

**National Transport Authority**

**Financial Statements**

*for the year ended 31 December 2012*

# National Transport Authority

## Financial Statements

*for the year ended 31 December 2012*

<b><i>Contents</i></b>	<b><i>Page</i></b>
Authority Information	1
Statement of Responsibilities	2
Chairman's Statement on Internal Financial Control	3
Report of the Comptroller & Auditor General	4
Statement of Accounting Policies	5 - 6
Income and Expenditure Account	7
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Cash Flow Statement	10
Notes forming part of the Financial Statements	11 - 29

# 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 licensing, 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
		€	€
<b>Income</b>	<b>Notes</b>		
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)
<b>Total Income</b>		<u>450,631,057</u>	<u>510,199,206</u>
<b>Expenditure</b>			
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
<b>Total Expenditure</b>		<u>452,771,062</u>	<u>512,112,602</u>
<b>Deficit for the year</b>		<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>	<b>2012</b> €	<b>2011</b> €
<b>Deficit for the year</b>		<b>(2,140,005)</b>	<b>(1,913,396)</b>
Experience (losses) / gains on pension scheme liabilities	<b>12.3</b>	<b>(490,000)</b>	110,000
Changes in assumptions underlying the present value of pension scheme liabilities	<b>12.3</b>	<b>(983,000)</b>	(417,000)
Actuarial (loss) on pension liabilities	<b>12.1</b>	<b>(1,473,000)</b>	(307,000)
Adjustment to deferred pension funding		<b>1,473,000</b>	307,000
<b>Total recognised deficit for the year</b>		<b>(2,140,005)</b>	<b>(1,913,396)</b>

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 €
<b>Fixed Assets</b>			
Tangible assets	13	41,449,160	43,150,315
<b>Current Assets</b>			
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>
<b>Creditors: amounts falling due within one year</b>	15	(7,091,130)	(5,247,286)
<b>Net Current Assets</b>		<u>15,521,243</u>	<u>17,661,248</u>
<b>Total Assets Less Current Liabilities before pensions</b>		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
<b>Net Assets</b>		<u>56,970,403</u>	<u>60,811,563</u>
<b>Financed by</b>			
Capital Reserve	16	41,449,160	43,150,315
Income and Expenditure account	17	15,521,243	17,661,248
		<u>56,970,403</u>	<u>60,811,563</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

	Notes	2012 €	2011 €
<b>Reconciliation of operating to net cash inflow from operating activities</b>			
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)
<b>Net cash inflow from operating activities</b>		<b>3,974,270</b>	<b>5,264,022</b>
<b>Cash Flow Statement</b>			
<b>Net cash inflow from operating activities</b>		<b>3,974,270</b>	<b>5,264,022</b>
Capital expenditure to acquire tangible assets	20	(3,808,601)	(6,445,725)
Interest received		454,616	534,941
<b>Increase / (decrease) in cash in the year</b>		<b>620,285</b>	<b>(646,762)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
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		20,124,620	1,213,208
<b>Net funds at 31 December</b>	21	<b>20,744,905</b>	<b>20,124,620</b>

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 €
<b><u>Income</u></b>		
Participant fees	4,752,948	1,496,039
<b><u>Operational expenditure</u></b>		
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	33,359	18,198
<b><i>Total operational expenditure (*)</i></b>	<b>4,752,948</b>	<b>1,496,039</b>
<b><i>Income less operational expenditure</i></b>	<b>-</b>	<b>-</b>
<b><u>Additional expenditure</u></b>		
Depreciation (Note 13)	5,185,285	4,838,225
Product development costs	351,183	459,498
	<b>5,536,468</b>	<b>5,297,723</b>
<b><i>Total operational and additional expenditure</i></b>	<b>10,289,416</b>	<b>6,793,762</b>

\* 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
	<b>758,175</b>	<b>832,905</b>

### 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
	<b>128,043,234</b>	<b>204,334,428</b>

#### 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>
<b>Total Traffic Management &amp; Other Project costs</b>	<u><b>41,043,126</b></u>	<u><b>59,264,688</b></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
<b>Total other grant expenditure</b>	<u>22,985,657</u>	<u>22,345,173</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
	<b>3,413,382</b>	<b>3,923,617</b>

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
	<b>5,237,071</b>	<b>4,761,742</b>
<b>Total persons employed by the NTA during the period:</b>	<b>53</b>	<b>53</b>

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

..... continued

### 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
	<hr/>	<hr/>
Total	186,027	191,014
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	123,024	127,751
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	123,024	127,751
	<hr/>	<hr/>

# National Transport Authority

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

..... continued

### 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

..... continued

### 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

..... continued

### 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
<b>Net pension liability at 31 December 2012</b>	<b><u>5,868,000</u></b>	<b><u>3,634,000</u></b>

# National Transport Authority

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

..... continued

### 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

..... continued

### 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

..... continued

## 13. Tangible assets

	Leasehold	Motor vehicles	Traffic model	Furniture & fittings	Computer equipment	TMG equipment	Integrated Ticketing Scheme	Total
	€	€	€	€	€	€	€	€
<b>Cost</b>								
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
<b>Depreciation</b>								
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
<b>Net book values</b>								
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

..... continued

### 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
	<b>7,091,130</b>	<b>5,247,286</b>

#### 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
	<b>117,385</b>	<b>1,793,700</b>

# National Transport Authority

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

..... continued

### 16. Capital Reserve

	2012 €	2011 €
At 1 January	43,150,315	41,229,507
<b>From Commission for Taxi Regulation:</b>		
Capital Reserve as at 1 January 2011	-	586,915
<b>Transfer to Income and Expenditure account:</b>		
Income allocated for capital purposes	3,800,032	6,445,726
Amortisation in line with depreciation	(5,501,187)	(5,111,833)
<b>At 31 December</b>	<b>41,449,160</b>	<b>43,150,315</b>
<b>Total (to) / from Income and Expenditure Account</b>	<b>(1,701,155)</b>	<b>1,333,893</b>

### 17. Income and Expenditure Account

	2012 €	2011 €
<b>At 1 January</b>	<b>17,661,248</b>	<b>16,469</b>
Deficit for the year	(2,140,005)	(1,913,396)
Surplus from Commission for Taxi Regulation on 1 January 2011	-	19,558,175
<b>At 31 December</b>	<b>15,521,243</b>	<b>17,661,248</b>

### 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

..... continued

### 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	-
<b>TOTAL</b>	<b>66.08m</b>	<b>91.58m</b>

### 20. Gross Cash Flows

	2012 €	2011 €
<b>Capital expenditure</b>		
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.