

National Transport Authority

Financial Statements

for the year ended 31 December 2012

National Transport Authority

Financial Statements

for the year ended 31 December 2012

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National Transport Authority

Authority Information

Board Members

Mr. John Fitzgerald (Chairman)
Mr. Gerry Murphy (Chief Executive Officer)
Ms. Linda Saunders
Dr. Berna Grist
Mr. Frank King
Mr. John Tierney
Mr. Damian Usher
Ms. Valerie O'Reilly
Ms. Margaret O'Shaughnessy
Mr. Jim Deegan
Mr. Hugh Creegan
Cllr. Daithí Alcorn

Solicitors

McCann Fitzgerald
Solicitors
Riverside One
Sir John Rogerson's Quay
Dublin 2

Bankers

Allied Irish Banks, p.l.c
1/4 Lower Baggot Street
Dublin 2

Auditors

Comptroller and Auditor General
Treasury Block
Dublin Castle
Dublin 2

National Transport Authority

Statement of Responsibilities

for the year ended 31 December 2012

Under the terms of the Dublin Transport Authority Act 2008 (as amended by the Public Transport Regulations Act 2009), the National Transport Authority is responsible for preparing financial statements for the year to 31 December 2012 so as to give a true and fair view of the state of affairs as at 31 December 2012 and its income and expenditure for the year then ended.

In preparing those financial statements, the Authority is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements based on the going concern basis unless it is inappropriate to presume that the National Transport Authority will continue in operation.

The National Transport Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time its financial position and to enable it to ensure that the financial statements comply with Section 32 of the Dublin Transport Authority Act 2008. The National Transport Authority is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mr. John Fitzgerald
Chairman

Date: 27 September 2013

Mr. Gerry Murphy
Director

Date: 27 September 2013

National Transport Authority

Chairman's Statement on Internal Financial Control *for the year ended 31 December 2012*

As required by the Code of Practice for the Governance of State Bodies, on behalf of the Board of the National Transport Authority, I as Chairman make the following statement.

In the year ended 31 December 2012, the members of the Board of the National Transport Authority were responsible for ensuring that an effective system of internal financial control was maintained and operated. The system can only provide reasonable and not absolute assurance that assets were safeguarded, transactions authorised and properly recorded, and that material errors or irregularities were either prevented or would be detected in a timely period.

Key Control Procedures

The Board of the National Transport Authority had taken steps to ensure an appropriate control environment by:

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures; and,
- ensuring appropriate corrective action.

The system of internal financial control was based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it included:

- a comprehensive budgeting system with an annual budget which was reviewed and agreed by the Board;
- regular reviews by the Board of periodic and annual financial reports indicating financial performance;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- formal project management disciplines.

The National Transport Authority has an Internal Audit function, which operates in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies. The work of internal audit is informed by analysis of the risk to which the body is exposed. The internal audit plans are derived to cover the key controls on a rolling basis over a reasonable period. The analysis of risk and the internal audit plans are endorsed by the Audit Committee and approved by the Board of the National Transport Authority.

The Board's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of internal audit. The Audit Committee monitors the work of internal audit and the National Transport Authority management who have responsibility for the financial control framework. The Audit Committee also reviews and considers audit reports and recommendations from the Comptroller and Auditor General.

Annual Review of Controls

I confirm that in respect of the year ended 31 December 2012 the Board conducted a review of the effectiveness of the system of Internal Financial Controls.

Signed on behalf of the National Transport Authority

Mr. John Fitzgerald
Chairman

Date: 27 September 2013



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas



National Transport Authority

I have audited the financial statements of the National Transport Authority for the period ended 31 December 2012 under the Dublin Transport Authority Act 2008, as amended. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 32 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Authority's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2012 and of its income and expenditure for the period then ended.

In my opinion, proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Financial Control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters.

Seamus McCarthy
Comptroller and Auditor General
30 September 2013

National Transport Authority

Statement of Accounting Policies for the year ended 31 December 2012

Basis of Preparation

The financial statements have been prepared on an accruals basis, except as indicated below, in accordance with generally accepted principles under the Financial Reporting Standards recommended by the recognised accounting bodies. The Financial Statements are in the form approved by the Minister for Transport, Tourism and Sport with the concurrence of the Minister for Finance.

Oireachtas Grants Income

Oireachtas grants consist of amounts received from the Department of Transport, Tourism and Sport for administration and receivable for Traffic Management Grants (TMG), Public Service Obligations, Regional Jobs Initiative, Regional Bus Priority, Accessibility, Rural Transport, Green Schools, Smarter Travel and Capital Investment.

Grant income received towards capital expenditure on tangible fixed assets is deferred to the capital account and is released to the income and expenditure account over the expected useful economic life of the related assets, in line with depreciation charged on the assets.

Grants Expenditure for Public Service Obligation and Capital Investment

Expenditure in the year is recognised on the basis of amounts disbursed to grantees.

Licencing Income

This relates to income arising from licencing, assessment and enforcement activities in respect of taxi regulation and commercial bus licencing income.

Integrated Ticketing Scheme Income

Integrated Ticketing Scheme income arises on recharge of operating costs to integrated ticketing scheme participants.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their historical cost or valuation, less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account on a straight line basis, at the rates set out below, calculated to write off the assets adjusted for residual value over their expected useful lives. A full year's depreciation is charged on the addition of all tangible fixed assets in the year of acquisition:

| | |
|-----------------------------|---|
| Leasehold | - 5% Straight line |
| Motor vehicles | - 20% Straight line |
| Traffic model | - 10% Straight line |
| Furniture & fittings | - 10% Straight line |
| Computer equipment | - 25% Straight line |
| Traffic Management | |
| Grant equipment | - 25% Straight line |
| Integrated Ticketing Scheme | - 10% Straight line on software and 25% straight line on hardware |

The Traffic model is depreciated at its initial cost together with any additions, over its expected useful life. Additions in the year reflect the salary cost of personnel dedicated to the model development. The Traffic model as developed by the Dublin Transport Initiative, was taken over by the Dublin Transportation Office on 9 November 1995 at a replacement valuation of €1,777,633 and was included as an asset in the financial statements.

The Integrated Ticketing Scheme became operational in December 2011 and a full year's depreciation was charged to the Income and Expenditure Account.

National Transport Authority

Statement of Accounting Policies *for the year ended 31 December 2012*

..... continued

Pensions - Defined Contribution Scheme

The pension costs charged in the financial statements include the contribution payable by the National Transport Authority during the year under its defined contribution pension scheme. No other liability accrues to the National Transport Authority under the defined contribution scheme.

Pensions - Defined Benefit Scheme

The National Transport Authority operates an unfunded defined benefit scheme which is funded annually on a pay as you go basis from monies provided by the Department of Transport, Tourism and Sport. The scheme is operating on an administrative basis, as sanctioned by the Minister for Transport, Tourism and Sport and the Minister for Public Expenditure and Reform, pending approval of the scheme by both Ministers.

Pension scheme liabilities are measured on an actuarial basis using the Projected Unit Credit Method.

Pension costs reflect pension benefits earned by employees in the year. Employee pension contributions are remitted to the Department of Transport, Tourism and Sport. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in Actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount is recoverable from the Department of Transport, Tourism and Sport.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in the future from the Department of Transport, Tourism and Sport.

Capital Account

The capital account represents the unamortised portion of income applied for capital purposes.

Fixed assets are funded from grant income which is transferred to the capital account and amortised in line with depreciation.

Currency

The unit of currency in which the financial statements are denominated is the Euro.

National Transport Authority

Income and Expenditure Account for the year ended 31 December 2012

| | | 2012 | 2011 |
|--|--------------|--------------------|--------------------|
| | | € | € |
| Income | Notes | | |
| Oireachtas grants | 1 | | |
| - Capital Investment funding | 1.1 | 132,031,094 | 210,892,617 |
| - Public Service Obligation (PSO) funding | 1.2 | 278,296,920 | 265,641,000 |
| - Other transport schemes | 1.3 | 22,986,331 | 22,364,826 |
| - Administration | | 3,427,000 | 3,712,000 |
| Licencing income | 2 | 5,916,434 | 5,938,712 |
| Integrated Ticketing Scheme participant fees | 3 | 4,752,948 | 1,496,039 |
| Net deferred funding for pensions | 12.2 | 761,000 | 655,000 |
| Other income | 4 | 758,175 | 832,905 |
| | | <u>448,929,902</u> | <u>511,533,099</u> |
| Transfer from / (to) Capital Reserve | 16 | 1,701,155 | (1,333,893) |
| Total Income | | <u>450,631,057</u> | <u>510,199,206</u> |
| Expenditure | | | |
| Capital investment expenditure | 5 | 128,043,234 | 204,334,428 |
| Public Service Obligation (PSO) expenditure | 6 | 278,296,919 | 265,641,000 |
| Other grant related expenditure | 7 | 22,985,657 | 22,345,173 |
| Licencing expenditure | 8 | 3,413,382 | 3,923,617 |
| Integrated Ticketing System expenditure | 3 | 10,289,416 | 6,793,762 |
| Staff costs | 9 | 5,237,071 | 4,761,742 |
| Pension costs | 12 | 763,724 | 663,990 |
| Office accommodation costs | 10 | 973,747 | 1,115,831 |
| Other administrative costs | 11 | 2,767,912 | 2,533,059 |
| Total Expenditure | | <u>452,771,062</u> | <u>512,112,602</u> |
| Deficit for the year | | <u>(2,140,005)</u> | <u>(1,913,396)</u> |

The Statement of Accounting Policies and Notes 1 to 24 form part of these financial statements.

Mr. John Fitzgerald
Chairman

Mr. Gerry Murphy
Director

Date: 27 September 2013

Date: 27 September 2013

National Transport Authority

Statement of Total Recognised Gains and Losses for the year ended 31 December 2012

| | <i>Notes</i> | 2012 € | 2011 € |
|---|--------------|----------------------------------|----------------------------------|
| Deficit for the year | | <u>(2,140,005)</u> | <u>(1,913,396)</u> |
| Experience (losses) / gains on pension scheme liabilities | 12.3 | (490,000) | 110,000 |
| Changes in assumptions underlying the present value of pension scheme liabilities | 12.3 | <u>(983,000)</u> | <u>(417,000)</u> |
| Actuarial (loss) on pension liabilities | 12.1 | <u>(1,473,000)</u> | <u>(307,000)</u> |
| Adjustment to deferred pension funding | | <u>1,473,000</u> | <u>307,000</u> |
| Total recognised deficit for the year | | <u><u>(2,140,005)</u></u> | <u><u>(1,913,396)</u></u> |

The Statement of Accounting Policies and Notes 1 to 24 form part of these financial statements.

Mr. John Fitzgerald
Chairman

Date: 27 September 2013

Mr. Gerry Murphy
Director

Date: 27 September 2013

National Transport Authority

Balance Sheet

as at 31 December 2012

| | Notes | 2012 € | 2011 € |
|--|-------|--------------------------|--------------------------|
| Fixed Assets | | | |
| Tangible assets | 13 | 41,449,160 | 43,150,315 |
| Current Assets | | | |
| Debtors | 14 | 1,867,468 | 2,783,914 |
| Cash at bank and in hand | | 20,744,905 | 20,124,620 |
| | | <u>22,612,373</u> | <u>22,908,534</u> |
| Creditors: amounts falling due within one year | 15 | <u>(7,091,130)</u> | <u>(5,247,286)</u> |
| Net Current Assets | | <u>15,521,243</u> | <u>17,661,248</u> |
| Total Assets Less Current Liabilities before pensions | | 56,970,403 | 60,811,563 |
| Pension liabilities | 12.1 | (5,868,000) | (3,634,000) |
| Deferred pension funding | 12.2 | 5,868,000 | 3,634,000 |
| Net Assets | | <u><u>56,970,403</u></u> | <u><u>60,811,563</u></u> |
| Financed by | | | |
| Capital Reserve | 16 | 41,449,160 | 43,150,315 |
| Income and Expenditure account | 17 | 15,521,243 | 17,661,248 |
| | | <u><u>56,970,403</u></u> | <u><u>60,811,563</u></u> |

The Statement of Accounting Policies and Notes 1 to 24 form part of these financial statements.

Mr. John Fitzgerald
Chairman

Mr. Gerry Murphy
Director

Date: 27 September 2013

Date: 27 September 2013

National Transport Authority

Cash Flow Statement

for the year ended 31 December 2012

| | <i>Notes</i> | 2012 € | 2011 € |
|---|--------------|--------------------------|--------------------------|
| Reconciliation of operating to net cash inflow from operating activities | | | |
| Operating (deficit) | | (2,140,005) | (1,913,396) |
| Capital Reserve transfers - tangible fixed assets | 16 | (1,701,155) | 1,333,893 |
| Depreciation of tangible fixed assets | 13 | 5,502,527 | 5,111,833 |
| Loss on adjustment of tangible fixed assets | 13 | 7,229 | - |
| Decrease / (increase) in debtors | | 916,446 | (802,765) |
| Increase in creditors | | 1,843,844 | 2,069,398 |
| Interest received | | (454,616) | (534,941) |
| Net cash inflow from operating activities | | <u><u>3,974,270</u></u> | <u><u>5,264,022</u></u> |
| Cash Flow Statement | | | |
| Net cash inflow from operating activities | | 3,974,270 | 5,264,022 |
| Capital expenditure to acquire tangible assets | 20 | (3,808,601) | (6,445,725) |
| Interest received | | 454,616 | 534,941 |
| Increase / (decrease) in cash in the year | | <u><u>620,285</u></u> | <u><u>(646,762)</u></u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Increase / (decrease) in cash in the year | | 620,285 | (646,762) |
| Funds transferred from Commission for Taxi Regulation at 1 January 2011 | | - | 19,558,174 |
| Net funds at 1 January | | <u><u>20,124,620</u></u> | <u><u>1,213,208</u></u> |
| Net funds at 31 December | 21 | <u><u>20,744,905</u></u> | <u><u>20,124,620</u></u> |

The Statement of Accounting Policies and Notes 1 to 24 form part of these financial statements.

Mr. John Fitzgerald
Chairman

Mr. Gerry Murphy
Director

Date: 27 September 2013

Date: 27 September 2013

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

1. Oireachtas Grants

Oireachtas grants of €436,741,345 were received / receivable in 2012 from the Department of Transport, Tourism and Sport. The source of the funding is set out in Notes 1.1 to 1.3 to the financial statements. Administration grants of €3.4m were received from subhead B9.3.

1.1. Oireachtas Grants - Capital investment funding

| | 2012 | 2011 |
|---|--------------------|--------------------|
| | € | € |
| Iarnrod Eireann | 32,224,324 | 98,083,793 |
| Traffic Management Grant | 41,504,938 | 59,340,220 |
| Railway Procurement Agency | 22,867,652 | 20,230,830 |
| Integrated Ticketing Scheme | 3,931,416 | 6,487,538 |
| Dublin Bus | 22,347,548 | 4,639,404 |
| Bus Eireann | 3,631,601 | 19,323,456 |
| Dublin City Council Transport 21 office funding | 267,160 | 1,056,520 |
| Marlborough Street Bridge Project | 3,505,462 | 419,664 |
| Technical Support | 1,750,993 | 1,201,722 |
| Other | - | 109,470 |
| | <u>132,031,094</u> | <u>210,892,617</u> |

Capital investment funding is drawn down under the Public Transport Investment Programme subhead B8.

1.2. Oireachtas Grants - Public Service Obligation (PSO) funding

| | 2012 | 2011 |
|-----------------|--------------------|--------------------|
| | € | € |
| Iarnrod Eireann | 166,417,945 | 148,688,997 |
| Dublin Bus | 74,768,998 | 73,041,689 |
| Bus Eireann | 36,883,057 | 43,410,313 |
| Network Review | 226,920 | 500,001 |
| | <u>278,296,920</u> | <u>265,641,000</u> |

Public Service Obligation funding is drawn down under Public Service Provision Payments subhead B7.

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

1.3. Oireachtas Grants - other transport schemes

The National Transport Authority administers a number of other schemes on behalf of the Department of Transport, Tourism and Sport. Grant funding received / receivable in 2012 is shown below:

| | 2012 € | 2011 € |
|--------------------------------------|-------------------|-------------------|
| Accessibility Scheme funding | 1,771,449 | 9,804,380 |
| Regional Cities Bus Priority funding | 12,192,671 | 5,610,902 |
| Regional Jobs Initiative funding | - | 4,988,715 |
| Rural Transport funding | 6,937,153 | - |
| Smarter Travel | 320,960 | 453,066 |
| Green Schools (Note 22) | 1,764,098 | 1,507,763 |
| | <u>22,986,331</u> | <u>22,364,826</u> |

Accessibility Scheme funding and Regional Cities Bus Priority funding is drawn down under the Public Transport Investment Programme subhead B8.

Rural Transport funding is drawn down under Public Service Provision Payments subhead B7.2.

Smarter Travel funding is drawn down under Smarter Travel and Carbon Reduction Programme subhead B6.

Green Schools funding is drawn down under Public Service Provision Payments subhead B7.3.

2. Licencing income

| | 2012 € | 2011 € |
|--------------------------------|------------------|------------------|
| Taxi licencing fees | 4,345,685 | 3,924,607 |
| Taxi enforcement income | 42,204 | 82,053 |
| Taxi driver licencing renewals | 1,414,633 | 1,505,500 |
| Other taxi income | 84,388 | 402,415 |
| Bus licencing income | 29,524 | 24,137 |
| | <u>5,916,434</u> | <u>5,938,712</u> |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

..... continued

3. Integrated Ticketing Scheme

| | 2012 € | 2011 € |
|--|--------------------------|-------------------------|
| <u>Income</u> | | |
| Participant fees | <u>4,752,948</u> | <u>1,496,039</u> |
| <u>Operational expenditure</u> | | |
| Operating costs | 3,329,799 | 958,904 |
| Staff costs | 918,245 | 253,213 |
| Accommodation | 69,060 | 41,850 |
| Insurances | 15,755 | 24,262 |
| Advertising | 67,228 | - |
| Information technology and communications | 266,009 | 189,612 |
| Consultancy | 53,493 | 10,000 |
| General | <u>33,359</u> | <u>18,198</u> |
| <i>Total operational expenditure (*)</i> | <u><u>4,752,948</u></u> | <u><u>1,496,039</u></u> |
| <i>Income less operational expenditure</i> | - | - |
| <u>Additional expenditure</u> | | |
| Depreciation (Note 13) | 5,185,285 | 4,838,225 |
| Product development costs | <u>351,183</u> | <u>459,498</u> |
| | <u><u>5,536,468</u></u> | <u><u>5,297,723</u></u> |
| <i>Total operational and additional expenditure</i> | <u><u>10,289,416</u></u> | <u><u>6,793,762</u></u> |

* Expenditure incurred in operating the Integrated Ticketing Scheme is recharged to the transport operators (participants).

Additions to fixed assets includes €3,470,604 in respect of the ITS project (Note 13).

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

4. Other Income

| | 2012 € | 2011 € |
|----------------------|----------------|----------------|
| Model income | - | 6,375 |
| Miscellaneous income | 30,948 | 22,400 |
| Interest received | 454,616 | 534,941 |
| EU funding | 272,611 | 269,189 |
| | <u>758,175</u> | <u>832,905</u> |

5. Capital Investment expenditure

| | 2012 € | 2011 € |
|--|--------------------|--------------------|
| Iarnrod Eireann | 32,224,324 | 98,083,793 |
| Traffic Management & Other Projects (Note 5.1) | 41,043,126 | 59,264,688 |
| Railway Procurement Agency | 23,273,021 | 20,230,830 |
| Dublin Bus | 22,347,548 | 4,586,736 |
| Bus Eireann | 3,631,601 | 19,376,125 |
| Dublin City Council Transport 21 office costs | 267,160 | 1,056,520 |
| Marlborough Street Bridge Project | 3,505,462 | 419,664 |
| Technical Support | 1,750,992 | 1,201,743 |
| Other | - | 114,329 |
| | <u>128,043,234</u> | <u>204,334,428</u> |

The major capital projects funded were:

| | € m | € m |
|---|-------|-------|
| Luas Line B1 Cherrywood | - | 3.30 |
| Luas Line A1 Citywest | 0.05 | 5.70 |
| Metro North | 10.97 | 7.20 |
| Luas Line Cross City | 5.94 | - |
| Dunboyne / Navan rail lines | 5.88 | 18.80 |
| Other Rolling Stock (Greater Dublin Area) | 6.16 | 14.60 |
| Kildare Route Project | 2.69 | 6.40 |
| City Centre resignalling | 8.77 | 19.50 |
| DART Underground | 0.56 | 10.20 |
| New Bus Eireann buses | - | 17.80 |
| New Dublin Bus buses | 15.80 | - |

Note:

Integrated Ticketing Scheme capital investment expenditure is included as part of transfers from the Capital Reserve as noted per the Income & Expenditure Account on Page 7 and per Note 16 to the financial statements.

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

5.1 Traffic Management & Other Projects

| | 2012 € | 2011 € |
|---|--------------------------|--------------------------|
| <i>Traffic Management - grants to designated bodies</i> | | |
| Dublin City Council | 14,071,985 | 21,152,176 |
| Dun Laoghaire Rathdown County Council | 5,399,851 | 4,424,921 |
| Fingal County Council | 4,013,998 | 10,949,332 |
| South Dublin County Council | 4,081,373 | 6,444,171 |
| Wicklow County Council | 2,162,242 | 3,317,164 |
| Kildare County Council | 1,578,410 | 2,067,520 |
| Meath County Council | 2,132,644 | 3,167,803 |
| | <u>33,440,503</u> | <u>51,523,087</u> |
| | | |
| | 2012 € | 2011 € |
| <i>Other project costs</i> | | |
| Strategy costs | - | 201,235 |
| Dublin City Council - QBN project office costs | 1,765,521 | 2,897,490 |
| Professional fees | 239,787 | 1,070,445 |
| Depreciation on Traffic Management Grant equipment | 1,454 | 11,122 |
| Real Time Passenger Information | 2,170,576 | 2,432,642 |
| Licencing Systems Development | 1,261,927 | - |
| National Integrated Journey Planner | 1,405,490 | - |
| Dublin Bus - Automatic Vehicle Location System | 757,868 | 1,128,667 |
| | <u>7,602,623</u> | <u>7,741,601</u> |
| | | |
| Total Traffic Management & Other Project costs | <u><u>41,043,126</u></u> | <u><u>59,264,688</u></u> |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

6. Public Service Obligation (PSO) expenditure

| | 2012 € | 2011 € |
|-----------------|--------------------|--------------------|
| Iarnrod Eireann | 166,418,352 | 148,688,997 |
| Dublin Bus | 74,768,483 | 73,041,689 |
| Bus Eireann | 36,883,165 | 43,410,313 |
| Network Review | 226,919 | 500,001 |
| | <u>278,296,919</u> | <u>265,641,000</u> |

The Authority makes payments to Dublin Bus, Bus Eireann and Irish Rail for the provision of socially necessary but financially unviable Public Service Obligation (PSO) services. Payments made by the Authority are from monies provided by the Oireachtas through the Vote for Transport, Tourism and Sport. From June 2012, the Authority was providing PSO funding to the CIE group of companies in advance of profiled dates for payment. In addition, funding of €36 million, over and above what was planned for 2012, was provided to the CIE companies at the end of 2012 as a result of cash shortages in those companies. €30.7 million was provided to Iarnrod Eireann and €5.3 million to Dublin Bus. The Department sought a supplementary estimate to fund these amounts. The additional funding, approved by the Government, was to fund ongoing activities.

7. Other Grant Expenditure

| | 2012 € | 2011 € |
|---|--------------------------|--------------------------|
| <i>Administered by the National Transport Authority on behalf of the Department of Transport, Tourism and Sport</i> | | |
| Accessibility Scheme funding | 1,770,774 | 9,804,380 |
| Regional Cities Bus Priority funding | 12,192,671 | 5,610,902 |
| Regional Jobs Initiative funding | - | 4,988,715 |
| Rural Transport funding | 6,937,153 | - |
| Smarter Travel expenses | 320,961 | 423,227 |
| Green Schools income paid (Note 22) | 1,764,098 | 1,507,764 |
| | <u>22,985,657</u> | <u>22,334,988</u> |
| <i>Other</i> | | |
| BAPTS (Boosting Advanced Public Transport Systems) | - | 10,185 |
| Total other grant expenditure | <u><u>22,985,657</u></u> | <u><u>22,345,173</u></u> |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

8. Licencing expenditure

| | 2012 € | 2011 € |
|---|------------------|------------------|
| Vehicle licencing costs | 1,744,118 | 1,629,281 |
| Driver licencing costs | 464,397 | 371,727 |
| Enforcement costs | 104,030 | 104,123 |
| Assessment costs | - | 355,403 |
| Call centre and administration costs | 569,696 | 649,538 |
| Roof sign sticker costs | 32,209 | 208,603 |
| Fulfillment / distribution costs | 73,968 | 134,732 |
| Driver ID cards | 39,204 | 102,335 |
| Vehicle licence - process development costs | - | 228,407 |
| Other costs | 385,760 | 139,468 |
| | <u>3,413,382</u> | <u>3,923,617</u> |

On 1 January 2011 the Commission for Taxi Regulation was dissolved and the functions, staff, assets and liabilities were transferred to the National Transport Authority.

9. Employees

| <i>Employment costs (excluding pension costs - Note 12)</i> | 2012 € | 2011 € |
|---|------------------|------------------|
| Wages, salaries and staffing costs | 3,039,468 | 3,057,811 |
| Public sector secondments | 1,131,429 | 934,474 |
| Outsourced placement services | 903,747 | 592,753 |
| Staff recruitment and training | 29,666 | 38,624 |
| Board Members' fees and expenses | 132,761 | 138,080 |
| | <u>5,237,071</u> | <u>4,761,742</u> |
| Total persons employed by the NTA during the period: | <u>53</u> | <u>53</u> |

The National Transport Authority has up to 12 staff available to it from the Department of Transport, Tourism and Sport. The costs borne by the Department are estimated at €700k and are not included in these accounts.

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

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9.1. Chief Executive Officer Salary

| | 2012 € | 2011 € |
|---|----------------|----------------|
| Annual basic salary (non-personal pension contribution) | 179,044 | 179,044 |
| Board Members fees | 6,983 | 11,970 |
| | <u>179,044</u> | <u>179,044</u> |
| Total | <u>186,027</u> | <u>191,014</u> |

No bonus payments were made to the Chief Executive Officer. The Chief Executive Officer is a member of a public service pension scheme with standard entitlements.

Following clarification the payment of Board Members fees to the Chief Executive ceased in July 2012. All Board fees paid to the Chief Executive in 2012 were returned by the Chief Executive Officer to the Authority in 2013.

9.2. Board Members' Fees

| | 2012 € | 2011 € |
|-----------------|----------------|----------------|
| Members' fees | 102,546 | 107,231 |
| Chairman's fees | 20,478 | 20,520 |
| | <u>102,546</u> | <u>107,231</u> |
| | <u>20,478</u> | <u>20,520</u> |
| | <u>123,024</u> | <u>127,751</u> |

The Board Members' fees include the following:

| | 2012 € | 2011 € |
|------------------------|----------------|----------------|
| John Fitzgerald | 20,478 | 20,520 |
| Gerry Murphy | 6,986 | 11,970 |
| Linda Saunders | 11,945 | 11,970 |
| Berna Grist | 11,945 | 11,970 |
| Frank King | 11,945 | 11,970 |
| Damien Usher | 11,945 | 11,970 |
| Valerie O'Reilly | 11,945 | 11,970 |
| Margaret O'Shaughnessy | 11,945 | 11,970 |
| Jim Deegan | 11,945 | 11,970 |
| Daithi Alcorn | 11,945 | 11,471 |
| | <u>11,945</u> | <u>11,471</u> |
| | <u>123,024</u> | <u>127,751</u> |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

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9.3. Expenses

| | 2012 € | 2011 € |
|---------------|--------------|---------------|
| Board Members | 9,371 | 10,131 |
| Chairman | 366 | 198 |
| | <u>9,737</u> | <u>10,329</u> |

10. Office accommodation costs

| | 2012 € | 2011 € |
|-------------------------|----------------|------------------|
| Accommodation | 671,752 | 791,943 |
| Light and heat | 58,013 | 30,730 |
| Cleaning | 52,263 | 76,514 |
| Repairs and maintenance | 191,719 | 216,644 |
| | <u>973,747</u> | <u>1,115,831</u> |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

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11. Other administrative costs

| | 2012 | 2011 |
|---------------------------------------|------------------|------------------|
| | € | € |
| Insurance | 25,462 | 32,636 |
| Relocation costs | 1,297 | 6,356 |
| Printing, postage and stationery | 45,753 | 139,959 |
| Telephone and internet | 62,301 | 84,711 |
| ICT expenditure & systems development | 651,118 | 697,445 |
| GIS data and mapping | 2,378 | 11,776 |
| Depreciation | 315,788 | 262,486 |
| Travel and subsistence | 119,692 | 138,829 |
| Meeting expenses | 5,069 | 4,018 |
| Library and subscriptions | 31,198 | 35,817 |
| Project costs - technical | 52,941 | 34,110 |
| Legal and litigation | 278,280 | 308,951 |
| Industry studies, reviews & research | 396,865 | - |
| Professional service fees | 492,442 | 467,503 |
| Advertising and promotion | 81,490 | 99,094 |
| Audit fees | 18,095 | 18,095 |
| Internal audit | 89,903 | 84,260 |
| Bad debts | - | 3,617 |
| General expenses | 46,475 | 35,704 |
| Bank charges | 51,365 | 67,692 |
| | <u>2,767,912</u> | <u>2,533,059</u> |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

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12. Pension costs

All the employees of the Authority are members of a defined benefit scheme, details of which are provided in the notes below. Following sanction by the Minister for Transport, Tourism and Sport and the Minister for Public Expenditure and Reform, the pension scheme is being operated on an administrative basis, based on the Department of Public Expenditure and Reform model superannuation scheme.

The National Transport Authority also operates a defined contribution scheme for three of its employees, who had been employees of the Dublin Transportation Office. The contributions payable are charged in the financial statements and only represent the liability which the National Transport Authority has for the scheme. No other liability accrues to the Authority.

Analysis of total pension costs charged to expenditure

| | 2012 | 2011 |
|--|----------------|----------------|
| | € | € |
| <u>Defined benefit pension scheme</u> | | |
| Current service costs | 552,000 | 481,000 |
| Interest on pension scheme liabilities | 209,000 | 174,000 |
| <u>Defined contribution pension scheme</u> | | |
| Employer contributions | 2,724 | 8,990 |
| | <u>763,724</u> | <u>663,990</u> |

12.1 Movement in net pension liability during the financial period

| | 2012 | 2011 |
|---|-------------------------|-------------------------|
| Pension liability at 1 January 2012 | 3,634,000 | 266,000 |
| Pension liability transferred from the Commission for Taxi Regulation | - | 2,406,000 |
| Current service costs | 552,000 | 481,000 |
| Interest on pension scheme liabilities | 209,000 | 174,000 |
| Actuarial loss | 1,473,000 | 307,000 |
| Net pension liability at 31 December 2012 | <u>5,868,000</u> | <u>3,634,000</u> |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

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12.2 Deferred pension funding

The National Transport Authority recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a set of assumptions at Note 12.4 and a number of past events. These events include the statutory basis for the establishment of the pension scheme and the policy and practice currently in place in relation to funding public service pensions, including contributions by employees and the annual estimates process. The Authority has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for pensions recognised in the Income and Expenditure Account was as follows:

| | 2012 € | 2011 € |
|--|----------------|----------------|
| Funding recoverable in respect of current year pension costs | <u>761,000</u> | <u>655,000</u> |

The deferred funding asset for pensions as at 31 December 2012 amounted to €5,868,000 (2011: €3,634,000).

12.3. History of defined benefit obligations

| | 12 months to 31/12/12 € | 12 months to 31/12/11 € | 13 months to 31/12/10 € |
|---|-------------------------------|-------------------------------|-------------------------------|
| Defined benefit obligations | <u>5,868,000</u> | <u>3,634,000</u> | <u>266,000</u> |
| Experience losses / (gains) on scheme liabilities | <u>490,000</u> | <u>(110,000)</u> | <u>(67,000)</u> |
| Percentage of scheme liabilities | <u>8.4%</u> | <u>(3.0)%</u> | <u>(25.2)%</u> |
| Assumption losses / (gains) on scheme liabilities | <u>983,000</u> | <u>417,000</u> | <u>17,000</u> |

The cumulative actuarial loss recognised in the Statement of Total Recognised Gains and Losses amounts to €1,730,000 (2011 : €257,000).

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

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12.4 General description of the defined benefit scheme

The schemes are defined benefit final salary pension arrangements with benefits and contributions defined by reference to current "model" public sector scheme regulations. The schemes provide a pension (eightieths per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) generally increase in line with general salary inflation.

The valuation used for FRS 17 Retirement Benefits (Revised) disclosures has been based on a full actuarial valuation (February 2013) by a qualified independent actuary taking into account of the requirements of FRS 17 Retirement Benefits (Revised) in order to assess the scheme liabilities at 31 December 2012.

The principal financial assumptions at the balance sheet date were as follows:

| | 2012 | 2011 |
|--|------------|------------|
| Discount rate | 3.75% p.a. | 5.00% p.a. |
| Expected future pensionable salary increases | 3.00% p.a. | 3.50% p.a. |
| Expected future pension increases | 2.50% p.a. | 3.50% p.a. |
| Expected State pension increases | 2.00% p.a. | 3.50% p.a. |
| Consumer price index increase | 2.00% p.a. | 2.00% p.a. |

The mortality rate explicitly allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the remaining life expectancy for members attaining age 65 in 2012 and 2032:

| Year of attaining age 65 | 2012 | 2032 |
|--------------------------|------|------|
| Life expectancy - male | 22.3 | 24.9 |
| Life expectancy - female | 23.7 | 25.9 |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

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| 13. Tangible assets | Leasehold | Motor vehicles | Traffic model | Furniture & fittings | Computer equipment | TMG equipment | Integrated Ticketing Scheme | Total |
|--|-----------|----------------|---------------|----------------------|--------------------|---------------|-----------------------------|------------|
| | € | € | € | € | € | € | € | € |
| Cost | | | | | | | | |
| At 1 January 2012 | 644,226 | 20,600 | 3,936,281 | 293,665 | 910,312 | 143,117 | 46,691,826 | 52,640,027 |
| Adjustments to fixed asset register ** | - | - | - | (424) | (8,145) | - | - | (8,569) |
| Additions in the year | - | - | 107,846 | - | 230,151 | - | 3,470,604 | 3,808,601 |
| At 31 December 2012 | 644,226 | 20,600 | 4,044,127 | 293,241 | 1,132,318 | 143,117 | 50,162,430 | 56,440,059 |
| Depreciation | | | | | | | | |
| At 1 January 2012 | 212,537 | 16,480 | 3,406,575 | 217,189 | 659,950 | 138,756 | 4,838,225 | 9,489,712 |
| Adjustments to fixed asset register ** | - | - | 50 | - | (1,390) | - | - | (1,340) |
| Charge for the year | 32,211 | 4,120 | 94,952 | 27,721 | 156,784 | 1,454 | 5,185,285 | 5,502,527 |
| At 31 December 2012 | 244,748 | 20,600 | 3,501,577 | 244,910 | 815,344 | 140,210 | 10,023,510 | 14,990,899 |
| Net book values | | | | | | | | |
| At 31 December 2012 | 399,478 | - | 542,550 | 48,331 | 316,974 | 2,907 | 40,138,920 | 41,449,160 |
| At 31 December 2011 | 431,689 | 4,120 | 529,706 | 76,476 | 250,362 | 4,361 | 41,853,601 | 43,150,315 |

** A review of the fixed asset register resulted in an adjustment of €7,229.

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

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14. Debtors

| | 2012 | 2011 |
|---|------------------|------------------|
| | € | € |
| <i>Amounts falling due within one year:</i> | | |
| Trade debtors | 860,992 | 295,244 |
| Prepayments and accrued income | 684,601 | 324,652 |
| <u>Other debtors:</u> | | |
| Grant income | 220,300 | 1,753,113 |
| Shared services | 45,706 | - |
| Licensing income | 16,296 | - |
| VAT | 18,136 | 397,076 |
| Integrated Ticketing Scheme | 21,437 | 13,829 |
| | <u>1,867,468</u> | <u>2,783,914</u> |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

..... continued

| 15. Creditors: amounts falling due within one year | 2012 € | 2011 € |
|---|------------------|------------------|
| Trade creditors | 2,469,609 | 1,292,916 |
| PSWT payable | 114,679 | 104,898 |
| Employee pension contributions and levies payable to Department of Transport, Tourism and Sport | 128,918 | 110,908 |
| P.A.Y.E./P.R.S.I. | 107,890 | 147,504 |
| Integrated Ticketing Scheme liability | 2,153,634 | 211,097 |
| Other creditors | 117,385 | 1,793,700 |
| Accruals and deferred income | 1,999,015 | 1,586,263 |
| | <u>7,091,130</u> | <u>5,247,286</u> |

Employee pension contributions and levies payable to Department of Transport, Tourism and Sport

Included in this figure was an amount of €70,476 representing total pension levies deducted in the year. This amount was paid over to the Department of Transport, Tourism and Sport on 13th February 2013.

Integrated Ticketing Scheme liability

Integrated Ticketing Scheme liability represents deposits and unutilised travel credit on cardholder accounts.

Other creditors: included in other creditors are balances in respect of the following:

| | 2012 € | 2011 € |
|---|----------------|------------------|
| Other creditors | 37,811 | 124,440 |
| Deferred income | - | 39,741 |
| Due to Kildare County Council | - | 1,135,140 |
| Outstanding VAT repayable to be offset against future Integrated Ticketing Scheme capital expenditure | 79,574 | 494,379 |
| | <u>117,385</u> | <u>1,793,700</u> |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

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| 16. Capital Reserve | 2012 | 2011 |
|---|---------------------------|--------------------------|
| | € | € |
| At 1 January | 43,150,315 | 41,229,507 |
| From Commission for Taxi Regulation: | | |
| Capital Reserve as at 1 January 2011 | - | 586,915 |
| Transfer to Income and Expenditure account: | | |
| Income allocated for capital purposes | 3,800,032 | 6,445,726 |
| Amortisation in line with depreciation | <u>(5,501,187)</u> | <u>(5,111,833)</u> |
| At 31 December | <u>41,449,160</u> | <u>43,150,315</u> |
| Total (to) / from Income and Expenditure Account | <u>(1,701,155)</u> | <u>1,333,893</u> |
| | | |
| 17. Income and Expenditure Account | | |
| | 2012 | 2011 |
| | € | € |
| At 1 January | 17,661,248 | 16,469 |
| Deficit for the year | (2,140,005) | (1,913,396) |
| Surplus from Commission for Taxi Regulation on 1 January 2011 | - | 19,558,175 |
| At 31 December | <u>15,521,243</u> | <u>17,661,248</u> |
| | | |
| 18. Taxation | | |
| National Transport Authority is exempt from Corporation Tax. | | |

National Transport Authority

Notes to the Financial Statements for the year ended 31 December 2012

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19. Financial commitments

Capital Commitments

There were no capital expenditure commitments at 31 December 2012

Finance Leases

There was no recourse to finance leasing at 31 December 2012

Rental Obligations

National Transport Authority has commitments arising from the provision of office accommodation by the OPW in Dún Scéine, Harcourt Lane, Dublin 2 at a cost of €500,000 per annum.

The National Transport Authority has commitments in respect of a lease, entered into by the Commission for Taxi Regulation, on office accommodation at 35 Fitzwilliam Square. In April 2006, a third party assigned a lease to the then Commission. The 35 year term of the lease will expire on 27 April 2024. There is no provision for the surrender of the lease. Annual rent is €170,000 with five year rent reviews. The National Transport Authority has sub-let the premises at an annual rate of €80,000 per annum.

Capital Grants

National Transport Authority has contractual obligations with Local Authorities and delivery agencies in the Greater Dublin Area to provide them with funding for various projects. At 31 December 2012, an amount of €66.08m is yet to be drawn down on approved projects as follows:

| | 2012 | 2011 |
|---|---------------|---------------|
| | € | € |
| Dublin Bus | 10.32m | - |
| Bus Eireann | 0.42m | - |
| Iarnrod Eireann | 17.79m | 34.37m |
| Railway Procurement Agency | 15.00m | 26.60m |
| Integrated Ticketing Scheme | 4.63m | 8.20m |
| Traffic Management & Other Projects | 8.43m | 13.41m |
| Marlborough Street Bridge | 7.80m | 9.00m |
| Regional Cities/Accessibility Capital Funding | 1.69m | - |
| TOTAL | 66.08m | 91.58m |

20. Gross Cash Flows

| | 2012 | 2011 |
|-------------------------------------|-------------|-------------|
| | € | € |
| Capital expenditure | | |
| Payments to acquire tangible assets | (3,808,601) | (6,445,725) |

National Transport Authority

Notes to the Financial Statements
for the year ended 31 December 2012

..... continued

21. Analysis of changes in net funds

| | Opening balance | Cash flows | Closing balance |
|--------------------------|--------------------|----------------|--------------------|
| | € | € | € |
| Cash at bank and in hand | 20,124,620 | 620,285 | 20,744,905 |
| Net funds | <u>20,124,620</u> | <u>620,285</u> | <u>20,744,905</u> |

22. Projects administered on behalf of other bodies

Green Schools

National Transport Authority are co-coordinating the liaison between An Taisce Green Schools Travel Module and the Department of Transport, Tourism and Sport and certification of payments to An Taisce as set out in the Service Level Agreement between the National Transport Authority and the Department of Transport, Tourism and Sport and the conditions of grant between the National Transport Authority and An Taisce.

23. Committee Members' Interests

The Board of the National Transport Authority adopted procedures in accordance with guidelines issued under the Code of Practice for the Governance of State Bodies in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which the Board Members had any beneficial interest.

24. Approval of financial statements

The financial statements were approved by the National Transport Authority on 22 March 2013.