



The Route to Sustainability

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School transport

156 million kilometres

98.3%
of scheduled services operated

229
Public Service Obligation routes

14
Expressway routes

Road passenger service

68.3 million kilometres

89.5 million
passenger journeys

8,940
school transport routes

A record
151,300
children
on school transport

2,827
Employees

17 main
locations
throughout Ireland

46
nationalities

10,000
training hours delivered

Gender Pay Gap
-10.2%
in favour of women

15%
of new recruits in 2022
were women

14% drop
in employee accidents

20% decrease
in passenger accidents

About Bus Éireann

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

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



Destination 2023 Strategic Objectives

- **Customer Satisfaction:** Develop and implement a plan to achieve best-in class customer experience at all touchpoints
- **Employee Engagement:** Develop leadership at every level and establish 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 and delivers on target profit 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 Social and Governance:** Deliver market-leading sustainability to become one of the greenest national public transport companies in Europe

Key Stakeholders



An Roinn Iompair
Department of Transport



An Roinn Oideachais
Department of Education



An Roinn Coimirce Sóisialaí
Department of Social Protection



Chairperson's Statement

I am pleased to present Bus Éireann's annual report for 2022 – a year in which I was honoured to be appointed Chairperson of the company, having served on the Board since 2019. This was a year that brought a welcome and positive inflection point in the Covid-19 pandemic, but which also saw new challenges emerge, many brought about by Russia's invasion of Ukraine.

The year opened with the greatest Covid-related impact on operations of the pandemic and subdued passenger demand. It was far from evident at that point that we would close the year with record levels of passengers on some services and by the last quarter, an increase of 15% in passenger demand on road transport services compared to 2019.

Demand was driven by a combination of factors. Throughout the Covid pandemic the company has been working with the National Transport Authority on enhancing public service obligation routes and introducing new vehicles to the fleet, so our product and service offering is better than ever. This is evidenced in our customer satisfaction rate which reached more than 90% for the first time and has held at that level. We also saw increased demand on some Expressway routes and added services accordingly.

There was a positive consumer response to the Government's move to reduce fares on public transport to levels of 20 years ago. Further discounts combining with the increased cost of motoring and cost of living pressures caused people to look again, and sometimes for the first time, at their public transport options.

The Government decision to waive fees for the academic year 2022/23 and make the school transport scheme, already highly subsidised, fee free as a cost-of-living measure drove record levels of demand, increasing almost 25%. The school transport scheme is an important facilitator of economic and social activity throughout the country, and also plays a very significant role in reducing car journeys.

Managing growth presents an entirely new, and extremely welcome, challenge to that of the previous two years. In this respect, our Board has begun more intensive dialogue and planning with the Executive team to discuss the longer-term strategic growth and the capacity needs for Bus Éireann to take account of resources, capital and infrastructure which will help the company meet the needs of tomorrow. Our plans are underway but need to also take into account the wider context of the most inflationary environment of the past three decades, and especially so for our commercial service, Expressway, which does not receive any subsidies.

We have focused throughout the year on emerging as a more financially resilient business, on building and managing for growth, and on our contribution to sustainable mobility and achieving the Climate Action Plan targets.

Winning the tender for the East Coast Commuter Corridor routes was a solid endorsement of the company's ability to compete in the open market and deliver a high-quality bus service to communities. We were also pleased to be awarded the contract to operate the new Carlow town service. Remarkable passenger growth is evident following the introduction of town services, and this investment by the NTA is highly supportive of the National Development Framework's focus on growth in regional urban centres.



Bus Éireann has embraced sustainability as a core element of our strategic development and added it as a fifth strategy pillar, broadening it from environmental to Environmental, Social and Governance during 2022. The entire organisation has adopted the sustainability agenda. Important progress was made during 2022, not least transforming Athlone depot to support Ireland's first fully electric town service. I congratulate everyone at the Athlone depot for their openness to change and for the efforts they have made to facilitate this major step towards our zero and low emission fleet. Their experience will serve the organisation nationally as we move forward to decarbonise our city and town services.

With the support and funding of our key stakeholders, the Department of Transport and the National Transport Authority, the Department of Education and CIÉ Group, and the drive for Ireland to make progress on its climate action commitments through reducing reliance on private car journeys, we see very significant opportunity for growth in coming years in our services to regional cities, towns and rural areas through the Connecting Ireland plan, and increasing demand for school transport.

Driver recruitment is a critical enabler of that growth and increase in services. Bus Éireann has been successful in its recruitment campaigns in 2022, and this will continue as a key area of focus in 2023. We achieve a high level of employee engagement and are investing in the wellbeing of all of our people.

Bus Éireann published our first Gender Pay Gap report in 2022, showing a 10.2% gap favourable to women. Only 10% of our employees, and just 3% of drivers are women. We have a number of initiatives to increase this representation which with renewed focus is a critical goal I am confident we will achieve.

The major impediment to our operations remains congestion, the main obstacle to the operation of a reliable bus service. With only c30km of bus prioritisation outside of the Dublin area, we welcome the comprehensive plans in place and launched by the National Transport Authority for BusConnects in our regional cities, where bus prioritisation measures are intrinsic to the delivery of these overall plans to increase frequency and permeation.

The increasing public debate around transport investment choices is welcome and we particularly believe that there is an opportunity to improve the experience and perception of bus public transport in addressing congestion, to highlight the speed and flexibility with which new services can be introduced, and the value and return on investment bus transport offers the Exchequer.



Governance and Assurance

Looking forward, 2023 will be the final year of Bus Éireann's five-year strategy, *Destination 2023*, which began in 2019. Progress has been remarkable, with many targets already exceeded, notwithstanding the impact of world events that no-one could have anticipated. This year we turn to charting the company's course from 2024 onwards, from a more positive and stable base and with a focus on delivering on the opportunities ahead. We look forward to close engagement with internal and external stakeholders in developing the new corporate strategy.

I welcome three new Directors, Brian Bowden, David Fox and Rhona Murphy, who were appointed to the Board by Minister Ryan in the early part of the year. We also welcomed two new members to the Senior Leadership Team, Jean O'Sullivan as Chief People Officer and Danny McCarthy as Chief Information Officer, bringing a balance of external experience and internal expertise.

I thank all the Directors for their commitment, insights and contribution through this pivotal year. We have further strengthened governance and oversight with new compositions and remits for each of our Board sub committees covering Audit and Risk, Commercial and Innovation, Remuneration, Safety and Accessibility, and Sustainability.

I would like to thank Minister Eamon Ryan TD, Minister Norma Foley TD, the Departments of Transport and Education, the National Transport Authority, and CIÉ Group for their continued support of Bus Éireann during this past year. We look forward to delivering on our purpose – high quality public transport services that satisfy our customers, and to delivering on Government priorities for public transport for 2023 and beyond.



Miriam Hughes
Chairperson

Chief Executive Officer's Review

Having spent two years addressing the challenges posed by Covid-19 through each of its different waves, it is exciting to be now in a position to 'predict the future by creating it' as Abraham Lincoln said.

The values of our people helped us to weather the Covid-19 crisis as we continued to deliver essential services across public service obligation, schools and Expressway networks – the most extensive and complex public transport network in the country. We welcomed the easing of public health restrictions on public transport in 2022 and I am forever thankful to our teams across the country who never faltered in their ethos and commitment to help keep Ireland connected.

I am also grateful for the unwavering support of our stakeholders during those difficult times. Their collaboration helped the company to emerge resiliently from the pandemic, and to position Bus Éireann to deal with a new wave – the green growth in demand on many of our routes.

A new passenger growth trajectory has been evident since the summer of 2022. We facilitated 89.5 million passenger journeys, up 56% on 2021. The initiatives implemented this year will help us to make further real progress on our Destination 2023 goals – the strategy which we forged in 2019.

While 2022 was a year of progress across the business, and will I believe be seen as a pivotal one for our services in the future, I would highlight four areas of achievement.

More customer centered

Customer satisfaction reached more than our target of 90% for three consecutive quarters, up from 84% in 2019. Our customers cited greater reliability, the friendliness and presentation of our drivers, safety, the cleanliness and improved environmental impact of newer fleet and better value for money as key factors in positive customer experience.

The improvement in value perception is to be credited to the Government decision to reduce fares by 20% and by 50% for young adults on our public service obligation routes, operated under contract to the NTA. This decision was taken as a cost-of-living measure but has also been an effective stimulus to promote increased public transport usage, supporting national climate action targets. The extension of the 50% discount for young adults on commercial services in September 2022 was an exciting opportunity for Expressway with the return of in-person third level education and accommodation pressure leading to some students commuting.

The Government decision to waive school transport fees for the academic year 2022/23 was also transformative, triggering exceptional demand for services under the school transport scheme, up 23% on 2022.

Together with enhancements to services, these initiatives have resulted in demand growth of 15% on the PSO network by the end of the year, compared with 2019. This is the largest and fastest step change in passenger numbers ever experienced by the company.



New services, delivered safely

With c. 450,000 more kilometres operated compared to 2021 and a 56% increase in passenger numbers, I am thankful that we had no major safety incident in 2022. Passenger accidents declined by 20% and employee accidents by 14%. Our national safety conference in November focused on initiatives to support the National Road Safety Plan Vision Zero, with an emphasis on avoiding collisions and protecting vulnerable road users, maximising all the benefits of new vehicle technology to assist our drivers.

More than 200 timetable reviews were undertaken with the NTA in 2022 to improve the punctuality of PSO services. While these changes proved beneficial, the return to workplaces and general reopening of society has been accompanied by higher levels of congestion in our regional cities. Refining timing points is a dynamic process, for example there has been a significant increase in loading times at certain stops with the highest growth in passenger demand in commuter towns including Drogheda, Ennis, Fermoy, Headford and Mullingar. While we delivered contracted levels of reliability overall with 98.3%¹ of scheduled kilometres operated, punctuality was impacted, incurring NTA penalties which apply to public service obligation routes.

¹ All road passenger (PSO + Expressway).

With 22% of our fleet now less than three years old, vehicle reliability and availability was in line with our targets, and helped our garage teams to maintain high levels of reliability for customers. New technology is being developed to reduce or eliminate paper-based activity as part of the ongoing transformation of our garage network.

Green and growth ahead

We are fully committed to the National Sustainable Mobility Policy, published by the Department of Transport in April 2022. It is based on the three principles of safe and green mobility; people focused mobility, and better integrated mobility. In 2022 we turned this commitment into action in supporting the NTA's launch of BusConnects Cork, and supporting BusConnects planning for the other regional cities. We have started implementing the first Connecting Ireland programme of enhancements, in October we expanded services to 70 communities in the south-west, midlands and north-east of the country, funded by the NTA.

In May, we opened a Near Zero Energy Building at our Limerick depot, which is being followed by the carefully sequenced electrification of this and other urban depots over the next five years. In 2022 Bus Éireann successfully transformed the Athlone town bus service to be Ireland's first zero emission town network, with public service beginning in January 2023.

More than 10% of our public service obligation road passenger fleet are low or zero emission vehicles. This has resulted in a total fleet-wide energy consumption improvement of 23kWh/100kms, beginning our just transition to halving our carbon emissions by 2030.

The pathway for decarbonisation and environmental management of our depots is now clear for public service obligation routes in our major cities. They are however yet to be determined for future investment in our commercial services and school transport scheme. Expressway coach transition will require further dialogue on what is feasible from a technology and manufacturer perspective. School transport transition is being considered as part of the review of the scheme, while the expansion of the scheme is already making a significant impact in reducing car journeys and emissions.

Financial sustainability

Without the support of Government, the National Transport Authority and CIÉ, Bus Éireann could not have survived the financial impact of the pandemic. The company relied on supports such as the Commercial Bus Operator Direct Award Contract and the Employer Wage Subsidy Scheme for the first half of 2022, until public health measures eased. The Department of Education also supported the costs of additional vehicles to facilitate Covid-19 public health measures and responded positively to supporting operators faced with the increased cost of fuel during 2022. We are grateful to them, and to all our stakeholders, for their support.

Due to the continuation and extension of supports to enhance services, subvent revenue loss and protect employment, together with actions to manage costs the financial outcome for the year was a loss of €1.5m compared to a loss of €1.6m in 2021. At 31 December 2022 the Company had net assets of €31.6 (2021: €33.1 million).

It is important now for the commercial Expressway business that each route grows and becomes commercially viable in its own right, to support necessary reinvestment in vehicles and technology.

Our Board reaffirmed the viability plan for Expressway agreed in 2021 as part of the recapitalisation of the business, and in 2022 we implemented fare increases in the autumn as input costs increased, and consolidated services on the New Ross/Dublin route to balance demand and supply of seats.

While revenues recovered strongly in the second half, especially on PSO routes, costs also rose sharply for spare parts, utilities, labour and fuel. The business was largely insulated from the full effect of price increases at the pump due to a hedge that runs until 2023. The new three year wage agreement reached through the auspices of the Workplace Relations Commission sought to balance the cost-of-living increases with what the company can afford as we work to recover and return to profitability. The positive outcome provides stability for the company in a more volatile economic context and is a good foundation for growth as we seek to implement Government policy in expanding services.

The strength of collaboration and partnerships has helped us deliver on wider social and economic objectives and national policy, such as helping to keep communities connected, helping local economies to recover more quickly and achieve cleaner, greener environments where we operate. We need to ensure Bus Éireann can continue to grow for future generations, remaining safe and becoming truly sustainable as we look ahead to our role in addressing the climate action imperative.

Despite great progress, the road ahead is not expected to be a straight one, given geo-political uncertainty, with the humanitarian crisis of the war on Ukraine and its inflationary impact on European countries. This road will have to be navigated but despite the many challenges, I am very confident that given the exceptional circumstances of 2022 and what was achieved, the foundations have been laid for future growth.

We enjoy strong working relationships with the Ministers and Departments of Transport and Education, the National Transport Authority and CIÉ Group to help us deliver on this transformational agenda. I am especially grateful to the members of my Senior Leadership Team, our Board and especially our Chairperson, Miriam Hughes, who was appointed as Chairperson in early 2022 and our three new Board directors. All work tirelessly to ensure we deliver on the purpose of our organisation, and I am confident this will deliver more than 100 million annual passenger journeys.



Stephen Kent
Chief Executive Officer

Year in Review

Business Overview

In relation to Covid-19, it was very much a year of two halves. Passenger demand remained subdued and we managed service impacts from Covid-19-related absence through the omicron wave in the early part of the year. This period saw the highest infection rates of the pandemic and the greatest impact on our operations with Covid-related absences.

We are grateful for the financial supports provided by Government which continued up to June, which enabled us to deliver essential services while revenues were suppressed. This support ensured continuity of service to communities and that Bus Éireann and Expressway were fully operational to assist the return to normal social and economic activity as the country reopened.

The surge in passenger demand in the second half of the year was very encouraging, and the return to growth was

accelerated following the 20% fare reductions announced by Government in April 2022 for all passengers on public service obligation journeys, together with the waiving of fees for School Transport. A 50% discount for young adults aged between 19-23 years was extended to commercial services including Expressway in September. Growth in patronage for public transport helps us achieve modal shift, eases congestion and helps us deliver on the Government Climate Action plans. With public transport recognised as a safer mode, our services also contribute to the road safety strategy by reducing car journeys.

The inflationary pressures driven by the war on Ukraine are, however, significantly impacting our input costs, and this together with a challenging recruitment market for drivers will require constant monitoring, review and dialogue with all stakeholders as we deal with passenger demand and delivery of new services to ensure we maintain a safe, efficient operation which is sustainable into the future.



PSO Highlights

The endorsement of Bus Éireann's competitiveness through the successful tender for the 101/133 routes, which we have operated in Louth, Meath, Dublin and Wicklow for many years was a major achievement for the business. We look forward to introducing improved services and fleet on this corridor which will enhance the customer experience from mid-2023.

Improving connectivity in the regions is very close to the heart of Bus Éireann and we are pleased to support the implementation of the NTA's rural mobility plan, Connecting Ireland, with Bus Éireann adding 1.7 million kilometres in 2022, enhancing services to 70 towns and villages.

We continue to improve those aspects of our operations over which we have direct control, with a successful campaign to reduce 'early running' resulting in a 50% improvement. At points during the year we did experience operational challenges in some locations, those were largely resolved by September and we have focused on learnings from those experiences to improve future performance. Considering the impact of the omicron Covid wave on staff absences in the first part of the year, we nonetheless delivered 98.3% of scheduled services through 2022.

Commercial Highlights

Expressway is the nation's largest coach operator, with 14 routes connecting 238 communities, and serving four airports.

Much focus was on transitioning Expressway from the CBO DAC – the first financial supports Expressway has ever received – to a normal commercial, post-Covid environment. On 1 July, when the supports to commercial operators ended, passenger numbers were at 82% of pre-Covid levels, and by the end of year were over 90% on a like-for-like basis.

Demand is however returning at different paces on different routes, and among different customer segments. We continue to manage this business extremely dynamically and innovatively to secure its future viability. This included the first fare increase in almost five years, the addition of services on some routes, and reductions on others, and the reintroduction of the Expressway Eurolines Coach & Sail connection between Dublin and Birmingham/London.

Our events business carried more than 125,000 passengers at major occasions such as the Galway Races, the Irish Open and Adare Manor Golf, the Curragh Racecourse, the Garth Brooks concerts and the Ploughing Championships as people returned to their pastimes and passions following years of limited access due to the Covid-19 pandemic





Allen Parker, Miriam Hughes, Stephen Kent & St Pauls NS at Athlone electric bus launch

Schools Highlights

Bus Éireann has operated the school transport scheme on behalf of the Department of Education since 1967. While it is our single largest revenue line, it is an administrative arrangement operated on a cost-recovery basis.

The Government decision to waive the fees for school transport in July for the academic year as a cost-of-living measure resulted in a record number of primary and secondary students travelling on our services, with the scale of the scheme – already the largest in Europe – increased 23% in a matter of weeks with now more than 150,000 children travelling every school day. We were proud to work with the REALT group to process 4,000 applications for students from Ukraine. Services for students with special educational needs increased by 9% to 17,500. This transport is crucial for these children and their families and provision has grown 23% since 2019.

We have contributed to the Department's review of the school transport scheme, and look forward to its outcomes.

Looking Ahead

The end of the year was almost unrecognisable to the beginning, in the most positive of ways. However, the impact of Covid-19 on our financial viability is still evident and the identification of sustainable funding streams remains a priority as we build a platform for future growth to satisfy the company's ambitions, but also deliver on national policies for social, economic and environmental development.

Safety

Safety for customers, employees and all road users is Bus Éireann's first priority. Fortunately, we had no major accident during 2022. Employee accidents reduced by 14% and accidents involving passengers were 9% lower per million kilometres operated.

With the increase in road users, traffic and congestion, we did experience an increased number of collisions, usually resulting in some vehicle damage and temporary impacts on services.

We revised and republished the *Driving Safely* booklet, which was distributed to our front-line employees. We were pleased to be able to hold an in-person National Safety Conference for the first time since 2019. The focus was on Bus Éireann's contribution to the National Road Safety Plan 'Vision Zero'. Bus Éireann is proud to be a member of the RSA's Road Safety Transformation Partnership Board and we are progressing assigned actions from promoting safer modes of travel, to identifying high risk areas on existing routes, to surveying school gates at bus collection times to help eliminate fatalities and serious incidents on our roads.

Covid-19 remained prevalent especially in the first quarter of the year when we experienced the highest level of Covid-related absences. Bus Éireann continued on-site antigen testing where cases were particularly high. Measures such as social distancing and mandatory mask wearing ended in line with public health and Government guidance, though we continued to communicate that wearing a facemask on public transport was advised.



Bus Éireann sponsors Cork Pride 2022

We carried out more than 40 improvement projects at our stations, depots and administrative buildings, many of which were safety and welfare related including improving security at stations and CCTV on board. We broadened our reporting of anti-social behaviour incidents. In 2022, we had 223. While this is a very small number in relation to total passenger journeys, they can have a disproportionately negative impact on employees and on the customer experience and we continue to work with partners and communities to mitigate and address such incidents. In our customer research, more than 94% of customers report feeling safe on board our services.

In relation to school transport, more than 7,000 driver applicants were processed by our vetting department and child safeguarding department in Bus Éireann. Extensively revised safeguarding booklets were produced and circulated, and risk assessments updated.

Customers

Transforming the business by putting the customer at the centre of everything we do has been Bus Éireann's stated aim since 2019, with an ambitious *Destination 2023* target for customer satisfaction set at 90%.

This was a breakthrough year for the business, with independently assessed customer satisfaction hitting above 90% for the first time ever, achieving 92% by the end of the year. Bus Éireann services also maintained a net promoter score of 64, which is much higher than most industry standards whereby a score of over 50 is considered excellent.

A new initiative was a *Delight the Customer* day held in nine locations in September. This saw employees throughout the business engage with and assist customers, who also had the opportunity to meet with the manager responsible for their services.

We also hit a new high point in terms of the most customer journeys ever with 800,000 customers in a single week. The surge in demand from September as third level education returned fully, and as some workplaces reportedly increased in-office days, was notable. On average, passenger numbers have been running at 15% ahead of pre-pandemic levels, but with some locations almost 50% ahead there have been capacity challenges on a small number of high-demand routes. Changing patterns of travel made these difficult to predict. We are fully engaged with the National Transport Authority to work through solutions and a number have already been implemented, such as deploying double-deck vehicles and thereby increasing capacity by up to 50%.

For Expressway, the online booking system offers the optimum way to allocate resources and manage capacity throughout the network. Online sales grew to one-in-four of all tickets. Certain high demand routes where we have run campaigns to encourage pre-booking see up to two-thirds of sales online. Expressway has reintroduced some services which had been suspended during Covid and ceased a small number of services between New Ross and Waterford where demand is simply too low. This dynamic assessment allows us to redeploy resource to support new travel patterns and further develop the Expressway network.

In terms of fares, public transport has never been better value for money to the customer. In April we were the first operator to implement the Government's 20% reduction on all PSO fares, and the 50% discount for holders of Young Adult Leap Cards was also extended to Expressway services from September. In October Expressway standard single fares were increased by an average of 6%, the first increase since 2018 and necessary at this time due to increased input costs. A 5% discount is available on all tickets purchased online at expressway.ie. The cost advantage to coach and bus travel compared to the increased cost of motoring during 2022 was highlighted in an Expressway cost-of-living campaign.

The application of the NTA's m-ticketing process, Tfl Go, was completed across 220 PSO routes and 2,000 fare stages. This will offer an attractive alternative to Leap Cards over time. Sales of Tax saver tickets declined sharply during the Covid-19 pandemic but have been rising at a steady pace subsequently with an increase of 50% in tickets issued compared to the previous year.

Expressway was pleased to reintroduce a coach connection between Ireland and the UK with the reinstatement of the Expressway Eurolines Coach & Sail service. This service was regularly requested by regular customers, who value its unique offering, including avoiding airport stresses, greater freedom in terms of luggage, the convenience of arriving in Birmingham and London centres and exceptional value for money.

Timely and accurate information is an important aspect of journey satisfaction, and significant in encouraging people to adopt public transport. Expressway introduced a real time facility on its website for the first time and the stops at Dublin Airport were relocated and information displays improved for this very important market segment. During 2022, Bus Éireann's Travel Information Team, funded by the NTA, managed projects that accommodated installation of 140 Tfl bus poles, and stop-specific information for over 1,500 stops requiring printing and installation of 6,000 pieces.

Delight The Customer Day 2022





401 Eyre Square to Salthill service

Our customer care agents handled more than 224,000 customer contacts across phone, email and social media through 2022, with more than one-quarter relating to school transport.

Improving the experience and accessibility of our services for people with mobility challenges is an ongoing area of attention. In 2022, we were proud to introduce the first Travel Assistance Scheme outside of Dublin. In July Bus Éireann, funded by the NTA, launched Cork's first service designed to assist anyone with concerns about public transport to build their confidence in using rail and bus services independently. In just four months, 190 assistance sessions were delivered.

Due to the varied nature of Bus Éireann's vehicles, outside of city and town services we currently require 24 hours' notice of a wheelchair booking to ensure the service can be delivered. In 2022, we received 473 such bookings and 99% were delivered. Responsibility for bus stops on public service obligation routes lies with the National Transport Authority. Due to roadside locations, it will not be possible to make all 5,000 stops safely accessible, however we are making progress particularly in our stations with funding from the NTA. Accessibility works were completed at Athlone and Ballina and begun in Kilkenny and Mullingar.

We are focused on improving accessibility of our Expressway services – while all vehicles are accessible, stations and stops are being adapted, and wheelchair bookings can now be made online at [expressway.ie](https://www.expressway.ie). Our mobility scooter policy is currently a trial project in Cork for city and town services.

Our school transport services for students with special educational needs increased by 9%, to 17,500 in total. These are often very specialised and bespoke services, and have increased 23% since 2019.

We have an active programme to improve our facilities for customers and employees. In 2022, planning permission was secured for a renovation at Busáras, though funding mechanisms remain to be determined. A major change to our facilities, representing a €20m investment by the NTA at Limerick Colbert Station began construction, and the renovation project for Galway Ceannt Station was put out to tender by CIÉ which owns Bus Éireann's properties.

Performance

Bus Éireann operates the largest, most extensive and most varied public transport network in the country. In 2022, we saw a 14.6% increase in service kilometres operated across road passenger and school transport.

We added 1.7 million annual kilometres under the National Transport Authority's Connecting Ireland Rural Mobility Plan, significantly enhancing services to 70 towns and villages across 10 counties, including new routes and connections for example between Cashel and Limerick and Drogheda and Athlone. To deliver these services, we hired 50 drivers.



Student Leap Card promotion

Bus Éireann also worked with the National Transport Authority to ensure connectivity between Portlaw-Waterford-Dunmore East was maintained following the withdrawal of a private operator. A seamless service was delivered to these communities as Bus Éireann was ready to operate the route the day after the former operator exited.

In response to demand, we added 22 weekly trips on three Expressway routes. We are focused on better matching the allocation of Expressway resources to demand and in the latter part of the year removed services between New Ross and Waterford which had low passenger numbers, and numerous other public transport connections.

While Expressway achieved 99% on time departures, generally reliability and punctuality has suffered with greatly increased traffic volumes and severe congestion in the cities. This has increased even on 2019 levels with some reports showing that congestion in Cork city for example was 56% higher than pre-pandemic levels. To try to match schedules to operating conditions, we reviewed 220 timetables during the year.

Under the terms of our contract with the National Transport Authority, punctuality is defined by being no more than one minute early or six minutes late departing each and every bus stop on a route. An internal campaign focusing on actions we can more directly control reduced early running, which means a service departing a stop more than one minute early, by more than half during the course of the year.

Outside of Dublin, there is very little bus prioritisation, and though illegal, cars blocking bus infrastructure such as stops is a daily occurrence. Research by Bus Éireann showed that one in four motorists admits to parking at bus stops. Bus Éireann is working with the National Transport Authority, local authorities and Garda Síochána to raise awareness of the consequences of blocking bus stops. These include safety concerns in requiring passengers to come on to the road to board, delayed services, making it very difficult for people with reduced mobility, or with buggies to board.

The network planning and procurement required to deliver a 20% increase in the capacity of the school transport scheme within a matter of weeks was successfully achieved, although demanding on the organisation. This was a high level of performance particularly in the face of some reduced contractor availability due to returns to pre-pandemic activity and the increased costs of operation due to fuel prices. The school transport team operates more than 6,500 vehicles across 8,940 routes, 90% of which are operated by local contractors.

Bus Éireann's engineering and maintenance teams delivered a strong performance with excellent reliability and availability. Our Commercial Vehicle Roadworthiness Testing pass rate was 94% compared to the Road Safety Authority's reported national average of 74%.

People

Bus Éireann is committed to delivering decent and safe work to its employees, and on being a great place to work. In 2022, we added a Wellbeing Manager and Talent and Diversity Senior Manager to the central human resources team.

We were pleased to achieve an employee engagement rate of 74% in 2022. Engagement measures the relationship between an organisation and its employees, and the level of connection employees feel to the company's goals and values.

Recruitment, particularly of drivers, became an increasing focus through 2022. With the country almost at full employment, the market for drivers was more restricted than Bus Éireann has previously experienced, and this was equally the case for other transport operators. We recruited 215 drivers during the year, and 322 people overall.

Driver open days were held in Cork, Drogheda and Limerick, allowing potential new applicants the opportunity to safely drive a bus, building confidence and breaking down the perception that buses are difficult to manoeuvre.

In addressing the recruitment challenge, and to build the necessary recruitment processes for future growth, a number of new initiatives were undertaken.

Recognising the value of experience, we engaged with employee representative organisations to agree a change to our retirement policy. Previously, school bus drivers could work up to 70 years of age, while road passenger drivers had to retire at 66 years. During 2022, it was agreed that those drivers who wish to continue working can do so, also until their 70th birthday.

Bus Éireann had up to now only hired holders of D category driving licences, that is a Certificate of Professional Competence Bus licence. Our own training programme then took an additional six weeks. In 2022, Bus Éireann organised training programmes for people with B licences, that is for a car or light van, in Cork and Limerick and to date, 38 B licenced drivers have successfully passed their D licence tests and joined our organisation.

Bus Éireann focusing on increasing the representation of women



Knowing that overall our employees consider Bus Éireann a good place to work, in-depth research provided insights into the particular values that have attracted and retained employees into various roles. This fed into an employer value proposition led campaign, and a new website was built to spotlight careers at Bus Éireann.

People can search and apply for roles on the website, which provides a careers portal with seamless backoffice functions that allow for a more streamlined recruitment process, real time reporting and more efficient communications to candidates. We continue to support remote and hybrid working which has proven a positive in attracting people to clerical and executive roles.

We also applied technology and data analytics to a more robust approach to attendance management, which now identifies employees who may need more support or healthcare.

Training and development continue to be a priority. Almost 10,000 training hours were delivered by Bus Éireann during the year. New programmes were introduced to enable the transformation of the Athlone town service to all-electric fleet. Almost 70 of Bus Éireann's Leadership Group undertook a year-long, bespoke development programme at Dublin City University, designed to support them in creating and sustaining cultural change.

With increased cost of living pressures, we entered talks with our employee representative organisations facilitated by the Workplace Relations Commission. This resulted in a three-year proposal for the period 2022-24, which was accepted in a ballot. This provides stability to the business during a time of volatility around input costs and also helps our employees deal with the prevailing cost of living increases during this period.

Our clerical staff cohort are very important to the efficient workings of the business. In 2022, we agreed a restructuring of clerical grades and extended the Growth-Performance-Success performance management system to these roles for the first time, further building alignment throughout the company.

Bus Éireann published its first Gender Pay Gap report showing a -10.2% gap, in favour of women as we have a higher proportion of women in more senior roles. While we have just 10% female employees overall, this falls to 3% of drivers, our largest single category of employee. The report highlighted the need to increase the representation of women throughout the organisation and the steps Bus Éireann is taking to achieve this including weekend only working, training B licence holders and recruitment efforts focused on women.

Wellbeing moved centre-stage with 20 courses across health, personal finance and mental health, as well as on-site health screening offered to employees. There was an excellent level of interest with 270 participants and these programmes are increasingly essential as a modern, progressive employer.

Our Diversity & Inclusion (D&I) agenda strives for a workforce that is representative of all members of Irish society and of our customer base. In 2022, we were extremely proud to have a workforce comprised of 46 different nationalities. We updated a number of our policies in respect of Dignity and Respect at Work, Equality and Diversity, and Gender Identity.

We also became a signatory of the Business in the Community Ireland (BITCI) Elevate Pledge in 2022. The main objective of the pledge is to increase the employment rates of identified, under-represented groups. The pledge supports business in the development of a company specific strategy for D&I, including extensive training programmes for leadership groups within the organisation, which our senior leaders undertook during 2022.

Over 700 nominations were made for employees by their colleagues in the Go the Extra Mile awards. More than 21 individual employees were celebrated at the Go the Extra Mile national awards, the first we could celebrate in person since 2019. Cork training supervisors were awarded Team of the Year and Drogheda secured the Depot of the Year accolade. The national awards captured the positive impact Bus Éireann's people are having within the organisation and outside it.

BÉOnline, our internal communications channel, continued to play a hugely important role in providing our 2,827 employees with information they need, and also the opportunity to share their experiences and views at any time. There were more than 2,600 posts on BÉ Online with nine million impressions. Our employees are partners in the business and feedback and information generated through BÉ Online contributes to planning and decision making as do suggestions received through our Bright Ideas scheme.



Minister Eamon Ryan checks the charging facilities at Athlone bus depot

Innovation

Innovation was a theme throughout the year as we adapted to new demands, made progress on operational efficiencies, and drove the sustainability agenda. Innovation will be fundamental to achieving Bus Éireann's goals, and the depot and charge management solution introduced to deliver on the first Department of Transport Pathfinder project, the electrification of the Athlone town services, is a hugely positive indication of what can be achieved.

The introduction of an IT transformation team has provided structure and resource to success critical projects. We launched a major Garage Transformation project to implement a fully integrated maintenance scheduling and garage management system. This will enable efficiencies and consistency in ways of working across our garages through simple, easy-to-use technology, eliminating paper-based systems. The project has benefitted from feedback received from garages at sessions held at the outset.

A proof-of-concept trial on school ticketing was run in Co Meath. Currently the process of issuing tickets is manual, and there is no way of monitoring actual usage of allocated seats. The electronic tag-on system allows greater transparency and accountability, facilitating planning. Early results show that the concept was well-accepted by students and welcomed by families and contractors.

Also on school transport, an application facility for Ukrainian children who have fled the war was introduced to enable them to apply for school transport. This was unprecedented and required fast implementation due to the high volume of emergency cases. The form was developed in English, Ukrainian and Russian and 4,000 places have been provided for children from Ukraine to date.

There was significant innovation evident in our Expressway services. From real time passenger information to an increase in online sales to 66% on certain routes, and a trial of dynamic pricing, customer experience has benefitted, as has our ability to more closely manage the business.

Further innovation was evident as we worked closely with the BusConnects design teams on the exciting development of future transport networks for Cork, Galway, and Limerick, on the installation of Mobileye collision avoidance technology in a trial in Cork and across recruitment management.

Bus Éireann enhanced its data analytics capability in 2022, recognising the value it can play in supporting business performance and growth. New resources were added and have engaged on critical projects including Bus Éireann's Investment Appraisal Model, costs per kilometre, cost analysis on electric vehicles, EU Taxonomy of environmentally sustainable economic activities and the Department of Education's Review of the School Transport Scheme. The team also worked on refining criteria for the Department of Education's fuel subsidy introduced for school transport contractors in response to increase fuel prices. This work reduced the cost of the scheme by more than 15%.



Phibsboro Tidy town garden at Broadstone

Sustainability

This was the first full year's activity since the publication of Bus Éireann's Sustainability Strategy in 2021 and since the putting in place of structures and resources to facilitate its successful implementation.

Much progress was made, not just in our delivery but also in our focus on building a culture of sustainability throughout the organisation.

The most significant environmental impact we made in 2022, apart from increasing passenger usage in public transport, was in relation to our transition to zero and low emission fleet. The provision of charging infrastructure in the Athlone depot to facilitate the changeover to an entirely electric town service – Ireland's first – was a priority. The training of craftworkers and drivers, and planning for the necessary operational changes has been a major undertaking and has required collaboration with almost 20 other organisations, including ESB. This is one of 35 Pathfinder projects identified by the Government and the first to be launched which is a major achievement. As a Pathfinder, the project is an exemplar for learning in advance of further transitions to net zero. Planning is well underway for the electrification of the Roxboro Depot in Limerick in 2023, as well as for Galway city services in early 2024 and the Capwell depot in Cork city.

We initiated a trial project to assess a higher blend of biofuel which began in 2023. This will be the fourth alternative fuelling option to be incorporated to our fleet, alongside fully electric, hydrogen and hybrid vehicles. With the hybrid vehicles in city service in Galway and Limerick, and the three hydrogen vehicles, in 2022 we operated 470,000 emission free kilometres, an increase of 96% on 2021. Almost one in five of our car and van fleet are now zero emission electric vehicles.

We have been working to reduce the business's overall energy consumption, the benefits of which are cast into high relief by the increases in utility costs during 2022. We were proud to open our entirely new Nearly Zero emission administration building at Roxboro, which 230 employees moved into in May. With the CIÉ Group, Bus Éireann achieved an A- rating from the Carbon Disclosure Project.

Both Cavan and Galway locations achieved ISO14001 certification for Environmental Management. Following Capwell in 2021, three more depots have been switched to LED lighting and more energy efficient heating equipment was installed in five locations. We are now reporting a 24% improvement on energy efficiency on the SEAI's base year of 2009. As the business grows, we anticipate energy consumption to increase as will passenger numbers.

In relation to reducing consumption and waste, Bus Éireann initiated a number of circular economy initiatives. Bus Éireann manages 800 tonnes of waste annually, and has targeted a reduction of 25% by 2025, while increasing passenger numbers.

Waste management is a challenge, the highest volumes are generated by customers. The first step is to accurately measure and report on waste generated. In 2022, cardboard balers were delivered to seven of our larger depots. To encourage customer recycling, reverse vending machines were installed in Broadstone and Letterkenny, benefitting Grow Mental Health. Water audits were completed in five locations. New systems were put in place to recycle IT equipment.

Bus Éireann's procurement team made significant strides in introducing green procurement. In 2022, 47% of contracts awarded include sustainability measures, including sustainable measures introduced into the extensive five year tender process for school transport contractors. The target is 75% by value by 2030. Almost €1m of IT equipment was purchased using sustainability criteria for the first time. All procurement specialists and managers participated in sustainability training and we are carrying out gap analysis on current contracts in line with EPA guidelines.

As a signal of Bus Éireann's intent and commitment, during 2022 we ran a sustainability awareness campaign to all employees, sustainability training and engagement programmes, and the company's Board spent one full day on sustainability. We also continued to work with Business in the Community to benchmark and audit the sustainability agenda throughout the organisation, towards achieving the Business Working Responsibly mark.

Bus Éireann's first sustainability report was published in March 2022. The Climate Action reporting framework for the commercial semi-state sector was adopted by the Board in October. Further preparation was made in the area of taxonomy, in anticipation of the arrival of the EU Corporate Sustainability Reporting Directive.

We were proud to have our work on sustainability recognised by a number of external bodies. In 2022, Bus Éireann received the SEAI Public Sector Achievement award for fleet and energy developments, the Green Impact award at the Irish Logistics & Transport Awards during 2022 and won the Business & Finance ESG award for sustainable supply chain.

The support of ClÉ Group's Sustainability Fund, initiated in 2022, was particularly important and enabled us to commence 15 projects across a broad range of areas including energy, waste, water, employee wellbeing and heritage.

Reverse vending machine trial at Busáras and Letterkenny bus stations



Collaboration

Fulfilling our purpose of connecting people with who and what matters to them, across almost 90 million passenger journeys a year, depends upon a coalition of partners, and collaboration both internal and external is central to Bus Éireann's way of working.

We greatly value the support and expertise our partners share with us, and the trust they place in us to deliver for them, from our key stakeholders including the Departments of Education and Transport, the National Transport Authority, and CIÉ, as well as our employee representative organisations, our Disability User Group, and the multiple public and community groups and organisations who work with us to help deliver our services safely.

Our suppliers are critical to our service delivery. Beyond these, we work closely with local authorities, An Garda Síochána, the Road Safety Authority, community groups, event organisers and our Disability User Group around our operations and greatly benefit from their supports and inputs.

The sustainability agenda in particular requires an enormous effort from a huge range of partners and has seen us build new and close relationships including with the Sustainable Energy Authority of Ireland, Hydrogen Mobility Ireland, and Cork City Net Zero Carbon Cities among others.

Responsible Business/Community/Social

Bus Éireann's purpose is to connect people with who and what matters to them, helping to make life better. While financial sustainability is the bedrock for the company's operational stability and growth, the communities we are part of and which we serve are the reason Bus Éireann exists.

Although Covid still limited activity in the first part of the year, we supported almost 20 community groups. This included Cork Penny Dinners, Cork Green Spaces for Health, Phibsboro Tidy Towns, Down Syndrome Cork, Our Lady's Hospice, Waterford Food Bank, Midwest Simon, Meals on Wheels Dundalk, Pride in Cork, Drogheda and Mullingar. Bus Éireann also sponsored the Community Games as a travel partner.

In support of our sustainability strategy and to raise awareness of waste throughout the company, our employees participated in An Taisce's National Springclean for the first time, with 10 teams around the country cleaning litter.

Our ongoing connection with Grow Mental Health saw their Stories of Hope and Recovery exhibition travelling to Ballina, Drogheda, Dundalk and Sligo stations. The exhibition encourages people to seek support in dealing with mental health challenges and raised awareness of Grow services available throughout the country. Grow choirs shared the Christmas spirit through their performances at five Bus Éireann stations. We selected Grow as the beneficiary of funds raised through the reverse vending machines which recycle bottles.

Expressway was delighted to host the Arts Council first ever ReadMór on Culture Night with 1,030 books by Irish authors distributed at Busáras, Waterford and Sligo.

Bus Éireann demonstrated visible support for causes by lighting our stations or wrapping buses. In 2022, these included International Day of Disability, and Samaritans Ireland's Longest Night.

During 2022, we deepened our engagement with Business in the Community, and put in place policies and structures around corporate giving and stakeholder engagement.

In responding to the humanitarian crisis created by Russia's war on Ukraine, Bus Éireann provided free transport for Ukrainians to their first destination on arrival in Ireland. We have secured and provided school transport for 4,000 Ukrainian children throughout the country. Our employees demonstrated their solidarity and concern through collections of appropriate goods.

Our employees also took initiatives to raise funds for many organisations including the Alzheimer's Society, the Cope Foundation, Marymount Hospice, and Simon.

Financial Review

Financial Performance

In 2022, Bus Éireann recorded a loss for the year after exceptional of €1.5m. This compares to a 2021 loss of €1.6m after exceptional. Earnings before Interest, Depreciation and Amortisation (EBITDA) for the year was €2.9m (2021: €3.0m). Net balance sheet assets are €31.6m at 31 December 2022 compared to €33.1m in 2021 and net current assets of €63.3m (2021: €59.2m).

Net current assets include non-cash liabilities of €16.8m (2021: €17.2m) 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 €80.1m (2021: €76.4m).

Payroll and related costs increased to €154.3m in 2022 with an average headcount of 2,827 compared to €152.1m in 2021 with an average headcount of 2,761.

Bus Éireann was in receipt of €8.6m from the Employer Wage Subsidy Scheme (EWSS) (2021: €58.7m). The net impact of the subsidy was €0.02m, as the majority is adjusted against the relevant funding streams.

2022 was another challenging year for the Expressway routes. While farebox revenue did show signs of improvement throughout 2022, passenger journeys had still not recovered to 2019 levels by the end of the year. The temporary support under the Commercial Bus Operator Direct Award Contract (CBO-DAC) continued until 30 June 2022.

Total PSO Subvention in 2022 rose by 38% due to the return to full services after the public health emergency and the commencement of Connecting Ireland services in late 2022. Subvention paid was net of EWSS funding of €5.8m for the PSO DAC business.

School Transport revenue increased by 13.7% in 2022 in line with costs, due to the significant increase in the number of children availing of school transport arising from:

- An unprecedented increase in demand for mainstream services resulting from the Government cost-of-living measure to waive school transport fees for the school year 2022/23, with an increase of 20% in pupils travelling on school transport mainstream services versus the end of school year 2021/22.
- The continued increase in school transport services for children with special educational needs.
- The provision of school transport services for Ukrainian children.

The loss of (€1.5m) is comprised of a reasonable profit element of €0.5m attributable to PSO activity offsetting a loss of (€2.0m) on non-PSO activity.

Year	Schools & Commercial	PSO	Pre-Exceptional	Exceptional	Profit/(Loss)
	€M	€M	€M	€M	€M
2022	(2.0)	0.5	(1.5)	(0.00)	(1.5)
2021	(3.1)	1.5	(1.6)	(0.00)	(1.6)

Capital expenditure amounted to €13.2m in 2022 (2021: €16.8m including investment in Expressway fleet), which included €8.1m in Properties, €4.2m in Technology and Garage Equipment of €0.9m. The company received capital funding for PSO services from the NTA in 2022 of €8.1m (2021: €2.0m), including grants of €5.5m (2021: €0.9m) in respect of land and buildings which are held by ClÉ, which enabled the company to invest in improved services for its customers.

Financial Outlook

2023 is expected to be another challenging year. While passenger levels on Expressway are not fully recovered to pre-Covid levels, this gap is narrowing. Delivering the NTA contract in the most efficient way possible will also be important. Cost pressures have been seen across the board and these will continue to challenge the business.

Risk Management

Bus Éireann's approach to risk management encompasses the

- **identification** of new, emerging and changing risk that may affect Bus Éireann's strategic objectives
- **assessment** of risks to understand the severity of effects on strategic objectives
- **prioritisation** of risks to inform decision making on risk responses; and
- **implementation** of risk responses in terms of accepting, avoiding, pursuing, reducing or sharing risks based on prioritisation.

The Bus Éireann Board provides oversight and ownership of the risk management process with the support of the Audit & Risk Committee, aligned with the Code of Practice for the Governance of State Bodies. The Board receives regular risk reports on principal and emerging strategic risks from the management team, including sustainability / ESG related risks and opportunities.

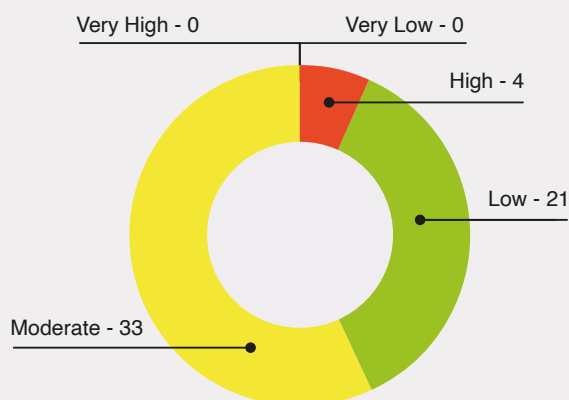
The Board approves Bus Éireann's Risk Management Framework and Risk Appetite Statement on an annual basis. The framework process involves the systematic application of policies, procedures and practices to the activity of communicating, establishing the context and assessing, treating, monitoring, reviewing, recording and reporting risks.

Risk Matrix - Inherent Rating: before controls & mitigation

Consequence

Likelihood	Negligible	Minor	Moderate	Significant	Substantial
5 - Very High	0	0	0	0	0
4 - High	0	0	2	2	0
3 - Moderate	0	1	14	9	2
2 - Low	0	0	16	7	1
1 - Very Low	0	0	0	3	1

Rating	Num. Risk
5 - Very High	0
4 - High	4
3 - Moderate	33
2 - Low	21
1 - Very Low	0
Total	58



Bus Éireann's risk management policies and governance reporting framework are developing in line with evolving EU regulatory requirements related to the EU Corporate Sustainability Reporting Directive (CSRD), the EU Task Force on Climate Related Disclosures (TCFD) recommendations and the EU Taxonomy sustainability classification system.

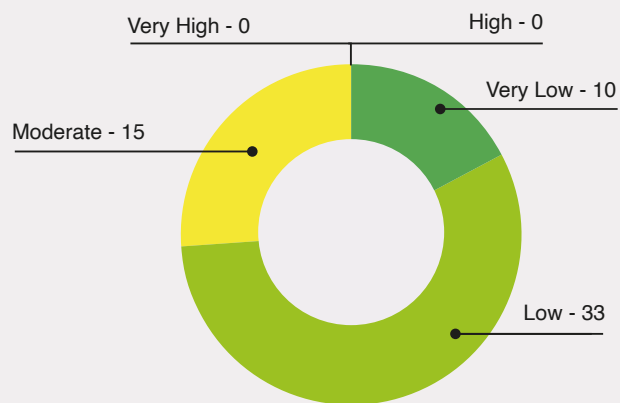
The requirements related to sustainability / ESG related impacts, risks and opportunities are integrated into the company's risk management framework. Bus Éireann's Sustainability Annual Report 2022 outlines progress on alignment with the core principles of TCFD including governance, strategy, risk management and metrics and targets in line with the evolving EU CSRD requirements.

Risk Matrix - Residual Rating: after controls & mitigation









Consequence

Likelihood	Negligible	Minor	Moderate	Significant	Substantial
5 - Very High	0	0	0	0	0
4 - High	0	0	1	0	0
3 - Moderate	0	3	9	4	0
2 - Low	0	4	20	1	0
1 - Very Low	0	3	7	5	1

Rating	Num. Risk
5 - Very High	0
4 - High	0
3 - Moderate	0
2 - Low	3
1 - Very Low	3
Total	58



Bus Éireann’s main strategic risks and approach to mitigating these risks:

		Risk Developments in Europe 2022/3*	Impact on Bus Éireann Strategic Pillars	Risk Exposure for Bus Éireann	Risk Mitigation and Internal Controls
1		Cyber incidents <i>e.g. cyber crime / ransomware causing system downtime, data breaches, fines, penalties</i>	Operational Excellence Financial Sustainability ESG Sustainability	Cybersecurity threats Funding of back office technology	Systems/technology investment Business continuity management Revised policies / procedures Awareness and training
2		Business interruption <i>incl supply chain disruption</i>	Operational Excellence Financial Sustainability	Pension and insurance matters	Supply chain management Cost efficiencies and controls
3		Energy crisis / natural catastrophes <i>e.g. supply shortage/outage, price fluctuations, storm, flood, extreme weather events</i>	ESG Sustainability Operational Excellence Customer Centred	Energy / fuel price increases Risk of flooding / storm damage / power outages	Fuel hedging policies Safety/emergency management systems Flooding risk assessments Building structural integrity surveys
4		Climate change / new technologies <i>e.g. physical, operational and financial risks as a result of global warming</i>	ESG Sustainability Operational Excellence Financial Sustainability	Failure to achieve energy and CAP targets Impact of fuel price increases Funding risk – fleet and property	Fleet and property investment Systems and process investment Employee training Scenario analysis / adaptation
5		Pandemic outbreak, fire, explosion <i>e.g. health and workforce issues, restrictions</i>	Leadership and People Customer Centred Operational Excellence ESG Sustainability	Impact of major pandemic Significant road traffic accident Major fire / gas explosion	Safety / emergency management systems
6		Changes in legislation and regulation <i>e.g. trade wars and tariffs, economic sanctions</i>	Operational Excellence Financial Sustainability ESG Sustainability	GDPR/data protection compliance Alternative fuel/ biofuel implementation Environmental standards Brexit impact	Regulatory monitoring Revised policies and procedures Awareness and training
7		Market and political developments <i>e.g. war in Ukraine, market volatility, intensified competition/new entrants, M&A</i>	Financial Sustainability ESG Sustainability Customer Centred	Increase in traffic congestion Expressway viability plan Schools Transport fleet	Network development Stakeholder engagement
8		Macroeconomic developments <i>e.g. inflation, deflation, monetary policies, commodity price increases</i>	Financial Sustainability ESG Sustainability	Factor input costs inflation Capital and operational funding risk	Cost efficiencies and controls Forward planning Capital approval procedures
9		Shortage of skilled workforce	Leadership and People Operational Excellence	Recruitment challenges	Revised recruitment and retention plan Attendance management Pay and conditions review

* Source: Allianz



Company Information

Board of Directors

Miriam Hughes

Brian Bowden

Diarmuid Corry

David Fox

Stephen Hannan

Dermot Healy

Brendan Lenihan

Richard Manton

Rhona Murphy

Chief Executive Officer

Stephen Kent

Secretary and Registered Office

Tom Delaney

Broadstone

Dublin D07 X2AE

Registered Number

119570

Company Limited by Shares

Designated Activity Company under the Companies Act 2014

Independent Auditors

Mazars

Harcourt Road

Dublin D02 A339

Websites

buseireann.ie

expressway.ie

Senior Leadership Team



Stephen Kent Chief Executive Officer

Stephen was appointed as Chief Executive Officer of Bus Éireann in November 2018, having served as Acting CEO since autumn 2018. He joined the company as Chief Commercial Officer in 2013.

Previously, Stephen was Sales and Marketing Director of C&C Group, having held senior management roles in Waterford Crystal and Waterford Foods, now part of Glanbia plc.

Stephen holds a Bachelor in Business Studies from the University of Limerick, a Master in Business Administration from Herriot Watt University and is a graduate of the Marketing Institute of Ireland.



Tom Delaney Chief Financial Officer

Tom joined Bus Éireann as Chief Financial Officer and Company Secretary in 2018, and is responsible for procurement, materials management, risk and compliance.

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

Tom is a Chartered Certified Accountant with a Master in Law and Financial Regulation from Queen Mary University, London. He has completed a Certificate in Business Sustainability Management with the University of Cambridge. He was a non-executive director of the Corporate Governance Association of Ireland between 2018-2022.



Eleanor Farrell Chief Commercial Officer

Eleanor joined Bus Éireann as Chief Commercial Officer in 2019. She has a strong track record of customer-focused transformation and innovation, combined with strategy development and operational excellence.

Previously, she held a global leadership role at Google as Global Head of Operations and Strategy, Customer Onboarding, and was Head of Customer Value Management and Head of Commercial Strategy and Planning at Vodafone Ireland. Her early career was as a management consultant at McKinsey.

Eleanor holds a Master in Business Administration from UCD Smurfit, a Master in Computing and a Bachelor in Computer Science and Statistics from UCD. She is Chair of Samaritans Ireland and a member of the Samaritans UK Board of Trustees.



Miriam Flynn Chief Schools Officer

Miriam has led Bus Éireann's operation of the School Transport Scheme on behalf of the Department of Education since 2018.

Prior to this Miriam was Regional Manager with overall responsibility for Bus Éireann's operations in the southwest. She also has experience in Customer Service, Sales and Marketing, and Business Development.

Miriam has a Bachelor of Commerce from National University of Ireland Galway, a post-graduate Diploma in Marketing from the Smurfit Business School University College Dublin and has completed the CIÉ Group Executive Leadership programme, also at UCD.

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.



Rory Leahy Chief Safety and Sustainability Officer

Rory was appointed Chief Risk and Safety Officer for Bus Éireann in 2018, and this role was amended in 2021 to include Sustainability.

He is responsible for company safety policy and strategy, sustainability strategy and policy, risk management, property and energy performance. Rory began his career at Iarnród Éireann and at Bus Éireann has held positions in Business Development, Operations and Regional Management.

Rory has a degree in Civil Engineering from University College Dublin, a post-graduate Diploma in Environmental Management from Trinity College Dublin and a Master's degree in the Management of Operations from Dublin City University. He holds a Certificate of Professional Competence in Road Passenger Transport Operations Management (International).



Danny McCarthy Chief Information Officer

Danny was appointed Chief Information Officer in October 2022, having joined Bus Éireann in 2003. He is responsible for information systems, digital transformation and leading Bus Éireann's enterprise-wide digital strategy.

Previously, Danny was Bus Éireann's Head of IT and Business Transformation. With almost 20 years' experience in public transport, Danny has significant knowledge of leading the implementation of new technology, delivering transformation projects and leading change initiatives. Earlier in his career, Danny worked at Citibank and Kindle Banking Systems.

Danny holds a Bachelor of Business Studies from the University of Limerick, a post-graduate Diploma in Software Localisation from the University of Limerick and a Diploma in Strategy and Innovation from the Irish Management Institute.



Jean O'Sullivan Chief People Officer

Jean joined Bus Éireann as Chief People Officer during 2022. Previously, Jean was Head of Organisation Development at Enterprise Ireland, responsible for delivery on the strategic objectives to build scale and expand the reach of Irish companies in global markets.

During a 20-year career with Enterprise Ireland, Jean held strategic roles including Head of Global Human Resources, overseeing talent management and resourcing strategies to support an agile global workforce.

Jean also has considerable business development experience across industry sectors. She developed and executed Enterprise Ireland's first female entrepreneurship strategy and is a strong proponent of initiatives that support diversity in the workplace.

Jean is graduate of Edinburgh Napier University, with a primary degree in Marketing Management and a Master in Business Studies in Strategic Human Resources Strategies from Dublin City University.



Allen Parker Chief Customer Officer

Allen joined Bus Éireann in this newly-created role in 2018. He has 30 years' experience in bus transport in Ireland and the UK, having been Managing Director of both Aircoach, a subsidiary of First Group plc, and of Citylink.

He began his career with Bus Éireann in the 1990s, moving to Comfort Delgro and then to First Group plc where he held a number of senior roles.

At Bus Éireann, Allen is responsible for all aspects of service delivery and for driving continuous improvement in customer experience. This encompasses performance and planning, operations, engineering, customer information and accessibility.

Allen holds a Bachelor of Science in Transport Technology from the University of Ulster.

Board of Directors



Miriam Hughes Chairperson

Miriam was appointed to the Board of Bus Éireann in 2019 and became Chairperson in February 2022. She has is a member of the Commercial & Innovation and Remuneration Committees. Miriam is a Chartered Director from the Institute of Directors, an independent strategic business consultant and non-executive director.

Miriam was formerly Chief Executive Officer of one of Ireland's largest communications groups – DDFH&B. During her 17-year tenure 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 is a graduate of University College Dublin, holding a Bachelor of Commerce and Master in Business Studies in Marketing. She is formerly president of the Marketing Institute of Ireland, chairperson of the Advertisers Association of Ireland, council member of Dublin Chamber of Commerce, board member of the Irish Hospice Foundation and a current council member for the Irish Management Institute. Miriam has served as chairperson of Barnardo's Ireland Board, is a mentor on the Enterprise Ireland Panel, and is a strategic consultant to a number of small businesses.



Brian Bowden

Brian joined the Board of Bus Éireann in 2022. He is Chairperson of the Remuneration Committee and a member of the Audit & Risk, and Commercial & Innovation Committees.

Brian is Chief People Officer with Aer Lingus, a position he has held since 2016. In this role he leads the human resource function for the 4,800 people working 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 human resources 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 Master of Arts degree in History from University College Dublin and a Master's degree in Business Studies in Human Resources Strategy from Dublin City University.



Diarmuid Corry

Diarmuid Corry was appointed to the Board of Bus Éireann in 2018 and re-appointed in 2021. Diarmuid is the Chairperson of the Commercial & Innovation Committee and a member of the Sustainability, and Safety & Accessibility Committees.

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 in Electronic Engineering from Dublin City University and also holds a Master in Business Administration.



David Fox

David is an experienced senior information technology executive and programme director, and was appointed to the Board of Bus Éireann in 2022. He is a member of the Audit & Risk and Commercial & Innovation Committees.

In addition to serving as Chief Information Officer for a number of organisations in Ireland and overseas, he has also led numerous successful business transformation programmes, including the initial broadband programme at Eir (formerly Eircom). As a consulting practice director at Oracle, David was responsible for the delivery of telecommunications billing programmes to clients in Europe and the Middle East. He currently serves on the Audit and Risk Committee of the National Shared Services Office.

David holds a Master's degree in Business Administration from Dublin City University, a post-graduate Diploma in Accounting from the Associated of Chartered Certified Accountants and a Bachelor of Science in Computer Science from Trinity College Dublin.



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 and is a member of the Sustainability, and Safety & Accessibility Committees.

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. Dermot is a member of the Sustainability, and Safety & Accessibility Committees.

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 & Risk Committee and also serves as a member of the Remuneration and Sustainability Committees.

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 University College Cork, a post-graduate Diploma in Professional Accounting from University College Dublin. He 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, University College Dublin.



Richard Manton

Richard Manton was appointed to the Board of Bus Éireann in 2019. He is Chairperson of the Sustainability Committee and is a member of the Commercial & Innovation Committee.

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 the National University of Ireland 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.



Rhona Murphy

Rhona is an independent global media consultant, based in Dublin. She was appointed to the Board of Bus Éireann in 2022 and serves as Chairperson of the Safety & Accessibility Committee and as a member of the Audit & Risk Committee.

Rhona previously worked in New York and Singapore. She was Chief Executive Officer of *The Daily Beast* and interim Chief Executive Officer at *Newsweek*. Prior to that she had been the global publisher of *Newsweek*, and worked for Dow Jones and the *Wall Street Journal*.

She currently serves as Chairperson of the International Consortium of Investigative Journalists whose board she joined in 2017. She is a non-executive director of The Irish Times DAC since 2016. In 2019 she became a Chartered Director (IoD London).

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

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 2022.

Principal Activities and Business Review

Bus Éireann is Ireland's national bus company, employing over 2,800 people. Its principal activities are the management and planning of an integrated network of transport 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. Bus Éireann's overarching goal is to be the most customer-centred and sustainable transport company in Ireland.

Córas Iompair Éireann (CIÉ), 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, the Environment, Climate and Communications.

Review of Operational Financial and Engineering Performance

Directors and management of Bus Éireann monitor the Company's performance on an ongoing basis, using a range of key operating and financial performance indicators.

The Company recorded a loss of €1.5m in 2022 post exceptional (2021: €1.6m). This was after the receipt of Public Service Obligation (PSO) payments of €163.9m (2021: €122.9m). Operating revenue was €338.0m (2021: €288.7m). At 31 December 2022 the Company's balance sheet holds net current assets of €63.3m (2021: €59.2m) with net assets standing at €31.6m, a decrease from €33.1m in 2021. Passenger numbers increased by 56.0% to 89.5m in 2022.

Dividends

No dividends were proposed, declared, or paid during the year 2022 (2021: €nil).

Reserves

Accumulated losses were €62.6m at the end of 2022 compared to €61.1m in 2021.

Principal Risks and Uncertainties

The Company remains committed to managing risk in a systematic and disciplined manner. Key risks and uncertainties are identified and action plans are developed to mitigate these risks. A risk register is maintained and updated regularly for review by the Directors and senior management. Principal risks are reviewed on an ongoing basis by the Audit & Risk Committee (ARC), which reports to the Board. The Audit & Risk Committee also reviews and monitors internal control and audit risks.

Sustainable positive market conditions are required by the Company to maintain its services on an ongoing basis. The Company continued to carefully monitor its revenues and costs closely throughout 2022.

Up-to-date information on financial and economic risks and opportunities is presented to the ARC and Bus Éireann Board on a regular basis. The Company is also dependent on ongoing 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, competitive tender contracts and the Commercial Bus Operator direct award contract 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.

Capital Investment

Capital expenditure amounted to €13.21m in 2022 (2021: €16.8m), which included €8.13m in Properties, €4.20m in Technology and Garage Equipment of €0.87m. The Company received capital funding for PSO services from the NTA in 2022 of €8.12m (2021 of €2m), including grants of €5.50m (2021: €0.9m) 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 €62.6m at the end of 2022 (2021: €61.1m).

Shareholders Meetings

An annual general meeting of the Company is ordinarily held once every calendar year, but in any case, will be held not more than 15 months after the holding of the previous annual general meeting. The meeting may be held at such time and place as may be prescribed by the Directors. The Directors may either, whenever they think fit, or on request from Córas Iompair Éireann, convene an extraordinary general meeting of the Company. An annual general meeting took place on 6 April 2022.

The Board

The Company is controlled through its Board of Directors. The Board met on 11 occasions during 2022 (it met 16 times in 2021) and has a schedule of matters reserved for Board decision. The Board comprises Non-Executive Directors only, two of whom were Worker Directors at year end. There are no Executive Directors on the Board.

Miriam Hughes was reappointed as Bus Éireann Chairperson/Director on 6 April 2022.

Diversity, Equality & Inclusion

As at 31 December 2022, the Bus Éireann Board of Directors had two female (22.2%) and seven male (77.8%) members, with no positions vacant. Bus Éireann is actively working towards the government target of a minimum of 40% representation of each gender in the membership of State boards.

Attendance at Board and Committee Meetings

Listed below are details of Directors' attendance at Board and Committee meetings held during 2022:

	Board	Audit and Risk Committee	Commercial and Innovation Committee	Sustainability Committee*	Safety and Accessibility Committee	Remuneration Committee	Board Strategy Committee	Culture, People and Customer Committee
Miriam Hughes	11/11	5/5	4/4	2/2	2/2	2/2	6/6	
Brian Bowden	7/8	4/4	4/4			2/2		
Diarmuid Corry	10/11		4/4	3/4	2/4		6/6	
David Fox	5/5	2/2	3/3					
Stephen Hannon	11/11			2/3*	3/3			
Dermot Healy	11/11			2/3*	3/3			
Brendan Lenihan	11/11	8/8		4/4		2/2		4/4
Richard Manton	9/11		3/4	4/4	2/2			4/4
Rhona Murphy	8/8	4/4			2/2			

Brian Bowden was appointed to the Board on 8 April 2022.

Rhona Murphy was appointed to the Board on 8 April 2022.

Miriam Hughes retired on 4 April 2022 and was reappointed as director/chair on 6 April 2022.

Richard Manton was reappointed to the Board on 5 April 2022.

Brendan Lenihan was reappointed to the Board on 5 April 2022.

David Fox was appointed to the Board on 11 July 2022.

* A technical issue resulted in two members not receiving notification of a meeting

Audit & Risk Committee (ARC)

The ARC acts independently from the executive. Its role is to ensure that the interests of the shareholder and other stakeholders are properly protected in relation to financial reporting oversight, internal control, and internal and external audit. It also reviews 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 Committee also monitors the integrity of the financial statements prepared by the company. It monitors 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.

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.

The ARC met on eight occasions during 2022 (it met eight times in 2021).

The ARC comprised the following Directors during 2022:

Brendan Lenihan	<i>(Chair)</i>
Rhona Murphy	<i>(appointed to Committee on 21 June 2022)</i>
Brian Bowden	<i>(appointed to Committee on 21 June 2022)</i>
David Fox	<i>(appointed to Committee on 18 October 2022)</i>
Miriam Hughes	<i>(retired from Committee on 21 June 2022)</i>

Sustainability Committee

The Board Sustainability Committee was established in 2021. Its remit encompasses the review of the Bus Éireann sustainability strategy, sustainability KPIs and reporting, carbon budgets, fleet and infrastructural transition, customer and employee sustainability/engagement/skills, plus partnerships and funding.

The Committee met on four occasions in 2022 (it met four times in 2021).

The Committee comprised the following Directors during 2022:

Richard Manton	<i>(Chair)</i>
Brendan Lenihan	
Diarmuid Corry	
Dermot Healy	<i>(Appointed to Committee on 24 March 2022)</i>
Stephen Hannon	<i>(Appointed to Committee on 24 March 2022)</i>
Miriam Hughes	<i>(Retired from Committee on 16 June 2022)</i>

Safety & Accessibility Committee

The Bus Éireann Safety & Accessibility Committee's remit encompasses safety policy development, safety management systems, safety plan updates, oversight of accident and incident reporting, accessibility strategy roadmap and KPIs, and safety and accessibility agency co-operation.

The Committee met on four occasions in 2022 (it met four times in 2021).

The Committee comprised the following Directors during 2022:

Rhona Murphy	<i>(Chair of Committee from 24 August 2022)</i>
Diarmuid Corry	
Stephen Hannon	
Dermot Healy	
Miriam Hughes	<i>(Chair/Committee member until 24 August 2022)</i>
Richard Manton	<i>(Retired from Committee on 16 May 2022)</i>

Commercial & Innovation Committee (C&I)

The Commercial & Innovation Committee replaced the Board Strategy Committee. It held its first meeting in August 2022 and the total number of meetings held during the year was four.

Per the Committee's Terms of Reference, its main duties and responsibilities are:

- Five-year planning oversight and longer-term investment horizon

- Operational performance
- Customer and culture
- Reputation and stakeholder management
- Innovation and information technology strategy
- Commercial strategy, performance and viability.

The Committee comprised the following Directors during 2022:

Diarmuid Corry (Chair)

Miriam Hughes

Richard Manton

Brian Bowden

David Fox

Board Strategy Committee (Active until May 2022)

Following an external review of Bus Éireann Committees in mid-2022, this Committee was wound down and the key elements of its remit were incorporated into the remit of the newly formed Commercial & Innovation Committee. The Board Strategy Committee addressed five specific areas: enterprise development, technology innovation, marketing and research and policy and planning as well as strategy.

This Committee met six times in 2022 and held its final meeting in May. (It met on seven occasions during 2021.)

The Board Strategy Committee comprised the following Directors during 2022:

Diarmuid Corry (Chair)

Miriam Hughes

Remuneration Committee

The Remuneration Committee was formed in 2022. Previously, matters pertaining to remuneration fell under the remit of the Culture, People & Customer Committee. It held its first meeting in July and met on two occasions during the year.

Per its Terms of Reference, the Committee's remit encompasses:

- Chief Executive remuneration
- Senior management remuneration
- Succession planning and leadership development

- Company remuneration policy
- Annual 'Balanced Scorecard' structure and process
- Pensions
- Termination payments of senior management
- Diversity and inclusion

The Remuneration Committee comprised the following Directors during 2022:

Brian Bowden (Chair)

Miriam Hughes

Brendan Lenihan

Culture, People and Customer Committee (Active until June 2022)

Following an external review of Bus Éireann Committees in mid-2022, this Committee was wound down and elements of its remit were incorporated into the remits of the newly formed Commercial & Innovation Committee and the newly formed Remuneration Committee. The Culture, People & Customer Committee had been established by the Board in 2019 to assess, guide, report on and make recommendations to the Board in the areas of the Bus Éireann culture, people and customer strategy.

The Committee met four times in 2022 and held its final meeting in June (it met on six occasions in 2021).

The Committee comprised the following Directors during 2022:

Brendan Lenihan (Chair for two of the meetings in 2022)

Richard Manton (Chair for two of the meetings in 2022)

Health and Safety

Bus Éireann remains committed to ensuring the optimum well-being of all staff, by maintaining a safe place of work, and through the promotion of healthy work practices. It complies with all relevant employment legislation including the Safety, Health and Welfare at Work Act 2005. Governance of health and safety matters in the organisation is monitored through the Board Safety & 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

Bus Éireann is aware of its obligation to keep adequate accounting records in accordance with Sections 281 to 285 of the Companies Act 2014. To meet these obligations, it utilises appropriate systems and procedures, and employs competent persons to administer and manage these systems. The accounting records are kept at Bus Éireann's offices in Dublin 7.

Directors

The Directors of the Company are appointed by the Minister for Transport, the Environment, Climate and Communications. The names of persons who were Directors during the year ended 31 December 2022 are set out below.

Miriam Hughes	<i>(appointed Chairperson Designate 14 February 2022. Retired on 4 April 2022 and was reappointed on 6 April 2022)</i>
Brian Bowden	<i>(appointed 8 April 2022)</i>
Diarmuid Corry	
David Fox	<i>(appointed 11 July 2022)</i>
Stephen Hannan	
Dermot Healy	
Brendan Lenihan	<i>(reappointed 5 April 2022)</i>
Richard Manton	<i>(reappointed 5 April 2022)</i>
Rhona Murphy	<i>(appointed 8 April 2022)</i>

Miriam Hughes was appointed Chairperson designate on 14 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 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 & Risk Committee, that in 2022, 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.

The Bus Éireann Board with the ARC and the other Board Committees have obtained reasonable assurance in 2022 that:

- Bus Éireann selected and developed the necessary control activities that contribute to the mitigation of risks to the achievement of its objectives to acceptable levels.
- Bus Éireann selected and developed general control activities to support the achievement of objectives.
- Bus Éireann deployed control activities through policies and procedures that established what is expected by employees and procedures that put policies into action.
- Bus Éireann obtained or generated and used relevant, quality information to support the functioning of internal control.
- Bus Éireann internally communicated information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- Bus Éireann communicated with external parties (including internal and external auditors) regarding matters affecting the functioning of internal control.
- Bus Éireann selected, developed and performed ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- Bus Éireann evaluated and communicated internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the Board of Directors, as appropriate.

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 October and December 2022. The Bus Éireann Board approved the annual review of the effectiveness of internal control systems on 1 December 2022. At the request of the Bus Éireann Board, key control procedures have been put in place to reflect the size and complexity of Bus Éireann.

There have been no weaknesses in internal financial control resulting in material losses, contingencies or uncertainties that were required to be disclosed in the 2022 Annual Financial Statements or Auditor's Report.

The following non-compliance matters should be noted:

- Bus Éireann had non-compliant spend of €3m in 2022 representing 0.8% of eligible procurement spend (€2.8m or 0.9% in 2021).
- Where compliance issues were identified through the quality assurance process through 2022, they were rectified by management.

The Statement on System of Internal Control was reviewed by the Board with the support of the ARC and other Board Committees on 1 December 2022, to ensure it accurately reflected the control system in operation during the reporting period for 2022.

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 the 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. 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 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. 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** at third line of defence, including the Directors' Compliance Statement audit.
- The implementation of a **Risk Management Framework and a Risk Management System** at second line of defence 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 included a review of statement of systems of internal control. Mazars have 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** at second line of defence within Bus Éireann to assist first-line defence in relation to compliance monitoring and quality assurance reviews. A compliance report is 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:
 - An external review of Corporate Governance Matters undertaken by Governance Ireland in 2022.
 - An external review of the Risk Management Framework undertaken by Mazars in Q4 2021 and presented to Board in early 2022.
 - 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 internal controls including:
 - PCI-DSS Compliance and Testing (RITs Information Security)
 - Risk Management Workshops (Mazars)

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 2022 by:

- A review and approval of the programme of internal audit for 2022 (prepared following its audit risk assessment process) and consideration of its major findings.
- A 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.
- An assessment of the regular reports of 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 Audit & Risk Committee, the Bus Éireann Board, the CIÉ Board Audit & Risk Committee and the CIÉ Board.
- An Annual Review of Detailed Risk Reports.
- A review of the internal control Quality Assurance Reviews undertaken as part of the Annual Review of Effectiveness 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 2022 Annual Financial Statements or Auditor's Report.

The Board is satisfied that the Company is developing and enhancing its system of internal controls. The overall aim is 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 2022, and rectification plans have been put in place where required:

- **PCI DSS Compliance:** The Bus Éireann PCI DSS Attestation of Compliance for 2022 was revalidated by Worldpay in June of 2022.
- **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.
- **Irish Language obligations in line with Official Languages:** The Official Languages Act was amended in 2022. The Bus Éireann Irish Language Scheme remains in place until the amended Act is fully enacted and policies and procedures will be developed to replace the Scheme in 2023.
- **EU Whistleblower Directive:** In line with the EU Whistleblower Directive the Protected Disclosures (Amendment) Act 2022 which was signed into Law in July 2022. Revised CIÉ policy (approved 2 June 2022).

- **Code of Practice QA Reviews:** General Compliance review, Business and Financial Reporting, Board and Committee Governance, Remuneration, Diversity.
- **Code of Practice:** Risk Management Framework – External Assessment/QA Review.
- **Public Spending Code:** Annual QA Review 2022.
- **Companies Act:** Directors' Compliance Statement GIA Audit 2022.
- **Internal Audit Tracker:** Annual QA Report 2022.

It is the view of the Bus Éireann Board, with the support of the work of the ARC and other Board Committees that in 2022, 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 were taking the necessary actions to address these.

Bus Éireann has adopted the TCFD reporting framework and can demonstrate progress on alignment with the core principles of the framework including Governance, Strategy, Risk Management and Metrics and Targets in line with the evolving EU Corporate Sustainability Reporting Directive (CSRD) requirements.

Procurement:

The Board confirms that Bus Éireann is compliant 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 €3.0m in 2022, representing 0.8% (€2.8m or 0.9% in 2021) of eligible procurement spend. A procurement strategy is in place which aims to ensure adequate and appropriately skilled resourcing within the procurement department.

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 the 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 the Directors' Compliance Statement for 2022.

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 2014. The following year, 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 relate 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 2022 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 consider that it is appropriate to adopt the going concern basis in preparing the financial statements for 2022.

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

Post Balance Sheet Events

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

Auditors

Following a procurement process, Mazars, chartered accountants and statutory audit firm, were selected as new external auditors for the CIÉ Group in 2019 following the consent of the Minister for Transport. The auditors, Mazars, undertook the audit for 2022 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

12 April 2023

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 these 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 that they otherwise comply with the Companies Act 2014.

In preparing these 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
- 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 in the Company's website.

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, 2022, 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 twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

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. This description forms part of our auditor's report.

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

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



Tommy Doherty

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

Date: 12 April 2023

Profit and Loss Account

Financial Year Ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Revenue			
Operating turnover		338,003	288,728
Revenue grant	14(e)	8,565	58,699
Receipts from Public Service Obligation and Commercial Bus Operators Direct Award contracts		163,926	122,941
Total revenue	3	510,494	470,368
Costs			
Payroll and related costs	4(a)	(154,285)	(152,108)
Materials and services	5(a)	(353,321)	(315,271)
Total costs		(507,606)	(467,379)
EBITDA before exceptional costs and revenues			
		2,888	2,989
Exceptional costs and revenues (net)	5(c)	79	35
Depreciation and amortisation (net)	5(e)	(4,280)	(4,267)
Profit on disposal of tangible fixed assets		-	1
Deficit before interest and tax			
		(1,313)	(1,242)
Interest payable and similar charges	6	(196)	(404)
Deficit for the year before tax		(1,509)	(1,646)
Tax on deficit for the year	7	-	-
Deficit after tax for the year		(1,509)	(1,646)

Statement of Comprehensive Income

Financial Year Ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Deficit after tax for the year		(1,509)	(1,646)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(1,509)	(1,646)

Balance Sheet

31 December 2022

	Notes	2022 €'000	2021 €'000
Fixed assets			
Intangible fixed assets	8	7,342	4,863
Tangible fixed assets	9	47,713	58,071
		55,055	62,934
Current assets			
Stocks	10	4,727	4,276
Debtors	11	188,016	144,406
Cash and cash equivalents		897	717
		193,640	149,399
Creditors (amounts falling due within one year)	12	(130,373)	(90,192)
Net current assets		63,267	59,207
Total assets less current liabilities		118,322	122,141
Non current liabilities			
Provisions for liabilities	13	(62,214)	(59,654)
Deferred income	14(a)	(24,482)	(29,352)
		(86,696)	(89,006)
Net Assets		31,626	33,135
Capital and reserves			
Called up share capital	15	94,212	94,212
Profit and loss account – opening balance	15	(61,077)	(59,431)
Deficit for the year	15	(1,509)	(1,646)
Total equity		31,626	33,135

On Behalf of the Board



Miriam Hughes
Chairperson



Brendan Lenihan
Director

Statement of Changes in Equity

Financial Year Ended 31 December 2022

	Notes	Called up share capital €'000	Profit and loss account €'000	Total €'000
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)
Balance at 31 December 2021		94,212	(61,077)	33,135
Balance at 1 January 2022		94,212	(61,077)	33,135
Total comprehensive income for the year			(1,509)	(1,509)
Balance at 31 December 2022		94,212	(62,586)	31,626

Statement of Cash Flows

Financial Year Ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Cash from operations			
Net cash generated from/used in operating activities	16	42,271	(5,832)
Cash flows from investing activities			
Additions to intangible fixed assets		(3,470)	(3,097)
Additions to tangible fixed assets		(1,572)	(13,740)
Sale proceeds on disposal of tangible fixed assets		-	1
Capital grants received		8,272	2,029
Capital grants transferred to CIÉ		(5,577)	(431)
Increase in Called up Share Capital	15	-	28,000
Increase in balance with parent company	11	(39,548)	(6,398)
Interest paid and charged by parent company		(196)	(404)
Net cash generated from/(used in) investing activities		(42,091)	5,960
Net Increase in and cash equivalents		180	128
Cash and cash equivalents at start of year		717	589
Cash and cash equivalents at end of year		897	717

Notes to the Financial Statements

Financial Year Ended 31 December 2022

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.

(c) Foreign currency

(i) Functional and presentation currency

The functional currency and presentational currency of the Company is the euro, denominated by the symbol “€” 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.

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.

(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) Employer Wage Subsidy Scheme (EWSS)

The Employment Wage Subsidy Scheme (EWSS) was an economy-wide enterprise support for eligible businesses in respect of eligible employees. Bus Éireann availed of this support until April 2022 and recognised subsidy received within revenue grants in note 14(e).

(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.

(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 2022, it was deemed not necessary to apply an impairment to the value of fleet during 2022.

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 2022.

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.

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.

(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.

(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 notes 8 and 9.

(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 on in more detail matters related to pensions costs and the pension schemes.

2. Going Concern

Bus Éireann – Financial Position

The 2022 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 2022 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

Company financial position as at 31.12.22

At 31 December 2022 the Company had net assets of €31.6 million (2021: €33.1 million) and net current assets of €63.3m (2021: €59.2 million).

Net current assets include non-cash liabilities of €16.8m (2021: €17.2million) 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 €80.1m (2021: €76.4 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 2023. Bus Éireann has continued to operate PSO services in line with the Direct Award Contract during 2022. 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 2022 has been provided by the NTA and while 2023 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 2023.

Schools Transport

In July 2022, the Government announced that there would be a waiver of school transport fees for the school year 2022/23, as part of a suite of cost of living initiatives. This generated an unprecedented increase in demand resulting in additional services being introduced. In addition, the Department of Education approved funding to provide free school transport for children arriving from Ukraine. As a further cost of living initiative to offset the rise in fuel prices resulting from the Ukraine-Russia conflict, the Department of Education approved a fuel supplementary payment to school contractors. The funding approval for 2023 received from the Department of Education includes the continuation of these funding streams and also for the continuation of Covid cleaning payments, subject to approval on a monthly basis. In February 2023, the Government announced that school transport fees would be reintroduced for the school year 2023/24 albeit on a significantly reduced basis, which could potentially result in demand levels remaining high for the school year 2023/24. The scheme review commenced by the Department of Education in 2021 will be published during 2023. Any recommendations are not expected to impact the school year 2023/24. The scheme continues to be fully funded for all operating activity including additional services and supports.

Commercial Services

Expressway services continued to operate under the CBO DAC contract until 30 June 2022. All other commercial services returned in July 2022. It is expected that the commercial business will trade at a financial loss again in 2023 and liquidity requirements as a result of this will be funded by CIÉ. 2023 is expected to be another challenging year for the commercial business as passenger numbers have still not recovered fully to pre pandemic levels and rising costs are impacting across the board. CBO DAC Young Adult ticketing NTA initiative commenced in September 2022. Expressway is expected to return to profitability in 2024.

Global Economic Uncertainties

Macroeconomic uncertainties including the continued war in Ukraine increases risk in the transport sector.

These risks include disruptions to energy supplies and price, 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

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 12 April 2023. 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".

Financial position as at 31 December 2022

At 31 December 2022, the Group had net liabilities of €213 million (2021: €691 million) and net current liabilities of €137 million (2021: €164 million). Net current liabilities include non-cash items of €564 million (2021: €426 million) relating to deferred income in respect of capital grants and deferred 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 Group has net current assets of €427 million (2021: €262 million). The net liabilities of the Group include liabilities in respect of defined benefit pension obligations of €396 million (2021: €846 million) and deferred income in respect of capital grants received of €2,001 million (2021: €2,260 million).

Liquidity

The Group currently holds a cash balance of €318 million as at 31 December 2022.

The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2022 is €12 million. This loan amortises over a four year period. The undrawn amount available to the Group under the Group's committed revolving credit facility is €80 million.

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(e). The Company is a transport service provider and provides services throughout Ireland and is regulated by the National Transport Authority (NTA). Bus Éireann records revenue generated under the PSO direct award contract on a gross cost basis.

4. Payroll and Related Costs

4(a) Payroll and Related Costs

	2022	2021
	€'000	€'000
Staff costs:		
Wages and salaries	128,549	126,957
Social insurance costs	13,157	12,978
Other retirement benefit costs	12,496	12,080
	154,202	152,015
Engineering work for group companies recharged	-	-
Net staff costs (excluding Directors remuneration)	154,202	152,015
Directors' remuneration:		
- For services as Directors	83	88
- For other services	-	5
- Termination payments for executive services	-	-
	83	93
Contributions paid to defined benefit scheme	-	-
Total Directors' remuneration and emoluments	83	93
Payroll and related costs	154,285	152,108

No costs were incurred in respect of loss of office for any Directors during 2022 or 2021 or after the balance sheet date.

Salary amounts includes incentive amounts of €399,000 for safe driving awards made in respect of 2022. (2021: €438,000 for safe driving awards made for 2021).

The average number of employees during the year was:

	2022 Number	2021 Number
Full-time	2,576	2,472
Part-time school bus drivers	251	289
Total	2,827	2,761

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

Employee benefits

	2022 €'000	2021 €'000
Basic	95,215	96,083
OT	6,790	7,194
Allowances	24,514	24,873
Incentive amounts	438	399
	126,957	128,549

Aggregate employee benefits

Short-term benefits	126,957	128,549
Termination benefits	-	-
Retirement benefits	12,080	12,496
ER PRSI	12,978	13,157
	152,015	154,202

Less

Exceptional termination payments	-	-
Engineering work for other group companies	-	-
	-	-

Add

Directors' Remuneration	93	83
Total	152,108	154,285

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	Staff Numbers 2022	Staff Numbers 2021
€50,000	€75,000	864	822
€75,000	€100,000	45	55
€100,000	€125,000	11	14
€125,000	€150,000	3	3
€150,000	€175,000	3	4
€175,000	€200,000	4	3
€200,000	€225,000	2	1
€225,000	+	0	0
Total Staff		932	902

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	2022 Staff Numbers	2021 Staff Numbers
€60,000	€70,000	201	215
€70,000	€80,000	48	49
€80,000	€90,000	20	16
€90,000	€100,000	18	14
€100,000	€110,000	10	7
€110,000	€120,000	3	4
€120,000	€130,000	2	1
€130,000	€140,000	0	0
€140,000	€150,000	2	2
€150,000	+	8	9

4(d) CEO Remuneration

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

	2022 €'000	2021 €'000
Combined amounts		
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	-	-
Termination payment	-	-
	302	302

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:

	2022 €'000	2021 €'000
Salaries and short-term benefits	1,347	1,387
Salaries and short-term benefits arrears	-	-
Post-retirement benefit costs	122	154
Post-retirement benefit costs arrears	-	5
Social insurance costs	136	139
Termination payments	-	-
Total	1,605	1,685

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 2022.

The Directors of the Company were paid Directors' fees for services as Directors during 2022 as follows:

Mr B Bowden	€9,208
Mr D Corry	€12,600
Mr D Fox	€6,010
Ms M Hughes	€20,475
Mr B Lenihan	€12,600
Mr R Manton	€12,600
Ms R Murphy	€9,208

Mr Thomas O'Connor, Mr Stephen Hannon 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

	2022	2021
	€'000	€'000
Fuels and lubricants	30,652	27,779
Contractors	250,179	224,960
Road tax and licences	581	670
Operating lease rentals (note 5(f))	1,270	1,288
Commercial Rates	678	505
Third-party and employers liability claims (note 13)	5,754	2,205
(Decrease)/Increase in inventory obsolescence provision (note 10)	(36)	143
Foreign exchange losses (net)	11	3
Other materials and services	64,232	57,718
	353,321	315,271

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

	2022 €'000	2021 €'000
Travel and subs		
<i>Domestic:</i>		
Board	-	-
Employees	83	29
<i>Foreign:</i>		
Board	-	-
Employees	17	2
	100	31
Hospitality		
Staff	67	16
Other	-	-
	67	16

(c) Exceptional operating costs and revenues

	2022 €'000	2021 €'000
Severance paid and provided for	-	(1)
Operations restructuring paid and provided for	(79)	(34)
	(79)	(35)

(d) Termination/Severance: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies

Termination of severance payments made in the reporting period amounted to NIL (2021: €1k)	-	-
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(e) Depreciation, impairment and amortisation of tangible and intangible fixed assets

	2022 €'000	2021 €'000
Depreciation of tangible fixed assets (note 9)	11,930	14,222
Amortisation of intangible fixed assets (note 8)	991	1,003
Amortisation of capital grants (note 14(a))	(8,641)	(10,958)
	4,280	4,267

(f) Operating leases include:

	2022	2021
	€'000	€'000
Bus leasing	505	504
Other operating leases	765	784
	1,270	1,288

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

	2022	2021
	€'000	€'000
Legal costs and settlements		
General legal fees	218	448
Settlements & related legal costs	3,761	2,848
Total	3,979	3,296
Consulting		
Legal	19	190
Tax and Financial Advisory	253	413
Public Relations/Marketing	41	48
Pensions and Human Resources	241	256
Maintenance and Renewals	70	60
Strategy and Organisational Design	20	–
Operational and Other	10	84
Total	654	1,051

6. Net Interest Expense

	2022	2021
	€'000	€'000
Interest payable and similar charges to parent company	(196)	(404)

7. Taxation

(a) Tax expense included in profit or loss

	2022 €'000	2021 €'000
Current tax:		
Irish corporation tax on profit for the financial year	-	-
Adjustments in respect of prior financial years	-	-
Current tax expense for the financial year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
Tax on profit on ordinary activities	-	-

(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 2022 of 12.5% (2021: 12.5%) to the deficit for the year. The differences are explained below:

	2022 €'000	2021 €'000
Deficit on ordinary activities before tax	(1,509)	(1,646)
Deficit multiplied by the standard rate of tax in the Republic of Ireland of 12.5%	(189)	(206)
Effects of:		
- Depreciation in excess of capital allowances	812	1,087
- Non-taxable income	(1,080)	(1,370)
- Non deductible expenditure	62	-
- Surrender of loss relief to group companies	393	484
- Income charged to tax at higher rate	12	5
- Loss utilised in the year	(10)	-
Current tax charge for the year	-	-

8. Intangible Fixed Assets

	Software €'000	Total €'000
Cost		
At 1 January 2022	13,867	13,867
Additions	3,470	3,470
Disposals	-	-
At 31 December 2022	17,337	17,337
Amortisation		
At 1 January 2022	9,004	9,004
Charge for the year	991	991
Disposals	-	-
At 31 December 2022	9,995	9,995
Net book amounts		
At 31 December 2022	7,342	7,342
At 31 December 2021	4,863	4,863

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

Software – 5 years straight line

9. Tangible Fixed Assets

	Road Passenger Vehicles €'000	Plant and Machinery €'000	Total €'000
Cost			
At 1 January 2022	282,974	33,084	316,058
Additions	5	1,567	1,572
Disposals	(31,747)		(31,747)
At 31 December 2022	251,232	34,651	285,883
Depreciation			
At 1 January 2022	229,279	28,708	257,987
Charge for the year	10,616	1,314	11,930
Disposals	(31,747)	-	(31,747)
At 31 December 2022	208,148	30,022	238,170
Net book amounts			
At 31 December 2022	43,084	4,629	47,713
At 31 December 2021	53,695	4,376	58,071

(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 €102.6m (2021: €102.1m) were fully depreciated but still in use at the balance sheet date.

(iii) Tangible fixed assets at 31 December 2022 are at €NIL (2021: €NIL) in respect of tangible fixed assets not yet in service at that date.

(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 2022 (2021: €NIL) were disposed in compliance with CIÉ Group policies and procedures for disposals of assets during the year.

10. Stocks

	2022	2021
	€'000	€'000
Maintenance materials and spare parts	3,782	3,325
Fuels, lubricants and sundry stocks	945	951
	4,727	4,276
Stock consumed during the year:		
Stock of materials and fuel consumed net of fuel rebate	43,320	37,415

These amounts include parts and components necessarily held to meet operational requirements. The replacement value of Inventories is not materially different from their book value. Provision for obsolete stock at year end is €0.9m (2021: €1.0m).

11. Debtors

	2022	2021
	€'000	€'000
Trade debtors	1,913	1,664
Amounts due from Department of Education	8,402	4,166
Amounts owed by parent company to Bus Éireann	176,769	137,221
Other debtors	932	1,355
	188,016	144,406

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 (2021: €0.1m).

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

12. Creditors

	2022 €'000	2021 €'000
Amounts falling due within one year		
Trade creditors	29,095	22,311
Income tax deducted under PAYE and USC	4,094	(1,330)
Social insurance	3,516	2,040
Value added tax and other taxes	376	241
Other creditors	1,757	1,763
Accruals	74,766	47,966
Deferred revenue	9,224	8,580
Deferred income (note 14 (a))	7,545	8,621
	130,373	90,192
Creditors for taxation and social insurance included above	7,986	951

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.

Included in the Creditors balance is €6.1m advanced funding received from the Department of Education in relation to planned 2023 expenditure.

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 bus services.

13. Provisions for Liabilities

	Operational €'000	Legal and Other €'000	Restructuring €'000	Third Party and Employer Liability Claims €'000	Total €'000
2022					
Opening Balance	4,839	947	162	53,706	59,654
Charge to profit and loss account (net)	2,013	971	-	5,754	8,738
Used during the year	(1,469)	(948)	-	(3,761)	(6,178)
Closing Balance	5,383	970	162	55,699	62,214

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.

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 Funding

Name of Grantor

National Transport Authority, sponsored by the Department of Transport

Department of Education (DoE)

CIÉ (Córas Iompair Éireann)

Dublin City Council

Name of Grant

NTA – B5.2 Public Transport Infrastructure

NTA – B5.3 Accessibility Retrofit Programme

NTA – Minor Project Fund

Department of Education – DoE Technology Funding

CIÉ – Sustainability Fund

DCC – Heritage Grant Fund

Purpose of Grant

The purpose for which the funds are applied are set out in the table below:

	Pay & Admin.	Service	Construction	Total
	€'000	Provision	€'000	€'000
		€'000	€'000	
NTA – Capital Grants	704	1,949	5,459	8,112
NTA – Minor Projects	–	9	–	9
Department of Education	–	34	–	34
Dublin City Council – Heritage Funding	–	11	–	11
CIÉ Sustainability Funding	–	29	77	106
Capital grants received and receivable	704	2,032	5,536	8,272
Less: Transferred to CIÉ (Property)	(41)	–	(5,536)	(5,577)
Total	663	2,032	–	2,695

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

	2022 €'000	2021 €'000
Balance at 1 January	37,973	47,333
Received and receivable (note 14(b))	2,695	1,598
Derecognised under bus leasing agreement (note 9)	-	-
Amortisation charge net of related impairment (note 5(e))	(8,641)	(10,958)
Disposals		
Balance at 31 December	32,027	37,973
Made up as follows:		
Included in current liabilities (note 12)	7,545	8,621
Included in non-current liabilities	24,482	29,352
	32,027	37,973

(b) Capital grants additions

	2022 €'000	2021 €'000
Capital grants were used to fund the following additions:		
Computer, Hardware Software & other	2,695	1,598

Capital Grants are amortised over the useful lives of the assets.

Total capital grants received in 2022 were €8.27m (2021: €3.6m). Grants received in 2022 related to €8.12m received under the Capital Funding Programme – Direct Award Contract along with other funding of €0.15m from DCC, DOE and CIÉ Sustainability Funding.

(c) Capital grants received and receivable

	2022 €'000
Capital grants were used to fund the following additions:	
Computer, Hardware Software and Other (Note	8,272
Buses	-
Capital grants received and receivable	8,272
Less: Transferred to CIÉ (Property)	(5,577)
Total	2,695

All grants received are used for the purpose for which approval has been sought and obtained from the funding source. Bus Éireann undertakes to protect the State's investment and will not use said investment as security for any other activity without the prior consultation with the Department of Transport and sanction of the Department of Public Expenditure and Reform.

(d) Accounting for capital grants (Circular 13/2014)

	€'000
NTA – Capital Grants	8,189
NTA – Minor Projects	9
Department of Education	34
Dublin City Council – Heritage Funding	11
CIÉ Sustainability Funding	29
Capital grants received and receivable	8,272
Less: Transferred to CIÉ (Property)	(5,577)
Total	2,695

Restrictions

Grants are restricted to Public Service Obligation (PSO) activities.

Tax Clearance

Bus Éireann is compliant with the relevant circulars including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar Type Payments".

(e) Revenue Grants

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

EWSS

	2022	2021
	€'000	€'000
Operating Revenue includes the following revenue grants		
EWSS	8,565	58,699
	8,565	58,699

The Employment Wage Subsidy Scheme (EWSS) was an economy-wide enterprise support for eligible businesses in respect of eligible employees. Bus Éireann availed of this support until April 2022 and recognised subsidy received within revenue grants.

15. Share Capital and Reserves

	2022 €'000	2021 €'000
Authorised opening balance		
83,198,264 Ordinary shares of €1.27 each	105,640	77,640
Increase in Authorised Share Capital		
Recapitalisation by way of an issue of 22,051,793 ordinary shares at €1.27 each	–	28,000
Closing balance		
83,198,264 Ordinary shares of €1.27 each	105,640	105,640
Allotted, called up and fully paid presented as equity		
Opening balance		
74,198,446 Ordinary shares of €1.27 each	94,212	66,212
Increase in Called up and fully paid Share Capital		
22,051,793 Ordinary shares of €1.27 each	–	28,000
Closing balance		
74,198,446 Ordinary shares of €1.27 each	94,212	94,212
<p>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.</p>		
	2022 €'000	2021 €'000
Revenue Reserves (accumulated losses)	(62,586)	(61,077)

16. Note to the Statement of Cash Flows

	2022	2021
	€'000	€'000
Deficit for the financial year	(1,509)	(1,646)
Net interest payable	196	404
Deficit before interest	(1,313)	(1,242)
(Profit) on disposal of tangible fixed assets	-	(1)
Depreciation, impairment, amortisation of tangible/intangible fixed assets	12,921	15,226
Capital grants amortised	(8,641)	(10,958)
Decrease/(Increase) in inventory	(451)	114
(Increase)/Decrease in debtors	(4,062)	3,845
Decrease/(Increase) in creditors	41,257	(11,880)
Decrease/(Increase) in provisions for liabilities	2,560	(936)
Cash flow from operating activities	42,271	(5,832)

17. Operating Lease Obligations

Commitments under non-cancellable operating leases payable as follows:

	2022	2021
	€'000	€'000
Within one year	1,475	1,279
Between one and five years	5,902	3,185
	7,377	4,464

Included in within one year and between one and five years for 2022 is an operating lease for buses with annual lease obligations of €0.5 million which commenced in 2018 and has been extended.

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 €396.5 million (2021: €846.5 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 2022 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The Company's pension cost for the year under the defined benefit schemes was €12.5m (2021: €12.1m) and these costs are included in note 4(a). The Company cost comprises the contribution payable for the year.

19. Capital Commitments and Other Commitments

	2022	2021
	€'000	€'000
Contracted for	14,864	5,170
Total	14,864	5,170
Capital commitments for which funding by way of grants is committed	13,486	4,500

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 €36.1m for 2022 (2021: €2.6m) and are not included above in Bus Éireann Capital Commitments.

20. Guarantees and Contingent Liabilities

At 31 December 2022, 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 is 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

2022

	Schools & Commercial €000	City €000	Stage Carriage €000	Non Commercial €000	Total €000
Revenue	337,012	17	974	991	338,003
Costs (net)	342,873	46,709	122,421	169,130	512,003
	(5,861)	(46,692)	(121,447)	(168,139)	(174,000)
Revenue Grant	2,735	-	-	5,830	8,565
Public Service Obligation payment	1,115	-	-	162,811	163,926
Result after Public Service Obligation Payment	(2,011)	-	-	502	(1,509)
Exceptional Items	-	-	-	-	-
Result after Exceptional Items	(2,011)	-	-	502	(1,509)

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 2022 amounted to €169.1m, before exceptional items, while the compensation received, excluding revenue grants, amounted to €162.8m.

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, Córás Iompair Éireann, amounted to €163.9m for the year ended 31 December 2022 (2021: €122.9m).

24. Membership of Córás Iompair Éireann Group

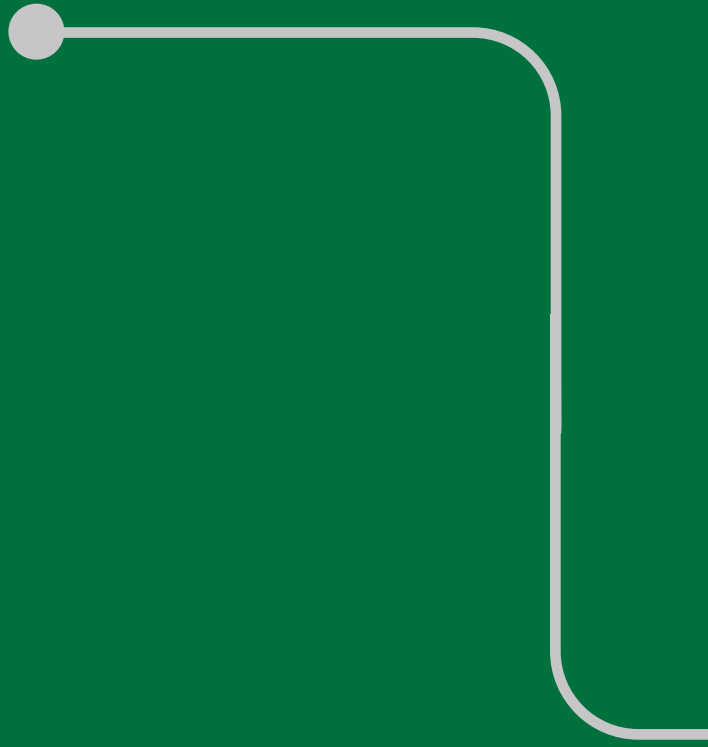
Bus Éireann is a wholly-owned subsidiary of CIÉ and the financial statements reflect the effects of group membership. Copies of the CIÉ consolidated financial statements can be obtained from CIÉ, Heuston Station, Dublin 8.

25. Post Balance Sheet Events

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

26. Approval of Financial Statements

The Directors approved the financial statements on 27 March 2023 subject to the receipt of a letter of support from CIÉ which was duly received on 12 April 2023.





**Broadstone
Dublin 7**

www.buseireann.ie

