

**iBUS plc**

**Loan Note Offer**

**Information  
Memorandum**

National Network of Private Hire Services

*June 2013*

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**YOUR ATTENTION IS DRAWN TO THE SECTION HEADED “RISK FACTORS”  
INCLUDED IN THIS DOCUMENT**

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The advisors referred to herein are acting as advisors to the company and will not be held accountable or responsible to anyone, other than the company, in relation to any matter referred to in this Memorandum.

The procedure for application and an Application Form is being circulated with this Memorandum.

Each subscriber is advised to obtain appropriate advice on all legal aspects referred to in this documentation and to make their own commercial assessment on this investment.

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# **1. EXECUTIVE SUMMARY**

## **1.1 Executive Summary and Background**

iBus plc was formed in July 2008 to promote and protect the interests of its bus and coach shareholder operators. Over the past 5 years iBus has engaged with many experts in the passenger transport industry both here in Ireland and abroad to bring a new concept in passenger delivery that will include the maximum number of small to medium sized bus and coach operators across a wide range of operations. In developing the concept it was important to realise the very limited potential for sustained passenger numbers from many parts of Ireland and which up to now has forced many routes into the “Public Service Obligation” category, thereby becoming a function of Government and its State transport companies, to the exclusion of small to medium enterprises. This obligation has blindfolded our Governments for over 70 years into supporting a transport system that is now overly dependent upon Government funding, devoid of competition, with outdated schedules, poor customer satisfaction, and costly management structures.

The projected operating costs and incomes for the national network of private hire services, initially along 3 corridors terminating at one Hub within the greater Dublin Area, have been reviewed by both the company’s financial advisors and by Dr. Charles Larkin of the Transport Economics Department, Trinity College Dublin, and are detailed on pages 6 and 7 of this document.

John Dunne, the promoter of the iBus concept, reiterates the original guarantee contained at the launch of iBus back in July 2008, that if the target number of 500 fully paid up subscribers is not met within the specified timeframe then all subscription monies will be returned in full.

## 1.2 Definitions

“the Company”	iBus public limited company (aka iBus plc)
“the Offer”	The offer to subscribe for Loan Notes in the company.
“Loan Note”	A Loan Note represents a loan made by the subscriber to iBus plc.
“the Subscriber”	A person or a body corporate whose application to participate in the Offer and is accepted by the company.
“Minimum Subscription”	One Loan Note at a cost of €5,000. (five hundred Euro).
“Conversion”	Conversion represents the conversion of each Loan Note into ‘paid-up’ Ordinary Shares in the company.
“Memorandum”	This Offer Memorandum dated June 2013.

## **2. COMPANY INFORMATION**

### **2.1 Directors and Other Information Details**

Directors	John Dunne Patrick Solon Anita Dunne Carlos Dunne Colm Devitt William Igoe Philip Kenny Joan Nordlokken
Company Secretary	Patrick Solon
Bankers	Allied Irish Banks plc, Naas, Co. Kildare.
Specialist Advisor	Dr. Charles Larkin
Financial Advisors	D.F. Byrne & Associates, Chartered Accountants, Barclay House, Pembroke Place, Dublin 2.
Legal Advisors	Crowley Millar, Solicitors, 15 Lower Mount Street, Dublin 2.
Registered Office	Parliament House, Embassy Office Park, Kill, Co. Kildare
Incorporation	Incorporated in the Republic of Ireland 29 <sup>th</sup> May 2008 Certificate Number 458014
Company Status	Public Limited Company

### **3. IBUS PLC – THE COMPANY**

#### **3.1 The Company**

Upon receipt of 500 fully paid up Loan Notes, iBus plc will immediately seek to appoint a full-time Chief Executive with proven skills and knowledge of Route Services and Development, Hub and Park & Ride facility management, and with the business acumen necessary to manage a large transport company of 500 shareholder bus & coach operators. The person so appointed will be charged with the completion of negotiations for the first of the 3 Hubs where Heads of Agreement are already in place, the networking of the 3 Corridors to this Hub, the contractual arrangements for the provision of the services, planning and approvals for the Hub buildings, the scheduling of the hourly services at the Hub to the designated venues within Dublin city incorporating the Park & Ride facility. The Chief Executive will manage the completion of Hubs 2 and 3, together with the integration of these to create a national network of services for the benefit of the 500 shareholder bus and coach operators.

#### **3.2 The Company, in tandem with developing the business at the First Hub serving 3 Corridors.....**

- will work towards the securing of the sites required for Hubs 2 and 3 and the additional 6 corridors;
- will position itself to tender for major transport contracts including the School Transport System contract;
- will challenge the existing transport monopoly in Ireland in the interests of its shareholder operators;
- will engage the further additional expertise and resources required to take full advantage of future transport opportunities that arise both in Ireland and within the European Union.

#### **3.3 The Board of Directors**

The company will seek to secure adequate Board representation from those shareholder operators engaged in the private bus and coach transport industry. Those appointed will serve as Executive Directors in accordance with the company's Memorandum and Articles of Association.

In addition the company will seek to appoint high ranking individuals at non executive director level to compliment this Board.



## **4. LOAN NOTES**

### **4.1 LOAN NOTES**

A Loan Note represents a loan to the company which remains fully refundable until the targets as set out herein are met. The minimum number of Loan Notes required is 500.

Each Loan Note issued will be for a minimum subscription price of €5,000.

Each Loan Note will on conversion entitle the holder to 300 Ordinary Shares in iBus plc.

It is essential that subscriber participation in iBus plc remains classified; therefore details regarding subscribers will be kept confidential. In order to protect the identity of subscribers iBus plc is issuing Loan Notes. The company will maintain a 'Register of Loan Note holders' and will be precluded from disclosing the identity or details regarding Loan Note holders to any body or organisation.

The Promoter would again like to reassure Loan Note subscribers that all subscription monies received for Loan Notes remain fully refundable until the targets as set out herein are met. The Promoter has given a guarantee to this effect.

### **4.2 CONVERSION OF LOAN NOTES INTO ORDINARY SHARES**

The Board of Directors will determine when Loan Notes are to be converted into Ordinary Shares. Loan Notes will only convert into shares when the Board is satisfied that the interests of those participating bus and coach operators in iBus plc are protected and disclosure of their names will not disadvantage them commercially.

When the Loan Notes are converted, subscribers will be issued with Ordinary Shares in iBus plc. Those Loan Note holders who subscribe will on conversion each receive 300 Ordinary Shares in iBus plc.

When the Loan Notes are replaced with Ordinary Shares the subscription monies are no longer refundable.

Ordinary shares represent an 'equity investment' in iBus plc and, as with any equity investment, they may reduce in value as well as increase in value. Investors should be made aware that the market for trading in ordinary shares in iBus plc is limited. Whilst the shares are fully "tradable" it should be recognised that there may not be a ready market for those shares. The company cannot give any assurance that investors will realise or obtain value for the shares they hold in iBus plc.

## 5 THE FINANCIALS

### 5.1 Profit and Loss Account (Projected)

	Year 1 Euro	Year 2 Euro	Year 3 Euro	Year 4 Euro
Income	973,210	1,241,792	1,588,735	1,816,887
Direct Costs	(1,168,354)	(1,182,163)	(1,195,005)	(1,195,005)
Administration Costs	(523,028)	(420,118)	(405,118)	(405,118)
Establishment Costs	(151,500)	(151,500)	(211,500)	(211,500)
Operating Surplus / (Deficit) for year	(869,672)	(511,989)	(222,888)	5,264
Depreciation	(117,857)	(117,857)	(117,857)	(117,857)
Loss for year	(987,529)	(629,846)	(340,745)	(112,593)

## 5.2 Pro-Forma Balance Sheet

	At end Year 1 €	At end Year 2 €	At end Year 3 €	At end Year 4 €
Fixed Assets				
Land and Buildings	1,000,000	1,000,000	1,000,000	1,000,000
Motor Vehicles	<u>962,143</u>	<u>844,286</u>	<u>726,429</u>	<u>608,571</u>
	1,962,143	1,844,286	1,726,429	1,608,571
Current Assets	<u>1,412,640</u>	<u>679,699</u>	<u>235,858</u>	<u>20,170</u>
Total Assets	3,374,783	2,523,985	1,962,287	1,628,741
Liabilities	<u>(1,868,403)</u>	<u>(1,647,451)</u>	<u>(1,426,498)</u>	<u>(1,205,545)</u>
Net Assets	<u>1,506,380</u>	<u>876,534</u>	<u>535,789</u>	<u>423,196</u>
	€	€	€	€
Share Capital*	2,550,000	2,550,000	2,550,000	2,550,000
Profit and Loss Account	<u>(1,043,620)</u>	<u>(1,673,466)</u>	<u>(2,014,211)</u>	<u>(2,126,804)</u>
	<u>1,506,380</u>	<u>876,534</u>	<u>535,789</u>	<u>423,196</u>

\*Based upon and following the conversion into ordinary shares of the full subscription monies received from the 500 Loan Note subscribers.

## **6 RISK FACTORS**

*Your attention is drawn to the risk factors associated with this investment as set out below and you are urged to consider and to reflect upon these carefully.*

### **6.1 Risk Factors**

- Each intending subscriber considering an investment in the company is advised to consult his own professional advisors.
- The future results of iBus plc will depend upon its ability to recruit and to retain quality professional staff enabling it to achieve its objectives.
- In the event that the directors shall be of the opinion that it would not be prudent to proceed, all amounts paid into the company by way of Loan Note subscription monies shall be returned, as soon as practicable, by registered post to the applicant at his address and at his own risk. No interest will be paid on applicants' Loan Note subscription monies.

### **6.2 Financial and Principle Assumptions**

The illustrative figures included in this document have been prepared on the basis of the following assumptions:

- That funds secured under the Loan Note Offer will be used principally to provide working capital to meet the company's operating costs and to undertake whatever investment(s) the company sees fit.
- That the company may seek to raise additional investment monies at some future date and in such form as it may decide in order to achieve its objectives.

## 7. THE OFFER

### 7.1 Summary

The Offer	The company, under the terms of this Offer Memorandum, seeks to raise a minimum of €2,500,000 by way of issue of Loan Notes at a price of €5,000 each.
Risk Factors	Intending subscribers should recognise that every investment involves a degree of risk. Those considering an investment in the company are advised to consult their own professional advisors.
Conversion	The company has put in place appropriate arrangements whereby, provided it secures the necessary level of support and following approval by the Board of Directors, the Loan Notes will convert into Ordinary Shares in iBus plc. The number of Ordinary Shares to be issued to subscribers on conversion of Loan Notes will be 300 shares per each Loan Note.

### 7.2 Share Capital Structure

Authorised Share Capital  
10,000,000 Ordinary Shares of €1 each

#### Issued Share Capital

	No. of Shares	Share Capital €	Share Premium €
Pre-conversion:			
Ordinary shares	50,000	50,000	-
	=====	=====	=====
Post-conversion:			
Ordinary shares	200,000	200,000	2,350,000
	=====	=====	=====

## **8. PROCEDURE FOR AND CONDITIONS OF APPLICATION**

All applications for Loan Notes in the company must be made on the Application Form accompanying this Memorandum and must be made for the minimum subscription amount outlined herein and within the designated timeframe.

The directors reserve the right to receive application for lesser amounts if they consider it to be in the interest of the company so to do. The directors also reserve the right to accept or reject any application.

Applications together with full payment must be received by 30<sup>th</sup> September 2013.

The Application Form, duly completed and signed, together with a signed cheque or Banker's Draft made payable to – "*iBus plc Loan Note Account*" crossed "non-negotiable" should be submitted to the company's registered office. It remains the responsibility of each subscriber to ensure that his application has been delivered; for this reason it is recommended that Application Forms together with payment are made by registered post. The company cannot and will not be responsible for non receipt of any Application Forms.

Whilst there is no minimum size to the Offer referred to in this document, the directors reserve the right at their absolute discretion not to proceed with, or to scale back, the Offer. In such event, monies received from subscribers will be returned to each subscriber whose application has not been accepted by the company. Return will be by registered post to the relevant subscriber at the address entered on the Application Form and at their own risk.

Subscribers whose application is refused by the company will have no claim of any kind against the directors, the company, their agents, or their advisors.