleet is fully accessible with one wheelchair space on all buses and both a wheelchair and buggy space on 64% of our buses. All our buses have audio and visual stop information available on board.

The Travel Assistance Scheme was suspended due to COVID-19, however at the beginning of 2020 we provided:

- 106 assists
- Two safety talks to older people's groups on keeping safe while traveling on public transport
- Nine on-bus demonstrations including on-board familiarisation

Our Access Officer remains available to support our customers by phone and email. We hope to recommence the scheme in 2021 where we will assist customers to travel independently on public transport in the GDA. This will be of particular importance as part of the delivery of the BusConnects project where we will assist customers to learn new routes and changes to existing routes.

Our Performance

All aspects of the business were significantly impacted during 2020 by the COVID-19 public health emergency. Bus Átha Cliath's network of services were altered on a frequent basis to take account of the changing travel patterns of the population as lockdown restrictions varied; similarly, capacity on vehicles was constrained. The overall impact of the COVID-19 pandemic on the company's performance has been:

- Overall customer journeys have reduced by 51%
- Total operating revenue reduced by 52% to €125.1 million
- Commercial Services were suspended in April 2020 and incurred losses of €11.0 million
- Total direct costs have decreased from €289.7 million in 2019 to €274.6 million in 2020

The impact of COVID-19 has been controlled through a combination of cost management and the continued support of the National Transport Authority (NTA).

Since March 2020, we showed our resilience and ability to adapt to change in a quick and efficient manner. In line with Government guidelines and the subsequent Plan for Living with COVID-19, capacity was restricted at each stage to allow for adequate social distancing measures on-board. This had immediate consequences for all our services. Following discussions with the National Transport Authority and other agencies, our schedules were revised in accordance with the level of demand and capacity restrictions at each level of the Government's Plan. Service changes were implemented while ensuring an adequate level of service for those travelling for essential work and essential purposes. Our operations team continue to monitor service levels and plans are in place to respond to this changing environment.

Our PSO (Public Service Obligation) services expanded in December 2020, with significant improvements introduced across seven bus routes and a new 24-hour service for Route 39a (between Ongar and UCD Belfield). The new service improvements, which include an additional 824 departures per week, are as a result of a €4.9 million investment, provided by the National Transport Authority (NTA).

The funding was made available through the Government's July 2020 stimulus plan and the enhancements are part of a continuing programme of improvements by Bus Átha Cliath and the NTA, offering customers more choice and a more frequent and reliable bus service throughout the week and across the city on its 117 bus routes.

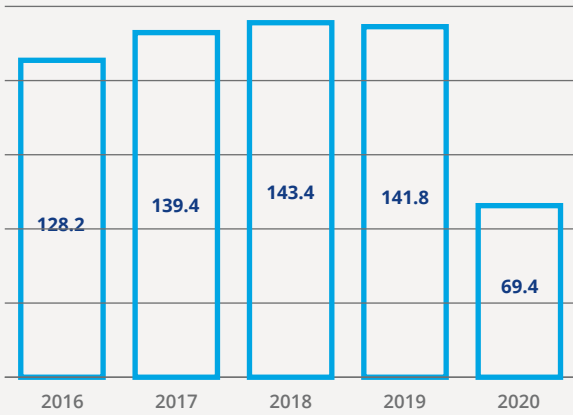
The additional services on Route 1, Route 9, Route 13, Route 14, Route 39, Route 39a, Route 40 and Route 83 include extra off-peak departures, better frequency, increased reliability and more cross-city terminus to terminus departures. Route 39a will now run 24 hours, 7 days a week with improved frequency of the bus by day and additional services at night. It is the third 24-hour bus service announced by Bus Átha Cliath with others (Routes 41 and 15) introduced in December 2019. The 24-hour services reflect the changing city.

In 2021, the BusConnects project will also deliver improvements which will further enhance the service we provide our customers. Customer demand will take time to recover. However, as we look forward to a post-COVID future, it is important that we continue to resource our public transport system for the recovery. Our role, as a public transport operator is to ensure we can overcome the challenges posed by the pandemic whilst grasping the opportunity to develop a new deal for public transport with high quality urban bus services at its core.

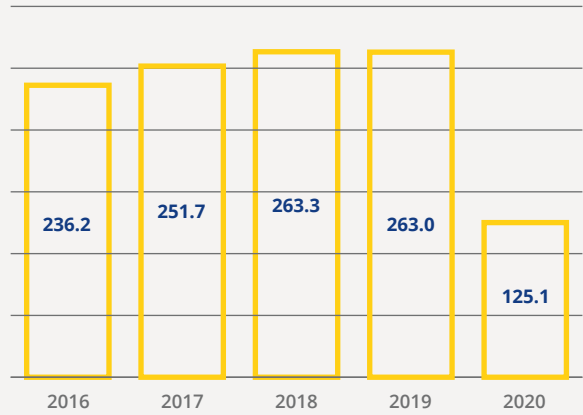
Bus Átha Cliath will continue to be guided by the Government, HSE, Department of Health and other relevant government agencies to inform decisions. We are following all public health instructions that are issued by the Government and the Department of Health.

Total Company

Customer journeys – millions

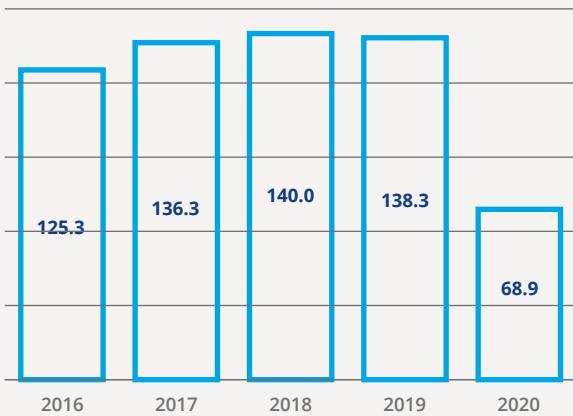


Operating revenue – € millions

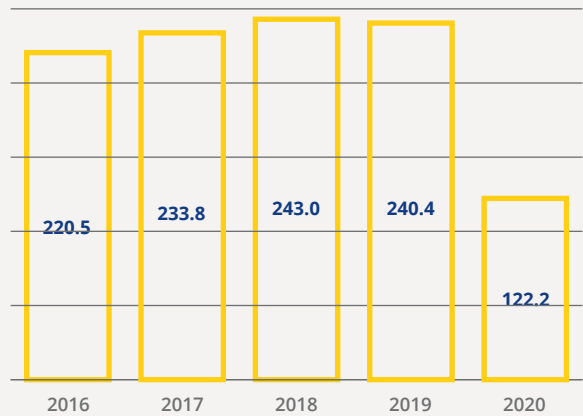


PSO

Customer journeys – millions

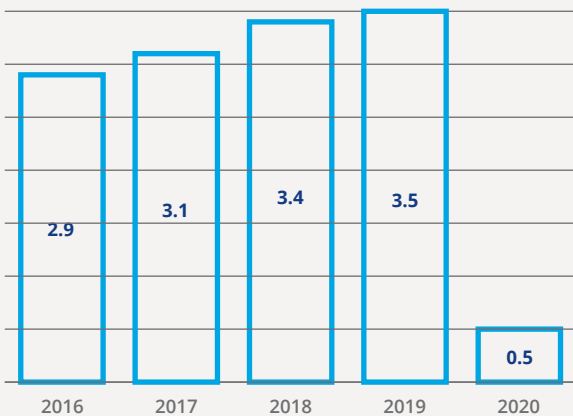


Operating revenue – € millions

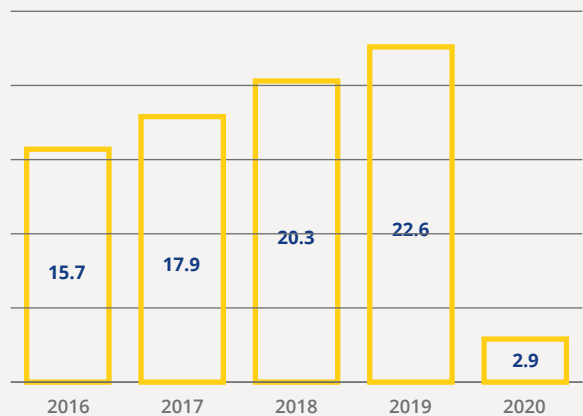


Commercial

Customer journeys – millions



Operating revenue – € millions





Total Company Operating Result

Bus Átha Cliath incurred a deficit of €3.8 million before exceptional costs in 2020 compared to a surplus of €6.8 million in 2019. Total operating revenue has reduced to €125.1 million compared to €263.0 million in 2019.

Total direct costs have decreased from €289.7 million in 2019 to €274.6 million in 2020, a net decrease of €15.1 million. 2020 expenditure reflects additional costs for the introduction of safety measures associated with COVID-19, such as inter trip cleaning for vehicles and other safety related expenditure. Savings have been achieved from service changes associated with COVID-19 restrictions as well as other cost efficiencies delivered by the company across a number of areas in 2020. The expenditure also reflects the decision of the NTA to retain costs in relation to the Integrated Ticketing System within the NTA in 2020.

PSO Operating Result and Financial Position

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract during 2020. In 2020 the company operated under a net cost contract and was fully funded under the PSO contract. The directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

Bus Átha Cliath transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility transfers to the NTA.

The company achieved a modest €1.1 million surplus for the operation of PSO services. The company continued to engage in detailed discussions with all stakeholders throughout 2020 regarding an appropriate return for PSO services. The company recognised the significant additional funding provided by the NTA and the EWSS Scheme to ensure the company remained in a position to deliver essential transport services for our customers.

The board are mindful of the need to ensure that the company remains in a stable financial position and remains well positioned to meet the transport needs of the community. The company also remains committed to enhancing our value for money proposition and to delivering cost efficiencies across all expenditure categories.

PSO Services Surplus/(Deficit)

	2020 €'000	2019 €'000
Revenue	144,489	240,517
Costs	(268,467)	(284,628)
Operating (Deficit)	(123,978)	(44,111)
PSO Payment	125,104	23,901
Net Surplus/(Deficit)	1,126	(4,210)

The cost of operating PSO services reduced from €284.6 million in 2019 to €268.5 million in 2020, a reduction of €16.1 million. PSO revenue reduced by €96.0 million in the same period. PSO services recorded a surplus of €1.1 million. The 2020 result for PSO services reflects the impact of the COVID-19 restrictions on service provision and customer capacity on PSO routes.

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

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

Commercial Operating Result and Financial Position

COVID-19 has had a significant impact on Commercial Services, with Airlink and City Tours services suspended from April 2020. The business has incurred a significant loss for 2020, compared to a profitable performance in prior years. Commercial staff were redeployed, where possible, to other areas of the business where vacancies existed.

A small team continues to work on the development of future Commercial opportunities for the business.

Commercial Services (Deficit)/Surplus

	2020 €'000	2019 €'000
Revenue	2,919	22,585
Costs	(13,910)	(16,959)
Operating (Deficit)/ Surplus	(10,991)	5,626
PSO Payment	-	-
Net (Deficit)/Surplus	(10,991)	5,626

Our People

At Bus Átha Cliath, our people are our greatest asset. We are committed to supporting them in progressing their knowledge and skills to create an always-evolving service for our customers and colleagues.

As a priority, we want our employees to feel valued, supported and respected at work and we have a range of policies and initiatives to support them and to help in their development. We are dedicated to the principles of equality, diversity and inclusion and we value our management culture which is open, attentive, and responsive to our employees and customers.

A Good Employer

Our goal is to become an Employer of Choice by supporting the health and wellbeing of all our diverse and talented employees and empowering them to reach their full potential in an environment of inclusion, non-discrimination and respect and dignity. Our focus is to nurture and continuously improve our workplace culture.

Internal communications and employee engagement are a priority focus for Bus Átha Cliath. By collaborating across departments and developing our processes we can solve challenges more efficiently and effectively. Since COVID-19 internal communications has become critical and resources were invested in communicating with all employees and was driven by our senior leadership team. It is important for all aspects of work but strong internal communications are a necessity to ensure engagement across the company and inform and disseminate organisational culture and values, business progress, positive company initiatives and overall operations.

We have a range of resources in place as part of our employee development plans. We provide a mentoring programme and Education Support Scheme for employees. Our bus drivers are trained to the highest standard, in our world class training centre in Phibsboro, Dublin 7. In 2020, 10 new apprentices started their first-year training and 10 graduated as fourth year apprentices. We also offer an Earn as you Learn scheme to encourage young people to apply to become heavy vehicle mechanics with the company. These applications are open to anyone aged sixteen or over who fulfil certain educational criteria.

Diversity and Inclusion

Bus Átha Cliath is one of the country's leading employers with 3,573 employees. We reflect contemporary Dublin and society with a diverse and inclusive workforce made up of multiple ethnicities, religions, ages and abilities. Our Diversity and Inclusion Policy reflects Bus Átha Cliath's continuing commitment to equality, diversity and non-discrimination for employees, customers and the wider community.

Our workforce represents 73 different countries and is reflective of the diversity of the communities we serve. We strive to develop policies that are inclusive, such as our award-winning Gender Transition Policy, and provide equality and diversity training for employees.

In 2019, we commissioned EY to undertake a Gender Pay Gap analysis. The results showed that female employees are under-represented in Bus Átha Cliath, accounting for 7% of total employees and 35% of bus drivers. Bus Átha Cliath is committed to addressing this imbalance in the company. As part of our action plan in 2019 we ran a series of open days which invited interested women to attend our Training Centre, drive a bus and to meet with other female bus drivers and inspectors with the long-term goal of increasing the number of female drivers by 100% over a two year period. Although these days had to be suspended due to COVID-19, between August 2019 and December 2020 the number of female drivers in Bus Átha Cliath increased by 40%, with 70% of these new starters having attended an open day. This will be a focus of our 2021 action plan.

Pride 2020 was also different for Bus Átha Cliath and Dublin city. The largescale event did not take place this year. However, we focused on our community engagement objectives and partnered with BeLonG To and promoted the charity's support services for young people using the tagline 'Growing up LGBTI+ isn't all rainbows'. The campaign saw an increase of over 200% of people accessing their vital services.



We also celebrated and acknowledged our diverse workforce and the efforts of employees this year to keep the city moving and ensure other frontline workers get to and from work safely by unveiling a newly wrapped bus featuring the flags of all the countries Bus Átha Cliath's employees come from and demonstrates our continued promotion and support of Diversity and Inclusion.



Employee wellness

As a result of COVID-19, there is an increased focus on caring for our physical and mental health. Bus Átha Cliath recognises this and supports the importance of valuing each of our employees. This includes their mental health, physical health, nutrition health, safety and overall wellbeing in the workplace and at home.

In May 2020, the HR Department launched DBWellbeing which is a new interactive website, to provide our employees with support, education and information on a wide range of topics to help their overall health and wellbeing. The topics include mental health, physical health, nutrition, lifestyle, social health, and work.

DBWellbeing is facilitated by an external team of qualified and experienced professionals within the health and wellbeing industry, including mental health, physical health, and nutrition. In addition to

this we also include information on different internal wellbeing initiatives and campaigns. The information provided on the site is current and updated regularly and is communicated to employees through Yammer. This will be a key focus of our action plan in 2021.

We will also continue to enhance our already well-established Employee Assistance Programme (EAP) which is an independent counselling service, designed to help employees resolve personal and work-related problems which may affect wellbeing and performance at work.

Senior Leadership Team Biographies



Ray Coyne

Ray Coyne joined Dublin Bus in 1991 and has detailed knowledge of the operations of the business and transport industry having held a number of senior roles in the areas of Operations, Business Development and Human Resources. He has led significant changes in the transport network over the past decade requiring the implementation of complex change management programmes within both the business and the industry. A continued focus on cost management and service quality has delivered year on year improvements in revenue, customer performance and efficiency.

Ray is a member of the UITP EU Committee, has a diploma in Company Direction from the Institute of Directors, and is an alumni of both UCD Smurfit School (MBA) and Harvard Business School (PLDA).

Ray was appointed Chief Executive Officer in July 2015.



Andrea Keane

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

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



Phil Donohue

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

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





Sorin Costica

Sorin Costica was appointed Head of Operations in August 2020. He is responsible for leading, managing and developing the Operations function and creating and implementing overall strategy for road passenger operations. He joined Bus Átha Cliath in 2001 and has worked in a variety of operational roles including Depot Administrator in Ringsend Depot and Area Operations Manager in Central Control, Broadstone.

Sorin holds a Transport Management Diploma from Dublin Institute of Technology and an Information Technology Diploma from Dublin City University.



Frank Kerr

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

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

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



Ciarán Rogan

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

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

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





Directors' Biographies



Ultan Courtney *Chairperson*

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



Lynda Carroll

Lynda Carroll was appointed to the board of Bus Átha Cliath on 5 April 2019. Lynda has over 30 years' experience in financial services at Board and Senior Executive level in the private and public sector. She has been Managing Director of De Lage Landen Ireland and Vice President Global Structured Finance Europe, Lead Central Bank of Ireland prudential supervisor of one of Ireland's pillar banks and Head of Capital Allocation & Risk Based Pricing at Allied Irish Banks plc. She holds a Master of Arts degree from University College Dublin and is a Chartered Accountant and Chartered Tax Advisor. She also holds a Chartered Accountants Ireland Diploma in International Financial Reporting Standards and the UCD Michael Smurfit Graduate Business School Professional Diploma in Corporate Governance. She is a member of the Board of Governors and Guardians of the National Gallery of Ireland, and of the following boards; Diversified Notes plc, UniCredit Bank Ireland plc, National Bank of Canada Global Finance Limited, The Ark, Children's Cultural Centre Company and European Movement Ireland. Lynda now works as an Independent Non-Executive Director in the financial services, state and voluntary sector.



Stephen Hannan

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



Elaine Howley

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



Siobhán Madden

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



Joe Quinn

Joe Quinn was appointed to the Board of Bus Átha Cliath in June 2015. Joe is Managing Director at RGP, an international consulting firm that specialises in finance, governance, risk and compliance consulting. He trained as a Chartered Accountant with EY and has held finance leadership positions in a number of multi-national companies, including Guinness, Diageo and Prudential. He has also served as a member of the Board and Chairperson of the Finance and Audit Committee of Oxfam Ireland. 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.



Thomas O'Connor

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



Keith Wallace

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



Rachel Widdis

Dr Rachel Widdis was appointed to the board in April 2019. Rachel is an adjunct Assistant Professor teaching Business and Human Rights in the Law School in Trinity College, and consultant. She previously held positions in Structured Finance in ABN-AMRO Luxembourg, EMEA Business Development in Paris and as a Financial Analyst in Citigroup in London. Rachel holds Masters degrees in Business and in Law. Her PhD concerns the responsibilities of business to respect human rights. Rachel's research and consultancy activity includes sustainable corporate governance and human rights and environmental due diligence. She has worked on a number of voluntary boards and committees in education, culture, and sport.

Directors And Other Information

Directors at 7 April 2021

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

Chief Executive

Mr R. Coyne

Secretary

Ms A. Keane

Registered Office

Bus Átha Cliath
 59 Upper O'Connell Street
 Dublin 1

Telephone: +353 1 872 0000

Website: www.dublinbus.ie

Registered No: 119569

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

Independent Auditors

Mazars
 Audit and Assurance Services
 Block 3 Harcourt Centre
 Harcourt Road
 Dublin 2

Directors' Report

The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014, the Transport Act 1950 and the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 for the year ended 31 December 2020.

Directors' Compliance Statement

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

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

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

Accounting records

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

Share capital

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

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

Shareholders' meetings

An annual general meeting of the company is held once every calendar year at such time (not being more than 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 Irish economy continues to experience a negative economic reaction arising from COVID-19. This has resulted in reduced revenue in both Commercial and PSO businesses. The primary impact on Bus Átha Cliath relates to a significant reduction in passenger journeys.

A detailed assessment of the effects of COVID-19 on each element of the business has been completed. The principle uncertainties facing Bus Átha Cliath can be summarised as follows:

- The company is now projected to incur a loss on its Commercial business in 2021
- A significant reduction in PSO revenue is expected to continue in 2021 and will increase the level of funding required by the NTA from the Exchequer.

- On 1 January 2021 the company transitioned to a gross cost contract with the NTA. Under this contract responsibility for revenue lies with the NTA while the company is compensated for expenditure and reasonable profit in line with the contract provisions.

The directors gave detailed consideration to the nature of the uncertainties facing the company when considering whether it remained appropriate to adopt the going concern basis in preparing the financial statements for 2020. The going concern basis assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. The principle uncertainties facing Bus Átha Cliath can be summarised as follows:

Commercial Services

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

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

PSO Services

During 2020 the company operated under a net cost contract and transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility transfers to the NTA.

Bus Átha Cliath has continued to operate PSO services in line with its Direct Award Contract during 2021. The company was fully funded in 2020 under the contract and the directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

In 2021, the company is operating under a gross cost contract and responsibility for revenue now lies with the NTA. The NTA has confirmed its intention to continue to provide funding in line with the contract in 2021.

The directors considered the quantum of funding likely to be required for 2021 and 2022.

Consideration of the assumption that appropriate levels of PSO funding could be provided in 2021 and 2022 was an essential element in the director's assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Bus Átha Cliath to operate PSO Services in line with the PSO contract;
- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required be provided;
- the 2021 Exchequer budget included adequate provision to fund the Bus Átha Cliath PSO Contract in 2021; and
- the NTA will receive sufficient funding from the Exchequer in order to fund the Bus Átha Cliath PSO Contract in 2021 and 2022.

CIÉ Group operates a pooled treasury system and Bus Átha Cliath relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Bus Átha Cliath is evidenced in the Letter of Support from CIÉ to Bus Átha Cliath dated 7 April 2021.

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

Directors' Report – continued

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 holds 100% of the issued share capital of the company.

Total operating revenue decreased by 52% to €125.1 million in 2020 from €263 million in the previous year. Passenger demand in 2020 reduced significantly during 2020 with 69 million customer journeys, representing a decrease of 51% on 2019 journeys. All aspects of the business were significantly impacted during 2020 by the COVID-19 public health emergency.

Bus Átha Cliath continued to operate PSO services in line with its Direct Award Contract during 2020. In 2020 the company operated under a net cost contract and was fully funded under the PSO contract. The directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2020 which enabled the continued operation of essential public transport services.

The company achieved a surplus of €1.1 million for the operation of PSO services. The company continued to engage in detailed discussions with all stakeholders throughout 2020 regarding an appropriate return for PSO services. The company recognised the significant additional funding provided by the NTA and the Exchequer through the Wage Subsidy Schemes to ensure the company remained in a position to deliver essential transport services for our customers.

The board are mindful of the need to ensure that the company remains in a stable financial position and remains well positioned to meet the transport needs of the community. The company also remains committed to enhancing our value for money proposition and to delivering cost efficiencies across all expenditure categories.

Commercial Services were suspended in April 2020 due to the COVID-19 pandemic. The business incurred a loss in 2020 of €11.0 million and is projected to incur

a loss in 2021. However swift action by the board and management have minimised losses within the Commercial Services department. Having considered detailed scenarios and projections, the directors are satisfied that the quantum of losses over the next 12 months are sustainable, and the company has sufficient resources to fund these losses. Management continues to review all options which may facilitate the return of Commercial Services on a financially sustainable basis; this is dependent on the reopening of tourism and leisure markets. In addition, management is reviewing potential commercial opportunities within the overall mobility area.

The company's net assets decreased from €48.6 million in 2019 to €38.8 million in 2020, a decrease of 20%. Bus Átha Cliath's liquidity remains in a positive position with a current asset to current liability ratio of 2.5 times.

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

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

Dividends

There were no dividends paid or declared in 2020 or 2019.

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. Risk Management Framework and a Risk Management Information System allows for the real time reporting of risks which are evaluated and reviewed on a monthly basis by management and on a quarterly basis by the board. An objectives driven risk prioritisation system was in place throughout the year which focuses the board on the identified risks.

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

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

Capital investment

Investment in improving services continued with the assistance of the NTA. During 2020 fleet investment also continued and Bus Átha Cliath took delivery of 24 new buses to replace older vehicles and to increase capacity. Other significant expenditure included fleet refurbishment programmes to maintain quality and reliability for the benefit of the customer.

Consultancy expenditure

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

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

In line with the 2016 Code of Practice for the Governance of State Bodies, consultancy costs incurred in 2020 by the company included in materials and services (note 6) are set out in the table below:

Category	2020 €000
Customer charter	45
Industrial relations	3
Organisational strategy	235
Regulatory	67
Safety	26
Stakeholder engagement	97

The board

The company is controlled through its board of directors. The board met twelve times during 2020 (nine times in 2019) and has a schedule of matters reserved for its approval.

Directors

The directors of the company are appointed by the Minister for Transport. The names of persons who were directors during the year ended 31 December 2020 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 (Chairperson)

Ms L. Carroll

Mr S. Hannan

Ms E. Howley

Ms S. Madden

Mr T. O’Connor

Mr J. Quinn

Mr K. Wallace

Dr R. Widdis

Directors' Report – continued

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

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

Audit, Finance & Risk Committee

At 7 April 2021, the Audit, Finance and Risk Committee (AFRC) comprises the following non-executive members of the Board: Ms L. Carroll (Chairperson), Mr J. Quinn, Ms S. Madden and Mr K. Wallace. Mr C. Maybury and Mr K. Kelly are external members of the AFRC.

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 2020, the committee monitored the budgetary process, and kept under review the effectiveness of the company's internal controls and risk management systems. In particular, the committee:

- played a very active role in steering the company through the challenges associated with the COVID-19 pandemic through the provision of both guidance and a constructive challenge in areas such as:
 - emergence of new COVID-19 related risk for Risk Register,
 - review of appropriateness of going concern assumptions for both 2019 and 2020,
 - review of Business Continuity Plans and Remote Working policies,
 - overview of procurement processes during the pandemic,
 - oversight of the company's management of additional government supports associated with the Wage Subsidy Schemes,
 - identification of other third-party risk areas,
- engaged with the external auditor to ask such questions as to satisfy itself as to their independence,
- engaged with the CFO and the external auditor to assure itself as to the accounting judgements applied to the financial statements, including the appropriateness of applying the going concern principle and the financial impact of the COVID-19 pandemic,
- 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 report prepared by the NTA's Auditors and ISAE 3000 report produced by our own auditors,
- held a private discussion, without management, with the external auditors to ensure that there were no issues of concern and to receive matters arising from their audit,
- communicated clearly to the external auditors that they may request a meeting with the committee at any time if they consider that one is necessary to discuss a specific item or items,
- engaged with the internal auditor to assess the committee's reliance on his team's work output and conclusions, and held a private discussion, without management, with the internal auditor to ensure that there were no issues of concern and to receive matters arising from their audits,
- met with the Chief Procurement Officer to satisfy itself as to the rigour of the policies and procedures for procurement and contract management,
- conducted regular reviews of the 2020 operating results and satisfied itself with regard to the reasonableness of the 2021 Budget,
- monitored implementation of recommendations arising from Internal Audit reports,
- engaged with the CFO, at least twice yearly, to receive a statement of assurance that no matters relating to fraud have come to her attention which have not, in the ordinary course of reporting to the AFRC, been drawn to the committee's attention,
- monitored the Risk Management System,

- engaged with the Risk Manager on a regular basis regarding the major risks and uncertainties impacting on the company,
- engaged with the Chief Executive Officer, Business Systems Manager and Information Security Officer on a regular basis regarding information security, including cyber risk,
- dedicated significant time and attention to the requirements of the Companies Act, 2014 and the Companies (Statutory Audits) Act 2018 and in particular provided oversight for the board in relation to the Directors' Compliance Assurance Process,
- monitored the application of the company's Protected Disclosure Policy where complaints were received,
- conducted an internal review of our performance during the year under review,
- monitored the company's transition to and operation of the Direct Award Contract December 2019 to December 2024 (DAC) and engaged with senior management on all financial, operational and commercial aspects of the new DAC through presentations from and discussions with the company, its legal advisors and other external experts,
- engaged with the CFO and the external auditors on the application of critical accounting estimates and assumptions, including the accounting treatment adopted by the company in relation to Public Service Obligation buses provided by the NTA under a lease agreement and the valuation of the provisions for third party/employer liability claims,
- monitored and reviewed the company's compliance with the requirements of the General Data Protection Regulations (GDPR),
- monitored and reviewed the company's assessment of the impact of Brexit and its preparations for Brexit,
- monitored and reviewed the company's compliance with the requirements of the 2016 Code of Practice for the Governance of State Bodies, and
- engaged with management in relation to the ongoing promotion and strengthening of the company's Code of Ethics.

The Terms of Reference of the AFRC have been approved by the board and are reviewed on an annual basis and amended as appropriate. The Chairperson of the committee met with the Chairperson of the company to discuss matters arising from the conduct of the AFRC's business. The Committee met ten times in 2020 (nine times in 2019). The AFRC performs the role of the Audit Committee required to be established under Section 167 of the Companies Act 2014.

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

Board Safety Committee

At 7 April 2021, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the board: Ms S. Madden (Chairperson), Mr S. Hannan, Ms E. Howley and Mr T. O'Connor.

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

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

The Terms of Reference of the BSC are as follows:

- preparation and annual update of Safety Plans by management
- annual report from management on Safety Management Systems Review
- liaison and co-operation by management as appropriate with the relevant statutory safety authorities including the Department of Transport, the Road Safety Authority and the Health & Safety Authority

Directors' Report – continued

- key safety performance indicators as prepared and reported on by management
- any other health and safety matters as referred to the committee by the board or management of Bus Átha Cliath

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

The Committee met on a total of four times during 2020 (four times in 2019) in accordance with the planned schedule for BSC meetings. Some of the key items reviewed during the year included the following;

- Employee health and wellbeing programme 'Waist Management' to promote employee health and awareness in areas of physical and mental health
- Ergonomic assessments of driver cab areas
- COVID-19 planning and emergency response to the global pandemic
- Adoption of the Government's 'Return to Work Protocol' and fulfilment of requirements
- The safe opening and operation of the new Broadstone depot
- Re-certification of the Environmental Health Safety Department to ISO 45001
- Propose proactive customer engagement by Bus Átha Cliath with specific safety related communications
- Adoption of key safety initiatives for 2021, to include the following;
 - Implementation of a drug and alcohol testing process
 - Establish and define a sustainable safety culture within Bus Átha Cliath
- Further enhancement of safety processes throughout Bus Átha Cliath using a standardised approach

Board Remuneration and Succession Committee

At 7 April 2021, the Remuneration & Succession Committee comprises the following non-executive members of the Board; Dr R. Widdis (Chairperson), Ms L. Carroll, Mr U. Courtney and Ms E. Howley.

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

- ensure implementation of government policy in relation to the remuneration of the Chief Executive Officer (CEO) and managers who report directly to him, and to ensure that the arrangements put in place by the Department of Finance, Department of Public Expenditure and Reform and the Department of Transport for determining and approving the remuneration of the CEO, are implemented and adhered to
- ensure that any government guidelines and Bus Átha Cliath/CIÉ Group policies regarding the remuneration of senior managers are adhered to
- approve the remuneration package and the appointment/re-appointment of the CEO and all senior managers who report directly to the CEO
- determine performance criteria against which the performance of the CEO will be measured, which are consistent with the corporate plan approved by the board
- in line with government policy, to approve any performance-related policy in respect of the CEO and managers who report directly to him. The CEO's review shall be undertaken by the Chairperson of the board
- approve and regularly update succession plans covering the CEO and to also consider any proposals from the CEO regarding skills, succession planning or headcount issues

- where special arrangements are proposed in relation to specific appointments, to approve such arrangements and to ensure the approval of such arrangements by the Department of Finance Department of Public Expenditure and Reform and the Department of Transport
- review and approve the section of the Chairperson's annual letter to be sent to the Minister for Transport relating to the affirmation that the government guidelines in relation to the payment of fees to the directors of the board are being complied with (which is required to be delivered pursuant to the 2016 Code of Practice for the Governance of State Bodies)
- review and approve the sections of the Annual Report and Financial Statements to be published by the company which relate to details of fees to be paid to each board director, the expenses paid to the directors and the salary of the CEO
- ensure adequate plans are in place to take account of an unforeseen absence of the CEO
- perform any other functions appropriate to a Remuneration & Succession Committee or assigned to it by the board from time to time

The Remuneration & Succession Committee was formally established by a decision of the Bus Átha Cliath board in 2014. The Committee's Terms of Reference were subsequently approved by the board and are reviewed on an annual basis and amended as appropriate. In line with its agreed work programme the Committee met twice in 2020 (2 times in 2019). During 2020 the Committee, on behalf of the board, again devoted considerable attention to board succession planning in order to ensure the board continues to have the requisite skills and experience to both discharge its statutory responsibilities and fully address the key strategic issues facing Bus Átha Cliath. The Committee also engaged with management in relation to Talent Management Development within the organisation and in considering the findings of the Gender Pay Gap Survey produced by external consultants for Bus Átha Cliath.

Board Strategy Review Group

At 7 April 2021, the Strategy Review Group (SRG) comprises the following non-executive members of the Board; Mr K. Wallace (Chairperson), Ms L. Carroll, Mr U. Courtney, Ms E. Howley, Ms S. Madden, Mr J. Quinn and Dr R. Widdis.

The mandate from the board for the SRG is:

- Review the medium- and long-term strategy of the company including consideration of outputs and recommendations from any strategic planning initiatives of the CIÉ Group relevant to Bus Átha Cliath
- Ensure that business objectives reflect approved strategy
- Review the main strategic assumptions which guide the rolling five-year Business Plans

During the year ended 31 December 2020, the SRG undertook a detailed review of the company's strategic plan as well as conducting a review of the key strategic issues facing the company in the coming years including the impact of the new 2019 Direct Award Contract; the roll out of the BusConnects project; emerging mobility solutions; and COVID-19. The SRG continues to monitor key strategic performance indicators.

The Terms of Reference of the SRG have been approved by the board and amended as appropriate. The committee met twice in 2020 (2 times in 2019).

Directors' Report – continued

Attendance at Board and Committee meetings

Listed below is the attendance of board directors at board and committee meetings during 2020.

Director	Board	Safety Committee	Audit Finance & Risk Committee	Remuneration & Succession Committee	Strategy Review Group
Ultan Courtney (<i>Chairperson</i>)	12/12			2/2	2/2
Lynda Carroll	12/12		10/10	2/2	2/2
Stephen Hannan	12/12	3/4			
Elaine Howley	11/12	2/4		2/2	2/2
Siobhán Madden	12/12	4/4	10/10		2/2
Thomas O'Connor	12/12	4/4			
Joe Quinn	6/12		6/10		1/2
Keith Wallace	12/12		10/10		2/2
Rachel Widdis	12/12			2/2	2/2

Employee development

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

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

In addition to CPC, a driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change. The Training Centre also

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

Health and safety

Bus Átha Cliath 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 (SMS) is certified to the latest ISO 45001 standard. As part of compliance, an external NSAI surveillance audit took place to ensure all requirements outlined in the SMS where in place and working effectively.

Diversity and inclusion

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

Bus Átha Cliath has a Diversity and Inclusion Policy which is kept under regular review. Bus Átha Cliath has been the proud recipient of a number of awards for our work and initiatives in this area in recent years and continues to place great importance on this issue. As part of Global Diversity Awareness Month in 2020 we have unveiled a newly wrapped bus featuring the flags of 73 countries which represents the countries of origin our employees and demonstrates our continued promotion and support of Diversity and Inclusion. For Pride 2020 Bus Átha Cliath partnered with BeLonG To to promote the charity's support services for young people using the tagline 'Growing up LGBTI+ isn't all rainbows'. The campaign saw an increase of over 200% of people accessing their vital services.

Diversity and inclusion – our board

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

As at 31 December 2020, the board had five (56%) male and four (44%) female members, with zero positions vacant. The board composition therefore meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

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

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

Diversity and inclusion – our employees and customers

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

The company has a Diversity and Inclusion Policy 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.

2016 Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the 2016 Code of Practice for the Governance of State Bodies are provided in the Córás Iompair Éireann Annual Report. The code provides minimum standards and the board endeavours to ensure compliance with best practice in corporate governance in the conduct of its business. The requirements of the 2016 Code of Practice for the Governance of State Bodies and subsequent annexes have been fully reflected in the 2020 financial statements and the Statement of Internal Control is set out on page 41.

Directors' Report – continued

Public Spending Code

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

Payment practices

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

Post balance sheet events

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract during 2020. The company transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility transfers to the NTA. The company has determined that this event is a non-adjusting post balance sheet event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2020 does not require any adjustment.

There have been no other significant post balance sheet events which require adjustment to the financial statements.

Auditors

In 2020, following approval from the Minister for Transport, the auditors, Mazars, were formally appointed as external auditors for the Group including Bus Átha Cliath. The auditors 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.

Statement of Internal Control

Scope of responsibility

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

Purpose of the system of internal control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Bus Átha Cliath for the year ended 31 December 2020 and up to the date of approval of the financial statements.

Capacity to handle risk

Bus Átha Cliath has an Audit, Finance and Risk Committee (AFRC). The Charter and Terms of Reference of the AFRC provides for a number of directors to be appointed to the committee, one of whom is the Chair. The AFRC met ten times in 2020.

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

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

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

Risk and control framework

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

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

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

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

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

Statement of Internal Control – continued

Bus Átha Cliath has implemented a risk management system via an auditable risk software system, OpRiskControl, which has been designed to ensure that Risk Owners and other department resources, adopt a consistent, robust approach at every stage of the risk management process, from risk identification through to escalation. In accordance with ISO 31000 Risk Management, it is policy that risks be defined at a level that can be managed, that is, they are sufficiently articulated so that the possible extent and likelihood of the event can be appraised and mitigating actions put in place.

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

Ongoing monitoring and review

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

Periodic reports will incorporate the following as standard:

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

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

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

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

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

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

A small number of instances of non-compliances with procurement procedures were noted for 2020. The non-compliances primarily related to the timely and accurate submission of derogations and the extension of certain contracts beyond the procurement compliant period. The total value of the non-compliant transactions amounted to €1.2 million from a total spend of €67 million. The root cause of the non-compliant expenditure has been identified with a remedial action plan to be implemented over the coming months.

Review of effectiveness

The 2016 Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform requires an external review of effectiveness of risk management framework of each State Body be completed “on a periodic basis”. Mazars are currently finalising their review of the Company Risk Management Framework to ensure the framework appropriately reflects the requirements of the Contract.

The company was found to be compliant with the Code.

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

Bus Átha Cliath confirms that the board conducted an annual review of the effectiveness of the internal controls for 2020.

Internal control issues

No weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

Directors' Responsibility Statement

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

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

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

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

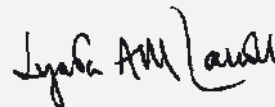
Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

On behalf of the board



Mr U. Courtney

Director



Ms L. Carroll

Director

Date: 7 April 2021

Independent auditor's report

to the members of Bus Átha Cliath

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bus Átha Cliath ('the Company'), which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2020, and of its results for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report – continued

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company.

We have nothing to report in this regard.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Directors' Report does not reflect the companies compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

We have nothing to report in this respect.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement out on page 44, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

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



Tommy Doherty

for and on behalf of Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 14 April 2021

Profit and Loss Account

For the Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Revenues			
Operating revenue		125,077	263,001
Public Service Obligation payment		125,104	39,901
Revenue grants		22,331	101
Total revenue	4	272,512	303,003
Costs			
Payroll and related costs	5	(195,358)	(201,639)
Materials and services	6	(79,220)	(88,012)
Total direct costs		(274,578)	(289,651)
EBITDA before exceptional costs		(2,066)	13,352
Exceptional operating costs	7	(6,038)	(5,390)
Depreciation and amortisation (net)	8	(1,709)	(6,237)
Gain on disposal of tangible assets		35	737
(Deficit)/surplus before interest and tax		(9,778)	2,462
Interest payable and similar charges	9	(87)	(6)
(Deficit)/surplus before tax		(9,865)	2,456
Tax on surplus	10	-	(1,040)
(Deficit)/surplus for the year		(9,865)	1,416

Statement of Total Comprehensive Income

For the Financial Year Ended 31 December 2020

	2020 €'000	2019 €'000
(Deficit)/surplus for the year	(9,865)	1,416
Total comprehensive income for the year	(9,865)	1,416

All results derive from continuing activities.

Balance Sheet

As at 31 December 2020

	Notes	2020 €'000	2019 €'000
Fixed assets			
Intangible assets	11	597	833
Tangible assets	12	79,696	196,256
		80,293	197,089
Current assets			
Stocks	13	3,448	3,592
Debtors	14	182,450	188,161
Cash at bank and in hand		295	1,075
		186,193	192,828
Creditors (amounts falling due within one year)	15	(74,751)	(84,236)
Net current assets		111,442	108,592
Total assets less current liabilities		191,735	305,681
Provision for liabilities	16	(88,344)	(86,595)
Deferred income	17	(64,621)	(170,451)
Net assets		38,770	48,635
Capital and reserves			
Called up share capital	18	69,836	69,836
Profit and loss account		(31,066)	(21,201)
Equity		38,770	48,635

On behalf of the board



Mr U. Courtney
Director



Ms L. Carroll
Director

Date: 7 April 2021

Statement of Changes in Equity

For the Financial Year Ended 31 December 2020

	Called up share capital €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2019	69,836	(22,617)	47,219
Total comprehensive income for the year	-	1,416	1,416
Balance at 31 December 2019	69,836	(21,201)	48,635
Balance at 1 January 2020	69,836	(21,201)	48,635
Total comprehensive income for the year	-	(9,865)	(9,865)
Balance at 31 December 2020	69,836	(31,066)	38,770

Cashflow Statement

For the Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Net cash (utilised)/generated from operating activities	19 (a)	(14,624)	20,765
Cash flow from investing activities			
Purchase of intangible fixed assets		(357)	(799)
Purchase of tangible fixed assets		(4,320)	(7,633)
Proceeds from disposal of tangible fixed assets		35	737
Capital grants received	17 (c)	17,503	4,758
Decrease/(increase) in receivable balance with parent company		1,071	(18,070)
Tax paid		(1)	-
Interest paid	9	(87)	(6)
Net cash used in investing activities		13,844	(21,013)
Cash flow from financing activities			
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(780)	(248)
Cash and cash equivalents at beginning of year		1,075	1,323
Cash and cash equivalents at end of year		295	1,075

Notes to the Financial Statements

1. Significant Accounting Policies

Statement of compliance

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

Activities and ownership

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

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

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

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

Summary of significant accounting policies

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

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

(a) Basis of preparation

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

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

FRS 102 allows a qualifying entity certain disclosure exemptions. Bus Átha Cliath has not taken advantage of any available exemption for qualifying entities for the year ended 31 December 2020.

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(b) Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The confirmation is made after having reviewed future trading performance, capital expenditure plans and liquidity availability. The directors also considered risks and uncertainties in the business along with available public information.

Therefore these entity financial statements have been prepared on a going concern basis. Further information is set out in note 2.

(c) Foreign currency

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

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

(d) Turnover

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

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

On Bus cash

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

Integrated Ticketing System (ITS) e-purse revenue

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

Taxsaver

Taxsaver annual tickets are recognised evenly over the periods in the year which the product relates to. Any concessions or complimentary schemes are recognised in accordance with the terms of the concessionary scheme. No revenue is recognised during complimentary periods for 2020.

Department of Social Protection (DSP) revenue

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

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

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

Grants for capital expenditure

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

Public Service Obligation (PSO) payments

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

Revenue grants & subsidies

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

(f) Materials and services costs

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

(g) Interest receivable/interest payable

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

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(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, the National Transport Authority and the Dublin Airport 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 is between 3 and 12 years.

Bus stops and shelters

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

Plant and machinery

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

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

(ii) Subsequent additions

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

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

Repairs and maintenance costs are expensed as incurred.

(iii) Derecognition

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

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(m) Impairment of non-financial assets

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

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

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

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

(n) Leased assets

Operating leases do not transfer substantially the risk and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease. Operating leases include road passenger vehicles received under the bus leasing agreement with the National Transport Authority.

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

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

(q) Financial instruments

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

(i) Financial assets

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

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

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

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

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

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

(ii) Financial liabilities

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

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

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

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

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(r) Provisions and contingencies

(i) Provisions

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

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

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

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

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

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

Provisions are not made for future operating losses.

(ii) Contingencies

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

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

(s) Employee benefits

The company provides a number of employee benefits to 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.

Post-employment benefits

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

(t) Equity

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

(u) Critical accounting estimates and assumptions

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

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

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(i) Useful economic lives of intangible and tangible assets

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

(ii) Defined benefit pension scheme

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

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

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

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

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

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

Road passenger vehicles received under the bus leasing agreement with the NTA are recognised in line with (n) Leased Assets above.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contract December 2019 – November 2024, have taken effect in 2020 and, as a result, the company has determined that road passenger vehicles recognised in line with (l) Tangible Fixed Assets in financial years 2017 to 2019 have been derecognised in 2020 and are now recognised in line with (n) Leased Assets.

In 2020, an annual rental charge, as prescribed in the NTA bus leasing agreement, has been recognised for road passenger vehicles received under this agreement.

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

(v) Taxsaver annual tickets revenue recognition following NTA's "Free Taxsaver Extension" guidelines incorporates a once off 6-month free ticket extension which aims to provide relief to Taxsaver customers impacted by the COVID-19 pandemic lockdown measures which restricted employees access to their usual place of work. The company has therefore determined not to recognise Taxsaver revenue during the 6-month free period.

2. Going concern

The 2020 financial statements have been prepared on a going concern basis. This assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The directors have given very careful consideration to the going concern basis of preparation at this time and are satisfied that it is appropriate for the 2020 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

Financial position as at 31 December 2020

At 31 December 2020 the company had net assets of €39 million (2019: €49 million) and net current assets of €100 million (2019: €109 million).

Net current assets include a non-cash liability of €17 million (2019: €27 million) relating to deferred income in respect of capital grants. Capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding this non-cash item the company has net current assets of €117 million (2019: €136 million).

Net assets of the company include a non-cash liability of €82 million (2019: €198 million) relating to deferred income in respect of capital grants. Therefore, excluding this item the company has net assets of €121 million (2019: €247 million).

Impact of COVID-19 pandemic

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

- The company is now projected to incur a loss on its Commercial business in 2021.
- A significant reduction in PSO revenue is expected to continue in 2021 and will increase the level of funding required by the NTA from the Exchequer.
- On 1 January 2021 the company transitioned to a gross cost contract with the NTA. Under this contract responsibility for revenue lies with the NTA while the company is compensated for expenditure and reasonable profit in line with the contract provisions.

Commercial activities

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

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

Notes to the Financial Statements – continued

2. Going concern – continued

PSO Direct Award Contract

During 2020 the company operated under a net cost contract and transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility transfers to the NTA.

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract during 2021. The company was fully funded in 2020 under the PSO contract and the directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

In 2021 the company is operating under a gross cost PSO contract and responsibility for revenue now lies with the NTA. The NTA has confirmed its intention to continue to provide PSO funding in line with the PSO Contract in 2021.

The directors considered the quantum of funding likely to be required for 2021 and 2022.

Consideration of the assumption that appropriate levels of PSO funding could be provided in 2021 and 2022 was an essential element in the director's assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Bus Átha Cliath to operate PSO Services in line with the Direct Award Contract;
- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required be provided;
- the 2021 Exchequer Budget included adequate provision to fund the Bus Átha Cliath PSO Contract in 2021;
- the NTA will receive sufficient funding from the Exchequer in order to fund the Bus Átha Cliath PSO Contract in 2021 and 2022.

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

On-going management actions

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

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

CIÉ Group

CIÉ Group (the Group) operates a pooled treasury system and Bus Átha Cliath relies of the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Bus Átha Cliath is evidenced in the Letter of Support from CIÉ to Bus Átha Cliath dated 7 April 2021. The letter states, "It remains CIÉ policy that the Company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the Company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the Company to continue operating and liquidating its liabilities in the normal course of business for at least a period of twelve months after the date of the signing of the financial statements".

Consolidated CIÉ Group Budget

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

Conclusion

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

3. Net surplus/(deficit) by activity

	Social Activities		Commercial Activities	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Revenue	144,489	240,517	2,919	22,585
Costs including exceptional charges	(268,467)	(284,628)	(13,910)	(16,959)
Operating (deficit)/surplus	(123,978)	(44,111)	(10,991)	5,626
Public Service Obligation payments	125,104	39,901	-	-
Operating (deficit)/surplus	1,126	(4,210)	(10,991)	5,626

Bus Átha Cliath received a total of €125.1 million in operating subvention from the NTA relating to 2020. Operating subvention, after performance deductions, was significantly higher than the prior year, due to the NTA providing additional operating subvention following the significant fall in passenger numbers and passenger revenue owing to the extreme event of the COVID-19 pandemic.

The Commercial business suffered a substantial loss in 2020 amounting to €11 million. The company suspended all commercial activity in the first half of 2020 and commercial activity remains suspended as at 31 December 2020.

Notes to the Financial Statements – continued

4. Revenue

(a) Total revenue

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

(b) Public service obligation (PSO)

The PSO payment payable to Bus Átha Cliath – through its holding company, Córas Iompair Éireann, amounted to €125.1 million for the year ended 31 December 2020 (2019: €39.9 million).

(c) Revenue grants

Revenue grants are brought to profit and loss account in full in the relevant year received/receivable. Revenue grants amounted to €22.3 million (2019: nil) received under the Wage Subsidy Schemes and €0.07 million (2019: €0.1 million) received under the Travel Assistance Scheme. Further details are set out in note 17 (a), in accordance with Department of Public Expenditure and Reform Circular Reference 13/2014.

5. Payroll and related costs

	2020 €'000	2019 €'000
Staff costs comprise:		
Wages and salaries	164,352	168,695
Social insurance costs	17,000	17,121
Other retirement benefit costs (note 20)	13,784	15,610
Total staff costs (excluding directors' remuneration)	195,136	201,426
Directors' remuneration		
Emoluments		
– for services as directors	98	90
– for other services	118	119
	216	209
Contributions paid to defined benefit scheme	6	4
Total directors' remuneration and emoluments	222	213
Total payroll and related costs	195,358	201,639

Retirement benefits are accruing to 2 directors during the year (2019: 2 directors) under a defined benefit pension scheme.

No costs were incurred in respect of loss of office for any directors during 2020 or 2019 or after the balance sheet date.

	Number of Employees	
	2020	2019
The average number of employees during the year were:		
Wages grade	3,135	3,033
Executive/clerical	398	381
Temporary/contract	40	61
Total	3,573	3,475

Key management compensation

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

	2020 €'000	2019 €'000
Chief Executive Officer compensation		
Basic salary	200	200
Social insurance costs	5	5
Post-retirement benefit costs	52	55
Total	257	260

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

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

Key management compensation

	2020 €'000	2019 €'000
Salary	1,150	1,208
Social insurance costs	43	39
Post-retirement benefit costs	281	238
Total	1,474	1,485

Notes to the Financial Statements – continued

5. Payroll and related costs – continued

The directors of the company were paid directors' fees for services as directors during 2020 as follows:

Mr U. Courtney	€21,600
Ms L. Carroll	€12,600
Ms E. Howley	€12,600
Ms S. Madden	€12,600
Mr J. Quinn	€12,600
Mr K. Wallace	€12,600
Dr R. Widdis	€12,600

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

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

The expenses paid for directors in 2020 amounted to €345 (2019: €1,408).

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

Included in wages and salaries:	2020 €'000	2019 €'000
Salary	108,374	108,390
Overtime	9,568	15,728
Allowances	46,410	44,577
Total	164,352	168,695

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

	Number of Employees	
	2020	2019
€50,000 to €75,000	945	1,156
€75,001 to €100,000	133	113
€100,001 to €125,000	19	33
€125,001 to €150,000	4	8
Over €150,001	3	4

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

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

	Number of Employees	
	2020	2019
€60,000 to €70,000	133	282
€70,001 to €80,000	79	87
€80,001 to €90,000	62	41
€90,001 to €100,000	26	37
€100,001 to €110,000	11	19
€110,001 to €120,000	6	10
€120,001 to €130,000	4	7
€130,001 to €140,000	1	4
€140,001 to €150,000	1	1
Over €150,001	3	4

6. Materials and services costs

	2020	2019
	€'000	€'000
Fuel and lubricants	26,864	25,667
Materials	22,347	18,643
Road tax and licences	808	827
Rent and rates	368	731
Foreign exchange losses	12	26
Charge for movement in provision for impairment of stocks	248	44
Charge/(credit) for movement in provision for impairment of debtors	9	(12)
Operating lease rentals	470	487
Third party and employer's liability claims	3,500	568
Other services	24,594	41,031
Total	79,220	88,012

Notes to the Financial Statements – continued

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

Travel and subsistence

	2020 €'000	2019 €'000
National travel and subsistence	–	–
International travel and subsistence	7	35
Hospitality	23	52
Total	30	87

7. Exceptional operating costs

	2020 €'000	2019 €'000
Exceptional Costs excluding impairment (note 16)	4,768	480
Intangible fixed asset impairment loss (note 11)	45	–
Tangible fixed asset impairment loss (note 12)	1,225	–
Subvention reserve repayable to NTA	–	4,910
Total	6,038	5,390

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

Termination or severance payments made in the reporting period amounted to €10,000 (2019: nil).

8. Depreciation and amortisation of tangible and intangible assets

	2020 €'000	2019 €'000
Amortisation of intangible fixed assets (note 11)	548	461
Depreciation of tangible fixed assets (note 12)	22,009	34,340
Amortisation of EU/Exchequer capital grants (note 17)	(20,848)	(28,564)
	1,709	6,237

9. Interest payable and similar charges

	2020 €'000	2019 €'000
On balances with holding company	86	3
Other interest payments	1	3
	87	6

10. Taxation

	2020 €'000	2019 €'000
Tax expense included in profit or loss		
Current tax:		
Irish corporation tax on surplus for the financial year	-	1,040
Adjustments in respect of prior financial years	-	-
Current tax expense for the financial year	-	1,040
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
Tax on profit on ordinary activities	-	1,040

Notes to the Financial Statements – continued

10. Taxation – continued

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 2020 of 12.5% (2019: 12.5%) to the surplus for the year. The differences are explained below:

	2020 €'000	2019 €'000
(Deficit)/surplus on ordinary activities before tax	(9,865)	2,456
(Deficit)/surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2019: 12.5%)	(1,233)	307
<i>Effects of:</i>		
Depreciation in excess of capital allowances for year	2,414	3,729
Non-taxable income	(2,607)	(2,897)
Non-deductible expenditure	5	–
Unrelieved tax losses carried forward	–	(569)
Surrender of loss relief to group company	1,420	–
Carry back of loss claim to prior year	1	–
Income charged to tax at higher rate	–	521
Other timing differences	–	(51)
Total tax charge for the year	–	1,040

A potential deferred tax asset of €193 million (2019: €193 million) has not been recognised, as the future recovery against taxable profits is uncertain. Bus Átha Cliath is in compliance with the requirements of Department of Public Expenditure and Reform Circular Reference 44/2006: Tax Clearance Procedures Grants, Subsidies and Similar Payments.

11. Intangible fixed assets

	Software €'000	Total €'000
Cost		
At 1 January 2020	13,144	13,144
Additions	357	357
Disposals	(78)	(78)
At 31 December 2020	13,423	13,423
Amortisation		
At 1 January 2020	(12,311)	(12,311)
Charge for the year (note 8)	(548)	(548)
Impairment loss (note 7)	(45)	(45)
Disposals	78	78
At 31 December 2020	(12,826)	(12,826)
Net book amounts		
At 31 December 2020	597	597
At 31 December 2019	833	833

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

Software 3-5 years

An impairment loss of €45,000 (2019: nil) has been recognised in relation to intangible fixed assets specifically in use in the business that have been rendered of limited economic value arising from the cessation of specific routes and services directly impacted by the COVID-19 pandemic. Uncertainty remains at the balance sheet date in relation to the trading position of these routes and services, therefore the carrying amount of these intangible fixed assets has been reduced to nil at 31 December 2020.

Notes to the Financial Statements – continued

12. Tangible fixed assets

	Road passenger vehicles €'000	Bus stops and shelters €'000	Plant and machinery €'000	Total €'000
Cost				
At 1 January 2020	391,689	32,906	49,324	473,919
Derecognition	(112,572)	–	–	(112,572)
Additions	3,432	–	888	4,320
Disposals	(5,487)	–	(6,597)	(12,084)
At 31 December 2020	277,062	32,906	43,615	353,583
Depreciation				
At 1 January 2020	(211,898)	(22,446)	(43,319)	(277,663)
Derecognition	14,926	–	–	14,926
Charge for the year (note 8)	(18,469)	(2,055)	(1,485)	(22,009)
Impairment loss (note 7)	(989)	–	(236)	(1,225)
Disposals	5,487	–	6,597	12,084
At 31 December 2020	(210,943)	(24,501)	(38,443)	(273,887)
Net book amounts				
At 31 December 2020	66,119	8,405	5,172	79,696
At 31 December 2019	179,791	10,460	6,005	196,256

- (i) Road passenger vehicles at a cost of €118.6 million (2019: €70.5 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 (2019: 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 €12.2 million were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets and a profit of €35,000 was obtained.

- (v) Road passenger vehicles above include the derecognition of 323 buses received under a bus leasing agreement with the NTA. The buses derecognised in 2020 came into service in the period from 01 January 2017 to 31 December 2019.

The buses that have been derecognised have a net book value of €97.6 million as at 1 January 2020. The corresponding grants for capital expenditure relating to these buses have a carrying value of €97.6 million and have also been derecognised as at 1 January 2020. Further details on these grants is provided in Note 17 to the financial statements.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contract December 2019 – November 2024, have taken effect in 2020 and, as a result, the company has determined that road passenger vehicles recognised in tangible fixed assets in financial years 2017 to 2019 have been derecognised in 2020 and are now recognised as buses held under operating lease, acquired under the NTA bus leasing agreement.

In 2020, an annual rental charge, as prescribed in the NTA bus leasing agreement, has been recognised as operating lease charge for road passenger vehicles received under this agreement.

- (vi) An impairment loss of €1.2 million (2019: nil) has been recognised in relation to tangible fixed assets specifically in use in the business that have been rendered of limited economic value arising from the cessation of specific routes and services directly impacted by the COVID-19 pandemic. Uncertainty remains at the balance sheet date in relation to the trading position of these routes and services, therefore the carrying amount of these tangible fixed assets has been reduced to nil at 31 December 2020.

13. Stocks

	2020 €'000	2019 €'000
Maintenance materials and spare parts	1,851	1,887
Fuel, lubricants and other sundry stocks	1,597	1,705
	3,448	3,592

The stock above is stated net of a stock obsolescence provision of €772,000 (2019: €524,000).

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

Notes to the Financial Statements – continued

14. Debtors

	2020 €'000	2019 €'000
Trade debtors	2,619	9,626
Amounts owed by holding company	176,209	177,280
Prepayments	394	836
Other debtors and accrued income	3,228	419
	182,450	188,161

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

The debtors above are stated net of provision for bad debts of €11,000 (2019: €17,000).

15. Creditors (amounts falling due within one year)

	2020 €'000	2019 €'000
Trade creditors	5,264	7,647
Corporation tax	1,040	1,040
Income tax/levy deducted under PAYE	3,479	2,875
Pay related social insurance	2,787	2,294
Value added tax	27	285
Withholding tax	15	22
Other creditors	25,230	14,350
Deferred revenue	8,148	12,667
Deferred income (note 17)	17,455	27,216
Accruals	11,306	15,840
	74,751	84,236
Creditors for pay related taxation and social insurance included above	6,308	5,476

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

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

Deferred revenue relates to revenue from Tax saver and other short-term tickets.

16. Provision for liabilities

	Environment matters €'000	Legal, and related matters €'000	Restructuring & other employee matters €'000	Third party & employer liability claims €'000	Total €'000
As at 1 January 2019	4,383	175	2,055	86,016	92,629
Charge to profit and loss account	182	25	2,388	568	3,163
Utilised during year	(2,241)	-	(602)	(6,354)	(9,197)
As at 31 December 2019	2,324	200	3,841	80,230	86,595
As at 1 January 2020	2,324	200	3,841	80,230	86,595
Charge to profit and loss account	150	4,708	160	3,427	8,445
Utilised during year	(414)	-	(362)	(5,920)	(6,696)
As at 31 December 2020	2,060	4,908	3,639	77,737	88,344

Environment matters

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

Legal and related matters

The provision relates to third party and employee legal and other contractual disputes. These disputes are currently on-going. The provision represents the estimated cost of settling these matters. Further information is not provided in relation to these on-going disputes as this could seriously prejudice the company's position.

Restructuring & other employee matters

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 2021.

Other employee matters relate to post-retirement benefit costs provided for at 31 December 2020 of €1.9m (2019: €1.9m).

Third party and employer liability claims

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

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

Notes to the Financial Statements – continued

16. Provision for liabilities – continued

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

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

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

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

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

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

17. Deferred income

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

	2020 €'000	2019 €'000
Capital grants		
Balance at 1 January	197,667	174,765
Received and receivable (note 17(c))	2,903	19,358
Recognised under bus leasing agreement (note 12)	-	32,147
Derecognised under bus leasing agreement (note 12)	(97,646)	-
Amortisation of capital grants (note 8)	(20,848)	(28,564)
Asset disposals	-	(39)
Balance at 31 December	82,076	197,667
Apportioned:		
Current liability (note 15)	17,455	27,216
Amounts falling due after more than one year	64,621	170,451
	82,076	197,667

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

	2020 €'000	2019 €'000
Capital grants		
Vehicles and plant	2,770	4,032
Total capital grants received	2,770	4,032

Capital grants are amortised over the useful lives of the assets. The relevant agency and programme is the NTA and the 2020 Capital Funding Programme and the sponsoring government department is the Department of Transport. Grants are restricted to PSO activities.

Notes to the Financial Statements – continued

17. Deferred income – continued

	2020 €'000	2019 €'000
Revenue grants (note 4 (c))		
Travel Assistance Scheme – NTA	67	101
Wage Subsidy Schemes – Revenue/Department of Social Protection	22,264	–
Total revenue grants received	22,331	101

Revenue grants are brought to profit and loss account in full in the relevant year received/receivable. The relevant agency and programme are set out above. The sponsoring government department for the Travel Assistance Scheme is the Department of Transport and these grants are restricted to PSO activities. The sponsoring government department for the Wage Subsidy Schemes is the Department of Finance and these grants are unrestricted.

17(b) Total capital grants recognised in 2020 were €2.9 million (2019: €51.5 million). Grants recognised in 2020 related to €2.8 million (2019: €4.0 million) received from the NTA under the Capital Funding Programme, €0.1 million (2019: €15.3 million) received from the NTA under Direct Award Contract and nil (2019: €32.1 million) recognised under the bus leasing arrangement (note 12).

17(c) Capital grants received and receivable

	2020 €'000	2019 €'000
Capital grants received and allocated	2,903	4,758
Capital grants received, unallocated in 2019	–	14,600
Capital grants received and receivable (note 17)	2,903	19,358
Capital grants allocation from 2019 to 2020	14,600	(14,600)
Capital grants received cash flow	17,503	4,758

18. Share capital

	2020 €'000	2019 €'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

	2020 €'000	2019 €'000
Reconciliation of operating cash flows		
(Deficit)/surplus before interest and tax	(9,778)	2,462
Depreciation of tangible fixed assets	22,009	34,340
Amortisation of intangible fixed assets	548	461
Amortisation of capital grants	(20,848)	(28,564)
Impairment of tangible and intangible fixed assets	1,270	-
Gain on disposal of tangible fixed assets	(35)	(737)
Decrease/(increase) in stocks	144	(248)
Decrease/(increase) in debtors	4,640	(753)
Increase in creditors and provisions	(12,574)	13,804
Net cash (utilised)/generated from operating activities	(14,624)	20,765

20. Pensions

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

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

The valuations of the schemes under FRS 102 as at 31 December 2020 showed a deficit of €975 million, (2019: €799 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 2020 which are publicly available from CIÉ, Heuston Station, Dublin 8, Ireland.

The company's pension cost for the year under the defined benefit schemes was €13.8 million (2019: €15.6 million) and these costs are included as post-retirement benefits in note 5. The company's cost comprises of contributions payable for the year.

Notes to the Financial Statements – continued

21. Capital commitments

	2020 €'000	2019 €'000
Contracted for:	2,122	3,411

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. All capital commitments included are funded by the NTA.

22. Operating leases

	2020 €'000	2019 €'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	149	101
Between one and five years	212	118
	361	219

Operating leases include (i) non-bus vehicles under operating leases and (ii) the operating lease charge payable to the NTA relating to a bus leasing agreement which commenced in 2017.

23. Guarantees and contingent liabilities

The CIÉ Group has borrowings of €20 million (2019: €24 million) at the balance sheet date.

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

Bus Átha Cliath's capital expenditure in respect of Pre-2017 PSO fleet is funded through capital grants from the NTA. This funding is provided in line with the provisions of the Direct Award Contract, effective from 1 December 2019. Certain contingent liabilities arise under these agreements.

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

24. Related party transactions

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post, the National Transport Authority and the Dublin Airport Authority. The NTA is a significant related party whereby Bus Átha Cliath have entered into a 5-year contract for 100% of the public service trading activity of the company through a Direct Award Contract for passenger transport in the Greater Dublin Area. The contract is from 1 December 2019 to 30 November 2024. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

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

25. Membership of Córas Iompair Éireann Group

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

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

26. Post balance sheet events

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract during 2020. Bus Átha Cliath transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility transfers to the NTA.

The company has determined that this event is a non-adjusting post balance sheet event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2020 does not require any adjustment.

27. Approval of financial statements

The financial statements were authorised for issue by the board of directors on 7 April 2021.



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