

**Bus Éireann Annual Report  
Financial Year Ended 31 December 2021**



***Driving Change for a Sustainable Future***

# 2021 Highlights



66.4 million service kilometres, with a further 130 million kilometres operated on the school transport scheme



57.5 million passenger journeys



230+ Public Service Obligations (PSO) and Expressway Routes across Ireland



17 principal locations across Ireland



99% of services operated



Economic value add of €267 million



122,000 children on school transport - highest ever



9,000 school routes



2,761 employees



Employees of 46 nationalities



New uniforms for all drivers, supervisors and customer-facing employees.



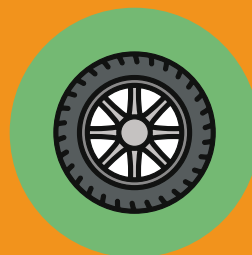
One in five new recruits was female in 2021



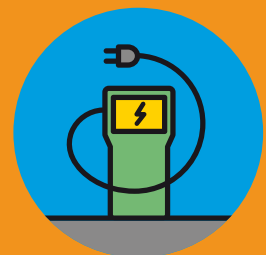
14% lower passenger accident rate



First sustainability strategy published



6,100 tyres reused or recycled in 2021



61 hybrid electric buses delivered in 2021

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Bus Éireann is Ireland’s national bus company and a leading transport provider in Ireland, connecting millions of people each week with who and what matters to them

# About Bus Éireann

Bus Éireann is Ireland's national bus company and a leading transport provider in Ireland, connecting millions of people each week with who and what matters to them, through our three businesses: Public Service Obligation (PSO), Expressway, and School Transport. The company helps people all across the country and before the pandemic the company facilitated almost 90 million journeys every year.

Bus Éireann is on its own journey to become the most customer-centred and greenest transport company in Ireland with the adoption of our Destination 2023 strategic plan and Driving Change Sustainability Strategy 2021-2030.

Bus Éireann was formed in 1987 as a subsidiary of CIÉ to provide bus services throughout Ireland, with the exception of Dublin City. Bus Éireann has been an integral and essential part of Ireland's transport infrastructure and continues to build on its tradition of public service and transport expertise. We are committed to delivering a consistently excellent customer experience through the dedication and skill of our people, while ensuring that we remain competitive.

## Our Purpose

Our purpose is to connect people with who and what matters to them, helping to make life better.

## Our Goal

Our goal is to be the most customer-centred and sustainable transport company in Ireland, with services delivered by people who believe that Bus Éireann is a great place to work.

## Our Values

Our values align around putting the customer first, delivering performance, ensuring safety, being forward-thinking and fostering a culture of respect and collaboration.



Customer first

## Customer First

Every passenger is important to us, and our passengers are at the heart of everything we do.



Safety

## Safety

Safety is our way of life. We stop and think, always looking out for one another. We work safely and ensure that everyone, both colleagues and customers alike, gets home safely, every single day.



Respect & Collaboration

## Collaboration and Respect

We trust, respect and care for one another. We achieve exceptional results only by working as one team. We ensure that we communicate, motivate and support all of our colleagues. We always put "we" before "me".



Performance

## Performance

Every day we strive to be the best we can be, because we love what we do. We focus on setting the highest standards to provide a truly professional service, delivering on our promises, taking ownership for our work and always looking for ways to improve what we do.



Forward thinking

## Forward Thinking

We know our customers are our future, so we think beyond today. We are quick to act and be innovative – planning ahead with determination and courage. Looking beyond our industry, we actively learn from others. We are open to change and prepared for the future, to lead sustainable transport services across Ireland.



## Destination 2023 Strategic Objectives

### Customer Satisfaction

Achieve a best-in-class customer experience at all touchpoints.

### Employee Engagement

Develop leadership at every level and promote a culture of performance to become a great place to work.

### Financial Sustainability

Ensure Bus Éireann is fully funded now and into the future, covering operating and capital expenditure needs, delivering on target across each of our businesses.

### Service Delivery

Establish operational excellence across all business processes to deliver safe, reliable and on-time performance for all services.

### Environmental Sustainability

Deliver market-leading sustainability to become one of the greenest national public transport companies in Europe.

# 1. Chairperson's Statement



I am very pleased to present my first annual report as Chairperson of Bus Éireann.

I look forward to helping to build the next exciting phase of this company's growth and ensuring its positive contribution to a new era of sustainable public transport innovation and service delivery for Ireland.

Firstly though, I want to formally thank Mr Aidan Murphy for his dedicated service and tenure as Chair from 2014 to 2021. He brought leadership and transformation to the company during that time and I personally had the opportunity to work alongside Aidan as a director of the company for almost three years. We are very grateful for his dedication and overall contribution to the business.

Throughout 2021, Bus Éireann has remained focused on preparing the company for the return to more normal operating conditions. COVID-19 hung over the business and significantly impacted passenger numbers and revenue. While passenger numbers were down 36% for the year as a whole versus 2019 levels, we have seen a positive and steady return to pre-pandemic levels, especially in regional cities and towns. Our passengers are returning to a more positive experience, with more new vehicles than ever before, improved reliability, and improvements in customer information and bus stop infrastructure.

**“The commitment and performance of Bus Éireann’s people, especially those in direct customer-facing roles, has been exemplary. It has been a long and at times gruelling journey, and I again commend them for their public service ethos, their contribution to their communities and their flexibility as we continually adjusted to the twists and turns of the pandemic”**

The unstinting support of the Department of Transport, the Department of Education, and the National Transport Authority (NTA) provided us with the stability to continue to operate our services, and importantly, to make progress on strategic imperatives.

The commitment and performance of Bus Éireann's people, especially those in direct customer-facing roles, has been exemplary. It has been a long and at times gruelling journey, and I again commend them for their public service ethos, their contribution to their communities and their flexibility as we continually adjusted to the twists and turns of the pandemic, and associated public health guidelines. Not least, the work to increase capacity on post-primary school transport saw a 50% increase in routes achieved in just a few months. Bus Éireann also contributed to the national vaccination programme, running shuttles to vaccination centres in Waterford and Limerick for the HSE, funded by the NTA.

The qualities that the company has displayed through COVID-19 augur well for its future transformation. I am buoyed by the spirit of resilience and steadfast focus on future growth and meeting the needs of future generations, captured in the new National Development Plan and the Climate Action and Low Carbon Development (Amendment) Bill published in 2021.

## Ready for the New Road Ahead

There couldn't be a more exciting time to be in public transport. Positive change is coming on many fronts and public transport offers solutions to some of society's most urgent and critical priorities. These include meeting Ireland's international obligations to reduce greenhouse gas emissions and delivering on the National Development Plan objectives including compact growth, enhanced regional accessibility, strengthened rural economies and communities, sustainable mobility, the transition to a low carbon, climate-resilient society, and access to quality childcare, education and healthcare. With society's new focus and appreciation of the importance of health and well-being, in 2021 we saw public transport moving to zero- and low-emission fleet, while improving air quality in cities and towns which aids well-being and quality of life nationally.

Bus Éireann has set itself the goal of being the most customer-focused and sustainable public transport company in Ireland. Real transformation and change are underway in every part of the organisation, and at pace.

As Chairperson of Bus Éireann, my focus will be on three major priorities.

1. Achieving **financial stability** to ensure the company can plan ahead and invest for the future. Bus Éireann is to a large extent a purpose-led organisation, but to provide best-in-class customer experience, safety and sustainability need continual investment and a longer time horizon to allow resource planning, and investment in fleet and facilities.
2. Supporting the NTA's ambitious plans for **BusConnects** in Cork, Galway, Limerick and Waterford, as well as in transforming rural public transport through Connecting Ireland. These are step-changes in the delivery of public transport and Bus Éireann needs to be ready with the people, technology and systems to bring them into operation as smoothly and quickly as possible.
3. Committing to delivering on Bus Éireann's 2030 **sustainability goals** which are broad ranging from climate action to continuing focus on being a great place to work with a strong customer focus, improving diversity and inclusion, and increasing the accessibility of our services to people with disabilities. These are major change projects, affecting every part of the business and ultimately making it better.

## Safe and Sustainable Public Transport

Having chaired the Safety and Accessibility Board committee, I can say with confidence that safety remains our chief priority. While I am pleased to report that we significantly improved our safety performance for passenger and employee accidents, this was overshadowed by the tragic deaths of our driver, Mark Wills, and pedestrian Fr Con Cronin, at Monkstown in Cork in August 2021. This event deeply affected everyone in Bus Éireann and the community. It strengthens our resolve to assist and contribute positively to the national Road Safety Strategy, led by the Road Safety Authority (RSA). We continue to foster a close working relationship with the RSA and Health and Safety Authority (HSA) and other stakeholders to continuously improve standards of safety and build awareness of safety for our staff, customers and all road users.

The provision of sustainable public transport is at the very heart of Bus Éireann's role. 2021 was a landmark year that saw Bus Éireann publish its first sustainability strategy, setting out targets to support the achievement of the Paris Agreement commitments and the UN Sustainable Development Goals. We are not only focused on decarbonising our public transport services and delivering an improved environmental impact performance, but on improving the business across a range of indicators including waste, water, diversity and inclusion, gender balance and education.

Bus Éireann was the first public transport operator in Ireland to publish such a strategy and to establish a new Board Sustainability sub-committee, chaired by Richard Manton. We also made practical progress. Supported by the NTA, we undertook the largest fleet renewal in our history, introducing 161 new low/zero-emission vehicles in one year. The launch of diesel hybrid, electric and hydrogen fuel cell buses is transformative for our depots and for our people. This is a major investment and this initiative will bring enormous opportunities for a cleaner, greener environment for generations to come.

## Working Together

Working together, we can make strong progress to achieve these priorities and I look forward to leading Bus Éireann as part of this new and exciting journey.

Throughout 2021, Bus Éireann collaborated extensively with key stakeholders – the trade unions, the NTA, the Department of Transport, the Department of Education and with CIÉ to continue implementing the advice issued by the National Public Health Emergency Team (NPHE) and to keep services operating safely. Thanks to our colleagues in CIÉ and with the consent of the Minister for Transport and the Minister for Public Expenditure, the business was re-capitalised by the end of December, strengthening the reserves held in our balance sheet which had been so severely depleted due to COVID-19. This gives us greater resilience to weather any future events and ensures the business stays on a focused path to recovery.

The strength of our collaboration and partnerships has helped us deliver on wider social and economic objectives, such as helping to keep communities connected and helping local economies to recover faster. Now the focus is ensuring our business remains safe and sustainable as we look to the future.



## Governance and Assurance

The Board continues to prioritise an approach to corporate governance which is based on best practice and emerging regulations and trends. The convening of more than 50 scheduled and special Board and committee meetings during 2021 is a testament to the great commitment of our directors and the full executive team in ensuring clear oversight in addressing every challenge posed by COVID-19.

I thank all the directors for their endless time, hard work and commitment and particularly those who retired during the close of 2021 – Ms Deirdre Ashe, Mr Thomas O'Connor, Mr Gerard Ryan and of course Mr Aidan Murphy. The company is on a more secure and stable footing with a clear focus on achieving its *Destination 2023* strategy thanks to their inputs.

I am pleased to welcome Brian Bowden and Rhona Murphy, appointed to the Board by the Minister for Transport in 2022.

Finally, I would like to thank Minister Eamon Ryan TD, Minister Norma Foley TD, the Department of Transport, the Department of Education, the NTA, and CIÉ for their continued support of Bus Éireann during difficult times, and we look forward to delivering on the new government policies and plans in 2022 and beyond.

A handwritten signature in black ink, appearing to read 'MH', written over a light blue background.

**Miriam Hughes**  
Chairperson



## 2. Chief Executive's Review



The uncertainties and limitations brought to bear by COVID-19 made for another extraordinary year in public transport, and for Bus Éireann. And yet, not only have we successfully and safely operated our essential services throughout the pandemic, in 2021 we focused firmly on the future, making progress on our Destination 2023 goals, and reached the mid-point in that strategy.

### Building Momentum

It was a year that saw almost 200 new vehicles introduced to our fleet, the largest ever deployment, replacing almost one-in-five of our buses and coaches. Importantly, these new vehicles included the first zero emission hydrogen fuel cell electric vehicles to be deployed in commercial service in Ireland, lower emission hybrid vehicles which were used to swap over the Galway City fleet in its entirety, and 30 state-of-the-art Euro VI coaches for Expressway servicing the western seaboard. It was also the first year of operation for new PSO services introduced as part of the Government stimulus package which added three million additional kilometres of connectivity to our network under contract to the NTA.

In 2021, we saw our people more engaged than ever, with employee engagement rising to 79%, well ahead of our Destination 2023 target. Our customer-facing employees – four in five of our people – received new, more contemporary and practical uniforms.

“The uncertainties and limitations brought to bear by COVID-19 made for another extraordinary year in public transport, and for Bus Éireann. And yet, not only have we successfully and safely operated our essential services throughout the pandemic, in 2021 we focused firmly on the future, making progress on our Destination 2023 goals, and reached the mid-point in that strategy.”

We were particularly pleased that one in five new recruits in 2021 were female, up from one in eight in 2020.

We were one of the first bus transport companies to introduce random alcohol and drug testing, and overall safety metrics continued to improve materially. However, we were profoundly saddened by the loss of driver Mark Wills and Fr Con Cronin in a tragic incident at Monkstown in Cork, a very sad event that will always be remembered by close colleagues and the local community.

We also secured approval for improvements at five of our facilities, with construction work beginning at Roxboro Road, Limerick and planning being submitted for the first major renovation of Busáras.

The school transport scheme, operated on behalf of the Department of Education, saw rising demand for its highly valued service, carrying 122,000 students, with almost a 20% increase in transport provision for students with special educational needs.

Despite the seismic impact on major market drivers including third-level education and Dublin Airport, there was enormous progress on preparing Expressway for a return to a highly competitive market. We updated our commercial plan originally agreed in 2020 to take account of the delayed recovery due to COVID-19 and consolidated the Expressway network to 14 routes.

We also delivered on an important €16 million investment in our commercial inter-regional service, Expressway, including deploying 30 new state-of-the-art coaches and launching a new technology platform that dramatically improves customer experience, allowing online booking, while also enhancing our ability to manage the business based on better data capture. In less than a year we increased online, non-cash payments from less than 20% to 65% of transactions on Expressway. This is appealing for customers, more efficient for the business, reduces boarding time which improves punctuality, and during the COVID-19 pandemic was especially valued by drivers as a public health measure, as it limits direct contact and cash handling.

Information technology represents a major opportunity for Bus Éireann, in terms of improving operations, streamlining processes, enhancing data and not least, a much better customer experience. We have deficits relating to previous underinvestment which we are addressing; however, I am pleased to say our security systems are robust and subject to regular assessment.

Making bus public transport more attractive is not only about the vehicle and the driver. The quality of customer information and infrastructure including stops, shelters and timetables is essential. In 2021 we established a new Travel Information team, fully funded by the NTA, to audit and improve this aspect of the customer experience. All of the bus infrastructure in Navan Town has been renovated and combined with the new town service introduced in December 2020, passenger numbers have increased four-fold.



An analysis of our economic and social impact by advisory firm KPMG highlighted again the critical importance of Bus Éireann's services to individuals and communities throughout the country. In terms of proximity to the network, almost half of customers rely on us completely for transport, more than 80% say that we provide them and their families with an essential service and three in four would recommend Bus Éireann. It also demonstrated the economic value add of Bus Éireann especially to regional cities and towns.<sup>1</sup>

## Financial Sustainability

Without the support of Government, the NTA and CIÉ, Bus Éireann could not have survived the financial impact of the past two years. We are grateful to them, and to all our stakeholders, for their support and for the successful recapitalisation of the company in late 2021 which has restored the balance sheet after the impact of continuing operations in 2020, before financial supports were in place.

Thanks to our colleagues in CIÉ and with the consent of the Minister for Transport and Minister for Public Expenditure, the recapitalisation strengthened the reserves held in our balance sheet which had been so severely depleted due to COVID-19. Competitive pressures are increasingly evident in the broader economy and ensuring we remain competitive while providing the highest quality services, is our priority.

Due to this recapitalisation, the continuation and consolidation of supports across Government to enhance services, subvent revenue loss and protect employment and together with the decision taken to manage cost control, our financial outcome was a loss of €1.6 million in 2021 and a net asset position of €33 million in our balance sheet.

<sup>1</sup> [buseireann.ie/kpmg](https://www.buseireann.ie/kpmg)

## COVID-19 Pandemic

In the first five months of the year, capacity was limited to 25%, then to 50%, from July we operated at 75% and returned to 100% capacity from 1 September 2021, a hugely welcome signal after 18 months of restrictions.

While passenger demand remained subdued, with 36% fewer passenger journeys than in 2019, there were very positive signs of passengers returning by the end of the year, especially on our city and town services, though the impact of remote working on travel patterns is still evident, particularly in the greater Dublin area.

In 2021, we successfully operated 99% of planned kilometres. The work involved in limiting disruption to services through the year was enormous and it cannot be overstated that we regularly saw drivers display exceptional commitment to customers by working on rest days when their colleagues were self-isolating. Unfortunately, in the third wave, we had one workplace cluster in Waterford. This was swiftly addressed and brought under control by the early use of antigen testing in consultation with the HSE, and the solidarity and commitment of all employees at the depot. Sadly we lost one member of staff to COVID-19 in another location, not related to workplace transmission.

## Sustainable Mobility

There have been very important and positive developments in public transport in 2021. The commitment to sustainable transport sees opportunities for investment in our services on which we are now well positioned to deliver.

The NTA's Connecting Ireland strategy will make public transport more accessible than ever throughout rural Ireland, and further integrate Bus Éireann's network with LocalLink.

The launch of BusConnects Cork in November by the NTA was highly significant. Cork is one of our most challenging operational environments due to congestion and the BusConnects plan will provide the people of Cork with a pleasant, reliable and frequent service. We firmly believe that bus transport offers the fastest, most flexible and cost-effective solution to increasing public transport usage in Ireland's regional cities.

We look forward to the plans for Galway, Limerick and Waterford and to playing our part in their implementation.



While passenger demand remained subdued, with 36% fewer passenger journeys than in 2019, there were very positive signs of passengers returning by the end of the year

The Government's decision to reduce fares on PSO routes by 50% for those aged 19 to 24, extending to a 20% cut for everyone during 2022 provides us with an opportunity to demonstrate what public transport can do to assist society in addressing major challenges, whether from climate action to cost of living increases. We look forward to encouraging more trials and adoption of public transport with these incentives, and last year we successfully offered €1 fares with the NTA's new TFI Go App in Athlone, Cork, Limerick and Navan.

As society returns to a changed but more normal and recognisable way of living, unfortunately, congestion has also returned. This is the single greatest impediment to our operations and to modal shift from reliance on private cars to sustainable transport modes including public transport. The SYSTRA Five Cities report estimates that congestion will cost Dublin alone €2bn a year by 2033. The positive and unprecedented investment in bus public transport will be undermined without initiatives to deal with congestion and to disincentivise private car use, including where appropriate, congestion charging.

Bus Éireann published its first sustainability strategy in 2021, taking a holistic view of the company's obligations as well as opportunities. New roles were created to support what is a fundamental transformation that will touch every aspect of our operations. We became

members of Business in the Community and they carried out an independent benchmarking exercise which showed we are performing well in many areas and identified areas of future focus. Our Sustainability Annual Report for 2021 is available at [buseireann.ie/sustainability](https://buseireann.ie/sustainability).

New training programmes were created to support our craftworkers in their transition to hybrid and electric vehicle maintenance. Our depots will also need to be reconfigured to accommodate charging capacity. We are working hard to map the most appropriate solutions to these complex issues.

Although the number of people who use wheelchairs travelling with us was lower than usual throughout 2021, we delivered 100% of all booked services successfully. There is no need to book for city and town services but given infrastructure challenges and fleet mix it is necessary on regional and intercity trips. Two of our senior leaders spent 24 hours using wheelchairs including on our services and facilities, and this has brought a new level of awareness of the work we need to accomplish to reduce barriers to travel. Four additional stations were made fully accessible.



At the launch of Bus Éireann's first sustainability strategy are from left Stephen Kent, Chief Executive, Bus Éireann; Eamon Ryan, Minister for Transport and Stephanie Maher, Bus Éireann's Energy Manager.

## Collaboration

The extraordinary times experienced throughout 2021 were demanding for everyone and required continuing intensive engagement with CIÉ, the NTA and other stakeholders, across PSO, schools and Expressway services. We very much appreciated their constructive approach to the problems we faced and addressed together, and for their shared vision of the importance of Bus Éireann as a strong and resilient company, equipped to contribute to national objectives, as well as to provide excellent service to individual customers throughout the country.

I would like to thank in particular our former Chairperson, Aidan Murphy, who led the company throughout 2021 and was steadfast in his commitment and clear in his vision. At the same time, I warmly welcome the appointment of Miriam Hughes as the new Chairperson who has been highly influential as a Board member to Bus Éireann since 2019 and will bring a fresh new perspective as we embrace the challenges and opportunities which lie ahead.

Our positive working relationships with the Ministers of Transport and Education, officials in the Department of Transport, the Department of Education, the NTA, CIÉ and our Board are highly valued by the senior leadership team. That the company has traversed what has hopefully been the worst of the COVID-19 pandemic well-placed to grow and improve is a testament to them, as well as to our people. I hope we continue to keep the best of our learnings – our resilience, flexibility and commitment to delivering essential public services – as we move into the future.



**Stephen Kent**  
*Chief Executive Officer*

### 3. Financial Review

In 2021, Bus Éireann recorded a loss for the year after exceptional of €1.6m. This was a reduction on the 2020 loss of €9.2m after exceptional. This reduction was primarily due to continued support received from the National Transport Authority (NTA) under the Commercial Bus Operator Direct Award Contract (CBO-DAC). This funding ensured that commercial services were maintained as restrictions continued during 2021 due to COVID-19. Earnings before Interest, Depreciation and Amortisation (EBITDA) for the year was €3.0m compared to (€6.1m) in 2020.

The company took action during the year to preserve solvency by way of a recapitalisation of €28.0m in December. This significantly strengthened the company's balance sheet with net assets standing at €33.1m at 31 December 2021 compared to €6.8 million in 2020 and net current assets of €59.2m (2020: €42.8 million).

Net current assets include non-cash liabilities of €17.2m (2020: €18.9 million) relating to deferred revenue and deferred income in respect of capital grants and revenue, capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding these non-cash items the company has net current assets of €76.4m (2020: €61.7 million).

Payroll and related costs increased to €152.1m in 2021 with an average headcount of 2,761 compared to €144.6m in 2020 with an average headcount of 2,702.

Bus Éireann was also in receipt of €58.7m from the Employer Wage Subsidy Scheme (EWSS) which replaced the Temporary Wage Subsidy Scheme (TWSS) in September 2020. The net impact of the subsidy was €0.02m, as the majority of the subsidy is adjusted against the relevant funding streams.

2021 was another challenging year for the Expressway routes with a further farebox revenue decline and as a result, the temporary support under the Commercial Bus Operator Direct Award Contract (CBO-DAC) continued for the full year. During 2021, routes 8, 12 and 20 ceased operation. CBO-DAC contract funding amounted to €4.9m in 2021 while Employer Wage Subsidy Scheme (EWSS) funding of €8.76m also assisted the Expressway business.

#### Operating Turnover

2021                      2020  
**€228.7m              €284.8m**

Year	Schools & Commercial €m	PSO €m	Pre-Exceptional €m	Exceptional €m	Profit/(Loss) €m
2021	(3.1)	1.5	1.6	(0.00)	(1.6)
2020	(11.2)	1.5	9.5	(0.04)	(9.2)

**Profit (deficit) for the year**

<b>2021</b>	<b>2020</b>
<b>(€1.6m)</b>	<b>(€9.2m)</b>

Bus Éireann was in active dialogue with the NTA throughout 2021 regarding PSO funding requirements as a result of the ongoing COVID-19 public health measures and the NTA continued to fully fund PSO services for 2021. Total PSO Subvention in 2021 rose by 32.9% due to the move to a Gross Cost Contract. Subvention paid was net of EWSS funding of €40.4m for the PSO DAC business.

School Transport revenue increased by 31.1% in 2021, due to the delivery of additional services in order to provide 50% social distancing to comply with public health guidelines associated with COVID-19 and the provision of additional services for temporary alleviation measures to cater for demand for pupils attending their second nearest school centre resulting from the initial phase of the review of school transport by the Department of Education.

The loss of (€1.6m) is comprised of a reasonable profit element of €1.5m attributable to PSO activity offsetting a loss of (€3.1m) on non-PSO activity.

Investment activity in 2021 was €16.8m versus €3.1m in 2020. Significant investment was made in our fleet and customer services, 30 new Expressway vehicles delivered in 2021 and a new on-board ticketing platform. This was a significant investment and was only possible after a comprehensive financial evaluation process of our capital position was undertaken. There have also been significant investment and improvements to Limerick and other facilities across the regions in 2021, with expenditure of €5m versus €1.7m in 2020 in properties. We worked closely with the NTA on procuring, delivering and placing 161 new fleet vehicles into service throughout 2021, with a combined value of €87.7m

**Total Journeys****57.5m****Promoting Exemplary Governance**

Bus Éireann is fully committed to meeting the requirements of the Code of Practice for the Governance of State Bodies, the Companies Act 2014 and the Public Spending Code. During 2021, there has been ongoing development of the Compliance, Risk and Corporate Governance frameworks within the company, including an increased focus on the provision of assurance on the effectiveness of internal controls. The Annual Review of Effectiveness of Internal Control for 2021 was approved by the Bus Éireann Board on 24 January 2022 which provided an assurance level of Satisfactory to Substantial across a range of activities relating to the Code of Practice, the Companies Act, and the Public Spending Code. The company has also enhanced its processes and systems for dealing with governance and reporting in relation to financial and accounting control and general statutory and regulatory compliance.

Bus Éireann endeavours to comply with all procurement requirements including government guidelines, applicable EU procurement legislation and other regulatory requirements. In exceptional circumstances where Bus Éireann has not complied with procurement requirements it is notified in the Chairperson's Comprehensive Report to the Minister. Per CIÉ Group Policies and Procedures there is a requirement for the annual reporting of derogations. The company introduced a comprehensive Procurement Guidance document in 2020 and Public Sharepoint Page which contains Standard Operating Procedures, and policies. This allows Bus Éireann to achieve procurement objectives in terms of value for money and access to contracts for all interested parties.

**Financial Outlook**

The Commercial Bus Operator Direct Award Contract (CBO-DAC) was extended for a further six months into 2022 from 1 January to 30 June 2022. This is a welcome development as passenger levels have still not returned to 2019 pre-pandemic levels.

The COVID-19 pandemic had a very significant effect on passenger demand throughout 2021 and this impact continued into 2022. It has created a challenging environment to which Bus Éireann is responding, together with all of its key stakeholders. The impacts are detailed in the Going Concern section of the Directors' Report.

## 4. Operational Review

### 4.1 Safety

Bus Éireann's number one priority is the safety and wellbeing of our employees, customers, and other road users. The organisation's safety remit continues to be led by the Senior Leadership team and the Board Safety and Accessibility Committee.

Tragically there was one major accident in 2021. On 3 August there was a collision at Monkstown resulting in Bus Éireann driver Mark Wills and pedestrian Fr. Con Cronin losing their lives. The company Emergency Plan was activated in response.

The rate of collisions increased by 4% in 2021 on a per kilometre operated basis, reflecting increased overall traffic volumes. The company has an action plan in place to address this trend. Passenger accident rates significantly improved, with a reduction of 14% on a per million passengers carried basis for Bus Éireann's (bus) operations. The employee accidents rate per employee and employee days lost reduced by 20% which is a testament to the safe systems of work in the company.

The company implemented a safety action plan during the year and had a successful safety conference during 2021. The webinar was attended by 180 employees and was addressed by CEO of the Road Safety Authority (RSA), Mr Sam Waide.

### COVID-19 Pandemic

The COVID-19 pandemic continued to present significant operational challenges during the year. Responses were co-ordinated across our 17 locations and throughout the school transport network. Effective safety policies were adopted, and employee facilities were adapted where required.

There was ongoing liaison with the HSA in relation to policy, site audit visits and safety complaints. The company engaged with the NTA through participation in the COVID-19 workgroup and with the Engineering team on fleet adaptations. The company put in place antigen testing clinics and antigen self-test kits were provided for employees. Safety assessment arrangements were also put in place to support remote workers. There was multiple stakeholder engagement and collaboration was also a central part of the response, particularly with the Department of Education, Department of Transport and NTA but also with the Department of Health, HSE, HSA and RSA.

### Road Safety Strategy

Bus Éireann contributed to the RSA's *Road Safety Strategy 2021-2030* with a detailed consultation response and action plan. The company is now represented on the steering committee. One of the key focus areas was the use of an evidence-based approach to promote the recognition of the bus as an inherently safe mode of transport.



Bus Éireann in conjunction with the National Transport Authority (NTA) announced a new shuttle bus service to make travel easier for COVID-19 vaccination appointments at the Waterford Vaccination Centre at the WIT Arena. Pictured at the launch are Claire Tully, WIT Arena Vaccinations Centre, Operations Manager, HSE and Sinéad Hearne, Bus Éireann's People Operations Manager.



### Emergency Plan

In 2021, Bus Éireann's emergency plan was activated twice, for the Monkstown collision in August and for Storm Barra in December. As part of ongoing emergency contingency planning and preparation, one test scenario exercise of the company's emergency plan was staged during the year, based on a hypothetical depot fire incident.

### Alcohol and Drug updated policy

We are committed to ensuring an alcohol- and drug-free working environment. During the year we updated our Alcohol and Drugs Policy for all Bus Éireann employees to provide for testing for alcohol and drugs at work. The enhanced testing programme incorporates random testing, testing with reasonable cause and testing after accidents on reasonable grounds. Random testing of employees started in May 2021 with 98 negative tests carried out during the year.

### Safe Driving Awards

More than 500 of our drivers have safe driving records covering a continuous 10 years or longer, in some cases more than 25 years. Safe Driving Awards recognise drivers who have not had any preventable accidents and who have not breached the Road Traffic Act 1961 while in charge of a company vehicle.

## 4.2 Customer Experience

Bus Éireann's goal is to be the most customer-centred and sustainable transport company in Ireland, consistently delivering 90%+ customer satisfaction across all our services. In 2021 our Customer Survey showed 86% customer satisfaction, which was very positive in challenging times for public transport. During 2021, the customer care team handled more than 215,000 customer queries including 153,000 phone calls and 32,000 social media requests.

To achieve our goal, Bus Éireann has embarked on a transformation programme to place the customer at the centre of everything we do. The 'Delighting the Customer' workshop has been delivered to 1,700 drivers at 200-day long sessions nationwide. At these workshops, our drivers told us what they do day in, day out to put our customers at the heart of what they do. We collated this feedback and created a "Driver's Promise" capturing their specific commitments to our customers.

In 2021, the Board approved a new Customer Charter, setting out standards that the company must meet and the standards that our customers can expect when they

use our services. The Customer Charter is available in both English and Irish, and in accessible formats including large print, text and audio versions.

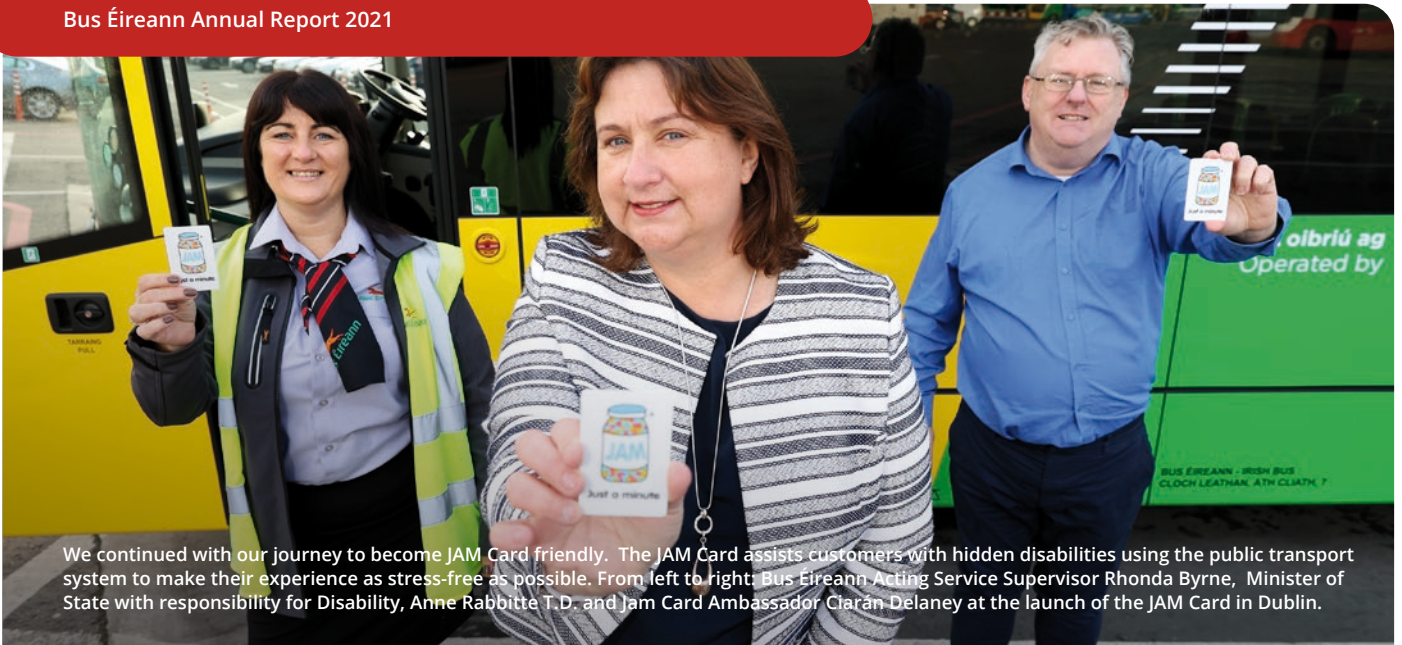
During 2021 Bus Éireann introduced new uniforms for all drivers, supervisors and customer-facing employees. The components of the uniform are made from ethically sourced and recycled material. The fabric used in the new look is made from recycled plastic bottles and each uniform prevents 20 plastic bottles from going to landfill. Our uniform contract also delivered on greener packaging compared to alternatives and swapped out many common components for more recyclable materials.



**During 2021 Bus Éireann introduced new uniforms for all drivers, supervisors and customer-facing employees.**

All drivers were delivered with a toolkit to their home, which included their new uniform and a wearer's guide that demonstrated the expectations around wearing the new uniform. The toolkit also included the Customer Charter, the Destination 2023 booklet, a summary of the Customer Experience Strategy, and finally the Drivers' Promise. This was the ideal way to take our Customer Strategy and vision into the home of every driver.

We established a new team to improve bus stop infrastructure in conjunction with the NTA. The four-person Travel Information Team were recruited during the year to implement the plan agreed with the NTA, improving the infrastructure outside the Greater Dublin Area. Their responsibilities include improving timetable production, upgrading bus poles, carousels and bus shelters. The team works very closely with the NTA and local contractors to ensure that we enhance the customer experience at all bus stops, with accurate and well-presented information.



We continued with our journey to become JAM Card friendly. The JAM Card assists customers with hidden disabilities using the public transport system to make their experience as stress-free as possible. From left to right: Bus Éireann Acting Service Supervisor Rhonda Byrne, Minister of State with responsibility for Disability, Anne Rabbitte T.D. and Jam Card Ambassador Ciarán Delaney at the launch of the JAM Card in Dublin.

### Accessibility

Ensuring our fleet, buildings, and managed stations and stops are wheelchair accessible is essential in providing a fair and just transport service, and this is a key pillar in the new Customer Charter.

In 2021 we fulfilled 100% of wheelchair bookings with 304 successful trips. We introduced 202 new accessible buses and coaches during the year, allowing four depots – Athlone, Ballina, Sligo and Stranorlar – to switch to entirely low floor PSO fleet. Every vehicle in the Bus Éireann fleet is now accessible, with all our city and town services low floor, fully accessible via the front door of the vehicle. To ensure service can be delivered on our stage-carriage and Expressway services, it is necessary for customers travelling in a wheelchair to book 24 hours in advance of travel. For our Expressway services these bookings can now be made online.

During the year we delivered customer accessibility projects in Killarney, Rosslare, Tralee, Waterford, with planned further works for Tramore, Wexford, Ballina and Athlone this year, supported by funding of almost €13 million from the NTA.

In order to ensure we continue to improve the accessibility of all our services, Bus Éireann regularly engages with stakeholders, including holding regular meetings with our Disability User Group. In October, members of our senior leadership team participated in the “Day in my Wheels” challenge, organised by Spinal Injuries Ireland, gaining insights into the customer experience. Disability awareness training is included in our ongoing training for drivers. We continued with our journey to become JAM Card friendly. The JAM Card assists customers with hidden disabilities using the public transport system to make their experience as stress-

free as possible. Parnell Place bus station in Cork was lit in purple to mark International Day of Persons with Disabilities.



Parnell Place bus station in Cork was lit in purple to mark International Day of Persons with Disabilities.

For customers who are visually impaired, we have improved ‘next stop’ audio announcements across our network. This is beneficial for everyone, making it clearer where the bus has departed from and where the next stop will be. Just over half of network stops have been completed across the country and the remainder are expected to be rolled out in 2022.

### Customer Satisfaction

86%



The Galway City network fleet was fully converted to low emission electric hybrid double deck buses, with the first vehicles entering service in May 2021. This marked the first steps in the transformation of our city bus fleet from diesel engines to electric and fuel cell electric power. At the launch from the left to right were Brian Connolly, Bus Éireann's Senior Manager Operations, West, Hildegard Naughton, Minister of State at the Department of Transport and Galway West TD with Tom McHale, Bus Éireann's, Regional Engineer, West.

### 4.3 Public Service Obligation Review

During 2021, the company was still faced with unprecedented challenges posed by the COVID-19 pandemic and COVID-19 related absences resulting in cancellations on a number of occasions at different locations around the country.

Despite these very significant challenges, the company with the support of the Government and the NTA, was able to continue its focus on improvements as part of the Jobs Stimulus Programme, which added three million kilometres, more than 100 driver jobs and over 20 additional vehicles to our services. A new PSO route between Cork and Dublin was introduced to ensure connectivity to communities previously served by Expressway X8. Route 245X operates between Cork and Dublin via Fermoy, Mitchelstown, Cahir and Cashel.

The focus in 2021 was on delivering these changes and growing usage across all of the PSO services. We also implemented improvements to routes across the country including a major project reviewing timetables across the network to better reflect traffic conditions and improved punctuality and reliability. The rollout of improved bus stop infrastructure in Navan Town supported the newly introduced Navan Town Network. Passenger numbers have increased four-fold since the introduction of this service.

We were pleased to work with the NTA and their consultants to develop a new BusConnects network proposal for Cork City, and to make a submission on the Connecting Ireland plan for regional public transport.

The TFI Go App, enabling mobile phone payments, was introduced across eastern commuter routes, and city, town and stage carriage services in Athlone, Cork, Kerry, Limerick and Navan. This will be rolled out to all routes nationally during 2022. The rollout of the Leap Card Top Up on iPhone has made the use of Leap Card easier on non-urban services.

With the NTA we responded to requests from the Health Service Executive to operate dedicated shuttle services to the vaccination centres in Limerick and Waterford.

In conjunction with the NTA, the 161 new vehicles introduced to our PSO fleet was the highest number of new vehicles introduced in one year. These new vehicles significantly improved the on-board customer experience including delivering improvements in accessibility to our services in many parts of the country. Their introduction also supported our sustainability strategy, with lower emissions assisting us on our journey to reducing our greenhouse gas emissions. Importantly, the Galway City network fleet was fully converted to low emission electric hybrid double deck buses, with the first vehicles entering service in May 2021. This marked the first steps in the transformation of our city bus fleet from diesel engines to electric and fuel cell electric power.



In 2021, the “first in Ireland” operation of three zero emission hydrogen fuel cell battery electric buses on the Dublin to Ratoath route produced positive results in terms of carbon emission savings and efficiency of operational use.

Significant preparatory work was carried out on the transformational project to deliver the first battery electric, zero emission, town service network in the country. The NTA is fully funding the work to introduce 11 battery-electric vehicles to Athlone in 2022.



#### 4.4 School Transport Review

Bus Éireann operates the School Transport Scheme on behalf of the Department of Education. The safe transport of more than 122,000 children, of whom over 16,000 have special educational needs, is our first priority.

School transport is provided where children live more than 3.2km from the nearest primary school or 4.8km from the closest post-primary education centre. Bus Éireann contracts the provision of school transport services to local providers based in communities across Ireland. Outside of Dublin, 44% of all primary schools have a school transport service in operation. Excluding Dublin, KPMG's analysis for Bus Éireann found that 13% of primary school students access school on a school bus service.

In total, school transport services provided over 33 million passenger journeys. In 2021, the operation involved over 6,800 vehicles across 9,000 routes daily. The number of pupils carried on the school transport scheme increased by 7% in 2021. We also saw an increase of 24% in applications received for children with special educational needs.

More than 700 new services were approved for implementation by the Department of Education in 2021 with a further 1,400 amendments to services sanctioned including vehicle upgrades, extra trips and extensions to existing routes. Most of these were to cater for increased demand for transport for children with special educational needs and additional solutions deployed to implement social distancing on post-primary services, in line with public health advice.

A number of dedicated school transport services were also established to cater for eligible children who had previously travelled on scheduled services. These were required due to the reduced capacity available on public transport services associated with COVID-19 restrictions.

In June 2021, the Department of Education began a consultation process with stakeholders, as part of the review of the entire school transport scheme. The review examines the current scheme, its broader effectiveness and sustainability, with a view to ensuring that it serves students and their families appropriately. Phase 1 of the review was completed in 2021 and recommended maintaining the scheme as it currently operates pending the outcome of the full review but with temporary alleviation measures on the post-primary transport scheme services. These temporary alleviation measures allow for funds to be allocated to those areas where there is a significant number of post-primary pupils who apply and pay on time and who fulfil the eligibility distance criteria from their nearest school but who were attending their second nearest school. Wider considerations relating to the objectives of the scheme and the criteria for eligibility will take place in the next phase of the review which is now underway.

The COVID-19 pandemic brought many challenges to the operation of the school transport services and delivery of services was at all times based on the prevailing public health advice. Social distancing on post-primary services continued with 50% capacity, and all other COVID-19 prevention measures such as the provision of on-board sanitiser, wearing of face masks, enhanced cleaning regimes and allocated seating remained in place. The

Department of Education kept the 50% capacity under review, as the vaccination programme for post-primary children was rolled out and as the restrictions were lifted on public transport. Following the October mid-term break, plans began for post-primary school transport services to resume operating at 100% capacity, in line with the lifting of restrictions on public transport.

On behalf of the Department of Education, Bus Éireann issued €4.7 million in refunds to over 40,000 families arising from school closures in 2021. The national customer telephone system for School Transport received 33,000 calls over the summer and 11,500 webchats were completed with a 93% satisfaction rating. Most queries related to ticketing, uncertainty around the re-opening of schools and planned COVID-19 safety protocols.

Bus Éireann processed 27,000 places for eligible pupils with medical cards, despite disruption arising from the cyberattack on HSE systems.

As a result of challenges associated with COVID-19 in 2020, 40% of routes were tendered in 2021, equivalent to approximately 3,000 routes. This was twice the usual proportion of routes tendered on an annual basis.

## Safety

In 2021, there was a reduction in the number of collisions and passenger accidents on our services. Bus Éireann continued to work with the Department of Education and the RSA in a collaborative manner to ensure safety remained a key priority in the operation of the school transport scheme. There was ongoing work and collaboration with employees to ensure safety protocols were in place for the commencement of the new school year including 50% capacity on post-primary routes, pre-assigned seating, cleaning, onboard safety protocols and the wearing of face masks by post-primary students.

## Child Safeguarding, Vetting

Bus Éireann has a strong commitment to the safety and welfare of children on our services and at our premises.

Bus Éireann's Vetting Office ensures compliance with the legislative provisions of the National Vetting Bureau (Children and Vulnerable Persons) Act 2012-2016 and collaborates with relevant parties in making key decisions in relation to the engagement of suitable drivers.



More than 700 new services were approved for implementation by the Department of Education in 2021 with a further 1,400 amendments to services sanctioned including vehicle upgrades, extra trips and extensions to existing routes.



Beginning in 2020 and continuing in 2021, more than 300 relevant staff and drivers in Bus Éireann have successfully completed the Tusla 'Introduction to Children First' e-learning programme which enhances child safeguarding awareness within our organisation.

In 2021, there was a 6% increase in vetting applications to approximately 8,430. This growth was driven by the impending legislative commencement of Section 20 of the National Vetting Bureau (Children and Vulnerable Persons) Acts 2012-2016 regarding re-vetting and the Department of Education School Transport social distancing project for post-primary services.

Where breaches are identified and confirmed, contracts are terminated in accordance with our zero tolerance approach to non-vetted drivers.

To ensure compliance with the Children's First Act 2015, Bus Éireann's child safeguarding suite of documentation was substantially revised in 2021 following extensive research, analysis, and collaboration with staff, ClÉ Legal Department, our sister companies, the Department of Education and other external parties.

The Child Safeguarding Policy Booklet (November 2021) is a practical and supportive reference guide. It is a binding document which is circulated to all Bus Éireann staff including contractors and their nominated employees/drivers.

Beginning in 2020 and continuing in 2021, more than 300 relevant staff and drivers in Bus Éireann have successfully completed the Tusla 'Introduction to Children First' e-learning programme which enhances child safeguarding awareness within our organisation.

### School transport

2021	2020
122,000	114,000



In 2021, Bus Éireann saw a €16 million investment, including 30 new Expressway coaches for use nationwide. The new fleet was deployed to Waterford, Galway, Limerick, Stranorlar and Sligo, connecting communities right along the western seaboard on some of Expressway's busiest routes

## 4.5 Expressway Review

Bus Éireann operates Expressway on a commercial basis, on routes licensed by the NTA. Expressway plays a key public service role in maintaining connectivity between communities including those where there is no PSO service. Expressway continued to deliver essential journeys, operating 98.8% of planned services during 2021, with the financial support of the Commercial Bus Operator Direct Award Contract (CBO DAC) extended to the bus and coach sector due to the reduced passenger numbers resulting from COVID-19. It has been confirmed that the CBO DAC will be extended until the end of June 2022.

Bus Éireann believes that after the COVID-19 pandemic, Expressway will return to profitability as annual travel patterns begin to return to normal. We have continued to invest in new fleet and technology, reflecting Bus Éireann's long-term commitment to a sustainable and profitable future for Expressway and our desire to provide a best-in-class customer experience.

In 2021, Bus Éireann invested €16 million in Expressway, including 30 new Expressway coaches for use nationwide. The new fleet was deployed to Waterford, Galway, Limerick, Stranorlar and Sligo, connecting communities right along the western seaboard on some of Expressway's busiest routes. The new coaches meet the latest Euro VI low emissions standards and support the company's commitment to reducing emissions, enabling a reduction of at least 70% in hydrocarbon emissions and at least 88% reduction in nitrogen oxide compared to the 30 vehicles they have replaced.

The new coaches were built by VDL in The Netherlands and feature reclining premium leather seats with adjustable headrests, charging plugs, tray tables and air conditioning at every seat. They also have 4G Wi-Fi. All the new coaches are wheelchair accessible and have onboard toilets all helping to position Expressway as the premium choice in the market.

The investment is the most significant made by Bus Éireann in its commercially operated Expressway service in more than a decade and has reduced the average age of the 170-strong fleet to less than five years.

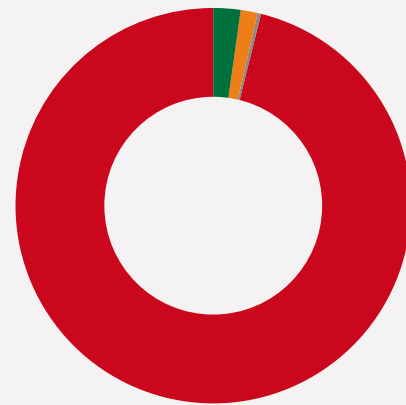
Bus Éireann also launched the new MyExpressway ticketing system across our commercial Expressway services. MyExpressway introduces significant customer benefits including an improved online ticketing system, contactless payment and guaranteed seat reservations on all routes. This allows Bus Éireann to offer the best service possible to our Expressway customers and, in tandem with a number of other initiatives such as new fleet, will help Bus Éireann to ensure a swift future recovery of the Expressway network, which like other commercial businesses has been very severely impacted by revenue decline due to the pandemic.

The MyExpressway ticketing system has led to a separate fares strategy and system delivery between Expressway and PSO fares and ticketing. Due to the different technologies used, tickets purchased on either Expressway or PSO services are no longer interchangeable across Expressway and PSO and are only valid on the service for which they are purchased.

Our wheelchair booking process is constantly under review and in 2021 there were further developments to improve customer experience and we plan to increase the range of wheelchair accessible stops in 2022. A new online accessibility booking and reservation process were introduced on the Expressway website, making it easier for customers who use wheelchairs to book a seat online.

In November, Expressway introduced a Department of Social Protection Free travel pass “book the easy way” campaign. This campaign aims to highlight to customers how easy it is to book on the Expressway website. It also reminds customers that they can book a seat online for a small booking fee and that they can also travel without a booking if there is room on board the service.

During 2021, the viability five-year plan by the Board in September 2020 was fully approved. Route X12 between Limerick and Dublin concluded in January, and the 20/X20 between Galway and Dublin finished in July. In early September, Expressway Route X8 between Cork and Dublin ceased operation. To address an identified connectivity requirement, a new PSO route 245X operated by Bus Éireann was introduced with the support of the NTA.



● Electricity ● Gas ● Heating Oils ● Transport Fuels

**Expressway service**

**Operated 98.8% of planned services during 2021.**

	2021 Millions	2020 Millions
<b>Customer Journeys and Vehicle Kilometres</b>		
<b>Customer Journeys</b>		
Provincial City Services	14.7m	13,9m
Other Scheduled Services	9.3m	9,3m
School Transport Scheme	34.6m	27,3m
	<b>58.6m</b>	<b>50,5m</b>
<b>Vehicle Kilometres</b>		
Provincial City Services	15.0m	14.0m
Other Services - Own	59.0m	63.1m
Other Services - Sub Contracted	123.9m	
	<b>197.9m</b>	<b>77.2m</b>



# Sustainability

Our purpose-led Sustainability Strategy integrates economic, social and environmental goals to ensure a holistic approach across Bus Éireann.





## 4.6 Sustainability

2021 was the foundation year for Bus Éireann on our journey to become the most sustainable public transport operator in Ireland by 2030. In May 2021 we launched our Sustainability Strategy “Driving Change”. A Board sub-committee was established to guide our progress through the implementation phases of the strategy.

We are targeting a 50% reduction in Bus Éireann’s greenhouse gas emissions by 2030 while continuing to grow passenger numbers by 30%. Bus and coach transportation is inherently a more sustainable mode of travel than the private car, emitting one-fifth the amount of carbon dioxide per passenger kilometre. At the heart of this plan is a desire to deliver our services in a way which benefits not only our customers and employees but also delivers a meaningful positive impact to our environment and wider society. Our strategy sets out the company’s plans to achieve challenging sustainability targets to 2030 across six key areas:

- Climate Action
- Consumption and Waste
- Cities and Communities
- Education and Equality
- Decent, Safe Work
- Partnerships

**63% fleet at EuroVI cleaner emission**

Our Sustainability Annual Report for 2021 is available at [buseireann.ie/sustainability](https://buseireann.ie/sustainability).

The strategy was distributed to staff members via an internal website, with stakeholders informed through our website and social media channels. The strategy was launched by Minister for Transport, Eamon Ryan TD and achieved national coverage followed with an extensive regional media campaign.

### Fleet Efficiency

Working closely with the NTA, 2021 brought about significant progress under our climate action targets. Sixty-three percent of our service fleet are now at the Euro VI cleaner engine standard: an increase of 8% from 2020. The NTA has committed that no new diesel buses will be added to urban fleets.

Given Bus Éireann’s extensive and varied public transport network, decarbonisation will require a range of technology solutions. In addition to hybrid technology, the NTA is procuring zero-emission battery electric vehicles for the Athlone Town service. These will make Athlone the first urban area with a complete battery electric bus service. This will positively impact not only emissions but also air quality and noise levels.





The NTA, in conjunction with Bus Éireann, unveiled Ireland's first new hydrogen fuel cell electric double-deck buses. The three double deck hydrogen fuel cell electric buses entered service on commuter routes in the Greater Dublin Area in mid-July and by mid-October, the vehicles had collectively achieved over 20,000km of zero-emission operation. That equates to a saving of almost three tonnes of CO<sub>2</sub> per bus every month. Pictured from left to right at the launch are: Stephen Kent, CEO of Bus Éireann, Eamon Ryan, Minister for Transport and Anne Graham, CEO of the National Transport Authority.

## Hydrogen Trial

The NTA, in conjunction with Bus Éireann, unveiled Ireland's first new hydrogen fuel cell electric double-deck buses. The three double deck hydrogen fuel cell electric buses entered service on commuter routes in the Greater Dublin Area in mid-July and by mid-October, the vehicles had collectively achieved over 20,000km of zero-emission operation. That equates to a saving of almost three tonnes of CO<sub>2</sub> per bus every month.

The buses are subject to in-service evaluation as part of an alternative fuel technology pilot being undertaken by the NTA in collaboration with Bus Éireann. The buses represent an investment by the State of approximately €2.4m, including training programmes. The Wrightbus Streetdeck H2 FCEV is the world's first hydrogen double-deck bus, and each bus can accommodate up to 79 passengers.

## New Expressway Fleet

At present, there are no viable alternatives to diesel powered vehicles for the longer Expressway routes, nonetheless, significant environmental benefits can be obtained by replacing older diesel engines with new technologies. This year, Bus Éireann invested €16 million in its commercial Expressway inter-regional coach service across new vehicles and a new ticketing system. The new coaches meet the latest Euro VI low emissions standards and support the company's commitment to reducing emissions, enabling a reduction of at least 70% in hydrocarbon emissions and at least 88% reduction in nitrogen oxide compared to the 30 vehicles they have replaced.

**Energy performance  
22% improved since  
2009**

### Company Vehicles

The transition to all-electric, zero-emission company cars and vans is well underway and 15 twin charging points have been installed at 12 depots nationally. The company has 14 fully electric vehicles in the fleet with our target to have a full fleet of 120 electric vehicles by 2025.

### Facility Transformation

The arrival of a new fleet requires a significant pre-planned upgrade of our existing depot locations nationally, in terms of power supply, site capacity and new equipment. Starting in Athlone and Limerick we are investing, with the assistance of the NTA, in new charging and power supply infrastructure in our facilities. We commenced the upgrade of our depot in Roxboro in Limerick during the year, harnessing the latest technologies to reduce the carbon footprint of the building, and secured planning permission for the second phase of this project.

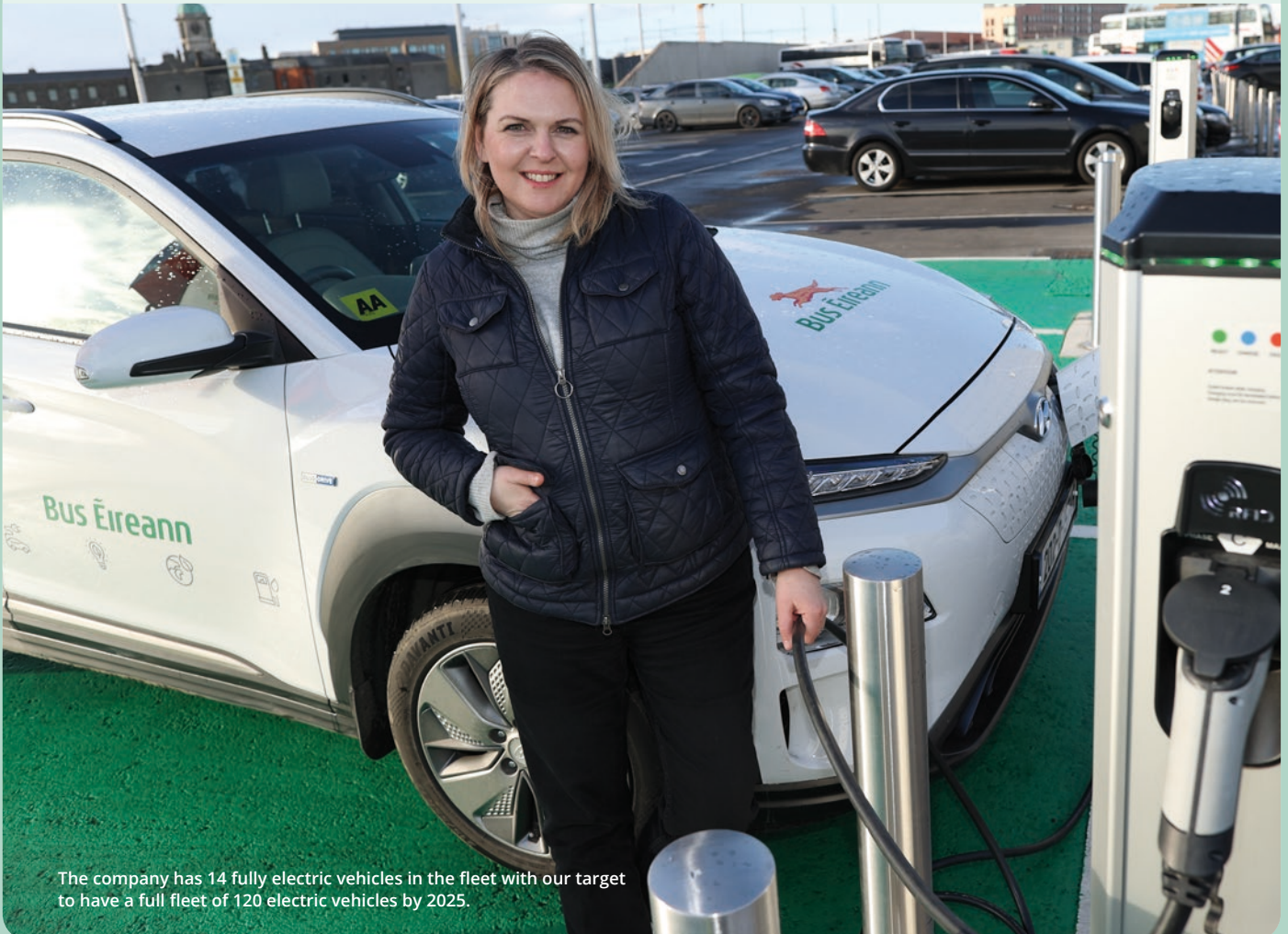
### Energy Efficiency

One of our priority goals is to improve energy efficiency by 50% by 2030. We plan to achieve this through electrification of our fleet, improving our energy building performance and reducing our fossil fuel consumption.

In 2021 Bus Éireann implemented over 20 individual energy efficiency projects across our sites which included lighting and building fabric upgrades. The replacement of all lights with LED in our Capwell bus depot in Cork city delivered a 14% reduction in energy consumption and achieved an environmental management ISO14001 certification for the location in 2021 – another key part of our sustainability strategy.

The company's total energy use in 2021 was 275,720 MW, a slight reduction of 0.5% on the previous year.

The Bus Éireann Energy Performance Indicator (EnPI) is a measure of the total energy used by the organisation per available seat kilometre. This improved by 22% in 2021 when compared with the SEAI-designated baseline year of 2009.



The company has 14 fully electric vehicles in the fleet with our target to have a full fleet of 120 electric vehicles by 2025.



We commenced the upgrade of our depot in Roxboro in Limerick during the year, harnessing the latest technologies to reduce the carbon footprint of the building, and secured planning permission for the second phase of this project.

### Waste

Bus Éireann generates a number of waste streams including commercial municipal waste, commercial recyclable waste, baled cardboard waste, organic biodegradable waste, electrical equipment waste and metal waste. During 2021, 623 tonnes of waste was collected by our general waste contractor with 85% of waste treated as waste to energy and 15% recycled. Our target is to increase the number of commercial recycle bins by at least 20% in 2022.

The company developed a new waste management plan during 2021 which covers all facilities, focusing on waste reduction, reuse and recycling. During 2021, our tyre supplier reused or recycled more than 6,100 Bus Éireann tyres.

**Paper purchases down  
28% since 2019**

### Partnerships

Collaboration is at the heart of the progress Bus Éireann makes each year and to achieve a more sustainable future, the company is committed to working in partnership across our stakeholders, customers, employees, funding agencies and government departments. With the support of the NTA, the Department of Transport and the Department of Education, we will continue to invest towards a sustainable future in partnership with stakeholders including the Sustainable Energy Authority of Ireland, the Environmental Protection Agency, ESB Networks, the RSA and local authorities.



## 4.7 Leadership and People

### Destination 2023

Our strategic objective is to develop leadership at every level and establish a culture of performance to become a Great Place to Work. Using employee engagement as our metric, in 2021 we achieved an engagement score of 79% with 84% of our employees telling us that they are proud to work at Bus Éireann.

Given the unprecedented challenges of the past two years and the frontline nature of the services we provide, these continuing improvements in employee opinions are a testament to the work done across the business to keep our employees safe and supported while keeping Ireland connected.

### Organisational Structure and Capability

*Leadership and Management Development:* Dublin City University (DCU) was chosen to design and deliver 'Managing for Success', a manager development programme that will support managers in achieving Bus Éireann's ambitious organisational plans and strategic objectives.

*Clerical Job Family Review:* In collaboration with a working group comprising clerical employees, we have designed a new, simplified job architecture that details roles, responsibilities and levels of responsibility to provide a job framework with clear career paths within Bus Éireann. This new framework provides clarity for employees on the opportunities available to them and simplifies the recruitment process for hiring managers.

*GPS | Developing a Culture of Performance:* First introduced to managers in 2019, GPS (Growth, Performance, Success) is Bus Éireann's performance management and development programme, providing the framework for developing individual objectives and measuring performance. In 2021 we included clerical employees in the process for the first time.

### Employee Communications and Engagement

Providing our employees with business updates, advice on public health measures and importantly recognising their efforts and concerns played an important part in our employee communications strategy in 2021. From the outset, we committed to our employees that we would tell them what we could, when we could.

In 2021, we saw continued improvements in levels of employee engagement as measured in our annual employee opinion survey, *Have Your Say*, with an increase of 11 points to 81% saying that they are motivated to do more than is required of them for their colleagues and customers. Findings from the 2021 survey have been used to inform and develop our HR strategy and plans for 2022.

In recognition of the progress made on engaging our people, we were pleased to have been awarded the 'Most Effective use of Internal Communication' award at the HR Leadership and Management Awards.



Given the unprecedented challenges of the past two years and the frontline nature of the services we provide, these continuing improvements in employee opinions are a testament to the work done across the business to keep our employees safe and supported while keeping Ireland connected.

BÉ Online is Bus Éireann's internal social media platform where employees can access company and employee-generated social news wherever they work. BÉ Online played a crucial role in enabling the company and employees to remain more fully engaged, allowing important communications with employees including business updates and COVID-19 information, in addition to regular items such as employee-generated news on charities, retirements and new employee welcomes. Over the course of the year, we engaged with our employees using written updates, video, animations and live chats.

With more than 90% of employees actively using BÉOnline, it continues to be an essential component of our employee communications capability.

### Engaging Virtually

Using MS Teams and managed internally, we held a safety webinar in May, an 'End of Year' schools webinar in June and our annual management conference in November. Pre-COVID-19, Bus Éireann's CEO regularly visited locations across the country, giving updates to employees in an informal setting. In 2021 we moved these CEO Connects sessions online using MS Teams enabling the CEO to update employees but also importantly to hear directly from them.

### GEM – Go the Extra Mile

Bus Éireann's *Go the Extra Mile (GEM)* awards recognise the outstanding contribution employees make throughout the year. In 2021, we had over 500 employee-generated nominations with local winners selected by regional senior managers and national winners by the Senior Leadership team. The overall 'Hero of the Year' was voted on by employees and was awarded to the Monkstown Incident Response Team in recognition of their dedication and commitment in very difficult and tragic circumstances.

### Bright Ideas

In autumn 2021 we launched Bright Ideas, Bus Éireann's employee suggestion scheme. Initially pilot tested in the northwest, the scheme is open to all employees with ideas and suggestions reviewed by a regional panel on a regular basis.

### Have Your Say

Our annual employee opinion survey, *Have Your Say*, plays an important role in gathering and measuring feedback among our employees, providing us with key employee insights including metrics we use to measure the achievement of our second strategic objective. Completed in September, we achieved a participation rate of 60%.

In 2021, we reached an employee engagement index of 79%, an increase of six points from the previous year, which is significant given the challenges of operating a frontline business during the pandemic. Employee attitudes improved on practically all 35 questions, most often by double digits.

### Remote, Flexible and Hybrid Working

Initially introduced to meet public health requirements, in response to positive feedback from employees, Bus Éireann continues to offer flexible, remote and hybrid working options to employees whose jobs can be done offsite.

### Technology-enabled improvements

We completed a transformation project which was key to ensuring that our HR system properly reflects our current company structure. We also provided enhanced online functionality to our employees allowing them to update personal details such as home address or bank details. The introduction of an online annual leave application system for our drivers improved the user experience where leave applications are now made online and leave balances are available to view.

### Industrial Relations

Significant progress was made during the year on a number of important issues for the business and we continued to excel in service delivery in the year through the cooperation and agreement of our employees and union partners. The safety and the protection of our frontline employees remained a central consideration during the year and requirements for flexibility and cooperation in relation to services and rosters were agreed with the trade unions as the means to maintain service levels. Further agreement was reached with our union partners on Expressway viability and the agreed productivity items contained within our various pay and productivity agreements continued to progress to implementation.

## Policy Updates

### Diversity and Inclusion

Bus Éireann is committed to ensuring an inclusive and diverse workforce in keeping with its goal to be an organisation that cares for all our people and one that fosters an environment where employees believe and trust in each other, with 82% of employees stating that they are treated with fairness and respect at work in the *Have Your Say 2021*, employee opinion survey.

In 2021, the company had employees from over 46 countries. Diversity initiatives during the year included the development of a new Gender Identity policy and participation in events around International Women's Day 2021.

### Women in the Workforce

Equality is a core principle in Bus Éireann's new sustainability strategy and the company is driving a number of initiatives aimed at promoting greater gender balance in the organisation. In 2021, females comprised 10% of employees, with greater representation at manager (33%) and senior management (31%) levels. Very encouragingly, one in five new joiners was a woman in 2021.

To encourage and inspire everyone to champion and increase gender balance, we introduced a referral scheme for female apprentices to help us to achieve our goal of increasing our female apprentice numbers. Two female apprentices joined us in 2021. We are also involved in the Technological University Dublin Women in Apprenticeship Programme, a key objective of which is to increase the participation of women in craft apprenticeships.

### International Women's Day

Each year on 8 March, International Women's Day (IWD) is celebrated around the world. In 2021, to bring to life the theme *#ChooseToChallenge*, we created a series of videos for women across the business to highlight the challenges they faced and overcame, and the support given to them by colleagues, both male and female.

### Employee Training

Bus Éireann has a nationwide network of training instructors who ensure compliance with regulatory training, upgrading skills for drivers and craftworkers as well as supporting soft-skills training. All regulatory training was completed in 2021. Craftworker training was completed for the inspection, maintenance and repair of alternative fuelled vehicles.

## Apprenticeship Programme

In 2021, Bus Éireann continued our development of apprentice pathways into our Engineering and Maintenance functions with a further intake of 17 new apprentices. Each apprentice undertakes a four-year training programme in conjunction with SOLAS. The apprenticeship consists of seven phases – three off-the-job and four on-the-job. Following the completion of 208 weeks of training, successful apprentices were awarded the Quality and Qualifications Ireland (QQI) Level 6 Advanced Certificate in Heavy Vehicle Mechanics. In 2021, five apprentices attained the certificate, others having been delayed due to COVID-19.

We continued our partnership with TUD's College of Engineering and Built Environment on the Access to Apprenticeship Programme which aims to support the transition of young people from disadvantaged backgrounds into an apprenticeship scheme.

## 4.8 Technology

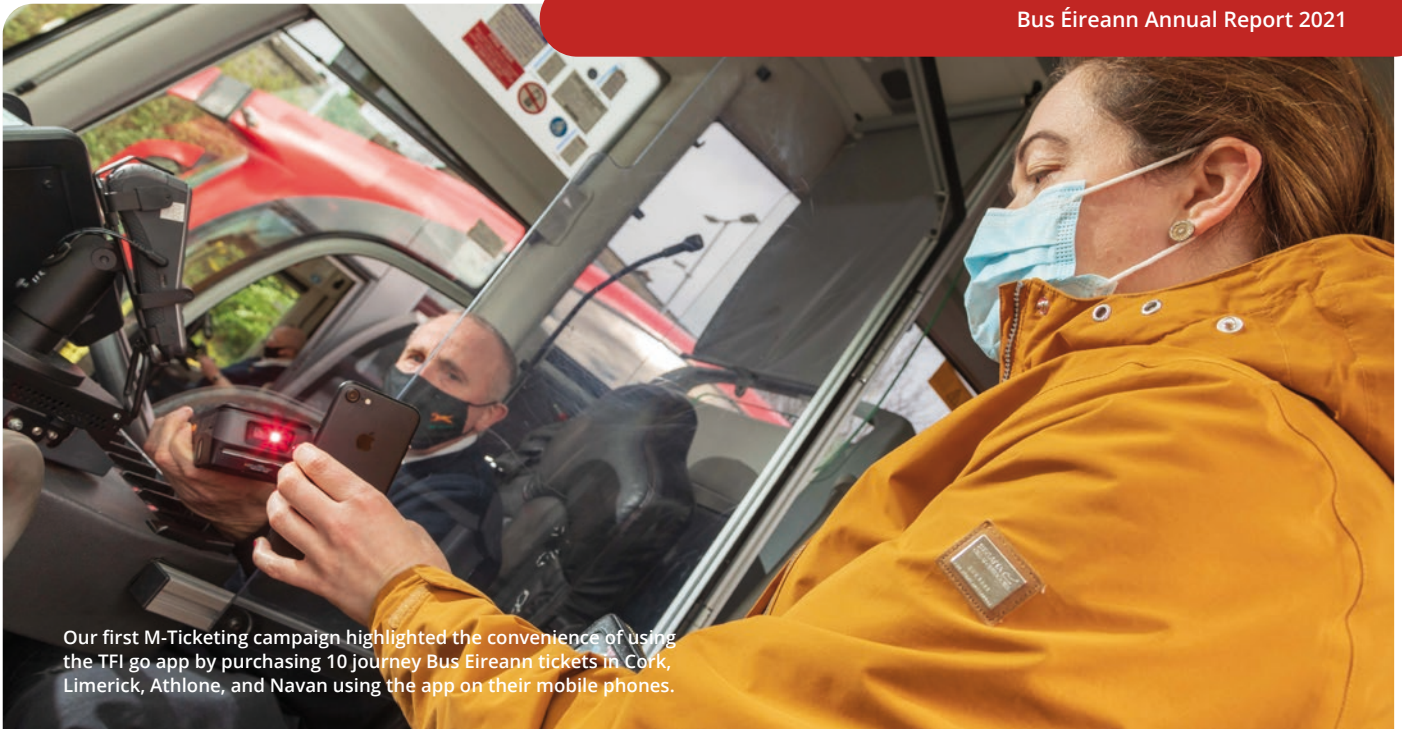
Technology is a key enabler to help Bus Éireann to fulfil its mission across a number of areas including putting the customer first, improving performance and ensuring the highest safety standards are met at all times. Bus Éireann continued to deliver technology enhancements in 2021 in order to provide an enhanced service delivery and customer experience.

Key initiatives undertaken in 2021 included the launch and rollout of a new multichannel electronic ticketing system called MyExpressway for our commercial intercity bus services with contactless credit card payment, Leap integration, online booking, seat reservation, real-time capacity management, wheelchair booking and associated website. This new system drove online, credit card and non-cash payments from less than 20% to 65% within a number of months.

Bus Éireann secured multimillion-euro funding from the NTA to deliver important projects to improve operational performance, reliability and customer experience. This includes Garage Automation to streamline our vehicle maintenance activities, a Network Performance Decisioning System to improve the operation and performance of our bus services and new customer information displays in our bus stations.

The Department of Education has included an allocation in the 2022 budgets to progress technology solutions in three key areas of the school transport scheme. These include a proof-of-concept e-ticketing trial, a new procurement IT system to address the requirement to tender over 1,500 routes annually, and an enhanced





Our first M-Ticketing campaign highlighted the convenience of using the TFI go app by purchasing 10 journey Bus Éireann tickets in Cork, Limerick, Athlone, and Navan using the app on their mobile phones.

reporting capability on the operation of the school transport scheme. These projects are subject to final approval of the Department of Education in relation to each individual business case.

To deliver these transformational projects, in 2021 we introduced a new project management methodology, PMO (Project Management Office) and Professional Services Framework and on-boarded a number of IT partner firms to help deliver our project portfolio.

## 4.9 Facilities/Property

In 2021, 55 separate facility improvement projects were completed, including modifications to support the COVID-19 response and sustainability-related initiatives. Some of the local projects related to necessary works to enable improved social distancing in our facilities and to support service expansion on our Direct Award Contract.

The company also made improvements to security at bus stations including additional static security hours and improved CCTV systems in our stations. During 2021, the construction of a new depot building at Roxboro in Limerick began with completion on track for 2022. The company received planning permission for the phase 2 development of the site, which will include site expansion and environmental readiness works. Important electric vehicle readiness projects were advanced at Athlone and Limerick to accommodate new electric vehicles, with construction work to begin in 2022.

Bus Éireann applied for planning permission for redevelopment at Busáras in Dublin and is preparing further submissions to Dublin City Council. There is also an advanced development plan at Colbert bus and rail station in Limerick with construction of a new bus station expected to commence during 2022. During 2021, Galway's Ceannt bus and rail station development proceeded to detailed design stage in conjunction with Irish Rail New Works and this development will go tender in 2022. There were four additional accessible bus station locations completed in 2021 at Athlone, Ballina, Sligo and Stranorlar and funding was secured for continued improvement of bus stops and bus station buildings as part of a five-year programme funded by the NTA.

Bus Éireann is focused on the implications of operating a zero and low emission fleet, including for our existing depot infrastructure. Factors such as size, location, and electricity supply are being assessed. With KPMG, we completed a depot feasibility study for the Greater Dublin Area which highlighted the key factors in the location of depot operating, service delivery and employee accommodation facilities in the region.

## 4.10 Marketing

In 2021 communication with customers remained as important as ever, particularly in relation to changing public health measures. With new technology and services, Bus Éireann implemented effective marketing and customer information campaigns throughout the year, ensuring people had the information they needed to plan and enjoy their journeys.

In September, Bus Éireann targeted college students to encourage travel on our PSO network by promoting the new mobile ticketing technology. Our first M-Ticketing campaign highlighted the convenience of using the TFI Go App by purchasing 10 journey Bus Éireann tickets in Cork, Limerick, Athlone, and Navan using the app on their mobile phones. We also communicated the benefit of the TFI Go app download and the convenience of mobile purchase along with having 28 days to use your ticket which is attractive particularly as students navigated a hybrid home and campus environment.

Our national Bus Éireann/TFI Leap campaign ran from September to November across social media and other digital channels, bus shelters, regional radio, on bus and local press to increase awareness and usage of TFI Leap cards and increase passenger growth on Bus Éireann city and town services. This campaign contributed to an average 24% increase in the TFI Leap card usage on our city, town and commuter network.

Expressway launched the “My Expressway, Take it Easy” campaign in July, which showcased the brand-new website and functionality available to our customers. New features such as advanced booking, priority boarding, new ways to pay, contactless payment, ability to book a free travel pass ticket online and pay a booking fee to guarantee a seat. The light humorous messaging and content produced allowed us to reach over 10 million people across national radio, social media, digital formats such as Spotify, YouTube, and premium video on demand channels.

To further support the new MyExpressway website and to target the Department of Social Protection (DSP) market, Expressway sponsored the *Senior Times* podcast. The aim was to communicate our new booking functionality to this specific niche of customers and this podcast allowed us to increase this awareness and reach. The podcast was downloaded and listened to over 920,000 times by almost half a million people. In addition to the podcast we produced and developed a ‘how to book a free travel pass’ video which was promoted on social media, digital platforms and regional radio.

In recognition of an extremely challenging year in 2021, Bus Éireann focused its Christmas campaigns around supporting passengers and communities. These campaigns focused on messaging and reconnecting highlighting how Bus Éireann and Expressway help our customers do this each and every day and that as Ireland’s national bus company, our purpose is to connect people with who and what matters which is especially important at Christmas.

Our Dublin Airport campaign encouraged travel and awareness of the Expressway network and the routes we operate to Dublin Airport. The Christmas and Dublin Airport Expressway campaigns achieved a 2.5 million reach over all social and digital channels.

## 4.11 Corporate Communications and Public Relations

Bus Éireann continued to communicate public health measures and reassure customers about travel on our services during 2021. The external communications team provided timely responses to media queries and parliamentary questions throughout the year.

Bus Éireann commissioned KPMG to analyse the company’s economic and social impact, covering PSO, Expressway and schools’ services. The report found that Bus Éireann generates €578m in industrial output and creates economic value add of €267m for the Irish economy. The value contribution is spread across the regions with two-thirds of it being outside of Dublin. Bus Éireann supports 8,800 direct and indirect jobs across Ireland and 88% of the population lives within 5km of a Bus Éireann service. The report also looked at Bus Éireann’s sustainability goals, as it aims to reduce traffic congestion on Ireland’s roads and, ultimately, lower CO<sub>2</sub> emissions within its own fleet.

In May 2021, Bus Éireann launched its first-ever *Driving Change Sustainability Strategy 2021-2030* which outlines our commitment to delivering sustainable and low emission public transport, targeting a 50% reduction in Bus Éireann’s greenhouse gas emissions by 2030 while continuing to grow passenger numbers by 30%. Launched by Minister Eamon Ryan, this achieved national and regional coverage. Bus Éireann also joined the Business in the Community group and completed a baseline review of its sustainability performance.

For the launch with the NTA of Ireland’s first hydrogen fuel cell electric buses in July, a large media event was held in the Phoenix Park, including carrying media on board. Excellent national coverage was achieved, demonstrating the level of interest in Ireland’s future public transport system. The following day, almost 40 Oireachtas members took the opportunity to experience the buses, participating in trips around Merrion Square through the day.

As usual, there was a high level of interest in information regarding all aspects of the school transport scheme.

Bus Éireann's website, Facebook and Twitter feed continue to be important communications channels in terms of customer information, customer queries and also corporate messaging. Despite lower passenger numbers as a result of COVID-19 restrictions, visitor and follower numbers remained strong with good engagement.

In 2021 for the first time Bus Éireann achieved a strong score in the RepTrak reputation survey, moving very substantially up the rankings.

Bus Éireann was shortlisted for six Irish Logistics and Transport awards, and for two sustainability awards in 2021, with results due to be announced in 2022. Bus Éireann was pleased to receive the Best Internal Communications award at the HR Leadership and Management Awards.

### Corporate Social Responsibility

Bus Éireann seeks to connect people with who and what matters to them, helping to make life better for our passengers and communities. In 2021 we engaged with 14 community and voluntary organisations, despite the limitations on activities during the prolonged period of lockdown.

Bus Éireann has a three-year travel partnership with the Aldi Community Games, with an alignment of values around community, connectivity and inclusion. The Community Games provide opportunities for children and young people aged six to 16 years to develop active healthy lives in a safe environment through experiencing a wide range of sporting and cultural activities.

We were proud to support Grow Mental Health in 2021. We marked World Mental Health Day on 10 October with 'Stories of Hope and Recovery' installations at Busáras which then went on tour to eight Bus Éireann stations in Cork, Drogheda, Dundalk, Galway, Letterkenny, Limerick, Sligo and Waterford. Expressway also supported Grow's Easter Walk. More than 200 Bus Éireann supervisors and people managers participated in mental health awareness training organised by Grow.

Other organisations supported included Cork Penny Dinners, Meals on Wheels, Down Syndrome Ireland, Wicklow and District Lions Club, Cork, Galway and Limerick Pride, Waterford Blood Bikes, Waterford Foodbank, I Love Limerick, Music Generation Cork and Playful Culture Trail Cork.



We were proud to support Grow Mental Health in 2021. We marked World Mental Health Day on 10 October with 'Stories of Hope and Recovery' installations at Busáras which then went on tour to other Bus Éireann stations nationwide.

## 5. Company Information

### Board of Directors

Miriam Hughes  
Brian Bowden  
Diarmuid Corry  
Stephen Hannan  
Dermot Healy  
Brendan Lenihan  
Richard Manton  
Rhona Murphy

### Chief Executive Officer

Stephen Kent

### Secretary and Registered Office

Tom Delaney  
Broadstone  
Dublin 7 D07 X2AE

### Websites

buseireann.ie  
expressway.ie

### Registered Number

119570  
Company Limited by Shares  
Designated Activity Company under the Companies Act 2014

### Independent Auditors

Mazars  
Harcourt Road  
Dublin 2 D02 A339

## 5.1 Board of Directors



### Miriam Hughes

Chairperson Miriam Hughes was appointed to the Board of Bus Éireann in April 2019. She has served as Chairperson of the Board Safety and Accessibility Committee, as a member of the Audit and Risk Committee, Sustainability committee and the Board Strategy Committee. Miriam was appointed as Chairperson Designate by Minister Eamon Ryan in February 2022 and appeared at the Joint Oireachtas Committee on Transport and Communication Networks on 5 April 2022. She was reappointed as Director/Chairperson on 6 April 2022.

Miriam is a Chartered Director from the Institute of Directors, an independent strategic business consultant and non-executive director.

Miriam is the former CEO of one of Ireland's largest communications groups DDFH&B. During her 17 year tenure at DDFH&B she managed numerous acquisitions, new business models and a merger. She worked with many large clients like Bord Gáis, National Lottery, Littlewoods, Irish Life and SuperValu. She was formerly Marketing Director of Nestlé, Head of Communications for Bank of Ireland and held other marketing roles at Smith & Nephew and AIB.

Miriam has served as chairperson of Barnardo's Ireland Board, is an independent non-executive director for Eir, an independent non-executive director for Pluto a marketing agency and is also a mentor on the Enterprise Ireland Panel.

Miriam is a graduate of UCD and holds a BComm and MBS in Marketing. She is a past president of the Marketing Institute of Ireland, past chairperson of the Advertisers Association of Ireland, past council member of Dublin Chamber, past board member of the Irish Hospice Foundation and a past council member for the Irish Management Institute.



### Diarmuid Corry

Diarmuid Corry was appointed to the Board of Bus Éireann in 2018 and re-appointed in 2021. Diarmuid has served as Chairperson of the Board Safety Accessibility and Accessibility Committee and in 2021 became Chairperson of the Board Strategy Committee.

Diarmuid is a consultant in electronic system design with a focus on air and spacecraft. He was a founder of ACRA Control Ltd, a supplier of flight test instrumentation to the aerospace industry and served as a director until its acquisition in 2011. He is currently Chief Technology Officer for Réaltra Space Engineering, a division of Realtime Technologies Ltd. Diarmuid has a Master's in Electronic Engineering from DCU and also holds an MBA.



### Stephen Hannan

Stephen Hannan was appointed to the Board of Bus Éireann in 2017 under the Worker Participation (State Enterprises) Acts 1977 to 2001. Stephen was reappointed to the Board in 2021.

He works in Ringsend Depot as a bus driver with Dublin Bus. He is a member of SIPTU and has held a wide variety of positions within the trade union for 30 years. He was President of the Bus Drivers Committee, Vice-Chairman of the Transport Sector Committee, the Divisional Committee and Depot Representative.

Stephen is also a board member of CIÉ and a director of Dublin Bus.



### **Dermot Healy**

Dermot Healy was appointed to the Bus Éireann Board on 1 December 2021 under the Worker Participation (State Enterprises) Acts 1977 to 2001.

He is employed as a bus driver with Bus Éireann, based at Roxboro Depot in Limerick. He joined CIÉ in 1983 and has had a variety of roles including office assistant and bus conductor, prior to assuming his current position as a bus driver in 1991. He has been active in the National Bus and Rail Union (NBRU) since 1997 when he was first elected to his local branch committee. He served as both Vice-Chairman and Chairman of the Limerick Branch prior to being elected to the National Executive Council in 1999. As a member of the NBRU national negotiating team, he has extensive experience in industrial relations issues including Workplace Relations Commission negotiations and Labour Court hearings.



### **Brendan Lenihan**

Brendan Lenihan was appointed to the Board of Bus Éireann in 2019. Brendan is Chairperson of the Board's Audit and Risk Committee (ARC) and is also a member of the Culture, People and Customer Committee. Brendan was reappointed to the Board on 5 April 2022.

Brendan is Managing Director of Navigo Consulting, a specialist adviser in the area of strategy, business planning and governance consulting. Prior to this he worked as a Group Finance Director in a large property company and as a partner with Andersen with whom he worked in Ireland and the US.

He is an independent non-executive director of a number of private companies, charities and the Health Service Executive. Brendan is a former President of Chartered Accountants Ireland.

Brendan holds a Bachelor of Commerce degree from UCC, a post-graduate Diploma in Professional Accounting from UCD, and is a Chartered Accountant with more than 25 years' post-qualification experience and was awarded a Professional Diploma in Corporate Governance from Smurfit Business School, UCD.



### **Richard Manton**

Richard Manton was appointed to the Board of Bus Éireann in 2019. He was appointed Chair of the Board Sustainability Committee in March 2021. He is also a member of the Board Safety and Accessibility Committee and the Board Culture, People and Customer Committee. Richard was reappointed to the Board on 5 April 2022.

Richard is a senior manager at Engineers Ireland, responsible for policy, public affairs and academic standards. He previously held positions in research and teaching at NUI Galway and was the community representative on Galway City Council's Transportation Strategic Policy Committee.

Richard is a Chartered Engineer with Engineers Ireland and the Chartered Institution of Highways and Transportation, and he has a PhD in Civil Engineering, specialising in sustainable transport.

## Directors retired during 2021



### Aidan Murphy (Chairperson)

Aidan Murphy was first appointed to the Board of Bus Éireann in 2013 and as Chairperson in July 2014. Aidan was re-appointed a Director and Chairperson during 2017 and in December 2020 was reappointed for a further year. His term of office concluded on 5 December 2021.

Aidan has extensive experience as a supply chain professional having held positions as CEO of Pulse Logistics, Managing Director Supply of C&C Group, General Manager of Wincanton Ireland and Logistics Director of Allegro Ltd. He has been a keynote speaker to several European supply chain events, including Logicon and the European Supply Chain Summit and is a fellow and past President of the Chartered Institute of Logistics and Transport Ireland. Aidan was a member of the Board Strategy Committee and a member of the Board of CIÉ Group. He was also a member of the CIÉ Board Strategy Committee as well as being a non-executive Director of M&M Walshe Group.



### Deirdre Ashe

Deirdre Ashe was appointed to the Board in 2014 and reappointed in 2017 and 2020. Deirdre retired from the Board on 31 October 2021. During her tenure, she was Chair of the Audit and Risk Committee (ARC) and was a member of the Board Strategy Committee and the Culture, People and Customer Committee.

Deirdre is a Chartered Director and an experienced non-executive director. She is a former Director of Aviva Health, the Asthma Society of Ireland and Life Sure. As an experienced senior leader in domestic and international insurance she has led Consumer Divisions for Liberty, Aviva and Viva Heath in the General Insurance and Health markets. She is an expert in digitisation and has led international transformation programmes for Liberty Insurance.



### Thomas O'Connor

Thomas O'Connor was appointed to the Board of Bus Éireann in 2018 under the Worker Participation (State Enterprises) Acts 1977 to 2001. Thomas was reappointed to the Board during 2020 for a period of one year and retired from the Board on 30 November 2021.

Thomas works as a bus driver for Dublin Bus and is based in Ringsend Garage. He is a member of the NBRU and sits on its National Executive and has served as Dublin Branch Secretary since 2010. Thomas was also a Board member of CIÉ since December 2017 and was a Director of Dublin Bus.



### Gerard Ryan

Gerard Ryan was appointed to the Board in 2012, re-appointed during 2015 and again in 2018. Gerard retired from the Board on 29 July 2021. In his time on the Board, Gerard was Chairperson of the Board Strategy Committee and was a member of the Audit and Risk Committee and the Board Sustainability Committee.

Gerard has over 20 years' experience in senior management positions in the financial services and IT sectors in diverse organisations. He is Operations Director with Acorn Life DAC, a privately owned Irish life insurance company based in Galway. He is a non-executive director of Acorn Insurance Ltd, a general insurance brokerage that is part of the Acorn Group Ltd. He has a strong background in general management and also is highly experienced in financial and cost management, project management and assessment, business change, technology-led innovation and meeting customer needs.

He holds an MBA from the UCD Michael Smurfit Graduate Business School and a BSc in Computer Science from Trinity College, Dublin. Gerard was a member of the Audit and Risk Committee (ARC) and Chairman of the Board Strategy Committee.

## Directors appointed in 2022



### Brian Bowden

Brian is the Chief People Officer with Aer Lingus, a position he has held since 2016. In this role he leads the HR function for the 4,800 in the airline with responsibility for recruitment, talent development, change management and industrial relations. He has previously worked in a range of senior management positions across the HR spectrum within Aer Lingus and elsewhere. Brian has also held senior roles in the operations area – with responsibility for planning, rostering and deployment of crew resources – and in the commercial planning area – with responsibility for development of the airline's route network and schedule. Brian holds a MA in History from UCD from 1988 and a MBS in HR Strategy from DCU from 2001.



### Rhona Murphy

Rhona Murphy is an independent global media consultant, based in Dublin. She relocated back to her hometown in 2015 from New York, where she had been the CEO of The Daily Beast and the Interim CEO at Newsweek. Prior to that she had been the Global Publisher of Newsweek and before that she worked for Dow Jones and The Wall Street Journal in New York and Singapore.

She currently serves as Chairperson of the International Consortium of Investigative Journalists (ICIJ) whose board she joined in 2017. She has also been a non-executive director of The Irish Times DAC since 2016. In 2019 she became a Chartered Director (C.Dir., Institute of Directors, London).

She started her media career in London at The Times and Sunday Times after graduating from Trinity College Dublin.

Rhona was appointed to the Board in April 2022



## 5.2 Senior Leadership Team



### Stephen Kent, Chief Executive Officer

Prior to his appointment as Chief Executive Officer in November 2018, Stephen Kent was appointed as acting CEO in autumn 2018, having previously served as Chief Commercial Officer since joining Bus Éireann in 2013.

Stephen joined from C&C Group where he was Sales and Marketing Director, and previously worked in a number of senior management roles in Waterford Crystal and Waterford Foods (now part of Glanbia plc). Stephen holds a BBS from the University of Limerick, an MBA from Herriot Watt University and is a graduate of the Marketing Institute of Ireland.



### Tom Delaney, Chief Finance Officer

Tom Delaney has more than 25 years' senior management experience gained in Ireland, Eastern Europe and the UK. He has worked across both public and private sectors with organisations including Coca Cola, Glanbia, Eir, NAMA, Mazars and Bank of England.

Tom relocated to Dublin in 2018, joining Bus Éireann as CFO and Company Secretary and assumed responsibility for procurement, materials management, risk and compliance.

Tom is a Chartered Certified Accountant with a Masters in Law and Financial Regulation from Queen Mary University, London. He is invested in ESG and has recently completed a Certificate in Business Sustainability Management with the University of Cambridge.

Tom was a non-executive director of the Corporate Governance Association of Ireland from 2018 to 2022.



### Eleanor Farrell, Chief Commercial Officer

Eleanor joined Bus Éireann in 2019. She is an experienced senior leader with a strong commercial track record of customer-focused transformation and innovation, combined with strategy development and operational excellence.

Previously Eleanor held a global leadership role with Google as Global Head of Operations and Strategy, Customer Onboarding. Eleanor joined Google from Vodafone Ireland where she was Head of Customer Value Management and previously Head of Commercial Strategy and Planning.

Her earlier career was as management consultant with McKinsey, where she led a number of critical strategy and change programs.

Eleanor holds an MBA from UCD Michael Smurfit Graduate Business College and an MSc in Computing. She is also Chair of Samaritans Ireland and a member of the Samaritans UK Board of Trustees.



**Miriam Flynn, Chief Schools Officer**

Miriam Flynn took up the role of Chief School Officer in February 2018 and has full responsibility for the operation and administration of the School Transport Scheme operated by Bus Éireann, on behalf of the Department of Education.

Miriam has worked in a number of roles within the company, such as Customer Service, Sales and Marketing, Business Development and Operations. She spent the previous 15 years in the role of Regional Manager, where she had overall responsibility for Bus Éireann operations in the southwest.

She graduated from NUI Galway with a Bachelor of Commerce degree and completed a post-graduate Diploma in Marketing at the Smurfit Business School, UCD where she also completed an Executive Leadership programme with the CIÉ Group.

She is a member of the Chartered Institute of Logistics and Transport and holds a Certificate in Professional Competence in National and International Road Transport Operations.



**Sinéad Kilkelly, Chief People Officer**

Sinéad Kilkelly joined Bus Éireann as Chief People Officer in August 2018, following nine years at Etihad Aviation Group in Abu Dhabi where she held the post of Vice President People Services. In this role, Sinéad led a series of significant organisational change programs in addition to her responsibility for HR strategy and performance, HR technology, HR services, recruitment and people analytics for the 25,000 Group employees.

Prior to Etihad, Sinéad's HR experience included positions within RBS, Ulster Bank Group and Intel Ireland. She also previously lived in Australia.

Sinéad holds an MBA from Trinity College Dublin and is a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD). Sinéad Kilkelly moved on from Bus Éireann in 2022.



**Rory Leahy, Chief Safety and Sustainability Officer**

Rory Leahy was appointed Chief Risk and Safety Officer in 2018 and during 2021 his role became that of Chief Safety and Sustainability Officer.

Rory is responsible for company safety policy and strategy, sustainability strategy and policy, risk management, property and energy performance. Having started his career in Iarnród Éireann, Rory moved to Bus Éireann and has held a number of positions in business development, operations and regional general management.

Rory is a graduate in Civil Engineering from UCD and holds an Environmental Management post-graduate diploma from TCD and a Master's degree in the Management of Operations from DCU. He also holds a Certificate of Professional Competence in Road Passenger Transport Operations Management (International).



### Seán Loughman, Chief Information Officer

Seán Loughman brings to the CIO role broad and deep technology knowledge. His experience spans strategy, development and delivery, coupled with digital and data analytics and innovation.

Over a wide-ranging career at Eir, Seán held significant director roles in the areas of technology transformation and product development. His most recent position was Director of IT Strategy, Architecture and Solutions.

Earlier in his career, Seán held a number of senior roles at Swedish company Ericsson both in Ireland and overseas.

Seán holds a Bachelor of Electronic Engineering from University College Dublin.



### Allen Parker, Chief Customer Officer

Allen Parker took up the newly created role of Chief Customer Officer in May 2018. Allen has almost 30 years' experience in the bus transport market in Ireland and in the UK. He was Managing Director of Aircoach (a subsidiary of the First Group plc).

Allen commenced his career in public transport with Bus Éireann in the 1990s before moving to work for Comfort Delgro in Ireland, including as Managing Director of intercity coach operator Citylink, and then to First Group plc where he held a number of senior roles.

As Chief Customer Officer, Allen has full responsibility for all aspects of service delivery and for driving continuous improvement in the customer journey experience. This extends to performance and planning, operations, engineering and all aspects of the customer journey experience, communications, information and accessibility. He is also responsible for the management of all NTA contract obligations.

Allen holds a B.SC (Hons) in Transport Technology from the University of Ulster.

## 6. Directors' Report

The Directors present their annual report in accordance with their obligations under the Irish Companies Act 2014 and the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 for the year ended 31 December 2021.

### Principal Activities and Business Review

Bus Éireann is a transport management company whose principal activities are the management and planning of an integrated network of services, using its own and sub-contractor resources. This integrated network covers long distance coach services, local, rural, commuter, provincial city, and town bus services. The company is also responsible for the management and provision of the nationwide School Transport Scheme on behalf of the Department of Education and Skills.

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

### Review of Operational Financial and Engineering Performance

In monitoring the company's performance, a range of key operating and financial performance indicators are regularly reviewed by both management and Directors of the company.

The company recorded a loss of €1.6m in 2021 post exceptional (2020: €9.2m). This was after the receipt of Public Service Obligation (PSO) payments of €122.9m (2020: €93.8m). Operating revenue was €288.7m (2020: €284.8m). At 31 December 2021 the company's balance sheet holds net current assets of €59.2m (2020 €42.8m) with net assets standing at €33.1m, an increase from €6.8m in 2020 primarily due to a recapitalisation of €28.0m in December 2021. Passenger numbers increased by 15.2% to 59m in 2021.

### Dividends

No dividends were proposed, declared, or paid during the year 2021 (2020: €nil).

### Reserves

Accumulated losses were €61.1m at the end of 2021 compared to €59.4m in 2020.

### Principal Risks and Uncertainties

The company is committed to managing risk in a systematic and disciplined manner. The key risks and uncertainties are identified and action plans developed to mitigate these risks. A risk register is maintained by the company and is updated for review by the directors and senior management on an ongoing basis. Principal risks are reviewed by the Audit and Risk Committee with support from the Board Safety & Accessibility Committee, the Board Strategy Committee, the Board Culture, People and Customer Committee and the Board Sustainability Committee. The Audit and Risk Committee (ARC) also reviews and monitors internal control and audit risks.

The company is dependent upon sustainable positive market conditions for all its services. The company continued to monitor its revenues and costs closely into 2021 and beyond through extensive engagement with all its stakeholders.

Financial and economic risks and opportunities are presented to the ARC and Bus Éireann Board on a regular basis. The company is also dependent upon sufficient funding for public services and school bus services from the National Transport Authority (NTA) and the Department of Education respectively. The company is required to comply with the terms and conditions of the direct award public service contract with the NTA, the competitive tender contract for Waterford Services and the contract for Commercial Bus Operator direct award contract in 2020 and 2021 arising from the impact of the COVID-19 pandemic.

Liquidity is tightly managed on a CIÉ Group basis. A dedicated team coordinates day-to-day cash and treasury management together with annual and multi-annual planning and the securing of sufficient corporate bank funding to allow the CIÉ Group to continue to operate. The COVID-19 pandemic required an increased focus on liquidity during 2021 and the company was recapitalised on 23 December 2021.

## Capital Investment

Capital expenditure amounted to €16.8m in 2021 (2020: €3.1m), which included Expressway vehicles. The company received capital funding for PSO services from the NTA in 2021 of €2m (2020: €8.8m which included €7.8m NTA depreciation buyout), including grants of €0.9m (2020: €0.0m) in respect of land and buildings which are held by CIÉ, which enabled the company to invest in improved services for its customers.

## Share Capital and Reserves

Details of the company share capital is set out in note 15.

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

The revenue reserves (accumulated losses) now stand at €61.1m at the end of 2021 (2020: €59.4m).

## Shareholders Meetings

An annual general meeting of the company is held once every calendar year at such time (not being more than 15 months after the holding of the last preceding annual general meeting) and place as may be prescribed by the directors. The directors may either whenever they think fit or on request from Córás Iompair Éireann convene an extraordinary general meeting of the company. An Annual General Meeting took place on 21 April 2021. Two Extraordinary General Meetings took place on 1 June 2021 and 23 December 2021.

## The Board

The company is controlled through its Board of Directors. The Board met on 16 occasions during 2021 (13 in 2020) and has a schedule of matters reserved for board decision. The Board comprises of non-executive Directors only, two of whom were worker Directors at year end. There are no executive directors.

Miriam Hughes was appointed as Chairperson Designate by Minister Eamon Ryan in February 2022 and appeared at the Joint Oireachtas Committee on Transport and Communication Networks on 5 April 2022. She was reappointed as Director/Chairperson on 6 April 2022.

The recommendations of a governance review of the Board sub-committees focusing on their terms of reference and matters reserved for the Board were accepted by the Board. During the period of the review in early 2021 all relevant matters were brought to the attention of the full Board.

## Diversity, Equality & Inclusion

As at 31 December 2021, the Board had one female (17%) and five male (83%) members, with three positions vacant. The Board therefore does not meet the Government target of a minimum of 40% representation of each gender in the membership of State Boards. In 2022, two further directors have been appointed of whom one is female.

As the national bus company Bus Éireann is committed to creating a workplace that promotes diversity, equality, and inclusion for all. Bus Éireann fully co-operates with the Department of Transport (DoT) in ensuring that the Board remains fully reflective of the community the company serves and believes that a diverse and balanced Board contributes significantly to the strength of the Board's overall ability to carry out its challenging remit.

## Directors' Report (continued)

### Attendance at Board/Committee meetings

Listed below are details of directors' attendance at Board/committee meetings held during 2021:

	Board	Audit & Risk Committee	Safety & Accessibility Committee	Strategy Committee	Culture, People & Customer Committee	Sustainability Committee
Aidan Murphy	16/16			7/7		4/4
Diarmuid Corry	16/16		4/4	7/7		4/4
Gerard Ryan	7/7	4/5		5/5		2/2
Deirdre Ashe	11/11			5/6	3/3	3/3
Thomas O'Connor	15/16		3/4			4/4
Stephen Hannan	16/16		4/4			
Brendan Lenihan	16/16	8/8			6/6	3/4
Miriam Hughes	16/16	8/8	4/4			0/1
Richard Manton	16/16		4/4		6/6	4/4
Dermot Healy						

- Gerard Ryan retired from the Board of Bus Éireann on 29 July 2021.
- Diarmuid Corry was reappointed to the Board of Bus Éireann on 2 August 2021.
- Deirdre Ashe retired from the Board of Bus Éireann on 31 October 2021.
- Thomas O'Connor retired from the Board of Bus Éireann on 30 November 2021.
- Stephen Hannan was reappointed to the Board of Bus Éireann on 1 December 2021.
- Dermot Healy was appointed to the Board of Bus Éireann on 1 December 2021.
- Aidan Murphy retired from the Board of Bus Éireann on 5 December 2021.
- Miriam Hughes retired on 4 April 2022 and was reappointed on 6 April 2022.
- Brendan Lenihan was reappointed to the Board on 5 April 2022.
- Richard Manton was reappointed to the Board on 5 April 2022.

### Audit and Risk Committee (ARC)

The Audit and Risk Committee (ARC) comprised the following non-executive Directors:

Brendan Lenihan	(Chairperson)
Gerard Ryan	(Retired 29 July 2021)
Miriam Hughes	

The ARC met on eight occasions during 2021 (13 in 2020).

The ARC has a particular role, acting independently from the executive, to ensure that the interests of the shareholder and other stakeholders are properly protected in relation to financial reporting oversight, internal control, internal and external audit, review of risk and corporate governance as well as systems of ensuring that potential fraud and wrongdoing are investigated.

The ARC discusses with the external auditor the nature and scope of the audit and the audit findings. The ARC also monitors the integrity of the financial statements prepared by the company.

The ARC keeps under review the effectiveness of the company's internal controls and risk management systems through regular direct updates from the Group Internal Audit Department and from senior management including updates.

The ARC, having considered all relationships between the company and the external audit firm, does not consider that those relationships impair the auditor's judgement or independence.

## Board Safety and Accessibility Committee

The Bus Éireann Board Safety and Accessibility Committee met on four occasions in 2021 (six in 2020). This Committee monitors the safety performance of the company against an annual safety plan and encourages the widest participation in safety awareness and accident prevention in the company.

It comprised the following directors during 2021:

Diarmuid Corry	(Chairperson until 23 August 2021)
Diarmuid Corry	Appointed to Committee on 24 January 2022
Miriam Hughes	(Appointed to Committee and appointed Chairperson on 23 August 2021)
Richard Manton	
Stephen Hannan	
Thomas O'Connor	(retired 30 November 2021)

## Board Strategy Committee

This Committee addresses five specific areas namely enterprise development, technology innovation, marketing and research and policy and planning as well as strategy. The Committee met on seven occasions during 2021 (16 in 2020).

The Strategy Committee comprised the following non-executive directors during 2021:

Gerard Ryan	(Chairperson retired 29 July 2021)
Aidan Murphy	(Retired 5 December 2021)
Deirdre Ashe	(Retired 31 October 2021)
Diarmuid Corry	(Reappointed 2 August 2021, appointed Chairperson on 23 August 2021)
Miriam Hughes	(Appointed to Committee on 29 November 2021)

## Culture, People and Customer Committee

The Culture, People and Customer Committee was established by the Board on 24 June 2019. It was established to assess, guide, report on and make recommendations to the Board on the area of the Bus Éireann culture, people, and customer strategy. The Committee met on six occasions in 2021 (eight in 2020).

The Committee comprised the following non-executive directors during 2021:

Deirdre Ashe	(Chairperson, retired 31 October 2021)
Brendan Lenihan	
Richard Manton	

## Directors' Report (continued)

### Board Sustainability Committee

The Board Sustainability Committee was established by the Board on 29 March 2021. It was established to assess, guide, report on and make recommendations to the Board on the Bus Éireann sustainability strategy. The Committee met on four occasions in 2021.

The Committee comprised the following non-executive directors during 2021:

Richard Manton	(Chairperson)
Aidan Murphy	(Retired 5 December 2021)
Brendan Lenihan	
Deirdre Ashe	(Retired 31 October 2021)
Diarmuid Corry	
Gerard Ryan	(Retired 29 July 2021)
Miriam Hughes	(Appointed to Committee on 23 August 2021)
Thomas O'Connor	(Retired 30 November 2021)

### Health and Safety

The Company is committed to ensuring the well-being of its employees by maintaining a safe place of work and by complying with relevant employment legislation including the Safety, Health and Welfare at Work Act, 2005. Governance of health and safety is monitored through the Board Safety and Accessibility Committee.

### Payment Practices

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

### Accounting Records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records in accordance with

Sections 281 to 285 of the Companies Act 2014 are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Bus Éireann, Broadstone, Dublin 7.

### Directors

The Directors of the company are appointed by the Minister for Transport. The names of persons who were directors during the year ended 31 December 2021 are set out below. Except where indicated they served as directors for the entire year.

Aidan Murphy, <i>Chairperson</i>	retired 5 December 2021
Deirdre Ashe	retired 31 October 2021
Diarmuid Corry	reappointed 2 August 2021
Stephen Hannan	reappointed 1 December 2021
Dermot Healy	appointed 1 December 2021
Miriam Hughes	retired on 4 April 2022 and was reappointed as Director/ Chairperson on 6 April 2022
Brendan Lenihan	reappointed 5 April 2022
Richard Manton	reappointed 5 April 2022
Thomas O'Connor	retired 30 November 2021
Gerard Ryan	retired 29 July 2021

Aidan Murphy retired as Chairperson of the Board on 5 December 2021. Miriam Hughes was appointed Chairperson Designate of the Board on 14 February 2022. Miriam appeared at the Joint Oireachtas Committee on Transport and Communication Networks on 5 April 2022. She was reappointed as Director/Chairperson on 6 April 2022.

The Directors and secretaries who served during the year did not hold any interest in any shares or debentures of the company, its holding company, or its fellow subsidiaries at any time during the year.

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



## Code of Practice for the Governance of State Bodies

The Board is fully committed to meeting the requirements of the Code of Practice for the Governance of State Bodies. It is the view of the Board, with the support of the work of the Audit and Risk Committee that in 2021, Bus Éireann had in place adequate controls to manage the risks attached to the strategic objectives of the company, and that these controls were being implemented. Where deficiencies were identified in relation to the system of internal control, Bus Éireann management took the necessary actions to address these deficiencies.

## Statement on System of Internal Control

### Scope of Responsibility

It is acknowledged by the Bus Éireann Board and the Chairperson that it is responsible for Bus Éireann's system of internal control. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). It is also noted by the Board that such a system can provide only reasonable and not absolute assurance against material error.

### Description of Key Control Procedures

The Bus Éireann Board confirms that an annual review of the Effectiveness of Internal Control Systems took place between November and December 2021. The Bus Éireann Board approved the annual review of the effectiveness of internal control systems on 24 January 2022.

Key control procedures have been put in place to reflect the size and complexity of Bus Éireann, in order to provide a full understanding of the procedures which have been put in place at the request of the Bus Éireann Board, to provide effective internal control.

There have been no weaknesses in internal financial control that have resulted in material losses, contingencies or uncertainties that were required to be disclosed in the 2021 Annual Financial Statements or Auditor's Report.

The following non-compliance matters should be noted:

- Bus Éireann had non-compliant spend of €2.8m in 2021 representing 0.9% of eligible procurement spend (€5.5m or 2.2% in 2020).
- The following areas were analysed for quality assurance in 2021, and rectification plans were put in place:
  - Business and financial reporting aspects of the Code of Practice 2016
  - Customer Charter in line with Code of Practice 2016
  - Irish Language obligations in line with Official Languages
  - Public Spending Code Obligations

The Statement on System of Internal Control was reviewed by the Board with the support of the ARC and other Board Committees on 24 January 2022 to ensure it accurately reflected the control system in operation during the reporting period for 2021.

The Statement on System of Internal Control was reviewed by the external auditors Mazars to confirm that it reflects the audited body's compliance with the requirements of Code of Practice (sections 1.20 and 2.7) and was consistent with the information of which they are aware from their audit work on the financial statements and where this is not the case, the external auditor should report on this in the audit report on the relevant financial statement.

The steps that were taken to ensure an appropriate control environment was in place in Bus Éireann and the procedures for monitoring the effectiveness of the internal control system were as follows:

- The adoption of a clearly defined organisational structure with written authority limits, appropriate segregation of duties and reporting mechanisms to higher levels of Bus Éireann management, the Bus Éireann Board and its Board Committees and to the CIÉ Board and Board Committees.
- A comprehensive budgeting and planning system whereby actual performance is compared to the approved budget at the end of each financial period and any significant trends or variances

## Directors' Report (continued)

are investigated in relation to budget accountability. These reports are circulated to each Bus Éireann Board meeting and to the Board Committees for review. This is supported by procedures for addressing the financial implications of major business risks.

- Clear guidelines for the approval and control of capital expenditure. These include; the preparation of annual capital budgets, which are approved by the Board in consultation with CIÉ, the Department of Transport and the National Transport Authority (NTA), detailed feasibility studies and appraisals of individually significant capital projects, prior to approval by the appropriate level of authority (including the Department of Transport and the NTA for larger projects) and the preparation of regular progress reports to management. All significant capital projects require the completion of a formal close-out paper. Capital Expenditure projects are overseen by the Capital Steering Group. All significant capital projects require the completion of a formal close-out paper. The Capital Expenditure process is overseen by an internal Capital Steering Group within Bus Éireann.
  - Systematic review of internal controls by CIÉ Group Internal Audit, including the completion of the Directors' Compliance Statement audit.
  - The implementation of a Risk Management Framework and a Risk Management System which provides an auditable platform for the real time recording and reporting of risks which are evaluated and reviewed on a monthly basis by management. Principal risks together with risk treatment plans are presented to the Board on a quarterly basis after consideration by the ARC.
  - Procedures for dealing with procurement compliance in line with EU Procurement Directive current procurement rules and guidelines as set out by the Office of Government Procurement, CIÉ Group Procurement Policy and Procedures and Bus Éireann Procurement Policy and Procedures.
  - The completion of the External Financial Audit (Mazars) which includes a review of Statement on System of internal control. Mazars has reported that none of their internal control recommendations are considered to be fundamental in nature. A fundamental control is defined by the auditors as a control which is essential to the maintenance of a strong control environment in the company.
  - A Compliance and Regulatory Framework within Bus Éireann to assist first- and second-line defence in relation to compliance monitoring and quality assurance reviews. A compliance report and corporate governance report are issued to Board on a quarterly basis after consideration by the ARC.
  - Other independent analysis and review of the systems of internal control in 2021, including:
    - Internal Annual self-evaluation of the Board and Committees in 2021 in line with the requirements of the Code of Practice.
    - An external review of Corporate Governance Matters undertaken by Governance Ireland in Q3 2021.
    - An external review of the Risk Management Framework undertaken by Mazars in Q4 2021.
    - A range of Quality Assurance Reviews to monitor the effectiveness of compliance with the Code of Practice for the Governance of State Bodies, the Companies Act 2014 and the Public Spending Code.
    - External assessments in relation to a range of accounting treatments:
      - Claims Management (PWC)
      - Accounting Treatment of Buses (Deloitte)
      - Expressway Viability Plan Review (Grant Thornton)
      - PCI-DSS Compliance Policy and Governance Framework (RITs Information Security)
      - Policy Management Framework review by RITs Information Technology in Q4 2021
- The Bus Éireann Board, with the support of the ARC and other Board Committees reviewed the effectiveness of the systems of internal control relating to Bus Éireann for 2021 by:
- A review and approval of the programme of internal audit for 2021 (prepared following its audit risk assessment process) and consideration of its major findings.

- Ongoing consideration of the major findings of any internal investigations.
- A review of the report of the external auditors, which contains details of any material control issues identified as a result of their audit of the financial statements.
- Ongoing assessment of the regular reports of the Group Internal Audit who also reported regularly on the status of issues raised previously from his own reports.
- A review of the Principal Risks identified via the Risk Management Framework and a Risk Management System which provides an auditable platform for the real time recording and reporting of risks which are evaluated and reviewed on a monthly basis by management. Principal risks together with risk treatment plans are presented to the Board on a quarterly basis. The principal risks are reported to the ARC, the Bus Éireann Board, the CIÉ Board Audit & Risk Committee and the CIÉ Board.
- Review of the quarterly compliance monitoring received at Board level.

In line with the Code of Practice for the Governance of State Bodies (2016), the Bus Éireann Board approved the annual review of the effectiveness of internal control systems on 24 January 2022. It is acknowledged by the Bus Éireann Board and the Chairperson, that it is responsible for Bus Éireann's system of internal control.

There have been no weaknesses in internal financial control that have resulted in material losses, contingencies or uncertainties that were required to be disclosed in the 2021 Annual Financial Statements or Auditor's Report.

The Board is satisfied that the company is developing and enhancing its system of internal controls to provide greater effectiveness assurance in relation to Compliance, Risk and Corporate Governance to support the control and risk management activities at first and second line of defence within the company.

The following areas were analysed for quality assurance in 2021, and rectification plans have been put in place:

- **Business and financial reporting aspects of the Code of Practice 2016:** A new approach to compliance with the Code of Practice for business and financial reporting was adopted in February 2020 and reviewed in October 2021.
- **Customer Charter in line with Code of Practice 2016:** In line with the Code of Practice 2016, a new Customer Charter and Action was recently launched by Bus Éireann.
- **Irish Language obligations in line with Official Languages:** The Bus Éireann Irish Language Scheme was revised for 2020 in line with the Official Languages Act 2003.
- **Public Spending Code Obligations:** New procedures are being adopted by Bus Éireann for adherence to the revised Public Spending Code to improve the existing levels of compliance with the Code.

## Procurement

The Board confirms that Bus Éireann is in compliance with the EU Procurement Directive, current procurement rules and guidelines as set out by the Office of Government Procurement, CIÉ Group Procurement Policy and Procedures and Bus Éireann Procurement Policy and Procedures, save for non-compliant spend of €2.8m in 2021, representing 0.9% of eligible procurement spend. A Procurement Strategy is now in place which aims to ensure adequate and appropriately skilled resourcing within the procurement department.

It is the view of the Bus Éireann Board, with the support of the work of the ARC and other Board Committees that in 2021, Bus Éireann had in place adequate controls to manage the risks attached to the strategic objectives of the company, and that these controls were being implemented. Where deficiencies or improvements were identified in relation to the system of internal control, Bus Éireann management was taking the necessary actions to address these.

## Directors' Report (continued)

### Directors' Compliance Statement

For the purposes of section 225 of the Companies Act 2014 (the "Act"), we, the Directors:

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

A detailed quality assurance review was undertaken by both Bus Éireann and other CIÉ Group companies to comply in full with the requirements of the Companies Act 2014 in relation to Directors' Compliance Statement. This review was commissioned by the CIÉ Group for all CIÉ Group operating companies and carried out by CIÉ Group Internal Audit Department. A comprehensive report was issued to and reviewed in detail by the Bus Éireann Audit and Risk Committee. The report confirmed that Bus Éireann was in full compliance with the requirements relating to Directors' Compliance Statement for 2021.

### Company Status

The company registered as a Designated Activity Company, as required under the Companies Act 2014 on 1 February 2016.

### Freedom of Information

The Freedom of Information (FOI) Act 2014 was signed into law in late 2014. During 2015, for the first time, certain parts of the Bus Éireann business came under its remit. The Act was extended to the administrative activities carried out by sections of the Company. These activities also relates to the provision of School Transport services to the Department of Education. Under the Act, Bus Éireann is subject to Freedom of Information requests via the Department of Education on records created since 21 April 2008.

### Going Concern

The 2021 Bus Éireann financial statements have been prepared on a going concern basis. This assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The Directors of Bus Éireann have a reasonable expectation that the Company will have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

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

### Bus Éireann Recapitalisation

A key part of Bus Éireann's strategy was to return the balance sheet to solvency during 2021. The company was recapitalised at a quantum of €28m at an EGM on 23 December 2021.

### Post Balance Sheet Events

On 24 February 2022, Russia began a war on Ukraine. The resulting economic consequences have increased a number of business risks, most of which were evident prior to February, but some are now more uncertain in their likelihood and impact.

These business risks include:

1. Potential disruption to energy supply, raw material shortages, and sharp increase in prices
2. Further increases in cost of living and potential reduction in consumer spending and economic activity
3. Financial market volatility
4. Increased threat of cyber-attacks

The Company will continue to assess the financial impact and manage the extent of the associated business risks.

The Company has determined that this event is a non-adjusting post-balance sheet event. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2021 do not require any adjustment.

## Auditors

Following a procurement process, Mazars, Chartered Accountants and Statutory Audit Firm were selected as new external auditors for the CIÉ Group in 2019 subject to the consent of the Minister for Transport. The auditors, Mazars, Chartered Accountants and Statutory Audit Firm undertook the audit for 2021 with the consent of the Minister for Transport in accordance with Section 383(2) of the Companies Act 2014.

## Disclosure of Information to Auditors


So far as each of the Directors in office at the date of approval of the financial statements is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



**Miriam Hughes**  
*Chairperson*



**Brendan Lenihan**  
*Director*

6 April 2022

## 7. Directors' Responsibilities Statement

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

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

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

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

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

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for securing the Company's compliance with the Code of Practice for the Governance of State Bodies (2016).

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

## 8. Independent Auditor's Report

### To the Members of Bus Éireann

#### Report on the audit of the financial statements

##### Opinion

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

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2021, and of its deficit for the year then ended;
- have been properly prepared in accordance with FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

##### Basis for opinion

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

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

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from the date when the financial statements are authorised for issue.

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

#### Other information

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

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

We have nothing to report in this regard.

## Independent Auditor's Report (continued)

### Opinions on other matters prescribed by the Companies Act 2014

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

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

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

### Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

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

We have nothing to report in this respect.

### Respective responsibilities

#### Responsibilities of directors for the financial statements

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

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

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.



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

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



### **Tommy Doherty**

for and on behalf of Mazars  
Chartered Accountants & Statutory Audit Firm

Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2

6 April 2022

## 9.1 Profit and Loss Account

Financial Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Revenue</b>			
Operating turnover		288,728	284,786
Revenue grant	14(c)	58,699	18,684
Receipts from Public Service Obligation and Commercial Bus Operators Direct Award contracts		122,941	93,833
<b>Total revenue</b>	3	<b>470,368</b>	<b>397,303</b>
<b>Costs</b>			
Payroll and related costs	4(a)	(152,108)	(144,566)
Materials and services	5(a)	(315,271)	(258,865)
<b>Total costs</b>		<b>(467,379)</b>	<b>(403,431)</b>
<b>EBITDA before exceptional costs and revenues</b>		<b>2,989</b>	<b>(6,128)</b>
Exceptional costs and revenues (net)	5(c)	35	298
Depreciation and amortisation (net)	5(d)	(4,267)	(3,582)
Profit on disposal of tangible fixed assets		1	244
<b>(Deficit) before interest and tax</b>		<b>(1,242)</b>	<b>(9,168)</b>
Interest payable and similar charges	6	(404)	(140)
<b>(Deficit) for the year before tax</b>		<b>(1,646)</b>	<b>(9,308)</b>
Tax on (deficit)/profit for the year	7	0	70
<b>(Deficit) after tax for the year</b>		<b>(1,646)</b>	<b>(9,238)</b>

## 9.2 Statement of Comprehensive Income

Financial Year Ended 31 December 2021

	2021 €'000	2020 €'000
<b>(Deficit)</b> after tax for the year	(1,646)	(9,238)
Other comprehensive income for the year	-	-
<b>Total comprehensive (loss) for the year</b>	<b>(1,646)</b>	<b>(9,238)</b>

## 9.3 Balance Sheet

31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Fixed assets</b>			
Intangible fixed assets	8	4,863	2,770
Tangible fixed assets	9	58,071	58,553
		<b>62,934</b>	<b>61,323</b>
<b>Current assets</b>			
Stocks	10	4,276	4,390
Debtors	11	144,406	141,853
Cash at bank and in hand		717	589
		<b>149,399</b>	<b>146,832</b>
<b>Creditors</b> (amounts falling due within one year)	12	<b>(90,192)</b>	<b>(104,067)</b>
<b>Net current assets</b>		<b>59,207</b>	<b>42,765</b>
<b>Total assets less current liabilities</b>		<b>122,141</b>	<b>104,088</b>
Provisions for liabilities	13	(59,654)	(60,590)
Deferred income	14(a)	(29,352)	(36,717)
		<b>(89,006)</b>	<b>(97,307)</b>
<b>Net assets</b>		<b>33,135</b>	<b>6,781</b>
<b>Capital and reserves</b>			
Called up share capital	15	94,212	66,212
Profit and loss account – opening balance		(59,431)	(50,193)
Deficit/profit for the year		(1,646)	(9,238)
<b>Total equity</b>		<b>33,135</b>	<b>6,781</b>

On behalf of the Board



**Miriam Hughes**  
Chairperson



**Brendan Lenihan**  
Director

6 April 2022

## 9.4 Statement of Changes in Equity

Financial Year Ended 31 December 2021

	Notes	Called up share capital €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2020		66,212	(50,193)	16,019
Total comprehensive income for the year		-	(9,238)	(9,238)
<b>Balance at 31 December 2020</b>		<b>66,212</b>	<b>(59,431)</b>	<b>6,781</b>
Balance at 1 January 2021		66,212	(59,431)	6,781
Increase in called up share capital	15	28,000		28,000
Total comprehensive income for the year			(1,646)	(1,646)
<b>Balance at 31 December 2021</b>		<b>94,212</b>	<b>(61,077)</b>	<b>33,135</b>

## 9.5 Statement of Cash Flows

Financial Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Cash from operations</b>			
Net cash/(used in) generated from operating activities	16	(5,832)	23,189
<b>Cash flows from investing activities</b>			
Additions to intangible fixed assets		(3,097)	(2,870)
Additions to tangible fixed assets		(13,740)	(266)
Sale proceeds on disposal of tangible fixed assets		1	244
Capital grants received		1,598	8,804
Increase in called up share capital		28,000	-
(Increase) in balance with parent company		(6,398)	(29,788)
Interest paid and charged by parent company		(404)	(140)
<b>Net cash generated from/(used in) investing activities</b>		<b>5,960</b>	<b>(24,016)</b>
<b>Net increase (decrease) in and cash equivalents</b>		<b>128</b>	<b>(827)</b>
Cash and cash equivalents at start of year		589	1,416
<b>Cash and cash equivalents at end of year</b>		<b>717</b>	<b>589</b>

# 9.6 Notes to the Financial Statements

## Financial Year Ended 31 December 2021

### 1. Significant Accounting Policies

#### Statement of Compliance

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

#### Activities and Ownership

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

Bus Éireann is a transport management company, whose principal activities are the management and planning of an integrated network of services including the provision of schools bus services, using its own and sub-contractor resources.

Bus Éireann, the Company, is a Commercial State Company and is part of the CIÉ Group of companies. The Company was re-registered as a Designated Activity Company effective from 1 February 2016 under the Companies Act 2014. The Company registration number is 119570 and is registered in Dublin with registered offices at Broadstone, Dublin 7.

The financial statements of the Company relate solely to the activities of Bus Éireann.

#### Summary of Significant Accounting Policies

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

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

#### (a) Basis of preparation

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

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

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company is a qualifying entity but has not taken advantage of any available disclosure exemption for qualifying entities.

#### (b) Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The confirmation is made after having reviewed future trading performance, capital expenditure plans and liquidity availability. The directors also considered risks and uncertainties in the business along with available public information. Therefore these entity financial statements have been prepared on a going concern basis. Further information is set out in note 2.

## Notes to the Financial Statements (continued)

### (c) Foreign currency

#### (i) Functional and presentational currency

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

#### (ii) Transactions and balances

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

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

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

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

### (d) Turnover

Turnover comprises the gross value of services provided. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered.

Turnover is recognised in the period in which the service is provided. The key income streams are described below along with a description of the revenue recognition policy for each revenue stream.

On bus and cash integrated ticketing system revenue is recognised on the day the service is provided. Proceeds received for the sale of annual tickets and other future dated products are carried within liabilities and recognised in the income statement over the term of the relevant product.

Other revenue is recognised in the period to which it relates.

### (e) Public Service Obligation Payments and Grants

#### (i) Public Service Obligation (PSO) and Commercial Bus Operators Direct Award (CBO DAC) contracts payments

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

From 1 January 2021, Bus Éireann records revenue generated under the PSO direct award contract on a gross cost basis. Bus Éireann is remunerated based on the cost of the services supplied. All fare box and other passenger revenue (such as Tax saver and DSP revenue) received from the public transport passenger is distributed to the NTA and is no longer recognised in the profit and loss account of Bus Éireann. Bus Éireann submits an invoice on a periodic basis for the provision of services under the PSO contract which is paid to the Company one period in arrears.



## Notes to the Financial Statements (continued)

### (ii) European Union and Exchequer grants

European Union (EU) and Exchequer grants which relate to capital expenditure are credited to deferred income as they become receivable. Bus Éireann records grants using the "Accrual Model" in accordance with FRS102 section 24. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

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

### (iii) Temporary Wage Subsidy Scheme (TWSS) and Employer Wage Subsidy Scheme (EWSS)

The Temporary Wage Subsidy Scheme (TWSS) was a temporary government COVID-19 support scheme which operated from March to August 2020 and was replaced by the EWSS (Employment Wage Subsidy Scheme). The Company has recognised subsidy received within revenue grants in Note 14(c).

### (f) Materials and Services costs

Materials and services costs otherwise referred to as operating costs constitute all costs associated with the day to day running of the operations of Bus Éireann, excluding depreciation, amortisation and payroll costs which are disclosed separately in the profit and loss account, and set out in more detail in note 5 of the financial statements.

### (g) Interest receivable/interest payable

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

### (h) Exceptional costs and revenues

Bus Éireann's profit and loss account separately identifies results before specific items. Specific items are those that in our judgement need to be disclosed separately by virtue of their size, nature or incidence. The Company believes that this presentation provides additional analysis as it highlights exceptional items. Such items include significant business restructuring costs.

In this regard the determination of 'significant' as included in our definition, both qualitative and quantitative judgement is used by the Company in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Company profit and loss account and related notes as exceptional items.

### (i) Taxation

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

#### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

## Notes to the Financial Statements (continued)

### (ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### (j) Related party transactions

Bus Éireann is a subsidiary of CIÉ Group. Bus Éireann discloses transactions with related parties which are not wholly owned within the group. It does not disclose transactions with members of the same group that are wholly owned.

In the ordinary course of business the Company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post, Bank of Ireland and National Transport Authority. The Directors are of the opinion that the quantum of these purchases is not material in relation to the Company's business.

### (k) Intangible fixed assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight-line basis. Software is not considered to have a residual value. Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances. Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

### (l) Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to location and condition necessary for its intended use and applicable decommissioning costs.

The bases of calculation of depreciation are as follows:

#### (i) Depreciation and residual values

##### Road passenger vehicles

The historical cost of road passenger vehicles, other than school buses, are depreciated over their expected useful lives, on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The historical cost of school buses are depreciated in equal annual instalments over their expected useful lives.

Such assets begin to be depreciated once they first enter service within the fleet. Following a detailed review during 2021, it was deemed not necessary to apply an impairment to the value of fleet during 2021.

##### Plant and machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. Following a detailed review, it was deemed not necessary to apply an impairment to the value of plant and machinery during 2021.

## Notes to the Financial Statements (continued)

Details of the expected useful lives of the various types of assets for depreciation purposes are set out in the notes to the financial statements. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

### (ii) Subsequent additions and major components

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

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

Repairs and maintenance costs are expensed as incurred.

### (iii) Derecognition

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

## (m) Leased assets

### (i) Operating leases

Operating leases do not transfer substantially all of the risk and rewards incidental to ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease.

### (ii) Lease incentives

Incentives received to enter into an operating lease are recognised as a reduction of the operating lease expense on a straight line basis over the period of the lease.

### (iii) NTA Leased assets

Incentives received to enter into an operating lease are recognised as a reduction of the operating lease expense on a straight line basis over the period of the lease.

## (n) Impairment of non-financial assets

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

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

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

## Notes to the Financial Statements (continued)

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

### (o) Stocks

Stocks consist of maintenance materials, spare parts and fuel and other sundry stock items. Stocks of materials and spare parts are valued at the lower of weighted average cost and net realisable value. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the balance sheet date, stock which is known to be obsolete is written off and a loss recorded in respect of stocks which are considered to be impaired.

### (p) Cash and cash equivalents

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

### (q) Financial instruments

The Company has chosen to apply the provisions of Section 11 and 12 of FRS 102 to account for all of its financial instruments.

#### (i) Financial assets

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

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

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

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

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

## Notes to the Financial Statements (continued)

### (ii) Financial liabilities

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

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

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

### (r) Provisions

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

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

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

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

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

Other provisions consist of provisions related to the operation of bus services, pay related provisions, environmental provisions, legal claims and pension related provisions. Provision is not made for future operating losses.

### (s) Contingencies

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

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

## Notes to the Financial Statements (continued)

### (t) Employee benefits

The Company provides a number of employee benefits to staff depending on their grade, seniority and statutory obligations. Benefits include the payment of salary or wages and the payment of premium for additional work undertaken.

In addition employer contributions in respect of pension are made for eligible staff to the respective pension schemes.

#### Defined benefit pension plan

The CIÉ Group operates two defined benefit plans (the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan) for employees of the CIÉ Group. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

These schemes have been accounted for in the CIÉ Group financial statements. The defined benefit pension scheme assets are measured at fair value. Defined benefit pension schemes liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet of CIÉ as a liability. All of the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan. The scheme rules do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit costs for the schemes as a whole are recognised in the separate financial statements of CIÉ as in the absence of a formal contractual arrangement the directors believe that this entity is legally responsible for the schemes. The other participating entities, including Bus Éireann, recognise a cost equal to their contribution for the period. Further details of these schemes are set out in note 18.

### (u) Equity

Ordinary called up share capital and revenue reserves are classified as equity and set out in note 15 of the financial statements.

### (v) Critical accounting estimates and assumptions

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

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

#### (i) Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The carrying amount of the intangible assets, property plant and equipment, and the useful economic lives for each class of asset are set out in note 8 and 9.

## Notes to the Financial Statements (continued)

### (ii) Third-party and employer liability claims provision and related recoveries

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

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

Further details are set out in note 13 to the financial statements

### (iii) Defined benefit pension scheme

The CIÉ Group, of which the Company is a member, has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Note 18 to the financial statements sets out in more detail matters related to pensions costs and the pension schemes.

## 2. Going Concern

### Bus Éireann – Financial Position

The 2021 Bus Éireann financial statements have been prepared on a going concern basis. This assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The directors have given very careful consideration to the going concern basis of preparation at this time and are satisfied that it is appropriate for the 2021 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

#### Company financial position as at 31.12.21

At 31 December 2021 the Company had net assets of €33.1m (2020: €6.8 million) and net current assets of €59.2m (2020: €42.8 Million).

Net current assets include non-cash liabilities of €17.2m (2020: €18.9 million) relating to deferred revenue and deferred income in respect of capital grants and revenue, capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding these non-cash items the Company has net current assets of €76.4m (2020: €61.7 million).

#### Bus Éireann PSO Direct Award Contracts

In 2022 the company continues to operate under a gross cost PSO contract and responsibility for PSO fare box and other passenger revenue again lies with the NTA. The NTA has confirmed its intention to continue to provide PSO funding in line with the PSO Contract in 2022. Bus Éireann has continued to operate PSO services in line with the Direct Award Contract during 2021. In 2021 Bus Éireann transitioned to a gross cost contract and thus is not subject to revenue risk and no longer budgets for PSO revenue. Bus Éireann was in active dialogue with the NTA all year relating to the PSO funding requirements as a result of ongoing COVID-19 public health measures. All funding required for 2021 has been provided by the NTA and while 2022 ASC funding has yet to be finalised, draft numbers provided by the NTA indicate that adequate funding will be provided to cover PSO DAC requirements in 2022.

## Notes to the Financial Statements (continued)

### Schools Transport

In order to comply with public health guidelines of 50% capacity to maintain social distancing, funding was approved by the Department of Education in 2020 for additional mainstream and special educational needs services operating at post primary level for the duration of the academic year 2020/21. In line with COVID-19 restrictions, School Transport was suspended during the early part of 2021 with payments made to contractors as agreed with the Department of Education during that period. Upon resumption of school transport in March 2021, over 1,000 additional services were in place to cater for social distancing. In June 2021, the Department of Education provided funding approval for the continuation of these services into the academic year 2021/22. In October 2021, in line with public health guidelines, the Department of Education issued an instruction for the cessation of these services and to resume normal capacity levels which was implemented on a phased basis and completed by early December. In addition, the Department of Education provided funding approval for temporary alleviation measures to provide additional services for children attending their second nearest school centre. These services were introduced as an interim measure pending the full review of the school transport scheme which is being undertaken by the Department of Education.

### Commercial Services

Expressway services continued to operate under the CBO DAC contract in 2021. The CBO DAC contract has now been extended to 30 June 2022. All other commercial services have remained discontinued due to the pandemic in 2021. Following the path to viability which was approved at Bus Éireann Board dated 28 September 2020, Route 20 and Route 8 were fully withdrawn from 28 July 2021 and 4 September 2021 respectively. It is expected that the commercial business will trade at a financial loss again in 2022, the CBO DAC with its further extension will now expire at the end of June 2022 and liquidity requirements as a result of expected results for the remainder of 2022 will be funded by CIÉ. Expressway is expected to return to profitability in 2024.

### Global Economic Uncertainties & War in Ukraine

The war in Ukraine, which commenced on 24 February 2022, has increased a number of general business risks. Some of these risks were evident prior to February but some of them are now more uncertain in their likelihood and impact.

These include potential disruptions to energy supplies alongside a sharp increase in prices, the possibility of supply chain disturbances and the potential for further increases in price levels, as well as a reduction in economic activity and the level of consumer spending.

### On-going Management Actions

Bus Éireann management are continuing to take a number of actions, including:

- engagement with the NTA on appropriate funding in support of the continued operation of the PSO Direct Award Contract
- engagement with the Department of Education for schools
- close monitoring of all issues impacting on commercial services
- close monitoring by management of the daily, weekly and monthly cash position across the Company
- continued implementation and rigorous monitoring of cost saving initiatives
- detailed assessments of all capital expenditure proposals and their impact on liquidity
- continuous review of risks and opportunities affecting the Company's operations
- close monitoring of economic trends and the impact of global economic uncertainties, and the war in Ukraine on the Company's business activities



## Notes to the Financial Statements (continued)

### Bus Éireann Recapitalisation

A key part of Bus Éireann strategy was to return the balance sheet to solvency during 2021. A recapitalisation of €28m took place in December 2021 which significantly strengthened the company's balance sheet.

### CIÉ Group

The Group operates a pooled treasury system and Bus Éireann relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Bus Éireann is evidenced in the Letter of Support from CIÉ to Bus Éireann dated 6 April 2022. The letter states, "It remains CIÉ policy that the Company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the Company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the Company to continue operating and liquidating its liabilities in the normal course of business for at least a period of 12 months after the date of the signing of the financial statements".

### Consolidated CIÉ Group Budget

The CIÉ Group continues to operate PSO services in line with the underlying Contracts. The Group's Budget for 2022 was approved by Board in December 2021.

CIÉ enters 2022 with a strong liquid cash position, liquidity is forecast to reduce throughout 2022 as positive cash flow timing difference which occurred in 2021 unwind during 2022 and as CIÉ continues to fund essential capital programmes. CIÉ is forecasting the continuation of positive liquidity into 2022.

During 2022 the Group submitted its draft five year rolling plan to the Department of Transport which envisages continued growth in public transport provision in the medium terms and a recovery to overall profitability of our Commercial operations.

### Conclusion

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

## 3. Total Revenue

This comprises operating turnover, net of recoverable VAT, receipts under the Public Service Obligation Contract and Revenue grants. Details of Revenue grants are set out in note 14(c). The Company is a transport service provider and provides services throughout Ireland and is regulated by the National Transport Authority (NTA). From 1 January 2021, Bus Éireann records revenue generated under the PSO direct award contract on a gross cost basis.

## Notes to the Financial Statements (continued)

## 4. (a) Payroll and Related Costs

	2021 €'000	2020 €'000
<b>Staff costs</b>		
Wages and salaries	126,957	120,643
Social insurance costs	12,978	12,440
Other retirement benefit costs	12,080	11,386
	<b>152,015</b>	<b>144,469</b>
Engineering work for group companies recharged	-	-
<b>Net staff costs (excluding Directors' remuneration)</b>	<b>152,015</b>	<b>144,469</b>
<b>Directors' remuneration</b>		
- For services as directors	88	97
- For other services	5	-
- Termination payments for executive services	-	-
	<b>93</b>	<b>97</b>
Contributions paid to defined benefit scheme	-	-
Total directors' remuneration and emoluments	93	97
<b>Payroll and related costs</b>	<b>152,108</b>	<b>144,566</b>

No costs were incurred in respect of loss of office for any directors during 2021 or 2020 or after the balance sheet date. Salary amounts includes incentive amounts of €438,000 for safe driving awards made in respect of 2021. (2020: €452,000 for safe driving awards made for 2020).

The average number of employees during the year was:

	2021 Number	2020 Number
Full-time	2,472	2,391
Part-time school bus drivers	289	311
<b>Total</b>	<b>2,761</b>	<b>2,702</b>

## Notes to the Financial Statements (continued)

## 4. (b) Payroll and Related Costs: disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies

## Employee Benefits

	<b>2021</b> <b>€'000</b>	<b>2020</b> <b>€'000</b>
Basic	95,215	88,506
Overtime	6,790	6,895
Allowances	24,514	24,790
Incentive amounts	438	452
	<b>126,957</b>	<b>120,643</b>
<b>Aggregate employee benefits</b>		
Short-term benefits	126,957	120,643
Termination benefits	-	-
Retirement benefits	12,080	11,386
ER PRSI	12,978	12,440
	<b>152,015</b>	<b>144,469</b>
<b>Less</b>		
Exceptional termination payments	-	-
Engineering work for other group companies	-	-
	-	-
<b>Add</b>		
Directors' remuneration	93	97
<b>Total</b>	<b>152,108</b>	<b>144,566</b>

## Notes to the Financial Statements (continued)

## 4. (b) Payroll and Related Costs: disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies (continued)

**Employee Short-term Benefits**

Number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €25,000 from €50,000 upwards. The figures represent the numbers of employees on payroll during the year and which includes all joiners and leavers to payroll.

From	To	2021 Staff Numbers	2020 Staff Numbers
€50,000	€75,000	864	693
€75,000	€100,000	45	49
€100,000	€125,000	11	8
€125,000	€150,000	3	4
€150,000	€175,000	3	3
€175,000	+	6	6
<b>Total Staff</b>		<b>932</b>	<b>763</b>

## 4. (c) Payroll and Related Costs: additional disclosure requirements under the Department of Public Expenditure and Reform Circular Reference 13/2014

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

From	To	2021 Staff Numbers	2020 Staff Numbers
€60,000	€70,000	215	186
€70,000	€80,000	49	32
€80,000	€90,000	16	22
€90,000	€100,000	14	13
€100,000	€110,000	7	4
€110,000	€120,000	4	4
€120,000	€130,000	1	1
€130,000	€140,000	0	2
€140,000	€150,000	2	1
€150,000	+	9	9

## Notes to the Financial Statements (continued)

### 4. (d) CEO Remuneration

Wages and salaries costs include the following remuneration payable to the CEO Mr Stephen Kent for executive services.

	2021 €'000	2020 €'000
<b>Combined amounts</b>		
Basic salaries	210	210
Basic salaries arrears	-	-
Taxable allowances and benefits in kind	14	14
Social insurance costs	25	25
Post-retirement benefit costs	53	53
Post-retirement benefit arrears		103
Termination payment		-
	<b>302</b>	<b>405</b>

These are in accordance with Department of Public Expenditure and Reform guidelines for Chief Executives.

### 4. (e) Key Management Compensation

Key management compensation, including salary and benefits of CEO and directors are as follows:

	2021 €'000	2020 €'000
Salaries and short term benefits	1,387	1,338
Salaries and short term benefits arrears	-	-
Post-retirement benefit costs	154	278
Post-retirement benefit costs arrears	5	-
Social insurance costs	139	133
Termination payments	-	-
<b>Total</b>	<b>1,685</b>	<b>1,749</b>

Key management and directors' earnings comprise salaries and related costs payable to senior management and directors.

No bonuses, performance related pay or compensation for loss of office costs were incurred during 2021.

## Notes to the Financial Statements (continued)

### 4. (e) Key Management Compensation (continued)

The directors of the Company were paid Directors' fees for services as directors during 2021 as follows:

Mr Aidan Murphy	€20,048
Mr Brendan Lenihan	€12,600
Ms Deirdre Ashe	€10,500
Mr Diarmuid Corry	€12,600
Mr Gerard Ryan	€7,350
Ms Miriam Hughes	€12,600
Mr Richard Manton	€12,600

Mr Thomas O'Connor, Mr Stephen Hannan and Mr Dermot Healy did not receive any directors' fees for services as directors from the Company.

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

### 5. Expenses by Nature

#### (a) Materials and service costs

	2021 €'000	2020 €'000
Fuels and lubricants	27,779	29,780
Contractors	224,960	166,218
Road tax and licences	670	627
Operating lease rentals (note 5(e))	1,288	1,813
Rates	505	319
Third-party and employer's liability claims (note 13)	2,205	5,090
Increase in inventory obsolescence provision	143	379
Foreign exchange losses (net)	3	19
Other materials and services	57,718	54,620
	<b>315,271</b>	<b>258,865</b>

## Notes to the Financial Statements (continued)

## 5. Expenses by Nature (continued)

## (b) Materials and service costs: disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies

	2021 €'000	2020 €'000
<b>Travel and subs</b>		
<i>Domestic:</i>		
Board	-	-
Employees	29	22
<i>Foreign:</i>		
Board	-	-
Employees	2	6
	<b>31</b>	<b>28</b>
<b>Hospitality</b>		
Staff	16	26
Other	-	-
	<b>16</b>	<b>26</b>

## (c) Exceptional operating costs and revenues

	2021 €'000	2020 €'000
Severance paid and provided for (note 13)	(1)	(259)
Operations restructuring paid and provided for	(34)	(39)
	<b>(35)</b>	<b>(298)</b>

## (d) Depreciation, impairment and amortisation of tangible and intangible fixed assets

	2021 €'000	2020 €'000
Depreciation of tangible fixed assets (note 9)	14,222	15,479
Amortisation of intangible fixed assets (note 8)	1,003	546
Amortisation of capital grants (note 14(a))	(10,958)	(12,443)
	<b>4,267</b>	<b>3,582</b>

## Notes to the Financial Statements (continued)

## 5. Expenses by Nature (continued)

## (e) Operating leases include:

	2021 €'000	2020 €'000
Bus leasing	504	1,094
Other operating leases	784	719
	1,288	1,813

## (f) Materials and service costs: disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies

	2021 €'000	2020 €'000
<b>Legal costs and settlements</b>		
General legal fees	448	443
Settlements & related legal costs	2,848	2,812
<b>Total</b>	<b>3,296</b>	<b>3,255</b>
<b>Consulting</b>		
Legal	190	168
Tax and financial advisory	413	494
Public relations/marketing	48	156
Pensions and human resources	256	159
Maintenance and renewals	60	22
Operational & other	84	100
<b>Total</b>	<b>1,051</b>	<b>1,099</b>

## 6. Net Interest Expense

	2021 €'000	2020 €'000
Interest payable and similar charges to parent company	(404)	(140)



## Notes to the Financial Statements (continued)

## 7. Taxation

## (a) Tax expense included in profit or loss

	2021 €'000	2020 €'000
<b>Current tax</b>		
Irish corporation tax on profit for the financial year	-	-
Adjustments in respect of prior financial years	-	(70)
Current tax expense for the financial year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
<b>Tax on profit on ordinary activities</b>	-	-

## (b) Reconciliation of tax expense

Tax assessed for the financial year differs than that determined by applying the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2021 of 12.5% (2020: 12.5%) to the deficit for the year. The differences are explained below:

	2021 €'000	2020 €'000
(Deficit)/surplus on ordinary activities before tax	(1,646)	(9,308)
(Deficit)/surplus multiplied by the standard rate of tax in the Republic of Ireland of 12.5%	(206)	(1,163)
Effects of:		
- Depreciation for the year in excess of capital allowances	1,087	1,391
- Income not subject to tax	(1,370)	(1,555)
- Surrender of loss relief to group companies	484	1,341
- Income charged to tax at higher rate	5	15
- Value basis claim current year	-	(31)
- Other movements	-	2
<b>Current tax charge for the year</b>	-	-

## Notes to the Financial Statements (continued)

## 8. Intangible Fixed Assets

	Software €'000	Total €'000
<b>Cost</b>		
At 1 January 2021	10,770	10,770
Additions	3,097	3,097
Disposals	-	-
<b>At 31 December 2021</b>	<b>13,867</b>	<b>13,867</b>
<b>Amortisation</b>		
At 1 January 2021	8,001	8,001
Charge for the year	1,003	1,003
Disposals	-	-
<b>At 31 December 2021</b>	<b>9,004</b>	<b>9,004</b>
<b>Net book amounts</b>		
<b>At 31 December 2021</b>	<b>4,863</b>	<b>4,863</b>
At 31 December 2020	2,770	2,770

(i) The expected useful lives of the intangible assets for amortisation purposes are as follows:

Software – 5 years straight line.

## Notes to the Financial Statements (continued)

## 9. Tangible Fixed Assets

	Road Passenger Vehicles €'000	Plant and Machinery €'000	Total €'000
<b>Cost</b>			
At 1 January 2021	299,526	32,225	331,751
Additions	12,881	859	13,740
Disposals	(29,433)	-	(29,433)
<b>At 31 December 2021</b>	<b>282,974</b>	<b>33,084</b>	<b>316,058</b>
<b>Depreciation</b>			
At 1 January 2021	245,939	27,259	273,198
Charge for the year	12,773	1,449	14,222
Disposals	(29,433)	-	(29,433)
<b>At 31 December 2021</b>	<b>229,279</b>	<b>28,708</b>	<b>257,987</b>
<b>Net book amounts</b>			
<b>At 31 December 2021</b>	<b>53,695</b>	<b>4,376</b>	<b>58,071</b>
At 31 December 2020	53,587	4,966	58,553

(i) The expected useful lives of the various types of assets for depreciation purposes are as follows:

	Lives (Years)
Road passenger vehicles	10-14
Plant and machinery	3-10
School buses	10-20

(ii) Road passenger vehicles at a cost of €102.1m (2020: €91.5m) were fully depreciated but still in use at the balance sheet date

(iii) Tangible fixed assets at 31 December 2021 are at €NIL (2020: €NIL) in respect of tangible fixed assets not yet in service at that date

## Notes to the Financial Statements (continued)

### 9. Tangible Fixed Assets (continued)

- (iv) The Company does not own the property or land and buildings in use; this is owned by the CIÉ Holding Company and is included in the financial statements of CIÉ.
- (v) Assets with a carrying value of €NIL in 2021 (2020: €NIL) were disposed in compliance with CIÉ Group policies and procedures for disposals of assets during the year.

### 10. Stocks

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Maintenance materials and spare parts	3,325	3,251
Fuels, lubricants and sundry stocks	951	1,139
	<b>4,276</b>	<b>4,390</b>
Stock consumed during the year: stock of materials and fuel consumed net of fuel rebate	37,415	39,520

These amounts include parts and components necessarily held to meet operational requirements. The replacement value of inventories not materially different from their book value. Provision for obsolete stock at year end is €1.0m (2020 €963k).

### 11. Debtors

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Trade debtors	1,664	1,631
Amounts due from Department of Education	4,166	8,687
Amounts owed by parent company to Bus Éireann	137,221	130,822
Other debtors	1,355	713
	<b>144,406</b>	<b>141,853</b>

All assets fall due within one year.

Amounts owed by the parent company are unsecured, interest free and repayable on demand. Trade debtors are stated net of a provision for doubtful debts of €0.1m (2020: €0.1m).

Amounts due from the Department of Education represent monies due in respect of the operation of the School Transport Scheme.

## Notes to the Financial Statements (continued)

### 12. Creditors

	2021 €'000	2020 €'000
<b>Amounts falling due within one year</b>		
Trade creditors	22,311	24,522
Income tax deducted under PAYE and USC	(1,330)	1,608
Social insurance	2,040	1,681
Value added tax and other taxes	241	353
Other creditors	1,763	513
Accruals	47,966	56,446
Deferred revenue	8,580	8,328
Deferred income (note 14 (a))	8,621	10,616
	<b>90,192</b>	<b>104,067</b>
Creditors for taxation and social insurance included above	951	3,642

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

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation. Deferred revenue relates to revenue from Tax saver tickets and for the provision of school transport services.

### 13. Provisions for Liabilities

	Operational €'000	Legal and Other €'000	Restructuring €'000	Third Party and Employer Liability Claims €'000	Total €'000
<b>2021</b>					
Opening Balance	4,974	902	365	54,349	60,590
Charge to profit and loss account (net)	591	947	-	2,205	3,743
Used during the year	(726)	(902)	(203)	(2,848)	(4,679)
<b>Closing Balance</b>	<b>4,839</b>	<b>947</b>	<b>162</b>	<b>53,706</b>	<b>59,654</b>

## Notes to the Financial Statements (continued)

### 13. Provisions for Liabilities (continued)

#### Operational provisions

The operational provision consists of provisions related to the operation of bus services and pay related provisions.

#### Legal and other provision

The legal and other provision consists of provisions related to employee legal claims. These disputes are currently on-going and the provision represents the estimated cost of settling these matters.

#### Restructuring provision

The restructuring provision relates to amounts payable arising from the implementation of continuing cost saving initiatives.

#### Third-party and employer's liability claims

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

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

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

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

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

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

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

## Notes to the Financial Statements (continued)

### 13. Provisions for Liabilities (continued)

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

### 14. Deferred Income and Revenue Grants

#### Deferred Income

This account comprises non-repayable EU and Exchequer grants which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated:

#### (a) Capital grants

	2021 €'000	2020 €'000
Balance at 1 January	47,333	75,615
Received & receivable (note 14(b))	1,598	8,804
Derecognised under bus leasing agreement (note 9)	-	(24,643)
Amortisation charge net of related impairment (note 5(d))	(10,958)	(12,443)
Disposals		-
<b>Balance at 31 December</b>	<b>37,973</b>	<b>47,333</b>
Made up as follows:		
Included in current liabilities (note 12)	8,621	10,616
Included in non-current liabilities	29,352	36,717
	<b>37,973</b>	<b>47,333</b>

#### (b) Capital grants additions

	2021 €'000	2020 €'000
Capital grants were used to fund the following additions:		
Computer, hardware software & other	1,598	2,470
Buses	-	6,334
<b>Sub total</b>	<b>1,598</b>	<b>8,804</b>
Less: Transferable to CIÉ (Property)		-
<b>Total</b>	<b>1,598</b>	<b>8,804</b>

Capital Grants are amortised over the useful lives of the assets. The relevant agency and programme is the NTA and the National Development Plan and the sponsoring government department is the Department of Transport. Grants are restricted to Public Service Obligation (PSO) activities.

## Notes to the Financial Statements (continued)

## 14. Deferred Income and Revenue Grants (continued)

## Revenue Grants

Revenue grants are brought to profit and loss in full in the relevant year received.

## (c) TWSS and EWSS

	2021 €'000	2020 €'000
Operating Revenue includes the following revenue grants		
TWSS	-	2,764
EWSS	58,699	15,920
	<b>58,699</b>	<b>18,684</b>

The Temporary Wage Subsidy Scheme (TWSS) was a temporary government COVID-19 support scheme which operated from March to August 2020 and was replaced by the EWSS (Employment Wage Subsidy Scheme).

## 15. Share Capital and Reserves

	2021 €'000	2020 €'000
<b>Authorised</b>		
<b>Opening balance</b>		
61,146,471 Ordinary shares of €1.27 each	77,640	77,640
<b>Increase in Authorised Share Capital</b>		
Recapitalisation by way of an issue of 22,051,793 ordinary shares at €1.27 each	28,000	-
<b>Closing balance</b>		
83,198,264 Ordinary shares of €1.27 each	105,640	77,640
<b>Allotted, called up and fully paid presented as equity</b>		
<b>Opening balance</b>		
52,146,473 Ordinary shares of €1.27 each	66,212	66,212
<b>Increase in Called up and fully paid Share Capital</b>		
22,051,793 Ordinary shares of €1.27 each	28,000	-
<b>Closing balance</b>		
74,198,446 Ordinary shares of €1.27 each	94,212	66,212



## Notes to the Financial Statements (continued)

### 15. Share Capital and Reserves (continued)

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

	2021 €'000	2020 €'000
Revenue Reserves (accumulated losses)	(61,077)	(59,431)

### 16. Note to the Statement of Cash Flows

	2021 €'000	2020 €'000
(Deficit) for the financial year	(1,646)	(9,238)
Net interest payable	404	140
(Deficit) before interest	(1,242)	(9,098)
(Profit) on disposal of tangible fixed assets	(1)	(244)
Depreciation, impairment, amortisation of tangible/intangible fixed assets	15,226	16,025
Capital grants amortised	(10,958)	(12,443)
Decrease (Increase) in inventory	114	(434)
Decrease in debtors	3,845	1,218
Decrease (Increase) in creditors	(11,880)	26,397
Decrease (Increase) in provisions for liabilities	(936)	1,768
<b>Cash flow from operating activities</b>	<b>(5,832)</b>	<b>23,189</b>

### 17. Operating Lease Obligations

	2021 €'000	2020 €'000
Commitments under non-cancellable operating leases payable as follows:		
Within one year	1,279	1,287
Between one and five years	3,185	3,617
	<b>4,464</b>	<b>4,904</b>

## Notes to the Financial Statements (continued)

### 17. Operating Lease Obligations (continued)

Included above within one year and between one and five years for 2021 is (i) an operating lease entered into during the year for buses with annual lease obligations of €0.5 million. The term of this lease is two years and ends during 2022 (ii) the operating lease charge payable to the NTA relating to a bus leasing agreement which commenced in 2018.

### 18. Pensions

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

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

The net liabilities of the CIÉ Group include liabilities in respect of defined benefit pension obligations of €846.5 million (2020: €975.4 million). The disclosures required under FRS 102 in respect of the group's defined benefit plans, in which the Company participates, are set out in the financial statements of CIÉ for the year ended 31 December 2021 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The Company's pension cost for the year under the defined benefit schemes was €12.3m (2020: €11.6 m) and these costs are included in note 4(a). The Company cost comprises of contribution payable for the year.

### 19. Capital Commitments and Other Commitments

	<b>2021</b>	<b>2020</b>
	<b>€'000</b>	<b>€'000</b>
Contracted for	5,170	17,443
<b>Total</b>	<b>5,170</b>	<b>17,443</b>
Capital commitments for which funding by way of grants is committed	4,500	2,920

Land and buildings are held in the books of CIÉ Holding Company. Commitments in respect of land and buildings occupied by Bus Éireann but stated in CIÉ Holding Company books are €2.6m for 2021 (2020: €4.6m) and are not included above in Bus Éireann Capital Commitments.

## Notes to the Financial Statements (continued)

### 20. Guarantees and Contingent Liabilities

At 31 December 2021 the CIÉ Group had no draw down under the term loan facilities. These borrowings are cross guaranteed by Bus Éireann and the other subsidiaries in the CIÉ Group.

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

Bus Éireann's PSO fleet are acquired under the Grant Framework Programme from the National Transport Authority. This funding is provided in line with the provisions of the Direct Award Contract, signed in December 2019, and certain contingent liabilities arise under these agreements. The directors believe that the risk of the National Transport Authority exercising its rights under the related agreements is remote.

### 21. Net Deficit by Activity

2021	Schools & Commercial €000	City €000	Stage Carriage €000	Non Commercial €000	Total €000
Revenue	288,049	644	35	679	288,728
Costs (net)	314,452	53,940	103,657	157,597	472,049
	<b>(26,403)</b>	<b>(53,296)</b>	<b>(103,622)</b>	<b>(156,918)</b>	<b>(183,321)</b>
Revenue grant	18,265			40,434	58,699
Public Service Obligation payment	4,918			118,023	122,941
Result after Public Service Obligation payment	(3,220)			1,539	(1,681)
Exceptional items	118			(83)	35
Result after Exceptional items	(3,102)			1,456	(1,646)

The Company operates commercial, schools transport and public service activities. The principal activity operated on a commercial basis is Expressway.

The School Transport Scheme is operated under "contract", more correctly described as an administrative arrangement, with the Department of Education.

The remaining principal activities are Stage Carriage, which are regional and trunk routes, and City Services in regional cities for which the Company receives PSO payments in respect of these public service activities. Costs for Expressway, Stage Carriage and City Services are allocated on the basis of numbers of buses, kilometres, hours and other available metrics.

The cost of PSO operations in the year ended 31 December 2021 amounted to €156.9m, before exceptional items, while the compensation received, excluding revenue grants, amounted to €118.0m.

## Notes to the Financial Statements (continued)

### 22. Related Parties

In the ordinary course of business the Company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post, Bank of Ireland and National Transport Authority. The Directors are of the opinion that the quantum of these purchases is not material in relation to the Company's business.

The Company is exempt from the disclosure requirements of paragraph 33.9 of FRS102 in relation to transactions with those entities that are a related party by virtue of the fact that the same State has control, joint control or significant influence over both the reporting entity and the other entity.

### 23. Public Service Obligation and Commercial Bus Operators Direct Award contracts

The PSO and CBO DAC payable to the Company through the holding Company, Córas Iompair Éireann, amounted to €122.9m for the year ended 31 December 2021 (2020: €93.8m).

### 24. Membership of Córas Iompair Éireann Group

Bus Éireann is a wholly owned subsidiary of CIÉ and the financial statements reflect the effects of group membership. Copies of the CIÉ consolidated financial statements can be obtained from CIÉ, Heuston Station, Dublin 8.

### 25. Post Balance Sheet Events

On 24 February 2022 Russia began war on Ukraine. The resulting economic consequences have increased a number of business risks, most of which were evident prior to February, but some are now more uncertain in their likelihood and impact.

These business risks include:

1. Potential disruption to energy supply, raw material shortages, and sharp increase in prices
2. Further increases in cost of living and potential reduction in consumer spending and economic activity
3. Financial market volatility
4. Increased threat of cyber-attacks

The Company will continue to assess the financial impact and manage the extent of the associated business risks.

The Company has determined that this event is a non-adjusting post-balance sheet event. Accordingly the financial position and results of operations as of and for the year ended 31 December 2021 does not require any adjustment.

### 26. Approval of Financial Statements

The Directors approved the financial statements on 28 March 2022 subject to the receipt of a letter of support from CIÉ which was duly received on 6 April 2022.

# Notes

- Highlights
- Chairman's Statement
- Review
- Director's Report
- Financial Statements

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**Broadstone  
Dublin 7**

**[www.buseireann.ie](http://www.buseireann.ie)**