

Bus Éireann Annual Report and Financial Statements 2020



Transporting Ireland to a Sustainable Future

2020 Highlights



Employees of
40 nationalities



51.7m journeys in 2020



Up to 120,000 children
travelling to school
each day



17 principal locations
across Ireland



230+ PSO and
Expressway Routes
across Ireland



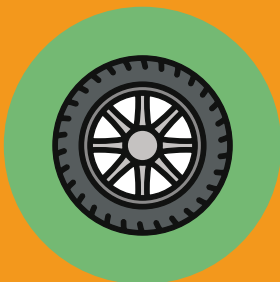
8,500+ schools routes



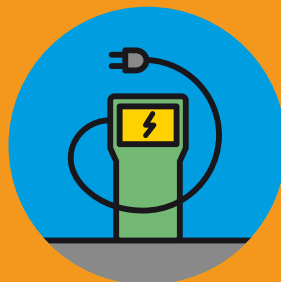
91% of Expressway
services delivered
during 2020



3 million km annualised
PSO services added
thanks to July Stimulus



1,000 tyres recycled
in 2020



26 electric hybrid
buses delivered



€6.9m additional
investment in COVID-19
related cleaning



94 employee COVID-19
communications

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Introduction

Living our values

Bus Éireann is Ireland's national bus company and a leading transport provider in Ireland, connecting millions of people each week with who and what matters to them across our businesses: Public Service Obligation, Expressway and School Transport.

We help make people's lives easier and better. Every customer matters to us.

As an organisation, Bus Éireann is on its own journey to become the most customer-centred and greenest transport company in Ireland with the adoption of our *Destination 2023* strategic plan and our new Sustainability Strategy *Driving Change 2020-2030*.

In 2020, faced with the unprecedented challenges posed by the COVID-19 pandemic, Bus Éireann truly lived its purpose and values by playing a vital national role in successfully delivering safe services when they were needed most including essential journeys for healthcare and other essential workers, and transporting children safely to and from school. Our response has been exemplary – across the organisation we have demonstrated adaptability, commitment and resilience.



Bus Éireann at a Glance



Our Purpose

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

Our Goal

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

Our Values

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

Destination 2023 Strategic Objectives

Customer satisfaction

To achieve a best-in-class customer experience at all touchpoints.

Employee Engagement

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

Financial Sustainability

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

Service Delivery

Drive operational excellence across business processes to deliver safe, reliable, and punctual performance.



Company Highlights

Customer Experience

Our customers are essential to achieving our *Destination 2023* goal of being the most customer-centred transport company in Ireland across all of our services: PSO, Expressway and School Transport.

Customer Focus

- In 2020, a new Customer Charter and Customer Action Plan were adopted by the Company to deliver our strategic objective under *Destination 2023*. The Customer Charter sets out standards that the Company must meet, while the Customer Action Plan describes how we will deliver on the commitments and standards set out in the charter.

Service Delivery

- In 2020, there were 51.7m passenger journeys, significantly down from 89.4m in the previous year and reflecting the unprecedented challenges posed by the COVID-19 pandemic.
- The Government July Jobs Stimulus helped deliver 112 new driver jobs and significant service improvements on multiple PSO routes from our stations in Ballina, Broadstone, Cork, Drogheda, Dundalk, Limerick and Tralee.
- In 2020, Expressway delivered 91% of planned services despite the COVID-19 restrictions, accruing significant losses in the process. A viability plan in September resulted in a planned consolidation of routes from 18 to 14.
- Most of the Company's Ancillary business was suspended in 2020 as a result of travel restrictions from the pandemic.
- In late 2020, the first tranche of hybrid double-deck buses was delivered and will enter service on Galway city routes in 2021, marking the initial steps in the transformation of the bus fleet from diesel engines to electric and fuel cell electric power.





Schools

- Our school transport services delivered over 28.7m passenger journeys in 2020, providing essential transport safely in the most difficult of circumstances.
- For the new school year in September, our services each day carried over 114,000 children to school on over 7,000 dedicated school routes to in the region of 2,500 schools nationally. This included over 14,500 children with special educational needs.
- School routes increased to 8,500 by year end due to social distancing requirements and increased transport requirements for the new school year.
- Significant work and collaboration helped ensure a range of new safety protocols were in place for the commencement of the new school year including 50% capacity on all Post Primary routes which required a significant undertaking.
- Our national customer telephone system for School Transport received 31,000 calls with queries relating to ticketing and the uncertainty around the re-opening of schools and safety protocols.
- The Company successfully processed refunds for over 45,000 account holders.

Technology, Awards and Communications

- A new on-board Vehicle Telematics System, Mix Telematics, was introduced with a full rollout planned for 2021.
- A new multi-channel ticketing and customer information channel, MyExpressway, was launched in February 2021 with new purchase and payment channels, seat reservations and other benefits for customers.
- Bus Éireann was pleased to receive the Customer Service Award from the Public Sector Magazine, Excellence in Business Awards 2020 for its provision of essential travel during the pandemic.
- Our in-house communications capability was further developed in 2020 through the recruitment of a new role of Senior Manager Corporate Communications.
- The Company launched a new campaign in June, *Keeping Ireland Connected*, in partnership with Transport for Ireland (TFI) to highlight that the Bus Éireann team was living its purpose by keeping Ireland connected to who and what matters to them each day.
- Bus Éireann received strong media coverage of its various initiatives around schools including refunds for unused services in 2019/2020.
- Bus Éireann was delighted to be the winner of the 2020 annual Health & Safety Excellence award in the transport category recognising good performance and innovation in health and safety



Leadership and People

At Bus Éireann, our successes are made possible by our great people: our drivers, our partners, and everyone who makes it possible to get our customers where they want to go safely.

- In 2020, as part of *Destination 2023*, the Company achieved 73% against a target of 58% in our strategic objective of developing leadership at every level and establishing a culture of performance.
- Bus Éireann rolled out its performance development programme, *Growth, Performance, Success (GPS)* to its Executive team, building on its introduction to managers in the prior year.
- The Company's *Go the Extra Mile (GEM)* awards saw 350 colleagues formally recognised for outstanding contribution, including local *GEM* awards hosted in a series of remote events.
- BÉ Online, our internal social media platform, generated very high levels of employee engagement in 2020 with 2,392 active users out of a total staff of 2,700.
- In our annual *Have Your Say* survey, there was a 73% employee engagement and a 60% participation rate, both rates up significantly on the previous year.
- Despite the pandemic, Bus Éireann continued its efforts to reach out to its communities and engaged directly with 22 community and voluntary organisations or charities.
- The Company's commitment to Diversity and Inclusion continued in 2020 with employees from over 40 countries among our workforce.

- Bus Éireann welcomed eight new female drivers as it works towards greater female participation.
- International Women's Day was celebrated with a number of workshops for female colleagues hosted by the Senior Leadership Team.

Financial Performance

The Company's financial position was adversely impacted by significant reductions in revenue due to the public health restrictions and steep fall in demand for travel.

- Loss after exceptional items of (€9.2m) (2019: Profit of €2.3m).
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) was (€6.1m) (2019: EBITDA €8.8m).
- Operating turnover was €284.8m for 2020 (2019: €366.5m).
- Payroll and related costs increased by 1.2% to €144.6m (2019: €142.9m).
- Investment activity was €3.2m (2019: €1.1m), excluding properties which are held by CIÉ.
- Net shareholders' funds as stated in the balance sheet at €6.8m (2019: €16.0m).
- Bus Éireann achieved assurance ratings of Substantial (highest rating attainable) for both 2019 PSO and Waterford BMO in NTA audits.



Operational Excellence

Bus Éireann puts its commitment to safety at the heart of its operations and never was this more important to deliver on than in 2020 due to the COVID-19 pandemic.

Safety

- The Board Safety and Accessibility Committee approved an expanded response plan, under the Company's Emergency Plan, on 6 March 2020.
- There was multiple stakeholder engagement and collaboration with the Department of Education and Skills, Department of Transport, NTA and State agencies.
- The scale and complexity of the COVID-19 response was unprecedented, with a wide range of new policies, procedures, safety actions, fleet and facility modifications, and workplace audits implemented quickly.
- Employees played a key role in facilitating and delivering these changes and in complying with new procedures to ensure a low risk of workplace transmission of the virus.
- There were no workplace cluster outbreaks of COVID-19 and no reported cases of infectious transmission associated with our services in 2020.
- There were no passenger or employee (work-related) fatalities in 2020.
- The rate of collisions reduced by 31% during the year on a per km operated basis.
- Passenger accidents rates reduced by 24% on a per million passengers carried basis on Bus Éireann's own-bus operations.
- New third-party claims were down by 41% to year end.
- The Company made a submission to the new Road Safety Strategy 2021-2030, which is being finalised by the Road Safety Authority, to promote the bus as an inherently safe mode of transport.

- The Company was named winner of the annual national Health and Safety Excellence 2020 award in the Transport category.
- The Company processed vetting applications from approximately 8,000 applicants, an increase of 80% on vetting applications processed in 2019 due to re-vetting and the School Transport Social Distancing Project.

Risk

- Pandemic risk was raised to Principal on the Risk Register in March and a number of other COVID-19 related risks were created and managed throughout the year.
- An internal audit of processes was completed during the year.

Property

- A total of 51 separate facility improvement projects were delivered by the facilities team, which included four NTA-funded station accessibility improvement projects at Killarney, Rosslare, Tralee and Waterford.
- A contract was awarded for the redevelopment of the Roxboro depot building in Limerick, which will be delivered in 2021.

Environment and Climate

- A new Sustainability Strategy *Driving Change* 2020-2030 was approved by the Board in August.
- At 31 December 2020, 55% of Bus Éireann service fleet had the cleaner Euro VI engine certification standard.
- The first hydrogen fuelled bus in Ireland was trialled during the year involving Bus Éireann, Dublin Bus, Hydrogen Mobility Ireland, CIÉ and Dublin City University.
- The transition to electric vehicle (EV) company cars and vans commenced in 2020 with the arrival of 14 fully EV into the fleet and a target of 120 by 2025.
- The Company's total energy use in 2020 was 274,312 MW, a reduction of 13.7% on the previous year.
- The Company's total direct greenhouse gas emissions (GHGs) was 65.36 (thousand tCO₂e), down from 76.54 (thousand tCO₂e) in 2019.
- Our overall energy efficiency metric improved by 21% (as verified by the Sustainable Energy Authority of Ireland).
- Our overall energy efficiency performance improved in 2020 to a betterment of 20.3% from the base year

Technology

- More than 200 people were moved off-site within two weeks due to the COVID-19 pandemic restrictions with all requisite technology successfully put in place.
- A high capacity wireless network for our depots was rolled out, enabling remote on-bus ticketing, CCTV, location and tachograph information with improved data quality and reporting.



Chairperson's Statement



In the most difficult of circumstances, Bus Éireann prevailed and successfully delivered safe, essential services when these services were needed most.

Just before the breakout of COVID-19, Bus Éireann had reported the highest passenger growth in over a decade. The Company had returned a modest profit and the benefits of this renewed growth and momentum had begun to reverberate among our customers, employees and stakeholders all across the country. Investment in new services, vehicles, facilities and jobs had begun and this generated a great sense of pride both among our Board members and staff as plans were forged to deal with the management of growth and new-found potential.

The year of 2020, however, was a year like no other. In the most unprecedented and difficult of circumstances engendered by the COVID-19 pandemic, Bus Éireann prevailed and successfully delivered safe, essential services when these services were needed most. In many respects, I believe what has been achieved by the Company in 2020 was hugely significant and testament to our service ethos and commitment, and I would like to pay tribute to our Board, Executive and staff whose dedication and commitment never wavered.

2020 – A Year Like No Other

In early 2020, an outbreak of the COVID-19 coronavirus was declared a pandemic, forcing a hard brake on everything we knew as normal – including the usage patterns of all forms of public transport. The announcement of the first lockdown on March 12 by An Taoiseach was a seminal moment, resulting in revenues collapsing by over 90% within a week as the public heeded advice to stay at home and restrict their movements. I am immensely proud that the Executive and Board acted so swiftly and decisively to enact and implement a wide range of new policies and measures in response to the prevailing public health advice to protect all of our staff and customers throughout our national network. Health and safety is central to the Company's mission and I believe those actions saved lives.

While the world for all intents and purposes shut down, the challenge remained to respond to the need to maintain essential journeys for healthcare and other essential workers. The decision by our Board to steadfastly support the call by Government to maintain essential journeys depleted the net asset position of the company and created significant financial pressure, but it was the right thing to do for both our customers and employees and the right decision as a national State company during our country's critical time of need.



The Strength of Collaboration and Partnerships

Throughout 2020, Bus Éireann collaborated extensively with key stakeholders – the Trade Unions, the National Transport Authority (NTA), the Departments of Transport and Education and with CIÉ to act immediately on the advice issued by the National Public Health Emergency Team (NPHE) to swiftly implement the recommended public safety measures to ensure we could maintain services for essential journeys. With significantly fewer passengers due to the lockdowns, demand management with the necessary implementation of new frequent cleaning, protection and sanitisation regimes, and recommended social distancing was possible and delivered successfully.

Depending on the situation, the severity of lockdown levels impacted public transport usage dramatically, with fluctuations in journey and revenue reductions ranging from over 50% to 90% compared to the previous year. Against this backdrop, the conversations transitioned from focusing not only on a determined implementation of health and safety measures against the virus, but also to laying a foundation for what the new normal would look like for the future. By October 2020, it became evident that we would not be returning to a pre-pandemic world as the second wave of infections began to surge. The strength of our collaboration and

partnerships with all stakeholders has helped us deliver on wider social and economic objectives, such as helping to keep communities connected and the focus now is ensuring our business remains sustainable as we look to the future, in a world which will bring more uncertainty before the recovery begins.

Ensuring the Sustainability of Essential Services

Our business is diverse with a national reach and range of services which is unparalleled by any other transport company in Ireland. Over 2,700 people helped to deliver Bus Éireann services across our School Transport, Commercial and Public Service Obligation (PSO) routes, supported by thousands of other people indirectly employed as contractors and suppliers.

I am particularly grateful to all of our staff who collaborated so effectively to keep our customers and each other safe during this crisis. Our frontline staff were justly celebrated across national and local media and in our back offices, our staff adapted seamlessly to new remote working practices to ensure the business continued to operate efficiently and effectively. Safety practices and protocols had to be re-imagined and re-purposed for everyone and it has been an outstanding safety achievement to report that in Bus Éireann, there were no workplace cluster outbreaks of COVID-19 and

no reported cases of infectious transmission associated with our services in 2020. Customer confidence will take time to recover but I am confident with a successful national vaccination programme and the determination and resilience to continue investing in public transport services and innovation, that a full recovery can be achieved within the coming years.

Safe Public Transport

Safety remains our chief priority and the Board and Executive are committed to delivering the safest transport system possible. I am pleased to report that in 2020, we had significant improvements on all of our safety metrics for collisions, passenger and employee accidents. We look forward to contributing positively to the strategies led by the Road Safety Authority (RSA) for *Vision Zero* and the *Safe System* approach. We will continue to work with all stakeholders, and continue to foster a close working relationship with the RSA, the Health and Safety Authority and other stakeholders to continuously improve standards of safety and build awareness of safety for our staff, customers and the general public.

As a commercial semi-state company, our goal and remit is to also deliver sustainable earnings on a consistent basis. We were delighted to have introduced the single most significant enhancement of PSO services as part of a fiscal stimulus announced by the Government during the summer. New services were introduced to Ballina, Cork, Drogheda, Dundalk, Navan and Limerick with the support of funding from the NTA. Allied to this, we also took swift and decisive action in relation to certain costs, unfunded activity and unsustainable routes to ensure that we could continue to deliver services for both our customers and stakeholders over the longer term. The impact of severely reduced passenger demand, and then restricted capacity, is outlined in the Directors' report and the Board took the necessary and prudent decisions to safeguard the Company throughout this crisis, including the decision to withdraw from four Expressway routes. This decision was taken to avoid unsustainable future losses and protect services for the remaining 150 communities that rely on other Expressway services throughout the network.

The extreme reduction in revenue had a catastrophic impact on our balance sheet and triggered the prospect of an existential crisis without emergency funding and support. That support came through extensive dialogue with our stakeholders, including the Department of Transport. Our holding company CIÉ provided essential liquidity support, and through the NTA we accessed funding to address the revenue deficit granted for both of our PSO and Expressway services, the latter by way of a temporary support made available to all Commercial Bus Operators.

The commercial support enabled the recovery of costs of service provision from when it took effect in August 2020 for an initial period of six months which allowed us to continue providing services on the vast majority of our Expressway routes. Funding agreed by the Department of Education and Skills to protect school contractor businesses when schools were forced to close between March and June also ensured the School Transport Scheme could continue to be delivered in September as schools re-opened. All of these decisions ensured the continued delivery of essential services and we are thankful for the guidance and support of all of our stakeholders during this unprecedented crisis. The composite of these supports and decisions taken to manage costs and secure funding has led to a loss of -€9.2m in 2020 and a net asset position of €6.8m in our balance sheet. Given the scale of our business, we will seek to strengthen the balance sheet in 2021 through re-capitalisation to ensure the business is more strongly positioned for financial stability and sustainable growth in the future.

Sustainable Pathways Identified

While the COVID-19 pandemic may have forced us to reduce speed on *Destination 2023*, our five-year strategic plan, I am pleased that we continued to identify and take new pathways to help us achieve the UN Sustainable Development Goals (SDGs) by 2030. As a Board, we recognise that the shift towards greener production and consumption cannot be delayed until economies are revived. The National Development Plan 2018-2027 and the Climate Action Plan (CAP) 2019 set out ambitious projects and targets and in 2020, Bus Éireann began to catalyse a transformation that amalgamates investment in a green and inclusive economic recovery.

As a Board, we have now adopted a new Sustainability Strategy for the company and look forward to building and delivering on that longer term plan, and to demonstrating how Bus Éireann will support the Paris Agreement and the SDGs, decarbonising our public transport services and delivering an improved environmental impact performance. In 2021, we will establish a new Board Sustainability sub-committee to provide oversight and guidance to support achievement of our plans, recognising that as a public body, the target is an absolute CO₂ reduction of 50% by 2030. In addition, we recognise that the delivery of our fleet capital plan and implementation of our new energy and waste management policies are critical to Bus Éireann achieving the CAP targets.

I welcome the fleet renewal investment by the NTA for diesel hybrid, electric and hydrogen fuel cell bus vehicles which has begun in earnest with orders placed in 2020 and which will be introduced to Bus Éireann services in 2021. This is a major investment and this initiative will bring enormous opportunities for a cleaner, greener environment for generations to come.

Governance and Controls Strengthened for Recovery

The convening of over 56 scheduled and special Board and committee meetings during 2020 is testament to the commitment of our Directors and the Executive team who provided extensive oversight to address every challenge posed by the COVID-19 pandemic.

The Board continues to prioritise an approach to corporate governance which is based on best practice and emerging regulation and trends. The Board is fully committed to improving corporate governance standards in Bus Éireann, and in 2020 we continued to strengthen our compliance and risk framework and programme within the company to work in tandem with existing internal controls.

An Internal Audit review in 2020 found that Bus Éireann was in compliance with Section 225 (3)(b) of the Companies Act 2014, and found that all relevant sections of the Companies Act 2014 were included and interpreted in the Bus Éireann Register of Relevant Company Law Obligations 2020. The report found that appropriate arrangements or structures were in place to provide assurance regarding compliance with the 'Relevant Obligations', and evidence that these were embedded in the Company's control environment and were operating effectively.

Building Back Better

As economies emerge from the shock of the COVID-19 pandemic, strategic foresight is now more important than ever. The world has become more attuned to risk but there is an opportunity now, as we await the administration of the vaccines, for our company to pivot.

Together with our key stakeholders, we will shift the balance from managing for COVID-19 impacts and the attendant economic contraction and threats it precipitates, to creating new opportunities that are more fundamental and valuable to our society, economy and environment.

I would like to thank my fellow Directors for their outstanding commitment and resolve to address the many challenges presented by this pandemic and in helping to forge a new plan with the Executive team and wider staff.

Finally, I would like to thank the Minister, the Departments, the NTA, and CIÉ for their continued and steadfast support of Bus Éireann as we join them to answer the rallying cry to Build Back Better.



Aidan Murphy

Chairperson

Chief Executive's Statement



Resilience has been the hallmark of the company in 2020 and I must pay tribute to and thank each and every member of our team.

CEO Update

In early March 2020, I attended the first briefing in Government buildings convened by the State's Chief Medical Officer. The purpose of this and subsequent briefings was to update major public organisations that the risk of a global pandemic had become a reality and emergency protection measures would be required. The briefings immediately triggered the formation of our own COVID-19 Response team – an internal cross-functional working group established to implement and ensure adherence to all of the public health advice to protect our customers and staff.

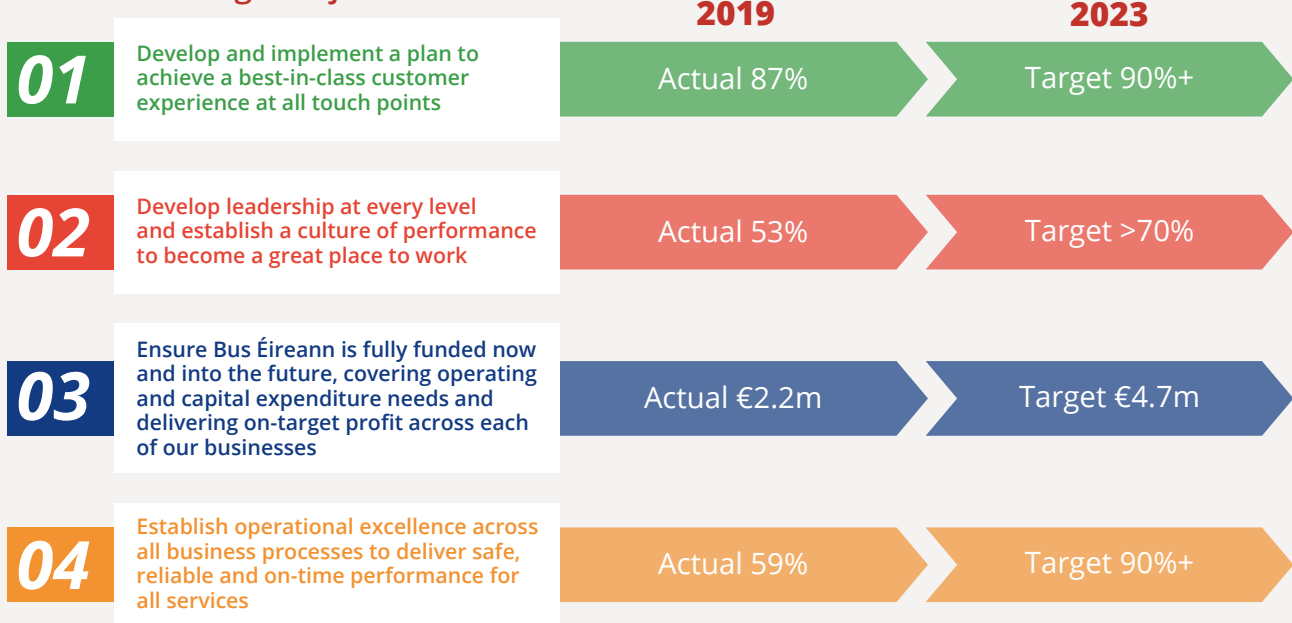
By the end of the year, the impact of the pandemic was clear; it had devastated revenues, changed commuting and work practice behaviours and demanded a full-time emergency response within Bus Éireann to continuously adapt our safety systems and protocols, to ensure we kept our customers and staff informed and safe as possible at all times.

Due to a shared understanding that this event was unprecedented, the crisis undoubtedly strengthened collaboration and partnerships with our key stakeholders, customers, our staff and their trade unions. The unity of response to secure safety and business continuity was central to every endeavour and helped to ensure awareness, information and decisions were progressed in a very resilient manner. While the full consequences of COVID-19 continue to unfold for our economy and society, I am extremely proud that our entire organisation of frontline and back-office workers continue to heroically respond to Government's call to maintain the delivery of service for essential journeys and keep communities and the country connected.

Staying on Course to *Destination 2023*

The emergency crisis hit the business very hard in 2020, but we continued to progress and take decisions to position the company for longer term success by delivering on many aspects of our five-year strategic plan which we have called *Destination 2023*.

Strategic Objectives



With our new leadership team in place just over a year, we continued to make progress on the goals, vision and values for Bus Éireann to help build strong engagement with all of our people and stakeholders. Uniting behind this new vision of the future helped us deliver on and report progress against our balanced scorecard of objectives for Customer Experience, Service Delivery, Financial Sustainability, and for our People. Clear alignment and accountability for delivering on these goals promoted transparent and performance-led conversations which helped the company achieve many of our key metrics in circumstances which were very challenging, and without Government support, could ultimately have threatened the viability of the business.

The Road to Financial Sustainability

In addition to the extreme revenue loss, significant additional costs to operate essential services, such as PPE, cleaning and sanitisation for vehicles, stations and offices had to be incurred and helped to ensure no incidence of a COVID-19 workplace cluster last year. In 2020, almost €6.9m of additional cleaning costs were incurred, 95% of which was funded directly by the National Transport Authority (NTA) or the Department of Education and Skills for Public Service Obligations (PSO) and School Transport Scheme services respectively.



PSO services were reduced to a Saturday timetable by agreement with the NTA for the initial lockdown period and this greatly assisted with facilitating annual leave and generated savings on fuel and bus hire. When capacity increased from a 25% to 50% social distance restriction in the summer, a full timetable resumed and was maintained to the end of the year. The decision by the Government to shore up the revenue loss through the NTA for all Direct Award contracts, together with an announcement of a fiscal stimulus which manifested in the addition of new PSO services which were implemented by the end of the year, generated significant positive coverage and was crucial to ensuring PSO services were not only maintained, but enhanced.

The decision by the Government to close schools was followed by a decision by the Department of Education and Skills to fund the School Transport Scheme. Contractors were paid 50% of contracted rates to ensure services could commence again in September as schools re-opened. In October 2020, a decision by Government to ensure that social distancing could be achieved on Post Primary School Services resulted in a sanction by the Department of Education and Skills of up to €135m to recruit almost 1,700 additional contracted bus services for the 2020/21 academic year. Planning and scheduling for such a logistical exercise at short notice in the last quarter of the year is complex, but the mobilisation achieved to deliver on this request is testament to the unique operational skills vested within the company.

Expressway services incurred heavy losses due to extreme revenue loss in the period up to the temporary support being made available in August 2020. Support was provided under the Commercial Bus Operator Direct Award, granted by the NTA for six months, and the timing of this proved critical to ensuring essential services could continue, especially as Expressway serviced over 30 hospitals nationwide and continued to do so when over 80% of the private commercial bus operators suspended services as the pandemic began.

Two routes did not qualify for any temporary financial support – Dublin-Belfast (X1) and Galway-Shannon Airport (X51) – and a decision made by the Board to exit these routes took effect in September 2020. This decision was accompanied by approval of a plan which supported the consolidation of our Expressway network from 18 routes to 14 routes, a decision based on exiting loss-making routes to ensure a more sustainable recovery and a continuation of remaining services. To promote growth, the Board decision affirmed a prior commitment to the purchase of 30 vehicles (ordered before the pandemic began), together with the capital commitment to progress the new omni-ticketing project for Expressway. Crucially, the Board decision incorporated a cost-saving programme for stranded and non-pay overheads associated with the closure of the four routes and this has since been incorporated into our 2021 budget and actioned by management.

The decisions by the NTA to award a reasonable profit, by the Department of Social Protection to continue funding the Free Travel Scheme, and the qualification of Bus Éireann for the Employer Wage Subsidy Scheme, demonstrated the Government's commitment to protect employment and maintain services in the exceptional circumstance of the pandemic impact. The result of these movements reduced net assets from €16.0m to €6.8m, with the business having incurred losses of -€9.2m in the year. The vast majority of these losses were incurred by commercial services which were not in receipt of subvention or government supports in the period up to July 2020. We welcome the extension of the Commercial Direct Award into 2021 and other supports which will provide essential cost recovery while the vaccinations are administered and to give time for the market to recover. These decisions are critical to the financial sustainability of the business and will provide a stronger foundation on which to re-capitalise the business in 2021 and to ensure the recovery continues.

Service Delivery and Customer Experience Commitments Maintained

The urgent need to create safe spaces for both passengers and transport workers while restoring confidence in our services longer term might require a move towards a different time schedule for some economic and social activities to distribute peak commute hours and better manage the demand in real time. In 2020, we saw passenger journeys decline initially by -90%, recover to -50% by summer when there was an easing of restrictions, and a decline again in the latter part of the year to -80% as travel restrictions were again implemented.

During this period, over 99% of scheduled services were implemented as very high levels of attendance was recorded by our staff, and the commitment to deliver services was maintained. Measures to implement the public health advice were extensive to deliver a safe, inclusive service and these included:

- Seat cordoning to ensure social distancing whilst passengers are seated.
- Capacity restrictions implemented in line with public health advice – 50% restriction in Levels 3 and 25% in Level 5.
- Customers requested to observe social distancing when queuing for tickets or boarding.
- Customers encouraged to use cashless payment or book online.
- Recorded announcements on bus and in-station on public health guidelines regarding the guidelines and use of public transport for essential travel only.
- Daily interior cleaning. Additional vehicle interior touchpoint cleaning including handrails, steering wheel, buttons and seat belts within driver's cab area.
- Inter-trip cleaning of touchpoints including machine buttons whilst buses are in service.
- Hand sanitiser dispensers installed at main bus stations for customer use.
- Hand sanitiser dispensers being installed onboard all vehicles for passenger use.
- Staff provided with wipes and gloves to clean their workspace.
- Post-incident sanitisation of workplace and/or vehicle.
- On-board coaches and buses – protective perspex and retractable screens fitted to drivers' cab area to protect drivers whilst passengers embarking/ disembarking.
- Face masks provided to all staff.
- Drivers are advised to contact operating Control Centres to contact the relevant authorities in the event of non-compliance by customers.
- Sanitation stations installed at all workplaces equipped with hand sanitiser and disinfectant wipes.
- Face visors provided to drivers for use when not driving.

In 2020, we also delivered a step-change in our Punctuality increasing total network service from 59% in 2019 to 68% in 2020, helped in part by the reduced congestion on roads, but in the main delivered by improved timetables and better management of our run profiles. Waterford City services continued to be the best performing local network and operated at over 90% punctuality for much of the year, earning bonus payments under the Bus Market Opening (BMO) Contract which Bus Éireann operates on behalf of the NTA. I would like to commend our workforce who not only successfully adapted to a changed environment but went further with the introduction of new services.

The Company is committed to the provision of a fully accessible public transport system and we continue to focus on ensuring that our services are accessible, and recognise that continued investment is required not just for our fleet, but also in the physical and audio/visual infrastructure across Ireland. Overall, 90% of our total fleet and 100% of our city and town fleet is now wheelchair accessible and in 2020 we operated on 98% of orders placed for wheelchair users. We will continue our service improvement mission to deliver on 100% of total fleet.

A new Customer Charter was signed off by our Board, which recognises and reinforces our efforts towards meeting our goal of continuous improvement. Our performance in meeting the commitments set out in the Charter is independently audited quarterly every year and the commitments are reviewed on an ongoing basis to ensure they continue to reflect realistic and challenging objectives on which to focus our efforts. Our Customer Survey result revealed 87% Satisfaction with our service delivery, an improvement of +3% on the previous year, and a result that brings us closer to our *Destination 2023* target of achieving a minimum of 90% Satisfaction rating in every survey.

Crucially, we also continued to innovate and adapt during 2020. For our School Transport services, we introduced measures to ensure social distancing and in October commenced a procurement process to contract over 2,300 new services to ensure we could deliver services to Post Primary children, socially distanced with a 50% capacity restriction. We introduced a new seat allocation system to inform the planning and will build on this technology platform further in 2021.

We tested our new ticketing for Expressway and began the first trials of Mobile Ticketing on Route 133 – Dublin Wicklow in conjunction with the NTA.

These technology enabled initiatives and achievement of measurable improvements in our key customer metrics underline our continuous effort to become the most customer-centric transport company in Ireland.

The Board continues to ensure that standards and behaviours for safety and best practice will never be compromised. In 2020, we were recognised for our safety standards with an award as winner of the annual national Health and Safety Excellence 2020 Award in the Transport category and I am proud that, helped by our strong safety culture, there were improvements across safety metrics including fatalities, rate of collisions and passenger accident rates.

Our fleet age and quality also improved with 51 new PSO buses provided by the NTA during 2020. In addition, we continued to invest in Expressway, with the arrival of the first of 30 new inter-city coaches approved by our Board in 2019, our first Expressway fleet purchase since 2015.

Engagement with our People Strengthened

Our goal is to maximise the engagement we have with all of our staff, to promote a culture where performance really matters and create the conditions that make Bus Éireann a great and enjoyable place to work.

Recruitment continued throughout the whole organisation and with new expansion of services, 213 employees joined the organisation. As a sign of our growing diversity, our employees include people from 40 different countries while efforts to improve gender balance continue.



Pictured: Bus Éireann driver, Rhonda Byrne in Broadstone depot launching the most significant single enhancement of Bus Éireann services in more than 15 years

Notwithstanding the pandemic crisis, Bus Éireann continued to honour a Labour Court Recommendation from September 2019 which set out a 7.75% pay increase over three years. Implementing this pay increase continues to ensure Bus Éireann remains a competitive employer and achieves key productivity measures, which is a critical tenet of our financial sustainability strategy. Management continues to work with Trade Unions in a positive, collaborative manner to grow the business, create new jobs and achieve a reasonable work-life balance in the best interest of both the company and the customers we serve.

In 2020, we leveraged the full asset value of BÉOnline, our online internal communications platform. We committed to providing regular and consistent updates and reporting, transparency about the limits of our knowledge at any given time, and always ensured clear alignment between the public health advice and the guidelines we issued to our people.

Despite such a deeply challenging year, the results of our employee engagement survey, *Have Your Say* showed improved engagement with all of our workforce.

Recognition is a crucial feature of any service industry and ours is no different. This year, I am delighted that we significantly increased our reach and focus on developing a performance culture with our *Go the Extra Mile (GEM)* awards, with over 350 colleagues recognised for outstanding contribution in 2020.

To foster a new performance culture, we also rolled out our *Growth, Performance, Success (GPS)* performance management framework across our Executive team.

COVID-19 and Outlook

The COVID-19 pandemic has revealed key lessons about how the global community responds to crisis. At Bus Éireann, we can demonstrate some remarkable examples of determination, cooperation and innovation, while the company has enhanced our processes, capabilities, and culture which will prove invaluable to galvanising focus around other business needs in the future. Resilience has been the hallmark of the company in 2020 and I must pay tribute and thank each and every member of our team.

Operating our services through various levels of restrictions has impacted the financial position of the company. A key part of the Bus Éireann strategy is to strengthen the balance sheet solvency through recapitalisation during autumn 2021. In advance of that, I am pleased that stakeholder commitment continues to support the cost recovery of services delivered for PSO and Schools Services. For our commercial services, we will rely on support until the recovery and welcome an initial extension of the current CBO Contract until April 2021 and the potential for additional cost recovery for up to three subsequent months, on a month by month basis.



On the positive, the entire team has demonstrated commitment and flexibility, and a clear focus on our corporate values including safety and collaboration. Our team demonstrated enormous dedication to providing a safe service to customers who really needed Bus Éireann to access medical services, to make essential journeys, and to bring frontline employees to their workplaces in healthcare, retail and food production.

We worked closely and intensively with CIÉ, the NTA and other stakeholders to identify solutions to provide stability to our PSO, Expressway and Schools services. This ranged from additional funding to the Direct Award Contract, to agreeing a new Commercial Bus Operators Direct Award Contract with the NTA for our Expressway services until April 2021, and securing very substantial additional funding from the Department of Education and Skills to support the safe delivery of the School Transport Scheme.

We are grateful to all of our stakeholders for this support. We are now concentrating on a future beyond COVID-19 and staying focused on the fundamental objective of creating a stronger and more resilient transport company that delivers economic, social and environmental value to the State.

Our senior management team and I look forward to continuing to lead the company through the current challenges. We look forward to working with the Ministers, the Departments, the NTA, CIÉ and most especially our Board to deliver our *Destination 2023* strategic plan. We will continue to deliver an unrivalled network of services across Ireland, and I look forward being part of the growth and new opportunity the next decade will bring.

Stephen Kent
Chief Executive Officer



Sustainability

Towards a Sustainable Future 2020-2030

Bus Éireann approved a new Sustainability Strategy *Driving Change 2020-2030* in August last year and which was launched publicly in 2021. The new strategy is based on the United Nations Sustainable Development Goals (SDGs) and is aligned with the Company's *Destination 2023* objectives.

The new strategy sets out the Company's plans to achieve challenging sustainability targets to 2030 across six key areas:

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

Climate Action

In developing its new sustainability strategy, Bus Éireann remains committed to meeting the State's objectives and targets on climate change and energy efficiency, and to leading as an exemplar in this area. Our energy efficiency performance improved again in 2020 and we achieved ISO50001 energy management certification.

As part of these new commitments, the Company is undertaking an overhaul of its fleet with no new diesel-only buses being added to urban routes after 2020. The fleet renewal investment by the National Transport Authority for diesel hybrid, electric and hydrogen fuel cell bus vehicles began with orders placed in 2020 and which will be introduced to Bus Éireann services in 2021. Our goal is to achieve a further 50% reduction in carbon emissions in the next 10 years.

Consumption and Waste

Bus Éireann strives to limit its impact on the environment in everything we do. We will introduce a new Sustainable Procurement strategy to drive change and the sustainability agenda throughout our supply chain where we spend over €224 million annually.

In 2020, the Company ceased using single-use plastic cups, while our tyre supplier recycled over 1,000 Bus Éireann tyres. In 2021, we will produce a new waste management plan which will cover all our facilities, and will target improvements in waste reduction, recycling and re-use.

Cities and Communities

In keeping with our purpose to connect people with who and what matters to them, Bus Éireann services connect villages to towns, and towns to cities, playing a vital role in the State's 'Towns First' policy. Our city services in Cork, Galway, Limerick and Waterford operate for more than 770,000 people. By 2030, we will grow passengers by 30% as more people prioritise bus over car journeys as a more sustainable transport option. An investment in making our stops and stations, and our coaches, accessible for people with mobility challenges is underway and we will offer a fully accessible network by 2030.

Education and Equality

Bus Éireann is hugely proud of its role in School Transport, where one in seven primary and secondary students in Ireland travel to school on over 7,000 dedicated routes, operated by the Company on behalf of the Department of Education and Skills. These children live in mostly rural areas, more than 3.2km away from their nearest school. This scheme reduces car journeys by an estimated 35,000 per day. With demand for these services growing and regularly exceeding current supply, our goal is to increase customer numbers travelling to and from schools by 20% by 2030.

We know the benefits of a workforce that better reflects society and our customer base, and we are working hard to increase our female representation across the entire workforce as well as targeting 50% female representation at Board level by 2025.



Pictured: Bus Éireann mechanic, Caimin Summerville and Martin Somers, Regional Operations Manager of Bridgestone Ireland at the Galway depot planting one of 100 trees in partnership with Bridgestone Ireland to highlight the drive for reduction in CO2 emissions.

Decent, Safe Work

Bus Éireann aims to provide a great place to work for all of our 2,700 employees. Safety is our first priority and we are targeting a 10% reduction in employee accidents by 2023. Investing in our people is fundamental to building a sustainable future and we aim to increase training time by 20% including disability awareness programmes.

As Ireland's national bus company, three in four of our employees are based outside of Dublin and we will continue to be an important employer in regional towns across the country. In 2020, the Company had employees from 40 countries reflecting our growing diversity.

Partnerships

Collaboration is at the heart of the progress Bus Éireann makes each year and to achieve a more sustainable future, the Company is committed to working in partnership across our stakeholders, customers, employees, funding agencies and Government departments.

With the support of the National Transport Authority, Department of Transport and Department of Education and Skills, we will continue to invest towards a sustainable future in partnership with stakeholders including the Sustainable Energy Authority of Ireland, the Environmental Protection Agency, the Road Safety Authority and local authorities.

Operations Review

Customer Experience

As part of Bus Éireann's *Destination 2023* strategy, our goal is to be the most customer-centred and sustainable transport company in Ireland.

Under the *Destination 2023* plan, our first Strategic Objective is to develop and implement a plan to achieve a best-in-class customer experience at all touchpoints. In 2020, we achieved 87% against a target of 90%, a very creditable performance in the prevailing circumstances of the pandemic.

During the year, significant further progress was made towards our goals with the development and Board approval of a new Customer Charter and Customer Action Plan, our new public commitment to delivering the highest standards of customer service across all of our services: PSO, Expressway and Schools Transport.

The Customer Charter sets out the standards that our customers can expect when they use our services and our approach to helping our customers when things go wrong. Our Customer Action Plan describes how we will deliver on the commitments and standards we set out in our charter.

The new Customer Charter was launched in Q1 2020, in both the English and Irish languages, and is available in a range of accessible formats including large print, text and audio book versions.



Service Delivery

Public Service Obligation

In 2020, despite the very significant challenges presented by the COVID-19 pandemic, the Company, with the support of the Government and the National Transport Authority (NTA), was able to continue its focus on improvements in service delivery.

The scale and complexity of the COVID-19 response was unprecedented, requiring the introduction at short notice of a wide range of new policies, procedures, safety actions, fleet and facility modifications and workplace audits. Nevertheless, solutions were found that enabled the Company to fulfil its public service obligations safely.

In addition, the Government's July Jobs Stimulus in 2020 helped to deliver significant service enhancements at Bus Éireann, including 112 new driver jobs and improvements to routes across the country as itemised in the accompanying table.





We help make people's lives easier and better. Every customer matters to us.



Cork Urban Network

The introduction of significant service enhancements on the Cork Urban Network included the following routes/corridors:

- On Route 202 (Apple – City Centre – Mahon Point Corridor), Evening and core Sunday frequency increased to every 15 minutes. A new Route 212 has provided a service from Kent Station to Mahon Point via City Centre and Monahan Rd in both directions
- On route 208 (Curraheen – City Centre – Ashmount Corridor), Evening and core Sunday frequency has increased to every 15 minutes.
- On Route 214/221 (CUH – City Centre – Glanmire Corridor), a combined route has provided a cross city route from Glanmire to CUH. Frequency between Glanmire and the city centre increased to every 20 minutes. The route also has increased evening and weekend frequency.
- Route 220 (Ballincollig – City Centre – Carragaline) has extended to serve the Carragaline Primary Care Centre.
- Route 225/226/226a (Cork Airport Corridor) has provided an hourly service linking Kinsale to Cork City with extended hours of operation. Route 225 has extended to Cork City providing an hourly service linking Carragaline and Ringaskiddy via Cork Airport. The combined Route 225/226 has provided a bus every 30 minutes to and from the City Centre and Kent Station.

Limerick Urban Network

- On Route 303 (Pineview – City Centre – Southill), core frequency doubled to every 15 minutes with increased evening and weekend frequency also. The Route now operates via Limerick Bus/Rail Station with plans to extend to Georgian Village.
- Route 306 (Edward St – City Centre – Ballynanty – Glenagross) has increased hours of operation and revised routing with all services now serving Glenagross.

Greater Dublin Area

- On Routes 103, 103x, 105x, 109, 109a, 109x, 115/115c and NX, revised timetables now better reflect prevailing traffic conditions and are designed to provide a more punctual and reliable service to our customers.

West Clare Network

- On Routes 333 and 336, there are enhanced timetables linking Ennis to Doonbeg/Kilkee.
- There is increased daily frequency linking Ennis to West Clare via Ennistymon or Kilrush, in addition to increased weekend and Public Holiday frequency. Kilkee and Doonbeg are linked directly by public transport for the first time.

Limerick Stage Carriage

- On Route 323/323x (Nenagh to Limerick via Ballina, Birdhill and Castleconnell), there are now seven daily weekday round trips and three daily Sunday round trips. All services operate via the University of Limerick Campus. Portroe is now connected directly to Limerick for the first time by public transport.
- On Route 345 (Scariff to Limerick via Killaloe), there are three weekday round trips daily and an enhanced Saturday service. The Route now operates on Sundays and Public Holidays also.

Drogheda Town Network

- On Route 168 (Dundalk to Drogheda via Dromiskin), there is enhanced weekday and Saturday timetables with up to nine daily departures linking Drogheda and Dundalk. In addition, evening frequency of services has been improved. All services operate via Our Lady of Lourdes Hospital and via Dundalk Institute of Technology (DKIT) with low entry fully accessible vehicles.
- On Routes D4 and D5 (Drogheda Town Services), two new routings have linked Southgate Shopping to Ballymakenny and Termon Abbey with a combined 15 minute frequency. The timetable operates seven days per week. Both routes serve the hospital and the bus and train station.

Navan Town

- Two new Routes (N1 and N2) replaced the current Navan Town Service with a combined 15 minute frequency. The timetable operates seven days a week, with 30 minute combined frequency on Sundays and Public Holidays.

Kerry

- On Route 275 (Tralee and Dingle), weekday and Saturday timetables have been enhanced with nine daily round trips, and six on Sundays. The timetable has provided better integration with other bus and rail services at Tralee Station.

Mayo Network

- On Route 423 (Clifden to Westport), which previously only operated during the peak summer months, three round trips daily throughout the year have been added. Services are designed to arrive in Westport to facilitate onward connections via the bus and rail network to locations such as Dublin, Castlebar, Achill, Ballina and Athlone. From Q1 2021, this route was operated by a low floor accessible bus.
- On Route 446 (Blacksod to Ballina via Belmullet) now has three weekday round trips daily operating throughout the year. Later evening services link all the main towns along the route.
- On Route 450 (Louisburgh to Dooagh/Achill Island) via Westport), the weekday timetable has been enhanced with up to seven daily services to both Louisburgh and Achill Island and weekend timetables with up to six daily services. Later evening services link all the main towns along the route.

Commercial

Expressway

The severe travel-related restrictions imposed by the COVID-19 pandemic resulted in an unprecedented financial crisis for the transport sector. Most commercial operators were forced to exit the market due to extreme revenue loss until the introduction of emergency government support.

Bus Éireann operates Expressway on a commercial basis, but it is also an asset which lies in the ownership of the State, playing a key public service role in maintaining connectivity between communities including those where there is no PSO service. Expressway continued to operate despite the COVID-19 pandemic, helping to deliver essential journeys for essential workers, and delivering 91% of planned services during 2020. However, it accrued very significant losses in the process prior to the introduction of Government temporary emergency funding in July.

Expressway Viability Plan

- In September 2020, the Bus Éireann board approved a viability plan for Expressway. This included clarifying short-term funding requirements during COVID-19 restrictions and defining a different business model to reduce the scale of pandemic-related losses and to create a more robust future.
- The viability plan included: a planned consolidation of Expressway from 18 to 14 routes to ensure a more sustainable recovery and a continuation of remaining services; a cost-reduction programme for stranded costs and non-pay overheads associated with routes closures, which has now been included in the 2021 budget; continued investment in Expressway's fleet and technology to deliver a sustainable future business plan.

- The consolidation is underway and the impacted routes are the X1 (Dublin/Belfast – suspended), X12 (Dublin/Limerick – exited), X8 (Dublin/Cork – to be exited in 2021) and 20X20 (Dublin/Galway – to be exited in 2021). In addition, the X51 Galway to Limerick express portion of the Route 51 Galway to Limerick to Cork stopping service ceased operations in May 2020 with no current plans to reinstate the route. Impacts are minimised as customers can still travel from Limerick to Galway, albeit with more stops along the way.
- Looking to the future, the Company believes that after the COVID-19 crisis, Expressway will return to profitability as annual travel patterns begin to return to normal post the pandemic.
- There will be a continued investment in new fleet and technology, reflecting Bus Éireann's long-term commitment to a sustainable and profitable future for Expressway and our desire to provide a best-in-class customer experience.

Ancillary

In 2020, much of the Company's Ancillary business was suspended as a result of travel restrictions necessitated by the COVID-19 pandemic.

- Eurolines Coach and Sail (Dublin to London, operating as a partnership with National Express in the UK) saw its Route 871 Dublin – Holyhead – London remain suspended since March 2020. A rebrand from Eurolines to Expressway Eurolines, which was ready for launch in February 2020, was postponed.
- The private hire and special events business was halted due to the pandemic. During the year, the Company used this time to strengthen processes and systems to improve service delivery and performance post the pandemic.

Schools

Bus Éireann operates the School Transport Scheme on behalf of the Department of Education and Skills. In 2020, the COVID-19 pandemic brought many challenges to the operation of school transport services and the delivery of services was at all times based on the prevailing public health advice.

In total, school transport services provided over 28.7m passenger million journeys in 2020. This number was down on the previous year due to the period of COVID-19 related school closures. These journeys operated safely and effectively due to the commitment of an experienced and dedicated team of school transport staff working throughout the country.

During the year, the Company worked very closely with the Department and other stakeholders to respond to the changing environment and to ensure services continued to be delivered safely and effectively.

- Over 120,000 students were travelling to and from school daily before the first period of lockdown was announced by Government to close schools nationwide from 12 March 2020.
- In view of the continued public health guidelines around social distancing, it was not feasible to proceed with the tender competition for the 2020/2021 school year, and therefore an extension of one year was offered to existing operators who otherwise would have been required to enter a tender process.
- On the 27 July, the Minister for Education and Skills, Normal Foley TD, announced a roadmap for the re-opening of schools for the new school year. In order to give parents additional time to pay for school transport tickets, the payment deadline was extended until 4 August.
- Significant work and collaboration was required to ensure new safety protocols were in place for the commencement of the new school year.
- Following a further change to public health advice in late August 2020 and a subsequent Government decision, Bus Éireann was requested to commence a rolling plan to implement 50% capacity on all Post Primary routes. This was a significant undertaking and involved the review of over 2,500 routes. A new National Panel of Contractors was procured to source additional vehicles and all new drivers had to undergo vetting to ensure compliance with all safety requirements when operating school transport services. Bus Éireann worked in conjunction with the Department of Education and Skills to source escort requirements in relation to Special Educational Needs Services.



For the new school year 2020/2021, over 114,000 children travelled to school on over 7,000 dedicated school transport routes to over 3,000 schools nationally each school day. This included over 14,500 children with special educational needs who were provided with services that were designed to meet their individual requirements.

- More than 1,000 new services were approved for implementation by the Department of Education and Skills in 2020, with a further 900 amendments to services sanctioned including vehicle upgrades, extra trips and extensions to existing routes. The majority of these were to cater for increased demand for transport of children with special educational needs and additional solutions deployed to implement social distancing on Post Primary services, in line with public health advice.
- A number of dedicated school transport services were also established to cater for eligible children who had previously travelled on scheduled services. These were required due to the reduced capacity available on public transport services associated with COVID-19 restrictions.

Using The Bus - play your part at keeping everyone safe
Ag úsáid an bhús - déan do chion le gach duine a choinneáil slán

Ensure you keep social distance at the bus stop and wear your face covering.
 Déan cinnte go ndéanann tu scaradh sóisialta ag stad an bhús agus go gcaitheann tu d'aghaidhmhasc.

Your driver will be wearing a face covering.
 Beidh aghaidhmhasc ar do thiománaí bus.

Sit in your pre-assigned seat, and wear your face covering
 Suigh i do shuíochán reamhshannta, agus caith d'aghaidhmhasc.

Take care when getting off the bus, one by one, still wearing your face covering.
 Bí cúramach agus tu ag tuirlingt den bhús, duine ar dhuine, agus d'aghaidhmhasc fos a chaitheamh agat.

An Roinn Oideachais agus Scileanna
 Department of Educator and Skills



SCHOOL TRANSPORT SAFETY MESSAGE

Dear Parents/Guardians,

As pupils prepare to return to school following the mid-term break, we would like to take this opportunity to remind you of the safety measures that are currently in place across all school transport services.

DO NOT USE SCHOOL TRANSPORT IF YOUR CHILD IS DISPLAYING SYMPTOMS

If your child is displaying symptoms, or if there is someone in the household suspected or known to have COVID-19, your child should stay at home. Please do not allow your child to present for school transport or to attend school. Please phone your doctor and follow HSE guidance on self-isolation or restricting movement.

KEEP YOUR DISTANCE:

- Ensure your child practices social distancing at the Bus Stop, while waiting for the bus.
- Pupils should disembark the bus in an orderly fashion.

PRACTICE SAFE HYGIENE AND RESPIRATORY ETIQUETTE:

- Ensure that your child (ages 13+) wears their face covering while waiting for the bus, when on board the bus and after they leave the bus.
- All pupils should use hand sanitiser prior to or on boarding the bus.
- All pupils should observe respiratory etiquette at all times – cover coughs and sneezes with a tissue and dispose of it properly, or by coughing or sneezing into their elbow while waiting for and on-board transport services.

*With the exception of children with a medical or special educational needs persons are not in a position to wear a face mask or face covering.

SIT IN YOUR PRE-ASSIGNED SEAT

Ensure your child sits in their pre-assigned seat. Our seat allocation system ensures that siblings will sit together, followed by pupils from same class, same year group and same school.



LOOKING AFTER YOUR CHILD'S SAFETY

The National Office of School Transport Safety (naosst) is a body of the Bus Éireann Group. For more information, please visit www.naosst.ie.
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Customer Service

In July 2020, Bus Éireann deployed a national customer telephone system for school transport offices to coincide with the peak season of payments and applications' processing. The investment in systems and technology, approved in consultation with the Department of Education and Skills, was targeted to provide an enhanced customer service experience for the 75,000 families that engage with the School Transport Scheme.

31,000 calls were received during that period with up to 50% of the queries relating to ticketing and payments. The uncertainty around the re-opening of schools and protocols for a resumption of services also led to increased queries.

Our customer services were supplemented again this year with an increased use of web and social media platforms for the distribution of key messages concerning closing dates for applications and payments. This will continue to be a focus of information campaigns going forward to ensure parents are informed of all key deadlines.

Refunds

The closure of schools between March and June required Bus Éireann to process refunds to over 45,000 account holders at the direction of the Department of Education and Skills. Such a demand for refunds, in both volume and value terms, and in a relatively short period of time, was unprecedented. In response, we communicated to a large audience via a dedicated page on the Company website and mailbox, in addition to a social media campaign. The majority of refunds were processed electronically through our merchant bank partners and were delivered successfully in July and August.



Accessibility

Bus Éireann is committed to providing a truly accessible public transport system incorporating readily accessible vehicles and supporting infrastructure. To help achieve this commitment, the Company engages with stakeholders including the Disability User Group.

In 2020, significant progress was made to ensure the appropriate infrastructure was in place to support enhanced accessibility. These included:

- Bus stop and station accessibility improvements with the support of the NTA, with stations at Killarney, Rosslare, Tralee and Waterford receiving upgrades.
- JAM Card training was made available online on BÉOnline with 237 staff completing the course. Overall, 90% of our drivers are now trained with JAM Card. The JAM Card allows public transport users with learning difficulties, autism or any condition where there can be a communication barrier to relay to others that they may need a little extra time in a simple, effective non-verbal manner
- In total, there were 15 new double deck buses allocated to city networks and 15 low floor regional buses allocated to local routes from Galway to Donegal.
- Our website is now WCAG 2.0 Level AA compliant. We will begin our website rationalisation project and in 2021 will identify next steps to moving to AAA compliance.

Technology

Technology is a key enabler to help the Company to fulfil its mission across a number of areas including putting the customer first, improving performance and ensuring the highest safety standards are met at all times.

In 2020, Bus Éireann continued to deliver technology improvements across a number of initiatives including:

- A new on-board Vehicle Telematics System, 'Mix Telematics', was introduced to fit all our scheduled service fleet with a telematics system. The new system will provide drivers with feedback to help improve their driving performance and deliver improved safety, customer experience and fuel efficiency. A full rollout is planned for early 2021.
- A new Mobile Ticketing trial began on PSO Route 133 (Wicklow – Dublin) in conjunction with the NTA. With the aim of making public transport easier to use, Mobile Ticketing provides advance ticket purchase options, reducing cash transactions in the process. The trial will be rolled out to other Bus Éireann commuter routes in 2021.
- During 2020, collaboration between the Technology, Commercial, Finance and Operations teams helped to deliver a new multi-channel ticketing and customer information channel for Expressway. Launched in February 2021, MyExpressway delivered a best-in-class customer experience for Expressway, including new purchase and payment channels, Leap and Free Travel Scheme integration, guaranteed seat reservations with purchases and real-time customer information. MyExpressway has also brought strong operational benefits including capacity management, new reporting and business insight.



Marketing

In 2020, Bus Éireann continued to add to its national reputation for excellence in service with a number of awards from external parties.

- During the year, Bus Éireann was pleased to receive the Customer Service Award from the Public Sector Magazine, Excellence in Business Awards 2020. The award recognised the excellent work of the Company in continuing to deliver essential public transport services throughout the COVID-19 crisis, a tribute to the outstanding commitment and dedication of all our staff and partners.
- The Company was also pleased to be selected as the winner of the annual national Health and Safety Excellence 2020 awards in the transport category during the year. It recognised excellent performance and innovation in health and safety.

Corporate Communications and Public Relations

The importance of best-in-class communications was brought to the fore in 2020 in the hugely challenging and continually changing circumstances of the COVID-19 pandemic. The Company's crisis communications' planning and processes were operationalised early in the year and played a vital role in the organisation's response to a changing landscape.

Bus Éireann maintained a strong focus on communications and media surveillance to ensure it was aware of all key issues. Regular briefings with stakeholders, including the NTA and other public transport operators, took place throughout the year.

Other measures included:

- A focus on keeping customers informed including CEO communications by way of email and video, the latter of which was disseminated through Bus Éireann and Expressway social media channels (Facebook and Twitter) and websites.
- Up to date customer information was also made available on-bus (via posters and decals), in bus stations (posters, pull-ups, additional signage) and at bus stops.
- The Company's COVID-19 messaging focused on safety and additional cleaning measures, face coverings, respiratory hygiene, essential travel only, and non-cash payment methods. We are very grateful to our customers for their very high levels of compliance in relation to these new measures



- Our *Local Heroes* campaign helped to highlight the importance of public transport to communities across Ireland.

IMAGE

Back to work? We never stopped. We hear from a nurse, a bus driver and a Childline volunteer

by Lizzie Gore-Grimes
30th May 2020



Other Communications

Our in-house communications capability was further developed in 2020 through the recruitment of a new role of Senior Manager Corporate Communications. During the year, the team laid the groundwork for a post-pandemic recovery through investment in a number of strategic communications projects.



On the operations front, a number of new campaigns and initiatives were developed to ensure Bus Éireann's core messaging was disseminated widely.

- In June, we launched a new campaign, *Keeping Ireland Connected*, in partnership with Transport for Ireland (TFI).
- Our campaign goals were to share and promote positive messaging across Ireland and to highlight that the Bus Éireann team is living its purpose by keeping Ireland connected to who and what matters to them each day. The campaign employed outdoor advertisement formats and on bus and in station posters along with social media. In July, the Company launched a co-branded Dublin Bus campaign on the Dublin Bus fleet.
- The Company received strong media coverage of its various initiatives around school transport including refunds for unused services in 2019/2020, an extension of the payment deadline for the new 2020/2021 school year to 4 August, and general COVID-19-related safety measures.

- Separate to the pandemic, and as part of Bus Éireann's efforts to achieve long-term sustainability in the business, the Company engaged in a hydrogen bus trial during the year. Public relations for the initiative was coordinated by the Hydrogen Mobility Ireland consortium and achieved significant PR and media focus including the involvement of the Minister for Transport Eamon Ryan and the manufacturer Toyota. The Company's own PR messaging focused on the first hydrogen fuel bus to be put into public service in Ireland and linked the trial to our long-term sustainability strategy and evolution away from diesel. Outputs included broadcast interviews with CEO Stephen Kent on RTÉ Radio's *Morning Ireland* show and CCO Allen Parker on LMFM radio.





Corporate Social Responsibility

Bus Éireann seeks to connect people with who and what matters to them, helping to make life better for its passengers and communities. The Company maintains an extensive engagement programme with our communities and in 2020 we engaged with 22 community and voluntary organisations or charities.

In keeping with our purpose, the Company agreed a three-year partnership with the Community Games, with an alignment of values around community, connectivity and inclusion. In May, we hosted a Virtual Games which connected Bus Éireann with communities across Ireland, with children encouraged to #GetInTheGames and demonstrate their skills. Overall, there were 95 Facebook posts with a reach of over one million people.

During the year, the Company participated in a number of campaigns and initiatives including:

- Activity during National Heritage Week 2020 with a competition and daily Tweets covering the bus stations at Broadstone, Busáras, Cork depot, Galway and Letterkenny.
- Participation in regional campaigns including lighting up Cork Bus Station in red to support Marymount University Hospice and Cork GAA for #GoRedForCork day and then in purple to support disability for #PurpleLights20.

- Collaborated with Galway 2020, European Capital of Culture with a branded Expressway association promoting our services, including a wrapped bus.
- Bus Éireann also proudly participated in a new anti-racism campaign on public transport by TFI, the Immigrant Council of Ireland and Dublin City Council.





In recognition of an extremely challenging year in 2020, Bus Éireann focused its Christmas campaigns around supporting passengers and communities.

- The PSO Christmas campaign highlighted that Bus Éireann and TFI, despite significant challenges, served to keep communities connected across Ireland throughout 2020. The campaign promoted and supported local small businesses and encouraged customers to name and share their favourite local business to win a gift voucher for that business.
- For Christmas, Expressway sought a partner with an aligned purpose of connection and helping to make life better, and identified Grow Mental Health, which has delivered mental health services for over 50 years with a focus on resilience and recovery. The 'Grow Mental Health Expressway Christmas' campaign was launched by the Minister for Mental Health and Older People, Mary Butler, TD. The campaign delivered significant engagement metrics including slots on RTÉ Radio 1's *The Ryan Tubridy Show* (320,000 listeners) and Today FM's *Dermot and Dave Show* (183,000 listeners).

Leadership and People

At Bus Éireann, our successes are made possible by our great people: our drivers, maintenance teams, our partners, and everyone who makes it possible to get our customers where they want to go safely. Our services are delivered by people who believe Bus Éireann is a great place to work.

Despite the challenges we faced due to the COVID-19 pandemic, thanks to our dedicated employees and partners we kept our services operating, even during the worst of the crisis. Our purpose which is to connect people with who and what matters to them, helping to make life better, was never more true than in 2020 as the organisation focused on providing vital transport for essential journeys.

Destination 2023

In *Destination 2023 – Our Vision for the Future*, our strategic objective 2 is to develop leadership at every level and establish a culture of performance to become a Great Place to Work. Using employee engagement as our metric, in 2020, we were delighted to have achieved a 20-point increase over the previous year's score, with 77% of our employees telling us that they are proud to work at Bus Éireann and would recommend it as a great place to work.

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

Leading through the pandemic

Bus Éireann is a safety first business, and never more so than in 2020. Our COVID-19 Emergency Response Coordination Group led the operational response to the pandemic ensuring a priority focus on employee and customer safety. Chaired by the Chief Risk and Safety Officer, it allowed rapid response and decision-making while also providing the key messages for communication to our people.

The cross-functional Return to Work Safety Policy Task Force worked hard to ensure the safety of our employees in line with Government protocols. Additional safety measures were put in place across the business for all employees, including those working remotely.

Organisational Structure and Capability

New management levels provided clarity on roles and expectations and supported with talent and succession planning. The new Leadership Group comprising the Senior Leadership Team, Heads and Senior Managers meets every month to review critical business issues, quarterly priorities and targets.

In 2020, we partnered with Dublin City University (DCU) to establish the foundations for our leadership development programme which continues through 2021. With facilitation by DCU we held our annual Leadership Conference in December providing an important forum for sharing the strategic priorities and engaging our people to shape the direction for 2021.

GPS | Developing a Culture of Performance

At Bus Éireann, we are creating a performance-based culture where our people have clear objectives, get honest feedback, and have open conversations about careers, development and progression. First introduced to managers in 2019, GPS (*Growth, Performance, Success*) is Bus Éireann's performance management and development programme. It provides the framework through which Bus Éireann's strategic, top-level goals are used as the basis for developing individual objectives and measuring performance. During 2020, we continued the rollout to managers completing the first year's cycle of mid-year and year-end performance and development reviews.

GEM – Go the Extra Mile

Recognition of employee performance and achievement is an important feature of all good workplaces. The Company's *Go the Extra Mile (GEM)* awards was in its third year of operation in 2020 and resulted in 350 colleagues being formally recognised for outstanding contribution, including the hosting of Regional *GEM* awards to complement our annual National *GEM* awards in a number of virtual online events. Overall, there were

500 employee generated nominations with local winners selected by regional senior managers and national winners by the Senior Leadership Team. An overall 'Hero of the Year' was voted on by employees.

BÉ Online

BÉ Online is Bus Éireann's internal social media platform where employees can access company and employee-generated social news wherever they work. The digital platform was developed in response to growing employee demand for more immediate and sustainable company engagement tools.

In 2020, with travel restrictions and a focus on remote working due to the COVID-19 pandemic, BÉ Online played a crucial role in enabling the Company and employees to remain more fully engaged with one another. During the year, we committed to providing regular updates and reporting including information transparency in a wider environment characterised by uncertainty and challenges.

Important communications with employees included business updates and relevant COVID-19 related information, in addition to regular items such as employee generated news on charities, retirements and new employee welcomes. Over the course of the year, we engaged our employees using written updates, video, animations and live chats.

With 2,392 active users out of a total employee base of 2,700 BÉ Online is proving an essential component of our employee communications capability.

Have Your Say

Our annual employee opinion survey, *Have Your Say*, plays an important role in gathering and measuring feedback among our employees, providing us with key employee insights including metrics we use to measure the achievement of our second Strategic Objective. Completed in September, our survey moved almost wholly on-line in 2020 (94%) and achieved a participation rate of 60%, an increase of just over one-third from 2019.

Having re-introduced the survey in 2019 after a pause of over five years, we had a solid basis on which to measure how our employees felt about working at Bus Éireann. In 2020, we reached an employee engagement index of 73%, an increase of 20 points from the previous year, which was remarkable given the challenges of operating a frontline business during the COVID-19 pandemic. Employee attitudes improved on practically all 62 questions, most often by double digits.

The survey revealed high scores in the area of safety with 62% (+15 vs 2019) agreeing that 'the company is doing a good job of monitoring and improving the safety where I work', with 71% (+6 vs 2019) saying that they 'have the tools and equipment' needed to work safely.

Providing our employees with business updates, advice on public health measures and importantly recognising their efforts and concerns played an important part of our employee communications strategy in 2020. From the outset, we committed to our employees that we would tell them what we could, when we could.

In 2020, we saw a 22 point increase in the number of employees who agreed that Bus Éireann is 'open and honest in communications', and a 29 point increase to 67% who say that their 'manager/supervisor shows care and concern' to them.

Findings from the 2020 survey have been used to inform and develop our HR strategy and plans for 2021.

In recognition of the progress made on engaging our people we were pleased to have been awarded the 'Best Use of Internal Communications' by the Public Relations Institute of Ireland, as well as placing second in the HR Awards for Leadership and Management.

Remote Working

While providing our front-line employees with the support and resources to operate safely was and remains a key priority, we also needed to comply with the Government directive for our office-based employees to work from home where at all possible. Previously not the norm for Bus Éireann, a new policy was swiftly introduced with a view to remote working in the longer term, beyond the pandemic. An inclusive approach was used for the design of the policy and supports which included the necessary IT resources for remote working, the delivery

of lbec training for employees and managers of remote working employees, home workplace safety assessments as well as the provision of an ergonomically approved chair. Virtual coffee mornings and quizzes became the new 'water cooler' chat. Responding to feedback from the 2019 employee survey, a new flexible working policy was also introduced, recognising the often complex lives our people live.

Technology-enabled Improvements

We extended online payslips to all employees in 2020, available via BÉ Online, removing the need for printed payslips. We implemented 'AskHR', a centralised query management process for HR queries to ensure a consistent and timely response and remove local office duplication. We also introduced electronic record management, removing the need for paper records and enabling instant access regardless of location. A transformation program was agreed for the HR system to be introduced in 2021.

Industrial Relations

A number of shared priorities were achieved through the course of the year. The number one priority was and remains safety and the protection of our front line employees was a regular agenda item through the course of the year in the various consultation processes. Flexibility in relation to services and rosters was paramount with the introduction of Government restrictions and the support of trade unions through this period of uncertainty and in the agreement of the Expressway viability plan was key to moving forward. Alongside these critical changes, the agreed productivity items as set out in the various pay agreements continue to progress through implementation.

Supporting our Communities

Bus Éireann is Ireland's national bus operator whose purpose is to connect people to where they wish to go safely. Our network of connections and our reach extends deep and wide into communities across the country.



Pictured: Bus Éireann Clerical Officer, Catherine Barry, Sales Executive Marie King and driver Ger Riordan at the Limerick "Fill a Bus" Christmas Appeal in Limerick

In 2020, we engaged directly with 22 community and voluntary organisations or charities. Due to the public health guidance and travel restrictions from the COVID-19 pandemic, there was a significant increase in the use of virtual and video meetings during the year.

These groups included: Accessibility User Group, Arklow Meals on Wheels, Business in the Community, Cheshire House Galway, Cork Penny Dinners, Cork Pride Virtual sponsorship, Donegal Town Community, Dundalk Meals on Wheels, Dundalk Women's Aid, Employer Speed Dating event (in conjunction with TU Dublin for disadvantaged areas/groups), Galway 2020 (European Capital of Culture), Green Schools Limerick, Immigrant Council of Ireland, Limerick Regeneration Group (Moyross), Mid West Simon Community, Mullingar Fleadh, Waterford Foodbank, and Youth Work Ireland (Meath).

Diversity and Inclusion

Bus Éireann is committed to ensuring an inclusive and diverse workforce in keeping with its goal to be an organisation that cares for all its people and one that fosters an environment where employees believe and trust in each other.

In 2020, the Company had employees from over 40 countries, a reflection of a growing and diverse tapestry of colleagues. Diversity initiatives during the year included the development of a new Gender Identity policy and participation in events around International Women's Day 2020.

Women in the Workforce

Equality is a core principle in Bus Éireann's new sustainability strategy and the Company is driving a number of initiatives aimed at promoting greater gender balance in the organisation. In 2020, females comprised 9% of employees, with greater representation at manager (38%) and senior management (35%) levels.

Following a Women Drivers Recruitment Day in 2019 and a follow-up campaign across social media, radio and local channels, the drive for greater gender balance among our drivers resulted in eight new female drivers joining Bus Éireann in 2020.

International Women's Day

Each year on March 8, International Women's Day (IWD) is celebrated around the world. In 2020, to celebrate the occasion, the three female Chief Officers held career development workshops with female colleagues in a number of locations around the country including Cork, Dublin, Dundalk, Galway, Limerick and Sligo.





Employee Training

Bus Éireann has a nationwide network of training instructors who ensure compliance with regulatory training, the maintenance and upgrade of skills for drivers and craftworkers as well as supporting soft-skills training. All regulatory training was completed in 2020. COVID-19 presented challenges for the training team given the need for social distance to be observed impacting classroom capacity. In response, and new for Bus Éireann in 2020, was the provision of training through virtual or remote sessions thus enabling key training to be maintained. In 2020, the standard of the training function was acknowledged by the award of ISO 9001. Training was started in 2020 and will continue in the years ahead to ensure our craftworkers have the skills necessary for the inspection, maintenance and repair of alternative fuelled vehicles.

Apprentice Programme

In 2020, Bus Éireann continued its development of apprentice pathways into our Engineering and Maintenance functions with a further intake of 16 new apprentices. Each apprentice undertakes a four-year training programme in conjunction with SOLAS. The apprenticeship consists of seven phases – three off-the-

job and four on-the-job. Following the completion of 208 weeks of training, successful apprentices are awarded the Quality and Qualifications Ireland (QQI) Level 6 Advanced Certificate in Heavy Vehicle Mechanics. In 2020, 45 apprentices attained the certificate.

Driver Uniforms

Having listened to feedback from the 2019 *Have Your Say* survey and from *Destination 2023* workshops, we engaged with our drivers to design a modern uniform that represents the pride they have in Bus Éireann.

The new uniform has a more contemporary look and feel, with new black/grey style and colourful soft shells replacing the traditional navy blue blazers. New items have also been added to the range of uniform including belts, short sleeve jumpers, gilets and a new all-season overcoat. The new uniform will be launched in 2021.

We also began the process of introducing new workwear for our garage employees.

Financial Review

Financial Performance

After returning a profit in 2019, the effect of the COVID-19 pandemic on the use of public transport had a very significant impact on Bus Éireann's financial performance. In 2020, Bus Éireann recorded a loss after exceptional items of (€9.2m). This compares to a profit after exceptional items of €2.3m in 2019. Due to the severe travel restrictions introduced in 2020 and their impact on passenger numbers, Expressway revenue reduced by 35.8% during 2020 to €38.96m (2019: €60.7m) with passenger numbers falling by 59%. PSO revenue reduced by 8.6% to €141.6m (2019: €154.9m) with passenger numbers falling by 49%. In addition, COVID-19 specific expenditure associated with cleaning and PPE equipment accounted for €16.7m, which required a significant contractual and logistical effort from procurement, and financial management and control.

In order to mitigate the material reduction in revenue on Expressway routes, a number of schedule changes were agreed with the National Transport Authority (NTA). In addition, Bus Éireann was successful in obtaining temporary support under the Commercial Bus Operator Direct Award Contract (CBO-DAC) across most routes with the remaining routes bar two being discontinued. CBO-DAC funding amounted to €5.0m in 2020 from its commencement on 30 July 2020. During 2020, the Company requested liquidity support for unfunded Expressway costs relating to two Expressway routes that were not covered under CBO-DAC from CIÉ.

Total PSO Subvention in 2020 rose by 53.2% due to the reduction in passenger revenue receipts. The NTA continued to fully fund PSO services for 2020, including a portion of additional funding for services commencing in 2020 under the Government's July stimulus plan.

School Transport revenue reduced by 5.3% in 2020, due to the suspension of school transport services resulting from school closures during the commencement of the COVID-19 pandemic in March. This included supplementary funding approved in October for the delivery of additional services in order to provide 50% social distancing to comply with revised public health guidelines.

Bus Éireann was also in receipt of €18.7m from both the Temporary Wage Subsidy Scheme (TWSS) introduced in March 2020 and the Employer Wage Subsidy Scheme (EWSS) which replaced the TWSS in September 2020. The net impact of the subsidy was €0.55m, as the majority of the subsidy is adjusted against the relevant funding streams.

The loss of (€9.2m) is comprised of a reasonable profit element of €1.5m attributable to PSO activity offsetting a loss of (€10.7m) on non-PSO activity.

Year	Schools & Commercial	PSO	Pre-Exceptional	Exceptional	Profit/(Loss)
	€M	€M	€M	€M	€M
2020	(11.2)	1.7	9.5	(0.3)	(9.2)
2019	1.6	0.7	2.3	0.036	2.3



In 2020, there was a reduction in EBITDA to (€6.1m) compared to €8.8m in 2019, predominantly due to the impact of COVID-19. Payroll and related costs increased by 1.2% to €144.6m in 2020 with an average headcount of 2,702 compared to €142.9m in 2019 with an average headcount of 2,727.

Investment activity in 2020 was €3.1m versus €1.1m in 2019. Significant investment will be made in our fleet and customer services, with Board approval for the purchase of 30 new Expressway vehicles in 2019 due to be delivered from Q1 2021 onwards and a new on-board ticketing platform (developed in 2020). This was a significant investment and was only possible after a comprehensive financial evaluation process of our capital position was undertaken. There have also been significant improvements to staff facilities across the regions in 2020, with expenditure of €1.7m versus €1.6m in 2019 in properties and facilities. In 2020, the NTA also provided Bus Éireann with 51 new PSO fleet at a value of €19.4m, versus 49 PSO fleet at a value of €14.6m in 2019.

Due to the impact of the pandemic, Bus Éireann's balance sheet deteriorated during 2020 with net assets now at €6.8m down from €16.0m in 2019.

Chief Financial Officer – Strategic Pillars

Bus Éireann is committed to the highest standards of financial control and governance and strives to deliver on its *Destination 2023* goals through the development of best in class strategic pillars across Finance, Procurement, Compliance and Governance. Our objective is to bring Bus Éireann to the next level of financial maturity across five stated strategic pillars:

1. Leading the strategic path
2. Ensuring sustainability and funding
3. Driving efficiencies, performance and value for money
4. Excellence in people and systems
5. Promoting exemplary governance.

CFO Cluster Strategic Pillars



Pillar 1 – Leading the Strategic Path

In 2020, Bus Éireann performed a bottom-up budget and rolled this out in order to ensure budget accountability across all business areas. Forecasts are revised twice annually and an annual review of the Company's rolling five-year business plan is conducted and which is reviewed by NewERA. A regular sequence of reviews is now in place across all business functions in order to ensure transparency and understanding of the results, related KPIs, and to monitor and agree corrective actions where applicable. Periodic reviews are scheduled with the Senior Leadership Team to communicate and review financial performance. Bottom-up budgeting with key performance indicators underpinning expenditure targets by location continued into the 2021 budgeting process, ensuring a fully-funded PSO business continues for the second year of the Direct Award Contract. Key to this process was the cross-functional working group which ensured agreed deliverables on head count requirements across the business including a detailed seasonally adjusted budget for 2021. The review of future requirements of the School Transport Scheme was concluded and discussions continue with the Department of Education and Skills based on the findings of the report.

Pillar 2 – Ensuring Sustainability and Funding

During 2020, the requirement to maintain financial sustainability was extended to ensure the delivery of Expressway, PSO and Schools services were adequately funded within the COVID-19 impacted economic environment. The 2020 profit and loss account reports receipts from Public Service Obligation funding of €88.8m, an increase of €30.8m over 2019 to reflect additional funding received from the NTA to mitigate the effect of the reductions in revenue receipts, together with additional funding associated with the Government's July stimulus plan. Schools revenue reduced to €192.7m from €203.5m in 2019, due to the suspension of school transport services resulting from school closures. This included €10.7m associated with COVID-19 including the delivery of additional services to meet social distancing requirements. In July 2020, the Company was successful in obtaining temporary support under the Commercial Bus Operator Direct Award Contract (CBO-DAC) to support the Expressway business. The contract extended to 29 January 2021, with funding for 2020 amounting to €5.0m.

In order to maximise future profit and manage passenger growth across the Expressway business, in addition to the purchase of 30 new Expressway vehicles approved in 2019, investment in a new Expressway customer ticketing platform was approved and piloted in 2020. This will enhance Expressway's competitiveness when the market recovers upon the lifting of travel restrictions.

Bus Éireann continues to liaise with the Department of Education and Skills on the delivery of school transport services resulting from an independent review of future requirements.

Capital commitments as at 31 December 2020 were €17.4m which included €13.2m for 30 new Expressway fleet, which compared to capital commitments of €4.4m at 31 December 2019.

A key focus continues to be on the increased vigilance over unfunded activity. In addressing this particular concern, regular meetings continue both internally and with the NTA to examine additional costs as services are increased or enhanced. This was particularly relevant in 2020 in delivering PSO stimulus-related additional services. During the year, informed decision-making based on relevant financial analysis and close working relationships with key stakeholders was critical to the delivery of service enhancements and curtailments, and to securing the relevant funding associated with the CBO-DAC and PSO stimulus funding models.

During 2020, the Company continued to implement enhanced discipline around the control of capital and operating expenditure. The Capital Steering Committee met regularly during 2020 to apply governance and rigour on investment decisions, ensuring they were supported by detailed financial business cases. This ensured that options were thoroughly evaluated and that the Bus Éireann Board was fully informed in making decisions on capital expenditure.

Pillar 3 – Driving Efficiencies, Performance and Value for Money

Procurement improvements during 2020 included a reduction in non-compliant expenditure from 4% in 2019 to 2.2% in 2020. An e-Procurement platform was introduced to optimise procurement processes and procedures. These improvements will assist the Company to ensure that it meets its regulatory requirements in key areas and operates best practice in framework and contract management. During 2020, as a result of COVID-19 public health guidelines, at minimum notice and with the market in short supply, the Company successfully sourced and distributed approved cleaning and PPE equipment, additional on bus touch point cleaning. Additional resources were also procured for School Transport Services in order to deliver 50% additional capacity with socially distanced services. This significant undertaking was delivered within procurement guidelines with minimum notice.

In 2020, there was in excess of 25 contracts awarded, 10 of which were frameworks with two Qualification Panels. In all, nine contracts achieved price savings. An independent review of these contracts was conducted and benchmarked the pricing against similar organisations in the EU. This benchmarking exercise showed that all contract pricing was competitive with market pricing and value for money was achieved.

As a result of COVID-19 travel restrictions and reduced passenger activity, a Saturday plus timetable was introduced on all road passenger services from April 2020 until early June 2020. PSO savings on fuel, tyres and bus hire were achieved which reduced the NTA funding requirement for 2020.



Pillar 4 – Excellence in People and Systems

Bus Éireann continues to invest in its people and systems across Finance, Procurement, and Compliance and Governance. In 2021, workstreams will address processes, systems, technologies, data analytics and key skills and resources in order to ensure resilience within the CFO cluster.

Pillar 5 – Promoting Exemplary Governance

Bus Éireann is fully committed to meeting the requirements of the Code of Practice for the Governance of State Bodies. During 2020, there has been ongoing development of the Compliance and Corporate Governance framework within the Company, including an increased focus on the provision of assurance on the effectiveness of internal controls. There has also been a greater focus on Board and Committee Governance effectiveness, particularly through the COVID-19 pandemic as it impacted in 2020 and 2021. An external review of board effectiveness by Governance Ireland was completed in January 2020. There has been an increased focus on compliance with the Code of Practice for the Governance of State Bodies and the Public Spending Code. The Company has also enhanced its processes and systems for dealing with governance and reporting in relation to financial and accounting control and general statutory and regulatory compliance.

The Company has also adapted to Brexit and is implementing the Brexit plan which was devised in 2020.

The Annual Review of Effectiveness of Internal Control for 2020 provided an assurance level of Satisfactory to Substantial across a range of activities relating to the Code of Practice for the Governance of State Bodies, the Companies Act, and the Public Spending Code. The assurance levels are summarised in the following table:

Evidence of Compliance	Level of Assurance			
	Unsatisfactory	Limited	Satisfactory	Substantial
1 – Code of Practice				
Code of Practice – QA Review of General Guidelines				✓
Code of Practice – Business and Financial Annex – QA Review				✓
Code of Practice – Risk Management Framework – Annual QA Review			✓	
Code of Practice – Board and Committee Governance – Annual Self Assessments and review of Terms of Reference			✓	
Code of Practice – Customer Charter			✓	
2 – Internal/External Audits				
CA 2014 – Directors' Compliance Statement – GIA Audit				✓
External Audit – Compliance and Governance Matters			✓	
Internal Audit – Annual QA Report			✓	
NTA Audit			✓	✓
3 – Other Reviews				
Procurement Derogations and Non-compliance Report 2020 – RP and Schools			✓	
Public Spending Code – Annual QA Report 2020			✓	
PCI DSS Compliance Programme			✓	
Irish Language Scheme			✓	

During 2020, Bus Éireann achieved an assurance rating of Substantial for both the 2019 PSO DAC NTA Audit and the 2019 Waterford BMO NTA Audit from RSM (NTA appointed auditors). This is the highest rating attainable and the first time that Bus Éireann has achieved such a rating since these audits commenced in contract year 2010. Also, Bus Éireann in 2020 significantly reduced the number of outstanding recommendations from prior audits. It is a testament to the significance Bus Éireann places on performing its PSO obligations and also the tremendous efforts put in by staff across the business in achieving and maintaining the highest standards in performing their PSO duties.

Financial Outlook

The COVID-19 pandemic during 2020 had a very significant effect on passenger demand throughout the year and this impact is continuing into 2021. It has created a challenging environment which Bus Éireann is responding to, together with all of its key stakeholders. The impacts are detailed in the Going Concern section of the Directors' Report.



The Commercial Bus Operator Direct Award Contract (CBO-DAC) was extended for a further three months from 30 January to 29 April 2021. This is a welcome development with the national Level 5 restrictions resulting in a maximum capacity of 25% of on-bus passengers permitted continuing in the first part of 2021.

The Department of Education and Skills is continuing to fund additional COVID-19 related expenditure including services introduced to comply with 50% social distancing on mainstream and special educational needs services operating at post-primary level.

Operational Excellence

In our *Destination 2023* plan, our Strategic Objective 4 is to establish operational excellence across all business processes and to deliver safe, reliable, an on-time performance for all services. In 2020, we achieved 68% against a target of 70% in what was an extremely challenging operational environment.

Safety

Safety is paramount to the mission of Bus Éireann and never was it more important than in 2020. In these challenging times, the organisation's safety remit continues to be led by the Senior Leadership Team and the Board Safety and Accessibility Committee.

COVID-19 Response

The Company's response to the COVID-19 pandemic presented significant operational challenges during the year. A senior Bus Éireann Response Co-ordination Group was established on 28 February, a day before the first confirmed case in the Republic of Ireland. The focus of the group was on the implementation of safety measures, employee support and communications, as well as contingency planning and new policy development across all functions. Multiple stakeholder engagement and collaboration was also a central part of the response, particularly with the Department of Education and Skills, Department of Transport and NTA, but also with the Department of Health, Health Service Executive, Health and Safety Authority and Road Safety Authority.

The Board Safety and Accessibility Committee began the oversight of the Company's response to COVID-19 with a meeting on 6 March. An expanded response plan, under the Company's Emergency Plan, was approved at that meeting. The co-ordinating Group convened on a daily basis and updated the committee at regular fortnightly meetings.

The scale and complexity of the COVID-19 response was unprecedented, with a wide range of new policies, procedures, safety actions, fleet and facility modifications and workplace audits implemented in a relatively short period from March onwards. Our employees played a key role in facilitating and delivering these changes and in complying with new procedures to ensure a low risk of workplace transmission of the virus.

The safety and human resources teams also provided support for those working from home, through home workplace safety assessments and training. A COVID-19 workplace safety audit process was implemented during the year at all operating locations.

Safety Statistics

Bus Éireann is pleased to report there were no passenger or employee (work-related) fatalities in 2020 and the Company was not directly involved in any fatal collisions. There was one serious accident in the year on the Dublin/Drogheda route 101 – but thankfully, there were no reported serious injuries in the collision.

The rate of collisions that occurred in the year was reduced by 31% on 2019 on a per km operated basis, reflecting continued improved safety performance and vigilance, and reduced overall traffic volumes due to the pandemic. Passenger accident rates also improved, with a reduction of 24% on a per million passengers carried basis for Bus Éireann's own-bus operations. The absolute volume number reduction was 62%, mainly due to reduced journeys associated with the pandemic. The employee accidents rate per employee reduced by 28%, which is testament to the safe systems of work in the Company. New third-party claims were down by 41% to year end.

Alcohol and Drug Testing

In light of the increased incidence of drug and alcohol intoxication on our roads in recent years, a tender process was concluded to appoint a testing provider for the rollout of employee and contractor alcohol and drug testing in Bus Éireann. Considerable work also took place on updating the current Company policy, and on employee consultation, to ensure that the planned testing programme is implemented early in 2021.

Road Safety Strategy

The new Road Safety Strategy 2021-2030 is being finalised by the RSA. Bus Éireann submitted a detailed consultation response and action plan to the strategy team during the year and the Company is now represented on the strategy steering committee. One of our key focus areas was the use of an evidence-based approach to promote the recognition of the bus as an inherently safe mode of transport.

Emergency Plan

As part of ongoing emergency contingency planning and preparation, two test scenario sessions of the Company's Emergency Plan were staged during the year. A major simulated event related to a road traffic collision emergency took place in November.

Safety Excellence Award

The Company was pleased to be shortlisted and selected as the winner of the annual national Health and Safety Excellence 2020 award in the Transport category during the year, recognising excellent performance and innovation in health and safety.

School Transport

At Bus Éireann, the safety of our school children travelling on board our school transport services is our highest priority. In 2020, there was a reduction in the number of collisions and passenger accidents on our services providing further evidence of our commitment to maintaining a positive safety record.



The Company continued to work with the Department of Education and Skills, and the RSA in a collaborative manner to ensure safety remained a key priority in the operation of the School Transport Scheme in what was a challenging environment. We would like to acknowledge the support of the RSA in providing key safety messages to pupils as part of the back-to-school campaign in August 2020.

Child Safeguarding

In line with requirements of the Children First Act 2015, Bus Éireann has published a Child Safeguarding Statement and carried out a Risk Assessment to address any potential harm to children whilst in our care.

In 2018, we also revised our Child Safeguarding Policy Booklet which outlines the key principles of child safeguarding in our organisation. It provides details of Bus Éireann's policy statement, our code of behaviour, and sets out procedures for our personnel to follow when dealing with any concerns relating to child protection. The Child Safeguarding booklet has been distributed to all Bus Éireann staff, School Transport contractors and their drivers, and serves to further enhance the safety and welfare of the children using our services.

In April 2020, in line with our Child Safeguarding Statement, arrangements were implemented to ensure that child safeguarding awareness was enhanced through the provision of the Children First e-Learning Programme provided by Tusla. To date, 313 employees have successfully completed this training. The programme has also been incorporated into the Bus Éireann Driver Induction Training programmes nationwide.

Safer to School, Safer to Home... By School Bus.

1 Wait for the bus at your designated stop.

2 Behave responsibly when queuing for the bus and when boarding.

3 Wear your seat belt and remain seated.

4 Do not distract the driver when the bus is moving.

5 Ensure you have a clear view before crossing the road. Wait until the bus has moved off and you can see clearly in both directions.

6 Wear a Hi-Viz vest on your journey to/from the bus stop. Don't assume other drivers will see you.

#SaferToSchool
Find out more at www.rsa.ie/safertoschool

Vetting

The primary focus of Bus Éireann's Vetting Office is to ensure the Company is compliant with the legislative provisions of the National Vetting Bureau (Children and Vulnerable Persons) Act 2012-2016. It seeks to maintain excellence in operational standards to enhance the safety and welfare of the children we carry, in particular those who avail of our school transport services.

In January 2018, the online e-Vetting System was launched providing for a modern and convenient vetting application process. This system is continuously being updated to ensure it remains fit for purpose for both internal and external users.

In 2020, Bus Éireann's Vetting Office processed vetting applications from approximately 8,000 applicants. This represents an increase of 80% on vetting applications processed in 2019. The large increase in vetting applications can be attributed to a number of factors including the commencement of Re-Vetting and the School Transport Social Distancing Project.

The Vetting Office supports the requirements of school transport operations by ensuring vetting applications are processed in an efficient and timely manner. The online e-Vetting System also generates digital correspondence and provides applicants who are approved to operate school transport services on behalf of Bus Éireann with an electronic copy of the company's official Code of Conduct and Child Safeguarding Policy Booklet.

Risk

Bus Éireann ensures a robust and focused approach to risk management is maintained within the Company. The Board has overall responsibility for ensuring the Company's exposure to risk remains proportionate to the pursuit of its strategic goals and long-term stakeholder value.

Safety and the management of risk continues to be the highest priority collectively for both the Board and the Senior Leadership Team.

The Company's Risk Management Framework is aligned with the provisions of ISO 31000:2018 and complies with the requirements of the Department of Public Expenditure and Reform (DPER), Risk Management Guidance for Government Departments and Offices, and the Code of Practice for the Governance of State Bodies.

Detailed processes, regular review mechanisms and checks and balances are in place to provide the timely and necessary quality assurance required for the Board and the Senior Leadership Team to make the informed judgements and decisions required.

At the beginning of the year, pandemic risk was on the company's Risk Register, but was not regarded as a Principal Risk. It was elevated to Principal in March and a number of other COVID-19 related risks were created and managed throughout the year.

The Company's Risk Register was regularly reviewed and updated by the Senior Leadership Team. Principal risks and those outside of tolerance were reported to each meeting of the Audit and Risk Committee and Board. An internal audit of processes was completed during the year.

Property

In 2020, there were 51 separate facility improvement projects delivered by the facilities team, which included four NTA-funded station accessibility improvement projects at Killarney, Rosslare, Tralee and Waterford.

Some of the local projects related to necessary works to enable improved social distancing in our facilities and to support service expansion on our Direct Award Contract in the last quarter of the year.

While timelines on major projects did suffer because of the pandemic lockdowns and access to capital due to the Company's financial position, considerable work was undertaken on completing detailed designs in preparing for major project delivery in 2021. A contract was awarded for the redevelopment of the Roxboro depot building in Limerick, which will be delivered in 2021.



Pictured: Minister of State at the Department of Transport, Hildegard Naughton TD, Bus Éireann Chief Customer Officer, Allen Parker and CEO Stephen Kent at the NTA launch, marking the delivery of double-deck Hybrid Buses for Galway City Services.

Environment and Climate

A new Sustainability Strategy *Driving Change 2020-2030* was approved by the Board in August. Based on the UN's Sustainable Development Goals and aligned with our *Destination 2023* objectives, the strategy sets out the company's plans to achieve challenging sustainability targets to 2030.

A key pillar of the new sustainability agenda involves driving change in the area of Climate Action. Bus Éireann remains committed to meeting the government objectives and targets on climate change and energy efficiency and to leading as an exemplar in this area. Legislation associated with the Climate Action Plan is expected to be passed into law in 2021.

Bus Fleet Upgrade

A total of 30 new vehicles were added to the fleet during the year. In line with the NTA's policy of no longer purchasing diesel-only urban vehicles, the first tranche of 28 hybrid double deck buses were delivered at the end of the year. These buses will enter service on Galway city routes in 2021 and will mark the first steps in the transformation of the bus fleet from diesel engines to electric and fuel cell electric power. This overhaul process will also require a transformation of our depot facilities to ensure effective electricity charging and maintenance of the new fleet.

At the end of 2020, 55% of the Bus Éireann service fleet was now at the cleaner Euro VI engine emissions certification standard which reduces carbon emissions by up to 90%. This percentage will improve further with the planned arrival of additional Expressway and local service fleet in 2021.

Hydrogen Zero Emissions Technology Research Trial

A significant milestone was reached during the year when Bus Éireann played a lead and key co-ordinating role in supporting Dublin City University (DCU) and CIÉ in Ireland's first trial of Hydrogen Fuel Cell technology. Hydrogen is gaining significant traction as a complementary future Zero Emissions technology to fuel electric buses, benefiting from delivering extra range beyond current battery electric capability and shorter refuelling times.

In co-operation with a number of key industry stakeholders, including the Department of Transport and Department of Environment, Climate and Communications, BOC Gases Ireland, Toyota, Dublin Airport Authority and other members of Hydrogen Mobility Ireland, the trial was carried out over a seven-week period in three phases, a three-week period of operation by Bus Éireann, on a section of route 109A between Ashbourne and Dublin Airport, to test the technology on a mix of city, outer urban and motorway environments.

Bus Éireann is proud to be the first operator to carry a passenger on a Hydrogen Fuel Cell Electric vehicle in Ireland.

The research trial provided many valuable insights into hydrogen as a public transport technology, ahead of Bus Éireann's expanded pilot deployment of three double deck Hydrogen Fuel Cell buses in 2021, funded by the NTA.

Company Cars and Vans

The transition to electric company cars and vans started during the year, with the arrival of 14 fully electric vehicles in the fleet. Our target under the Sustainability Strategy is to have a full fleet of 120 electric vehicles (EVs) by 2025.

Energy Management and GHG Emissions

Energy management and fuel sustainability continues to be a strong focus for both the Board and the Senior Leadership Team. In 2020, the Company's total energy usage was 274,312 MW, a significant 13.7% reduction on the 2019 figure of 317,841 MW. The reduction was partly due to reduced kilometres operated on our school transport services, but also due to continuing improvements to our energy efficiency. Our direct greenhouse gas emissions in the year were 65.36 (thousand tCO₂e), a reduction from 76.54 (thousand tCO₂e) in 2019.

Overall, our energy efficiency metric has improved by 20.3% (as verified by the Sustainable Energy Authority of Ireland) from 2009, the baseline measurement year, to 2020. A further improvement of this key metric is anticipated in 2021.

Another milestone was reached during the year when ISO 50001 Energy Management certification from the National Standards Authority of Ireland was achieved through the efforts of the cross-functional Energy Team. This was the first such certification in the Company and it provides an excellent platform for continued and necessary measured progress, given the challenging overall target to achieve 50% energy efficiency improvement by 2030. Funding assistance for the project was secured through the Government's Energy Efficiency Obligation Scheme.

Environmental Management

A new company environmental policy, *BÉ Greener*, was adopted during the year and significant work was completed on the updated company environmental management plan, leading to a successful Stage 1 audit of the ISO 14001 Environmental Management standard being achieved at our Capwell facility in Cork. Stage 2 certification is planned for early 2021, with further rollouts identified for our other facilities.

Fleet Improvements

A long-term and ongoing investment programme in new fleet deliveries is key to Bus Éireann improving our sustainability, lowering carbon emissions, reducing air pollution, and enhancing customer experience.

In late 2020, the first tranche of hybrid double-deck buses were delivered and will enter service on Galway city routes in 2021, marking the initial steps in the transformation of the bus fleet from diesel engines to electric and fuel cell electric power. The overhaul will require the transformation of our depot facilities to ensure effective charging and maintenance of the new fleet.

In total, 55% of the Bus Éireann service fleet is now at the best-in-class Euro VI engine emissions standard and this figure will improve further with the planned arrival of additional Expressway and local service fleet in the coming year.

A list of new fleet improvements included:

- 15 new double-deck city buses with Euro VI engines.
- 40 new 13.5m low floor, fully accessible commuter coaches with Euro VI engines for use in PSO services.
- 26 electric hybrid, low-emission vehicles order for Galway City services with an entry into service in Q2 2021.
- 30 fully accessible, low floor double-deck commuter coaches ordered for operation on NTA contracted services and due for delivery in Q1 2021.
- 30 VDL Tri-axle Expressway coaches due for delivery in Q1 2021.

Bus Éireann continued to engage during the year with the Department of Education and Skills in relation to the requirement for investment in fleet in relation to services. Approval was reached with the Department to cascade 38 vehicles from Road Passenger to School Transport operations in 2020 to meet the shortfall from vehicles exiting at the end of December 2019. Further cascades are due to take place in 2021.



Picture: Bus Éireann, CEO, Stephen Kent and Minister for Transport, Environment, Climate and Communications, Eamon Ryan TD at the launch of Ireland's first trial of Hydrogen Fuel Cell technology.



Technology

Technology is a key focus for Bus Éireann, enabling us to modernise and become the most customer-centred transport company in Ireland. In addition to the new customer initiatives outlined in our Customer Focus section (page 4), a number of key projects were undertaken in 2020 to deliver continuous improvement in the Company's technology including:

- Development of a new multichannel electronic ticketing system for the Expressway service with contactless payment, Leap integration, online booking, seat reservation and real-time capacity management.
- A high capacity wireless network for our depots was rolled out enabling remote upload/download of on-bus ticketing, CCTV, location and tachograph information with improved data quality and reduced late data reporting to the NTA.
- In response to the COVID-19 restrictions announced in March, more than 200 people were successfully moved off-site within two weeks with all the requisite technology and supports put in place to enable remote working. In addition, voice communication from conference call facilities to Microsoft Teams was successfully migrated.
- A trial of an advanced business intelligence overlay solution in our Operations function was run providing unique insights to our 'plan' and 'run' of services, and identifying areas of inefficiency and improvement.
- Multimillion-euro funding from the NTA was secured for the delivery of a number of projects for our PSO service including the hiring of a core team to mobilise these projects.
- We started a new garage trial to introduce automation and more refined workflow into bus maintenance activities.
- New digital signage was rolled out to most depots to improve the communication to employees who are not office-based.





Directors and Other Information

Board of Directors:

Board of Directors

Aidan Murphy	<i>re-appointed 6 December 2020</i>
Deirdre Ashe	<i>re-appointed 23 August 2020</i>
Gerard Ryan	
Thomas O'Connor	<i>re-appointed 1 December 2020</i>
Stephen Hannan	<i>re-appointed 1 December 2020</i>
Diarmuid Corry	
Miriam Hughes	
Richard Manton	
Brendan Lenihan	

Chief Executive

Stephen Kent

Secretary and Registered Office

Tom Delaney
Broadstone
Dublin 7

Website:

www.buseireann.ie

Registered Number:

119570

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

Independent Auditors

Mazars
Chartered Accountants and Statutory Audit Firm
Harcourt Road
Dublin 2

Biographies of Directors



Aidan Murphy

Aidan Murphy was first appointed to the Board of Bus Éireann in April 2013 and as Chairman in July 2014. His term of office finished on 8 July 2017 and he was re-appointed a Director and Chairman on 6 December 2017. Aidan retired from the Board of Bus Éireann on 5 December 2020 and was reappointed as a Director of the Board of Bus Éireann effective 6 December 2020 for a period of one year. Mr Murphy was also named as Chairperson-Designate subject to endorsement by the Joint Oireachtas Committee on Transport and Communications Networks.

Aidan has extensive experience as a supply chain professional having held positions as CEO of Pulse Logistics, Managing Director Supply of C&C Group, General Manager of Wincanton Ireland and Logistics Director of Allegro Ltd. He has been a keynote speaker to several European supply chain events, including Logicon and the European Supply Chain Summit and is a fellow and past President of the Chartered Institute of Logistics and Transport Ireland.

Aidan is a member of the Board Strategy Committee and is also a member of the Board of CIÉ Group. He is also a member of the CIÉ Board Strategy Committee as well as being a non-executive Director of M&M Walshe Group.



Deirdre Ashe

Deirdre Ashe was appointed to the Board in July 2014. In August 2017 she was reappointed for a second term. Deirdre retired from the Board of Bus Éireann on 22 August 2020 and was re-appointed as a Director of the Board of Bus Éireann effective 23 August 2020 for a period of three years.

Over this time she has been Chair of the Audit Review and Risk Group (ARRG), the Remuneration Committee, and is currently Chair of the Culture, People and Customer Committee. She has been a member of the Board Strategy Committee since her appointment in 2014.

Deirdre is a Chartered Director and experienced non-executive director. She is a former Director of Aviva Health, the Asthma Society of Ireland and Life Sure. As an experienced senior leader in domestic and international Insurance she has led Consumer Divisions for Liberty, Aviva and Vivas Health in the General Insurance and Health markets. She is an expert in Digitisation and has led International Transformation Programmes for Liberty Insurance.



Gerard Ryan

Gerard Ryan was appointed to the Board in July 2012 and was re-appointed to the Board during 2015 and again in 2018.

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

He holds a Masters in Business Administration from the UCD Michael Smurfit Graduate Business School and is also a BSc in Computer Science graduate of Trinity College, Dublin.

Gerard is a member of the Audit and Risk Committee (ARC) and is Chairman of the Board Strategy Committee.



Stephen Hannan

Stephen Hannan was appointed to the Board of Bus Éireann on 1 December 2017 under the Worker Participation (State Enterprises) acts 1977 to 2001. Stephen was reappointed to the Board on the 1 December 2020 for a period of one year.

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 almost 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 since December 2017 and is a Director of Dublin Bus.



Thomas O'Connor

Thomas O'Connor was appointed to the Board of Bus Éireann on 25 July 2018 under the Worker Participation (State Enterprises) acts 1977 to 2001. Thomas was reappointed to the Board on the 1 December 2020 for a period of one year.

Thomas works as a bus driver for Dublin Bus and is based in Ringsend Garage. He is a member of the National Bus and Rail Union (NBRU) and sits on its National Executive and has served as Dublin Branch Secretary since 2010.

Thomas is also a Board member of CIÉ since December 2017 and is a Director of Dublin Bus.



Diarmuid Corry

Diarmuid was appointed to the Board of Bus Éireann on 3 August 2018 and was also appointed as Chairman of the Board Safety and Accessibility Committee and is a member of the Board Strategy Committee.

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



Richard Manton

Richard Manton was appointed to the Board of Bus Éireann in April 2019. He is a member of the Board Safety & Accessibility Committee and the Board Culture, People & Customer 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 NUI Galway and was the community representative on Galway City Council's Transportation Strategic Policy Committee.

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



Miriam Hughes

Miriam Hughes was appointed to the Board in 2019. Miriam is a Chartered Director from the IOD, independent strategic business consultant and a non-executive director. Miriam is a member of the Board Audit and Risk Committee and the Board Safety and Accessibility Committee.

Miriam is the ex-CEO of one of Ireland's largest communications groups, DDFH&B. During her 17-year tenure at DDFH&B, she managed numerous acquisitions, new business models and more recently navigated the reorganisation of the business to create a new communications company, JWT folk. DDFH&B was 75% locally owned and specialised in advertising, digital content, reputation management, experiential events and brand PR. She worked with many large clients like Bord Gáis, National Lottery, Littlewoods, Irish Life and SuperValu.

Miriam is currently the chairman of the Barnardos Ireland Board, is a Mentor on the Enterprise Ireland Panel, a non-executive director at Pluto (part of the TPI group) and a strategic consultant to a number of small businesses. Miriam is a graduate of UCD and holds a BComm and MBS in Marketing. She is a past president of the Marketing Institute of Ireland, past chairman of the Advertisers Association of Ireland, past council member of Dublin Chamber, past board member of the Irish Hospice Foundation and a current council member for the IMI.



Brendan Lenihan

Brendan Lenihan was appointed to the Board of Bus Éireann in April 2019. He chairs the Board's Audit and Risk Committee and is also a member of the Board Culture, People & Customer Committee.

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 in the US. He is an independent non-executive director of a number of private companies, charities and of the HSE (Health Service Executive). Brendan is a former President of Chartered Accountants Ireland. Brendan holds a Bachelor of Commerce from UCC, a Post Graduate Diploma in Professional Accounting from UCD, is a Chartered Accountant with over 25 years' post-qualification experience, and most recently was awarded a Professional Diploma in Corporate Governance from Smurfit Business School, UCD.

Senior Management Team



Stephen Kent *Chief Executive*

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

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



Allen Parker *Chief Customer Officer*

Allen Parker took up the newly created role of Chief Customer Officer in May 2018.

Allen has over 27 years' experience in the bus transport market both in Ireland and in the UK. In recent years Allen has been the Managing Director of Aircoach (a subsidiary of the First Group plc).

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

As Chief Customer Officer, Allen has full responsibility for all aspects of service delivery and for driving continuous improvement in the overall customer journey experience. This extends to performance and planning, operations, engineering and all aspects of the customer journey experience, communications, information and accessibility. Responsibility for the management of all National Transport Authority (NTA) contract obligations also rests with the Chief Customer Officer.

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



Miriam Flynn *Chief Schools Officer*

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

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

She graduated from NUIG with a Bachelor of Commerce degree and completed a postgraduate Diploma in Marketing at the Smurfit Business School, UCD where she also completed an Executive Leadership programme with the ClÉ Group.

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



Tom Delaney *Chief Finance Officer*

Tom Delaney joined Bus Éireann from Bank of England as CFO and Company Secretary in April 2018. Tom has over 25 years' senior finance experience across financial services, manufacturing, FMCG and telco sectors having worked in blue-chip firms such as Coca Cola, Grafton Group, Eircom and Glanbia.

In addition to finance and Company secretarial, Tom has responsibility for the areas of the procurement, regulation and compliance within Bus Éireann.

A fellow of the Association of Chartered Certified Accountants, Tom holds a MSC in Finance and Law from Queen Mary, University of London, a diploma in insolvency law from ICAI and is a full member of the Corporate Governance Association of Ireland.



Sinéad Kilkelly *Chief People Officer*

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

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

Sinéad holds an MBA from Trinity College Dublin and is a Chartered Fellow of the Chartered Institute of Personnel and Development (CIPD).



Eleanor Farrell *Chief Commercial Officer*

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

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

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

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



Seán Loughman *Chief Information Officer*

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

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

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

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



Rory Leahy *Chief Risk and Safety Officer*

Rory Leahy was appointed Chief Risk and Safety Officer in February 2018 and is responsible for company safety policy and strategy, risk management, property and energy performance. Having started his career in Iarnród Éireann, Rory moved to Bus Éireann and has held a number of positions in business development, operations and regional general management.

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

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 2020.

Principal Activities and Business Review

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

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

Review of Operational, Financial and Engineering Performance

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

The Company recorded a loss of €9.2m in 2020 post exceptional (2019: €2.3m). This was after the receipt of Public Service Obligation (PSO) payments of €93.8m (2019: €58.0m). Operating revenue decreased to €284.8m in 2020 as a result of the impact of the COVID-19 pandemic (2019 = €366.5m). At 31 December 2020 the Company's balance sheet holds net current assets of €42.8m (2019 €37.5m) with net assets standing at €6.8m, down from €16.0m in 2019. Passenger numbers have decreased by 42.2% to 51.7m in 2020.

Dividends

No dividends were proposed, declared or paid during the year 2020 (2019: €nil).

Reserves

Accumulated losses were €59.4m at the end of 2020 compared to €50.2m in 2019.

Principal Risks and Uncertainties

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

The company is dependent upon sustainable positive market conditions for all its services. The company continued to monitor its revenues and costs closely into 2020 and beyond through extensive engagement with all its stakeholders.

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

Liquidity is tightly managed on a CIÉ Group basis. A dedicated team coordinates day-to-day cash and treasury management together with annual and multi-annual planning and the securing of sufficient corporate bank funding to allow the CIÉ Group to continue to operate. The emergence of COVID-19 required an increased focus on liquidity during 2020.

Capital Investment

Capital expenditure amounted to €3.1m in 2020 (2019: €15.7m, included PSO Fleet of €14.6m provided by the NTA). The Company received capital funding for PSO services from the NTA in 2020 of €8.8m (2019: €16.2m), including grants of €0.0m (2019: €0.0m) in respect of land and buildings which are held by CIÉ, which enabled the company to invest in improved services for its customers. In 2020 the grant figure of €8.8m included the buyout of depreciation of €7.8m

Share Capital and Reserves

Details of the Company share capital is set out in note 16.

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 €59.4m at the end of 2020 (2018: €50.2m).

Shareholders' Meetings

An annual general meeting of the Company is held once every calendar year at such time (not being more than 15 months after the holding of the last preceding annual general meeting) and place as may be prescribed by the Directors. The Directors may either whenever they think fit or on request from Córas Iompair Éireann convene an extraordinary general meeting of the company. The Bus Éireann AGM was delayed during 2020 as a result of the COVID-19 pandemic but was reconvened on the 19 November 2020.

The Board

The Company is controlled through its Board of Directors. The Board met on 13 occasions during 2020 (10 in 2019) and has a schedule of matters reserved for its approval. The Board comprises of non-executive Directors only, two of which were worker Directors at year end. There are no executive directors.

Diversity, Equality and Inclusion

Gender Balance in the Board Membership

As at 31 December 2020, the Board had two female (22%) and seven male (88%) members, with 0 positions vacant. The Board therefore does not meet the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

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

Directors' Report – continued

Attendance at Board/Committee Meetings

Listed below are details of Directors' attendance at Board/Committee meetings held during 2020

	Board	Audit & Risk	Safety & Accessibility	Board Strategy	Culture, People & Customer
Mr Aidan Murphy	13/13			16/16	
Mr Diarmuid Corry	13/13		6/6	16/16	
Mr Gerard Ryan	12/13	13/13		16/16	
Ms Deirdre Ashe	12/12			15/15	8/8
Mr Thomas O'Connor	13/13		6/6		
Mr Stephen Hannan	13/13		5/6		
Mr Brendan Lenihan	12/13	13/13			8/8
Ms Miriam Hughes	13/13	12/13	6/6		
Mr Richard Manton	13/13		6/6		7/8

Ms Deirdre Ashe retired from the Board of Bus Éireann on 22 August 2020 and was re-appointed as a Director of the Board of Bus Éireann effective 23 August 2020 for a period of three years. Mr Aidan Murphy retired from the Board of Bus Éireann on 5 December 2020 and was reappointed as a Director of the Board of Bus Éireann effective 6 December 2020 for a period of one year. Mr Murphy was also named as Chairperson-Designate subject to endorsement by the Joint Oireachtas Committee on Transport and Communications Networks.

Audit and Risk Committee (ARC)

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

- Mr Brendan Lenihan (Chairperson)
- Mr Gerard Ryan
- Ms Miriam Hughes

The ARC met on 13 occasions during 2020 (2019: nine).

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

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

The ARC keeps under review the effectiveness of the Company's internal controls and risk management systems through regular direct updates from the Group Internal Audit Department and from senior management including updates from the Chief Risk and Safety Officer in relation to risk 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.

Board Safety and Accessibility Committee

The Bus Éireann Board Safety and Accessibility Committee met on six occasions in 2020 (four in 2019). This Committee monitors the safety performance of the Company against an annual safety plan and encourages the widest participation in safety awareness and accident prevention in the Company.

It comprised the following Directors during 2020:

Mr Diarmuid Corry (Chairperson)
 Mr Thomas O'Connor
 Mr Stephen Hannan
 Ms Miriam Hughes
 Mr Richard Manton

Board Strategy Committee

The Strategy Committee was established to assess, guide, report on and make recommendations to the Board on the area of Bus Éireann corporate strategy. The Committee met on 16 occasions during 2020 (five in 2019).

The Board Strategy Committee comprised the following non-executive Directors during 2020:

Mr Gerard Ryan (Chairperson)
 Ms Deirdre Ashe
 Mr Aidan Murphy
 Mr Diarmuid Corry

Culture, People and Customer Committee

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

The Committee comprised the following non-executive Directors during 2020:

Ms Deirdre Ashe (Chairperson)
 Mr Brendan Lenihan
 Mr Richard Manton

Health and Safety

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

Payment Practices

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

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records in accordance with Sections 281 to 285 of the Companies Act 2014 are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Bus Éireann, Broadstone, Dublin 7.

Directors' Report – continued

Directors

The Directors of the Company are appointed by the Minister for Transport. The names of persons who were directors during the year ended 31 December 2020 are set out below. Except where indicated they served as directors for the entire year.

Mr Aidan Murphy	Chairperson Designate
Mr Diarmuid Corry	
Mr Gerard Ryan	
Ms Deirdre Ashe	
Mr Stephen Hannan	
Mr Thomas O'Connor	
Mr Brendan Lenihan	
Mr Miriam Hughes	
Mr Richard Manton	

Mr Aidan Murphy was re-appointed as Chairperson Designate of the Bus Éireann Board effective 6 December 2020.

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

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

Code of Practice for the Governance of State Bodies

The Board is fully committed to meeting the requirements of the Code of Practice for the Governance of State Bodies. It is the view of the Board, with the support of the work of the Audit and Risk Committee that in 2020, Bus Éireann had in place adequate controls to manage the risks attached to the Strategic Objectives of the company, and that these controls were being implemented. Where deficiencies were identified in relation to the system of internal control, Bus Éireann management took the necessary actions to address these deficiencies.

Statement on System of Internal Control

Scope of Responsibility

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

Description of Key Control Procedures

The Bus Éireann Board confirms that an annual review of the Effectiveness of Internal Control Systems took place between December 2020 and February 2021. The Bus Éireann Board approved the annual review of the effectiveness of internal control systems on the 29 March 2021.

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

There have been no weaknesses in internal financial control that have resulted in material losses, contingencies or uncertainties that were required to be disclosed in the 2020 Annual Financial Statements or Auditor's Report.

The following non-compliance matters should be noted:

- Bus Éireann had non-compliant spend of €5.5m in 2020 representing 2.2% of eligible procurement spend.
- The following areas were analysed for quality assurance in 2019 and 2020, and rectification plans were put in place:
 - General compliance and business and financial reporting requirements of the Code of Practice 2016
 - Customer Charter in line with Code of Practice 2016
 - Irish Language obligations in line with Official Languages Act
 - Public Spending Code obligations

The Statement on System of Internal Controls was reviewed by the Board with the support of the ARC and other Board Committees on 29 March 2021 to ensure it accurately reflected the control system in operation during the reporting period for 2020.

The Statement on System of Internal Control was reviewed by the External Auditors Mazars to confirm that it reflects the audited body's compliance with the requirements of Code of Practice (sections 1.20 and 2.7) and was consistent with the information of which they are aware from their audit work on the financial statements. 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 a Capital Steering Group. This is supported by procedures for addressing the financial implications of major business risks.

- **Systematic review of internal controls by CIÉ Group Internal Audit**, including the completion of the Directors Compliance Statement audit.
- The implementation of a **Risk Management Framework and a Risk Management System** (i.e. OpriskControl which is utilised by all companies within the CIÉ Group) 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 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.
- 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.
- The introduction in 2019 and 2020 of a **new Compliance and Regulatory Unit and Framework** within Bus Éireann to assist first and second line defence in relation to compliance monitoring and quality assurance reviews. A quarterly compliance report is now issued to Board.
- Other independent analysis and review of the systems of internal control in 2020, including:
 - External review of Board effectiveness (Corporate Governance Ireland) undertaken between November 2019 and February 2020.
 - 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.

Directors' Report – continued

- External assessments in relation to a range of accounting treatments and internal controls:
 - ▶ Claims Management (PWC)
 - ▶ Accounting Treatment of Buses (Deloitte)
 - ▶ Review of Expressway Viability (Grant Thornton)
 - ▶ PCI-DSS Compliance (Rits Information Security)

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 through 2020 by:

- A review and approval of the programme of internal audit for 2020 from CIÉ Group Internal Audit (prepared following its audit risk assessment process) and consideration of its major findings.
- A review of the report of the external auditors, which contains details of any material control issues identified as a result of their audit of the financial statements.
- Ongoing assessment of the regular reports of the internal auditor 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 and Risk Committee, the Bus Éireann Board the CIÉ Board Audit and Risk Committee and the CIÉ Board.
- Ongoing review of the quarterly compliance monitoring received at Board level.

The Bus Éireann Board confirms that an annual review of the effectiveness of internal control took place between December 2020 and February 2021. The Bus Éireann Board approved the annual review of the effectiveness of internal control systems on 29 March 2021.

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 2020 Annual Financial Statements or Auditor's Report.

The following areas were analysed for quality assurance in 2020 and early 2021, and rectification plans have been put in place:

- **Compliance Monitoring of the Code of Practice 2016:** A new approach to compliance with the Code of Practice was adopted in 2020 in relation to general compliance and for business and financial reporting.
- **Customer Charter in line with Code of Practice 2016:** In line with the Code of Practice 2016, a new Customer Charter was approved by the Bus Éireann Board in 2020.
- **Irish Language obligations in line with Official Languages:** The Bus Éireann Irish Language Scheme was revised.
- **Public Spending Code Obligations:** New procedures are being adopted by Bus Éireann for adherence to the revised Public Spending Code from 2020 onwards.
- **Publication of Annual Report 2019:** An English and Irish version of the 2019 Annual report was published after approval of the Houses of the Oireachtas.

The Board confirms that Bus Éireann is in compliance with the EU Procurement Directive, current procurement rules and guidelines as set out by the Office of Government Procurement, CIÉ Group Procurement Policy and Procedures and Bus Éireann Procurement Policy and Procedures, save for non-compliant spend of €5.5m in 2020 representing 2.2% of eligible procurement spend. A procurement strategy is now in place which aims to ensure adequate and appropriately skilled resourcing within the Procurement Department.

It is the view of the Bus Éireann Board, with the support of the work of the ARC and other Board Committees, that in 2020, Bus Éireann had in place adequate controls to manage the risks attached to the strategic objectives of the company, and that these controls were being implemented. Where deficiencies or improvements were identified in relation to the system of internal control, Bus Éireann management was taking the necessary actions to address these.

Directors' Compliance Statement

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

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

A detailed quality assurance review was undertaken by both Bus Éireann and other CIÉ Group companies to comply in full with the requirements of the Companies Act 2014 in relation to Directors' Compliance Statement. This review was commissioned by the CIÉ Group for all CIÉ Group operating companies and carried out by CIÉ Group Internal Audit Department. A comprehensive report was issued to and reviewed in detail by the Bus Éireann Audit and Risk Committee. The report confirmed that Bus Éireann was in full compliance with the requirements relating to Directors' Compliance Statement for 2020.

Company Status

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

Freedom of Information

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

Going Concern

The 2020 Bus Éireann financial statements have been prepared on a going concern basis. This assumes that the Company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

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

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

Bus Éireann Recapitalisation

A key part of the Bus Éireann strategy is to strengthen the balance sheet solvency through recapitalisation during autumn 2021.

Directors' Report – continued

Post Balance Sheet Events

Bus Éireann has continued to operate PSO services in line with the Direct Award Contract during 2020. The Company transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract, revenue responsibility for PSO services transfers to the NTA.

The Company has determined this is a non-adjusting post balance sheet event. Accordingly the financial position and results of operations as of and for the year ended 31 December 2020 do not require any adjustment.

Auditors

In line with public procurement requirements, a formal external audit tender process was undertaken by CIÉ, following which the Boards (CIÉ and Bus Éireann) selected Mazars as the external auditor for the Group including Bus Éireann, subject to the approval of the Minister for Transport. A resolution to formally approve the appointment of Mazars, subject to the approval of the Minister for Transport, as external auditors was put to shareholders at the AGM on 19 November 2020. Deloitte Ireland LLP, Chartered Accountants, resigned as external auditors with effect from the AGM date and have confirmed, in accordance with Section 400 of the Companies Act 2014, that there are no circumstances in connection with their resignation which should be brought to the attention of the members or creditors of the Company.

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



A Murphy
Director



B. Lenihan
Director

Date: 12 April 2021

Directors' Responsibilities Statement

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

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

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

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

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

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

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 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, 2020, and of its loss 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 Company's 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 out on page 61, 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.

Independent Auditor's Report – continued

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

16 April 2021

Profit and Loss Account

Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Revenue			
Operating turnover		284,786	366,475
Revenue grant	14(c)	18,684	-
Receipts from Public Service Obligation and Commercial Bus Operators Direct Award contracts		93,833	57,974
Total revenue	3	397,303	424,449
Costs			
Payroll and related costs	4(a)	(144,566)	(142,867)
Materials and services	5(a)	(258,865)	(272,821)
Total costs		(403,431)	(415,688)
EBITDA before exceptional costs and revenues		(6,128)	8,761
Exceptional costs and revenues (net)	5(c)	298	36
Depreciation and amortisation (net)	5(d)	(3,582)	(6,120)
Profit on disposal of tangible fixed assets		244	139
(Deficit)/profit before interest and tax		(9,168)	2,816
Interest payable and similar charges	6	(140)	(272)
(Deficit)/profit for the year before tax		(9,308)	2,544
Tax on (deficit)/profit for the year	7	70	(250)
(Deficit)/profit after tax for the year		(9,238)	2,294

Statement of Comprehensive Income

Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
(Deficit)/profit after tax for the year		(9,238)	2,294
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(9,238)	2,294

Balance Sheet

31 December 2020

	Notes	2020 €'000	2019 €'000
Fixed assets			
Intangible fixed assets	8	2,770	446
Tangible fixed assets	9	58,553	98,414
		61,323	98,860
Current assets			
Stocks	10	4,390	3,956
Debtors	11	141,853	113,283
Cash at bank and in hand		589	1,416
		146,832	118,655
Creditors (amounts falling due within one year)	12	(104,067)	(81,111)
Net current assets		42,765	37,544
Total assets less current liabilities		104,088	136,404
Provisions for liabilities	13	(60,590)	(58,822)
Deferred income	14(a)	(36,717)	(61,563)
		(97,307)	(120,385)
Net assets		6,781	16,019
Capital and reserves			
Called up share capital	15	66,212	66,212
Profit and loss account – opening balance		(50,193)	(52,487)
Deficit/profit for the year		(9,238)	2,294
Total equity		6,781	16,019

On behalf of the Board



Aidan Murphy
Director



Brendan Lenihan
Director

12 April 2021

Statement of Changes in Equity

Financial Year Ended 31 December 2020

	Notes	Called up share capital €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2019		66,212	(52,487)	(13,725)
Total comprehensive income for the year		-	2,294	2,294
Balance at 31 December 2019		66,212	(50,193)	16,019
Balance at 1 January 2020		66,212	(50,193)	16,019
Total comprehensive income for the year		-	(9,238)	(9,238)
Balance at 31 December 2020		66,212	(59,431)	6,781

Statement of Cash Flows

Financial Year Ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Cash from operations			
Net cash generated from operating activities	16	23,189	15,762
Cash flows from investing activities			
Additions to intangible fixed assets	8	(2,870)	(26)
Additions to tangible fixed assets		(266)	(1,135)
Sale proceeds on disposal of tangible fixed assets		244	139
Capital grants received		8,804	1,579
(Increase) in balance with parent company		(29,788)	(16,086)
Interest paid and charged by parent company	6	(140)	(272)
Net cash used in investing activities		(24,016)	(15,801)
Cash flow from financing activities			
Net cash used in financing activities		-	-
Net (decrease) in and cash equivalents		(827)	(40)
Cash and cash equivalents at start of year		1,416	1,456
Cash and cash equivalents at end of year		589	1,416

Notes to the Financial Statements

Financial Year Ended 31 December 2020

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 "€" and unless otherwise stated. The financial statements have been presented in thousands ('000).

(ii) Transactions and balances

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

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

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

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

(d) Turnover

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

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

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

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

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(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.

(ii) *European Union and Exchequer grants*

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

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

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

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

(f) Materials and Services costs

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

(g) Interest receivable/interest payable

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

(h) Exceptional costs and revenues

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

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

(i) Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

(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 2020, it was deemed not necessary to apply an impairment to the value of fleet during 2020.

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

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 2020.

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 recognized 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 the risk and rewards of 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. Operating leases include road passenger vehicles received under the bus leasing agreement with the National Transport Authority.

(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.

(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.

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

(ii) Financial liabilities

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

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

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

(r) Provisions

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

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

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

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

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

Other provisions consist of provisions related to the operation of bus services, pay related provisions, environmental provisions, legal claims and pension related provisions.

Provision is not made for future operating losses.

(s) Contingencies

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

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

(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 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. 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.

Notes to the Financial Statements – continued

1. Significant Accounting Policies – continued

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

(iv) *Road passenger vehicles received under the bus leasing agreement with the NTA*

Road passenger vehicles received under the bus leasing agreement with the NTA are recognised in line with (m) Leased Assets above.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contract December 2019 – November 2024, have taken effect in 2020 and, as a result, the company has determined that road passenger vehicles recognised in line with (l) Tangible Fixed Assets in financial years 2018 to 2019 have been derecognised in 2020 and are now recognised in line with (m) Leased Assets.

In 2020, an annual rental charge, as prescribed in the NTA bus leasing agreement, has been recognised for road passenger vehicles received under this agreement.

Further details are set out in note 9 to the financial statements.

(w) *Taxsaver*

Taxsaver annual tickets revenue recognition following NTA's "Free Taxsaver Extension" guidelines incorporates a once off six-month free ticket extension which aims to provide relief to Taxsaver customers impacted by the COVID-19 pandemic lockdown measures which restricted employees access to their usual place of work. The Company has therefore determined not to recognise Taxsaver revenue during the six-month free period.

2. Going Concern

Bus Éireann – Financial Position

The 2020 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 2020 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

Company financial position as at 31.12.20

At 31 December 2020 the Company had net assets of €6.8 million (2019: €16.0 million) and net current assets of €42.8 Million (2019: €37.5 million).

Net current assets include non-cash liabilities of €18.9 million (2019: €24.8 million) relating to deferred revenue and deferred income in respect of capital grants and revenue, capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding these non-cash items the Company has net current assets of €61.7 million (2019: €62.3 million).

COVID-19

The Irish economy continues to experience a negative economic reaction arising from COVID-19. The primary impact on Bus Éireann relates to a significant reduction in passenger journeys. A detailed assessment of the effects of COVID 19 on each element of the business has been completed. The principal uncertainties facing Bus Éireann can be summarised as follows:

- The Company is now projected to incur a loss on its commercial business in 2021, however a new Expressway viability plan has been approved by the Board during 2020.
- A significant reduction in PSO revenue has increased the level of NTA funding and wider Exchequer funding required for 2021.
- Schools activity continues to be fully funded from the Department of Education.
- On 1 January 2021 the company transitioned to a Gross Cost Contract with the NTA. Under this contract responsibility for revenue lies with the NTA while the company is compensated for expenditure and reasonable profit in line with the contract provisions.

Bus Éireann PSO Direct Award Contracts

2020

Bus Éireann continued to operate PSO services in line with the Direct Award Contract during 2020. Based on an assumption that there would be ongoing restrictions during 2020 the Company provided an assessment of the negative financial impact arising from a shortfall in revenue at an early stage in the year. A number of downside scenarios have been quantified and considered. Bus Éireann was operating under a net cost PSO contract in 2020 under which the Company retained fare box revenue and PSO funding was provided to meet the cost of essential but uneconomic services. The NTA and the Department of Transport indicated early in 2020 that additional funding would be made available in order to ensure the continuation of these vital public services. The Company has now received the full quantum of funding required for 2020. The Directors would like to acknowledge the additional exchequer funding support received from the NTA, the Department of Education and Skills and the Exchequer during 2020 which has enabled the continued operation of essential public transport services.

Notes to the Financial Statements – continued

2. Going Concern – continued

2021

In 2021 the Company will operate under a gross cost PSO contract and responsibility for revenue will lie with the NTA. The NTA has confirmed its intention to continue to provide PSO funding in line with the PSO Contract in 2021. The Directors considered a range of scenarios in order to understand the quantum of funding likely to be required for 2021.

Consideration of the assumption that appropriate levels of PSO funding could be provided in 2021 was an essential element in the Directors' assessment of the financial position of the Company. The Directors are satisfied that:

- it remains the intention of the NTA to fund Bus Éireann to operate PSO Services in line with the Direct Award Contract;
- detailed scenario planning has allowed reasonable assessments of the likely level of funding required to be provided;
- the Exchequer Budget included adequate provision to fund the Bus Éireann PSO Contract;
- The NTA will receive sufficient funding from the Exchequer in order to fund the Bus Éireann PSO Contract.

In addition the NTA has agreed that additional services will be provided under the new Government Stimulus plan and Bus Éireann is actively engaged with the NTA in relation to funding for these services.

The Directors considered all relevant information in forming a view as to the reasonableness of their conclusions in relation to the provision of such funding and detailed documentation was provided to the Directors to assist them in their deliberations. This included consideration of management engagement with key stakeholders, detailed modelling and scenario planning, Exchequer Budget 2021, as well as all relevant publicly available information.

Schools Transport

In order to comply with public health guidelines of 50% capacity to maintain social distancing, funding was approved by the Department of Education for additional mainstream and special educational needs services operating at post primary level for the duration of the academic year. This process is now nearing completion with the majority of services in place. In line with the more recent phase of COVID-19 restrictions, schools transport was suspended during the early part of 2021 with payments made to contractors as agreed with the Department of Education during that period. Partial resumption of services commenced in February on a phased basis with full service planned to resume from mid-April. Bus Éireann is in constant dialogue regarding the duration of the additional social distancing services and will seek funding approval in advance if these services are to continue into the next academic year.

Commercial Services

Expressway services have continued during the pandemic with some schedule changes as agreed with the NTA. These services were operated at a financial loss due to COVID-19 travel restrictions for the first half of 2020 and Bus Éireann had relied on liquidity support from its parent until July 2020 when it was successful in obtaining Temporary Support under the Commercial Bus Operators Direct Award ("CBO DAC") from the NTA. This contract included all Expressway routes with the exception of Route X1 and X51 which continued to rely instead on support from CIÉ. The initial CBO DAC contract which expired on 29 January 2021 has now been extended for a further three months. All other commercial services have remained discontinued during this pandemic. Following the path to viability which was approved at Bus Éireann Board dated 28 September 2020, Route X1 and Route 12 were fully withdrawn from 15 November 2020 and 30 January 2021 respectively. It is expected that the commercial business will trade at a financial loss again in 2021, the CBO DAC with its further extension will now expire at the end of April 2021 and liquidity requirements as a result of expected results for the remainder of 2021 will be funded by CIÉ. Expressway is expected to return to profitability in 2022.

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

Bus Éireann Recapitalisation

A key part of the Bus Éireann strategy is to strengthen the balance sheet solvency through recapitalisation during autumn 2021.

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 7 April 2021. The letter states, "It remains CIÉ policy that the Company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the Company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the Company to continue operating and liquidating its liabilities in the normal course of business for at least a period of 12 months after the date of the signing of the financial statements".

Consolidated CIÉ Group Budget

The CIÉ Board approved a consolidated group budget for 2021 on 4 November 2020. Although passenger volumes are forecast to remain well below 2019 levels in 2020 and in 2021, based on the continued operation of the direct award contracts on the agreed basis, the consolidated Group budget for 2021 shows that the Group has sufficient resources to absorb the losses which are forecast to occur in the period of at least 12 months from the date of approval of these financial statements.

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.

Notes to the Financial Statements – continued

3. Total Revenue

This comprises operating turnover, net of recoverable VAT, receipts under the Public Service Obligation Contract and Revenue grants. Details of Revenue grants are set out in note 14(c). The Company is a transport service provider and provides services throughout Ireland and is regulated by the National Transport Authority (NTA).

4(a) Payroll and Related Costs

	2020 €'000	2019 €'000
Staff costs:		
Wages and salaries	120,643	120,896a
Social insurance costs	12,440	11,763
Other retirement benefit costs	11,386	10,208
	144,469	142,867
Engineering work for group companies recharged	-	(63)
Net staff costs (excluding Directors remuneration)	144,469	142,804
Directors' remuneration:		
- For services as Directors	97	63
- For executive services	-	-
- Termination payments for executive services	-	-
	97	63
Contributions paid to defined benefit scheme	-	-
Total Directors' remuneration and emoluments	97	63
Payroll and related costs	144,566	142,867

No costs were incurred in respect of loss of office for any Directors during 2020 or 2019 or after the balance sheet date.

Salary amounts includes incentive amounts of €452,000 for safe driving awards made in respect of 2020. (2019: €638,000 for safe driving awards and provisions made for 2019 performance related pay for executive grades, contingent on achievement of future profitability levels in the Company).

The average number of employees during the year was:

	2020 Number	2019 Number
Full-time	2,391	2,392
Part-time school bus drivers	311	335
Total	2,702	2,727

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

Employee Benefits

	2020 €'000	2019 €'000
Basic	88,506	86,761
OT	6,895	7,732
Allowances	24,790	25,765
Incentive amounts	452	638
	120,643	120,896
Aggregate employee benefits		
Short-term benefits	120,643	120,896
Termination benefits	-	-
Retirement benefits	11,386	10,208
ER PRSI	12,440	11,763
Subtotal	144,469	142,867
Less		
Exceptional termination payments	-	-
Engineering work for other group companies	-	63
Subtotal	-	63
Add		
Directors remuneration	97	63
Total	144,566	142,867

Notes to the Financial Statements – continued

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

Employee Short-term Benefits

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

From	To	2020 Staff Numbers	2019 Staff Numbers
€50,000	€75,000	693	614
€75,000	€100,000	49	44
€100,000	€125,000	8	7
€125,000	€150,000	4	6
€150,000	+	9	5
Total Staff		763	676

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	2020 Staff	2019 Staff
€60,000	€70,000	186	157
€70,000	€80,000	32	25
€80,000	€90,000	22	22
€90,000	€100,000	13	13
€100,000	€110,000	4	2
€110,000	€120,000	4	5
€120,000	€130,000	1	1
€130,000	€140,000	2	3
€140,000	€150,000	1	2
€150,000	+	9	6

4(d) CEO Remuneration

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

	2020 €'000	2019 €'000
Combined amounts		
Basic salaries	210	210
Basic salaries arrears	-	14
Taxable allowances and benefits in kind	14	3
Social insurance costs	25	26
Post-retirement benefit costs	53	32
Post-retirement benefit costs arrears	103	-
Termination payment	-	-
	405	285

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:

	2020 €'000	2019 €'000
Salaries and short term benefits	1,338	1,234
Salaries and short term benefits arrears	-	-
Post-retirement benefit costs	278	162
Social insurance costs	133	98
Termination payments	-	-
Total	1,749	1,494

Salary includes incentive amounts of €Nil (2019: €51,250) which is a provision made for 2019 performance related pay for key management personnel, contingent on achievement of future profitability levels in the Company.

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 2020.

Notes to the Financial Statements – continued

4(e) Key Management Compensation – continued

The Directors of the Company were paid Directors' fees for services as Directors during 2020 as follows:

Mr Aidan Murphy	€21,600
Ms Deirdre Ashe	€12,600
Mr Richard Manton	€12,600
Mr Brendan Lenihan	€12,600
Mr Gerard Ryan	€12,600
Mr Diarmuid Corry	€12,600
Ms Miriam Hughes	€12,600

Mr Thomas O'Connor and Mr Stephen Hannon 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

	2020 €'000	2019 €'000
Fuels and lubricants	29,780	31,126
Contractors	166,218	179,037
Road tax and licences	627	637
Operating lease rentals (note 5(e))	1,813	1,704
Rates	319	666
Third-party and employers' liability claims (note 13)	5,185	9,358
Increase in inventory obsolescence provision	379	238
Foreign exchange losses (net)	19	25
Other materials and services	54,525	50,030
	258,865	272,821

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

Travel and subs		
<i>Domestic:</i>		
Board	-	-
Employees	22	81
<i>Foreign:</i>		
Board	-	-
Employees	6	18
	28	99
Hospitality		
Staff	26	39
Other	-	-
	26	39

(c) Exceptional operating costs and revenues

	2020	2019
	€'000	€'000
Severance paid and provided for (note 13)	(259)	-
Operations restructuring paid and provided for (note 13)	(39)	(36)
	(298)	(36)

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

	2020	2019
	€'000	€'000
Depreciation of tangible fixed assets (note 9)	15,479	20,479
Amortisation of intangible fixed assets (note 8)	546	451
Amortisation of capital grants (note 14(a))	(12,443)	(14,810)
	3,582	6,120

Notes to the Financial Statements – continued

5. Expenses by Nature – continued

(e) Operating leases include:

	2020 €'000	2019 €'000
Bus leasing	1,094	1,104
Other operating leases	719	600
	1,813	1,704

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

	2020 €'000	2019 €'000
Legal costs and settlements		
General legal fees	443	381
Settlements & related legal costs	2,812	6,830
Total	3,255	7,211
Consulting		
Legal	168	109
Tax and financial advisory	494	381
Public relations/marketing	156	159
Pensions and human resources	159	–
Other	122	117
Total	1,099	766

6. Net Interest Expense

	2020 €'000	2019 €'000
Interest payable and similar charges to parent company	(140)	(272)

7. Taxation

(a) Tax expense included in profit or loss

	2020 €'000	2019 €'000
Current tax:		
Irish corporation tax on profit for the financial year	-	250
Adjustments in respect of prior financial years	(70)	-
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	-	250

Notes to the Financial Statements – continued

7. Taxation – continued

(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 2020 of 12.5% (2019: 12.5%) to the deficit for the year.

The differences are explained below:

	2020 €'000	2019 €'000
(Deficit)/surplus on ordinary activities before tax	(9,308)	2,544
(Deficit)/surplus multiplied by the standard rate of tax in the Republic of Ireland of 12.5%	(1,163)	318
Effects of:		
– Depreciation for the year in excess of capital allowances	1,391	1,705
– Income not subject to tax	(1,555)	(1,851)
– Expenses not deductible for tax purposes	–	184
– Unrelieved tax losses carried forward not recognised	–	(227)
– Surrender of loss relief to group companies	1,341	
– Carry back of loss claim to prior year	–	
– Income charged to tax at higher rate	15	129
– Value basis claim current year	(31)	
– Other movements	2	(8)
Current tax charge for the year	–	250

8. Intangible Fixed Assets

Cost	Software €'000	Total €'000
At 1 January 2020	7,901	7,901
Additions	2,870	2,870
Disposals	-	-
At 31 December 2020	10,771	10,771
Amortisation		
At 1 January 2020	7,455	7,455
Charge for the year	546	546
Disposals	-	-
At 31 December 2020	8,001	8,001
Net book amounts		
At 31 December 2020	2,770	2,770
At 31 December 2019	446	446

- (i) The expected useful lives of the intangible assets for amortisation purposes are as follows:
Software – five years straight line

Notes to the Financial Statements – continued

9. Tangible Fixed Assets

	Road Passenger Vehicles €'000	Plant and Machinery €'000	Total €'000
Cost			
At 1 January 2020	340,928	31,755	372,683
Derecognition	(27,554)	–	(27,554)
Additions	–	492	492
Disposals	(13,848)	(22)	(13,870)
At 31 December 2020	299,526	32,225	331,751
Depreciation			
At 1 January 2020	248,430	25,839	274,269
Derecognition	(2,910)	–	(2,910)
Charge for the year	14,037	1,442	15,479
Disposals	(13,618)	(22)	(13,640)
At 31 December 2020	245,939	27,259	273,198
Net book amounts			
At 31 December 2020	53,587	4,966	58,553
At 31 December 2019	92,498	5,916	98,414

- (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 €91.5m (2019: €92.4m) were fully depreciated but still in use at the balance sheet date.
- (iii) Tangible fixed assets at 31 December 2020 are at €NIL (2019: €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 2020 (2019: €NIL) were disposed in compliance with CIÉ Group policies and procedures for disposals of assets during the year.

Road passenger vehicles above include the derecognition of 91 buses received under a bus leasing agreement with the NTA. The buses derecognised in 2020 came into service in the period from 1 January 2018 to 31 December 2019. The buses that have been derecognised have a net book value of €24.6 million as at 1 January 2020. The corresponding grants for capital expenditure relating to these buses have a carrying value of €24.6 million and have also been derecognised as at 1 January 2020. Further details on these grants is provided in Note 14 to the financial statements.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contract December 2019 – November 2024, have taken effect in 2020 and, as a result, the Company has determined that road passenger vehicles recognised in tangible fixed assets in financial years 2018 to 2019 have been derecognised in 2020 and are now recognised as buses held under an operating lease, acquired under the NTA bus leasing agreement.

In 2020, an annual rental charge, as prescribed in the NTA bus leasing agreement, has been recognised as operating lease charge for road passenger vehicles received under this agreement.

10. Stocks

	2020	2019
	€'000	€'000
Maintenance materials and spare parts	3,251	2,901
Fuels, lubricants and sundry stocks	1,139	1,055
	4,390	3,956
Stock consumed during the year:		
Stock of materials and fuel consumed net of fuel rebate	39,520	41,418

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 €963k (2019 €648k).

Notes to the Financial Statements – continued

11. Debtors

	2020 €'000	2019 €'000
Trade debtors	1,631	2,485
Amounts due from Department of Education	8,687	8,680
Amounts owed by parent company to Bus Éireann	130,822	101,034
Other debtors	713	1,084
	141,853	113,283

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 €75,898 (2019: €75,898).

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

12. Creditors

	2020 €'000	2019 €'000
Amounts falling due within one year		
Trade creditors	24,522	19,858
Income tax deducted under PAYE and USC	1,608	1,870
Social insurance	1,681	1,536
Value added tax and other taxes	353	(20)
Other creditors	513	1,132
Accruals	56,446	31,986
Deferred revenue	8,328	10,697
Deferred income (note 14 (a))	10,616	14,052
	104,067	81,111
Creditors for taxation and social insurance included above	3,642	3,386

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

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Deferred revenue relates to revenue from Tax saver tickets and for the provision of school bus services.

13. Provisions for Liabilities

2020	Operational €'000	Environmental €'000	Legal and Other €'000	Restructuring €'000	Third Party and Employer Liability Claims €'000	Total €'000
Opening balance	4,883	107	915	941	51,976	58,822
Charge to profit and loss account (net)	1,228		(13)	204	5,185	6,604
Used during the year	(1,137)	(107)		(780)	(2,812)	(4,836)
Closing balance	4,974	-	902	365	54,349	60,590

Operational provisions

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

Environmental provision

The environmental provision relates to restoration costs arising as a result of environmental legislation.

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.

Notes to the Financial Statements – continued

13. Provisions for Liabilities – continued

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 Grants

Deferred Income

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

(a) Capital grants

	2020 €'000	2019 €'000
Balance at 1 January	75,615	79,597
Received & receivable (note 14(b))	8,804	651
Recognised under bus leasing agreement (note 9)		15,539
Derecognised under bus leasing agreement (note 9)	(24,643)	-
Amortisation charge net of related impairment (note 5(d))	(12,443)	(14,810)
Disposals	-	(5,362)
Balance at 31 December	47,333	75,615
Made up as follows:		
Included in current liabilities (note 12)	10,616	14,052
Included in non-current liabilities	36,717	61,563
	47,333	75,615

Notes to the Financial Statements – continued

14. Deferred Income and Revenue Grants – continued

(b) Capital grants additions

	2020 €'000	2019 €'000
Capital grants were used to fund the following additions:		
Computer, hardware, software & other	2,470	651
Buses	6,334	15,539
Sub total	8,804	16,190
Less: Transferable to CIÉ (Property)	-	-
Total	8,804	16,190

Capital Grants are amortised over the useful lives of the assets. The relevant agency and programme is the NTA and the Capital Funding Programme 2017 and the sponsoring government department is the Department of Transport. Grants are restricted to Public Service Obligation (PSO) activities.

Revenue Grants

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

(c) TWSS and EWSS

	2020 €'000	2019 €'000
Operating Revenue includes the following revenue grants		
TWSS	2,764	-
EWSS	15,920	-
Sub total	18,684	-

The Temporary Wage Subsidy Scheme (TWSS) was a temporary government COVID-19 support scheme which operated from March to August 2020 and was replaced by the EWSS (Employment Wage Subsidy Scheme). The Company has estimated an amount due back to Revenue of €0.6m in relation to the TWSS at year end.

15. Share Capital and Reserves

	2020 €'000	2019 €'000
Authorised		
Opening balance		
61,146,471 Ordinary shares of €1.27 each	77,640	77,640
Increase in authorised Share Capital		
Ordinary share Increase €1.27 each	-	-
Closing balance		
61,146,471 Ordinary shares of €1.27 each	77,640	77,640
Allotted, called up and fully paid presented as equity		
Opening balance		
52,133,858 Ordinary shares of €1.27 each	66,212	66,212
Increase in called up and fully paid Share Capital		
29,133,858,000 Ordinary shares of €1.27 each	-	-
Closing balance		
52,133,858 Ordinary shares of €1.27 each	66,212	66,212

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.

	2020 €'000	2019 €'000
Revenue reserves (accumulated losses)	(59,431)	(50,193)

Notes to the Financial Statements – continued

16. Note to the Statement of Cash Flows

	2020	2019
	€'000	€'000
(Deficit)/profit for the financial year	(9,238)	2,294
Net interest payable	140	272
(Deficit)/profit before interest	(9,098)	2,566
(Deficit)/profit on disposal of tangible fixed assets	(244)	(139)
Depreciation, impairment, amortisation of tangible/intangible fixed assets	16,025	20,930
Capital grants amortised	(12,443)	(14,810)
Increase in inventory	(434)	(99)
(Increase)/decrease in debtors	1,218	(1,684)
Increase in creditors	26,397	9,141
Decrease in provisions for liabilities	1,768	(143)
Cash flow from operating activities	23,189	15,762

17. Operating Lease Obligations

Commitments under non-cancellable operating leases payable as follows:

	2020	2019
	€'000	€'000
Within one year	1,287	1,773
Between one and five years	3,617	3,317
	4,904	5,090

Included above within one year and between one and five years for 2020 is (i) an operating lease entered into during the year for buses with annual lease obligations of €0.5 million. The term of this lease is two years and ends during 2022 (ii) the operating lease charge payable to the NTA relating to a bus leasing agreement which commenced in 2018.

18. Pensions

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

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

The net liabilities of the CIÉ Group include liabilities in respect of defined benefit pension obligations of €975 million (2019: €777 million). The disclosures required under FRS102 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 2020 which are publicly available from CIÉ, Heuston Station, Dublin 8.

The Company's pension cost for the year under the defined benefit schemes was €11.6 million (2019: €12.4 million) and these costs are included in note 4(a). The Company cost comprises of contribution payable for the year.

19. Capital Commitments and Other Commitments

	2020	2019
	€'000	€'000
Contracted for	17,443	4,476
Total	17,443	4,476
Capital commitments for which funding by way of grants is committed	2,920	754

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 €4.6m for 2020 (2019: €1.4m) and are not included above in Bus Éireann capital commitments.

Notes to the Financial Statements – continued

20. Guarantees and Contingent Liabilities

At 31 December 2020 the CIÉ Group had drawn down €20 million under the term loan facilities. These borrowings are cross guaranteed by Bus Éireann and the other subsidiaries in the CIÉ Group.

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

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

21. Net Deficit by Activity

2020

	Schools & Commercial €000	City €000	Stage Carriage €000	Non Commercial €000	Total €000
Revenue	231,670	23,870	29,246	53,116	284,786
Costs (net)	254,596	54,648	97,594	152,242	406,838
	(22,926)	(30,778)	(68,348)	(99,126)	(122,052)
Revenue grant	6,612	4,456	7,616	12,072	18,684
Public Service Obligation payment	5,042	-	-	88,791	93,833
Result after Public Service Obligation payment	(11,272)	-	-	1,737	(9,535)
Exceptional items	501	-	-	(203)	298
Result after exceptional items	(10,771)	-	-	1,533	(9,238)

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 2020 amounted to €99.1m, before exceptional items, while the compensation received, excluding revenue grants, amounted to €88.8m.

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, Córas Iompair Éireann, amounted to €93.8m for the year ended 31 December 2020 (2019: €58.0m).

24. Membership of Córas Iompair Éireann Group

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

25. Post Balance Sheet Events

Bus Éireann has continued to operate PSO services in line with the direct award contract during 2020. The Company transitioned to a gross cost contract from 1 January 2021. Under the gross cost contract revenue responsibility for PSO services transfers to the NTA.

The Company has determined this is a non adjusting post balance sheet event. Accordingly the financial position and results of operations as of and for the year ended 31 December 2020 do not require any adjustment.

26. Approval of Financial Statements

The Directors approved the financial statements on 29 March 2021.



Contact Info
Broadstone, Dublin 7
www.buseireann.ie