CIÉ Group Annual Report
Year Ended 31 December 2021

Driving Change for a Sustainable Future

Number of KMs travelled

BÁC:	**2021:**	**42.8 million (+0%)**
	2020:	42.8 million
BÉ:	**2021:**	**167.1 million (+3%)**
	2020:	161.9 million
IÉ:	**2021:**	**16.6 million (+13%)**
	2020:	14.7 million
Group:	**2021:**	**226.4 million (+3%)**
	2020:	219.5 million

Number of employees

2021: 10,825
2020: 10,598

Operating Deficit for year:

€44.3m

driven by pension charges.
Down from **€58.6m deficit in 2020**,

Pension Deficit:

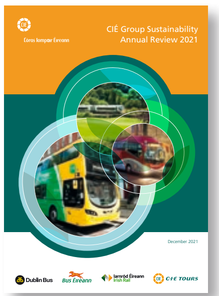
€846m

Down from **€975m deficit in 2020.**

Capital Funding

€367m

Up from **€228m in 2020.**



First CIÉ Group Sustainability Annual Review published in December 2021

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Chairperson's Statement

As Ireland's largest public transport provider, our ambition is to be front and centre of Ireland's climate change response while also providing solutions for sustainable development across the country. The CIÉ Group has the scale, assets, resources and expertise to play a key role in this vital task.

While 2020 was synonymous with the shock of the arrival of the pandemic, 2021 was a 'roller coaster' in learning to live alongside it. COVID-19 has impacted on all aspects of our business and personal lives and I am very proud of the role CIÉ has played during these difficult times keeping our services running safely for both staff and customers and ensuring essential workers could get to their places of work.

The availability and reliability of public transport services is a key enabler of economic development and social cohesion. It also has a hugely important role to play in addressing climate change, reducing congestion and improving air quality.

The Group has the unique capacity to manage a cost effective delivery of high quality public transport solutions across Ireland. In all matters, the Group works in collaboration with its shareholder, the Minister for Transport and with the National Transport Authority ("NTA").

We have a unique opportunity to ensure the post pandemic recovery is a sustainable one – one in which public transport must play a leading role so as to effectively respond to our other existential crisis – climate change.

CIÉ Group Strategy 2021-2022; responding to COVID-19

As a result of the pandemic, the sustainability of the Group in the short to medium term has been a key focus of the CIÉ Board. As requested by the Board, CIÉ has developed a two-year strategy entitled "CIÉ Group Strategy 2021-2022; responding to Covid".

The magnitude of the sudden impact of COVID-19 on the Group has necessitated the adoption of this strategy which is primarily focused on ensuring the financial stability of the Group while also progressing wider strategic goals, where possible. Ensuring the financial stability of the Group will ensure the Group will continue to play a leading role in the nation's recovery from COVID-19 and help deliver a more sustainable future. This short-term strategy dovetails with the Group's new sustainability strategy.

Sustainability

The CIÉ Group plays an integral role in delivering a national strategy for decarbonisation and is prioritising Ireland's climate change responsibilities. Combining the fact that we are the largest public transport provider in Ireland and have a significant property portfolio, the CIÉ Group is in a unique position to provide smarter travel options and contribute to a sustainable economy.

CIÉ published its first Annual Sustainability Report at the end of 2021 which demonstrated the progress made in implementing the Group's sustainability strategy in its first full year of operation. It is testament to the hard work and commitment of staff across the Group that we can already report on significant achievements under our Strategy. The report also highlights dozens of programmes in their early stages which will produce meaningful results over the coming months and years.

Transit Orientated Development

CIÉ's Transit Orientated Developments (TOD) will reduce car dependency by offering high quality developments across Irish cities. CIÉ is committed to TOD whenever feasible utilising the extensive and centrally located land holdings in the CIÉ Group portfolio. We have the potential to optimise the provision of housing, employment and urban spaces in close proximity to the frequent, high-quality transport services which are necessary to support TOD.

The launch of the Heuston Masterplan in Dublin demonstrates our vision in this respect. We shall continue to work closely with the Land Development Agency on other opportunities such as Colbert Quarter in Limerick.

Direct Award Contracts

2021 was the second full year of operation of the current NTA Direct Awards Contracts with Bus Átha Cliath, Bus Éireann and Iarnród Éireann. CIÉ commits to working collaboratively with the NTA to ensure that these contracts are operated effectively.

I welcome the expansion of Public Service Obligation Services through Bus Connects and other NTA initiatives.

Our challenge is to continue to deliver a comprehensive range of integrated public transport services in a safe, reliable and efficient manner for the good of Irish society generally.

Pensions

Sustainable pension provision is a challenge which is not unique to the CIÉ Group, however the CIÉ Group pension deficit remains a key component of the weakness in the Group's financial position. The accrued liabilities of the Schemes exceed the Schemes' assets by €846m at the end of 2021.

This is a priority concern of CIÉ as it puts the long-run security of pension provision for our workforce at risk.

I am pleased to point to progress in addressing this problem during 2021.

Regular Wages Scheme

This Pension Scheme covers approximately 75% of the Group's workforce and consists of mainly frontline workers. A Workplace Relations Commission proposal, designed to address the Minimum Funding Standard deficit, was accepted by the workforce during 2020.

Work with the Department of Transport, New Era and the Department of Public Expenditure and Reform to agree changes to Statutory Instruments to reflect the agreed proposal concluded in late 2021. The penultimate step in implementation of the changes, a formal public consultation, has commenced and it is hoped that the overall process concludes in early 2022.

1951 Scheme

This Pension Scheme covers approximately 25% of the Group's workforce and consists of mainly management and office staff. This Scheme makes up over 50% the Group's pension deficit.

In late 2020, the Labour Court issued Recommendations designed to address the Minimum Funding Standard deficit. The Recommendations represent the optimum that can be achieved on this matter and has been accepted by CIÉ as the sole basis for developing a revised Funding Proposal for this Scheme.

I am pleased to report that that a Trade Union Ballot during 2021 accepted the Labour Court Recommendation.

It is disappointing that the Committee of the 1951 Scheme continue to resist changes to the Scheme, notwithstanding the ballot result.

The scale of pension deficit cannot be left unaddressed. Failure to implement the Labour Court Recommendation in a timely fashion will result in otherwise avoidable decisions by the CIÉ Board in respect of pension provision, in order to de-risk the Schemes and provide for long run sustainability of pension provision.

Government Strategy

With the support of our partners, CIÉ Group is working to deliver the Programme for Government; the National Development Plan 2021-2030; the Climate Action Plan (CAP) 2021; Project Ireland 2040, and Circular Economy Programme to tackle climate change, reduce congestion and support sustainable economic growth. The Group recognises the key role that alternative fuels will play in supporting our emissions reductions targets, and we will continue to support the development of a Renewable Fuels for Transport Policy to enable alternative fuels have a role in the decarbonisation of energy and transport. The Connecting Ireland project will enhance rural access to public transport services across the country, and major Irish cities will develop highly efficient public bus systems through the BusConnects project.

Board Composition

CIÉ and its subsidiary companies are committed to operating to high standards of corporate governance as reflected in The Code of Practice for the Governance of State Bodies.

Having a fully constituted Board is a key component of providing the necessary checks and balances within the overall governance process.

I understand CIÉ Board vacancies which occurred at the end of 2021, and are linked to the Chair positions of both Bus Átha Cliath and Bus Éireann, should be filled in the Spring of 2022. I am keen to see all remaining vacancies at subsidiary Boards filled as soon as possible.

Acknowledgments

On behalf of the Board, I would like to express my thanks to the Minister for Transport, Mr. Eamon Ryan, and the officials in the Department of Transport for their support in 2021, particularly given the challenges for the Group as a result of the pandemic. I would also like to thank officials in the NTA and NewERA with whom we had regular contact.

I wish to thank my colleagues on the Board for their service on the Board and on its various Committees during the year. In particular I wish to acknowledge the contributions of Board members whose terms came to an end during 2021; Mr. Ultan Courtney, Ms. Denise Guinan, Mr. Aidan Murphy and Mr. Tom O'Connor.

Finally, I wish to thank the executive team for their ongoing commitment and effective governance during the year.

While the pandemic has presented huge challenges to the Group, the individuals and families across the country who have borne the huge personal cost of the pandemic are also in my thoughts, particularly those who have lost loved ones as a result of COVID-19. At the time of writing, the worst of the pandemic appears to be behind us. Passenger numbers are steadily increasing week by week. All of the staff across CIÉ look forward to welcoming our customers onboard again.

Fiona Ross
Chairperson

CEO's Statement

As Ireland's largest public transport provider, we play a central role in helping the State meet not only its requirement to move people effectively and efficiently but to contribute to the wider goals of addressing climate change, congestion, air quality and wider economic and social development.

Following the shock caused by the onset of the pandemic in 2020, 2021 saw us all adapting to live alongside COVID-19. While passenger journeys rose and fell during different periods of 2021, reflecting Government travel advice, it was positive to see an overall upward trend.

The CIÉ Group remained focused on maintaining services throughout 2021 while also ensuring the safety of our customers and staff. This would not have been possible but for the support from Government and the National Transport Authority (NTA) through increased Public Sector Obligation payments. Bus Éireann's Expressway business also benefited from NTA supports made available to commercial bus operators.

The Group welcomes unprecedented levels of capital investment in public transport. This investment is critical to help deliver modal shift and help reduce carbon emissions from the broader transport sector. Our Group Companies will play critical roles in the delivery of various NTA projects including DART+, Bus Connects and Connecting Ireland.

The CIÉ Board's short term "CIÉ Group Strategy 2021-2022; responding to Covid" saw continued careful management of the Group's finances during such uncertain times. Despite the challenges which existed in 2021, the Group generated a surplus of €5m before pension charges. This includes a loss of €1.5m on commercial activities in 2021 compared to an equivalent loss of €26m in 2020 which highlights the level of corrective measures implemented by management to curb the trend. Staff reductions and re-deployments in key areas as well as tight cost controls were key factors in the turnround.

Given the almost overwhelming nature of pandemic related challenges, it can be easy to overlook other important developments during 2021, however there were several important milestones achieved across the Group including;

- **Bus Átha Cliath** introduced several new services as part of the NTA's rollout of BusConnects (C & H Spines).
- **Bus Éireann** introduced additional PSO services in various cities and towns across Ireland and began operating three hydrogen fuelled double deck buses.
- **Iarnród Éireann** signed a contract with Alstom for the largest and most sustainable fleet in Irish public transport history (up to 750 new rail carriages over 10 years).

Along with the global response to the pandemic, climate change presents the most significant challenge facing the world.

With the Intergovernmental Panel on Climate Change (IPCC) report confirming human induced climate change, it is incumbent on us all to do what we can to limit warming to 1.5 degrees.

The Environmental pillar of CIÉ Group's sustainability strategy is designed to reduce emissions within the transportation sector. Our Strategy is also designed to meet economic and social goals. Our first Sustainability Report in 2021 reports on the progress made in implementing the Group's sustainability strategy in its first year of operation. It is testament to the hard work and commitment of staff across the Group that we can already report on significant achievements under our Strategy. The report also highlights dozens of programmes in their early stages which will produce meaningful results over the coming months and years.

We have a plan to become a fully circular, sustainable business and though we are only beginning our journey of sustainability, we are fully committed to accelerating progress.

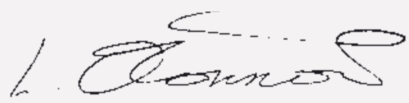
There is a clear appetite and commitment from our people in playing a part in achieving our sustainability goals. Looking to the future, our focus is to achieve our climate targets and transform our business. We are seeking to understand climate related risks and opportunities, and consider the balance is tipped towards opportunities for the Group.

- **Rosslare Europort** saw an increase in services to continental Europe of 50% while also developing plans to be a base to support the installation off-shore windfarms.
- **CIÉ Tours** recommenced operations in the Summer, helping support the rural tourism sector by touring thousands of long-missed American tourists across the country.
- **CIÉ Property** launched a Masterplan for Heuston Station – an ambitious plan exploring the opportunities for CIÉ's lands at Heuston Station Dublin and neighbouring site at Conyngham Road Bus Garage. The development presents an opportunity to be one of the largest and most sustainable Transit Orientated Developments in Ireland.
- **Sustainability Report published**. This report sets out the progress made in implementing the Group's sustainability strategy in its first full year of operation.

Notwithstanding the significant achievements in 2021, it is important to acknowledge the challenges that lie ahead including the 'cloud' over the future of the Group caused by the slow progress in resolving the pension deficit, ensuring that our cost base and work practices are competitive and ensuing we have sufficient capacity and expertise across the Group to deliver the various capital projects we are involved in, on time and on budget.

As Ireland's largest public transport provider, we play a central role in helping the State meet not only its requirement to move people effectively and efficiently but to contribute to the wider goals of addressing climate change, congestion, air quality and wider economic and social development.

I want to acknowledge the support of the members of the Board. They provide vital oversight, governance and guidance to me and the wider Executive team. I also wish to thank the members of the Executive team for their hard work and commitment during what was a very difficult year. Finally, and most importantly, I would like to express my sincere gratitude to all our staff for their contribution during 2021.



Lorcan O'Connor
Group CEO

Financial Review

In 2021, the CIE Group continued to deliver the full range of public transport services on the basis of continuing strong financial support from the Exchequer.

Overall financial stability was maintained during the year as a result of improved performance in both public transport and commercial activities. We acknowledge the beneficial effect of the positive economic support measures put in place by the Exchequer and implemented with our parent department, the Department of Transport and our other partners principally the NTA, the Department of Education and Skills and the Department of Social Protection.

Overall financial performance is driven by three factors.

i. Revenue – consisting of
   a. Exchequer Funding
   b. Revenue from Operations
ii. Operating Costs
iii. Pension Funding Costs

Revenue

In overall terms, Revenue in 2021 increased by €103m (from €1,195m to €1,298m) with other State Funding making up €57m of this increase (€218m to €275m) driven largely by the continued and welcome support from the Employment Wage Subsidy Scheme (EWSS).

From 1 January 2021, Bus Átha Cliath (BÁC) and Bus Éireann (BÉ) provided public transport services on behalf of the National Transport Authority (NTA) on a gross cost contract basis. Under these contracts both BÁC and BÉ are reimbursed by the NTA for the agreed cost of service delivery and the farebox revenues generated are remitted directly to the NTA.

Figure 1 demonstrates the make-up of total revenue for the Group from 2019 to 2021 and the impact of COVID-19 is clearly evident in 2020 which continues through to 2021 although the transfer of Farebox Revenue (BÁC and BÉ) to the NTA in 2021 is the key driver for the extent of the farebox revenue profile change in 2021.

Schools Revenue in 2021 is €60m higher than 2020 due to the delivery of additional services in order to provide 50% social distancing to comply with public health guidelines associated with COVID-19. This revenue increase however has a proportionate increase in operating costs associated with the cost of providing the additional services as demonstrated in Figure 2.

Commercial (Non PSO Services) revenue in 2021 is reporting a modest €9m increase in revenue over 2020 emanating from a return of operations in CIÉ Tours and a buoyant year for Rosslare Europort.

The increase in PSO revenue is primarily driven by the transfer of farebox revenue from BÁC and BÉ under the Direct Award Contract (DAC) in 2021 but also the provision of additional services and routes particularly H Spine and C Spine in Dublin under the BusConnects programme.

Operating Costs

In overall terms, the Group delivered an extended range of services and these additional services contributed to an overall operating cost increase of €92m including a €16m pension cost increase in 2021. The additional services comprised of extension of bus services in both BÁC and BÉ under the Direct Award Contracts with the NTA and the provision of additional school bus services in order to implement the social distancing guidelines which were implemented as a COVID-19 mitigation measure.

The principal components of Operating Costs are summarised below in Figure 2 where the increases in operating costs are largely confined to payroll (excluding FRS102 Costs) and School Transport contract costs.

Figure 1: Total Revenue

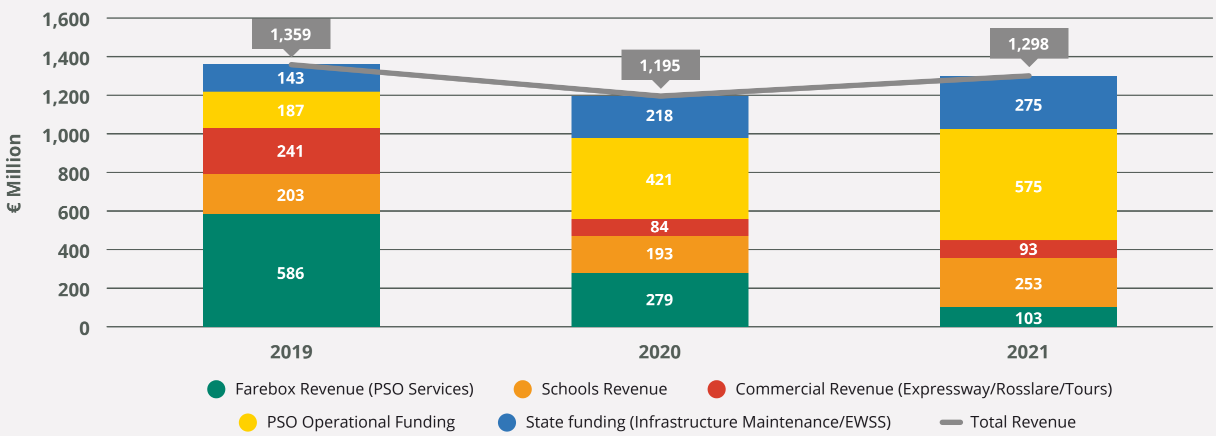
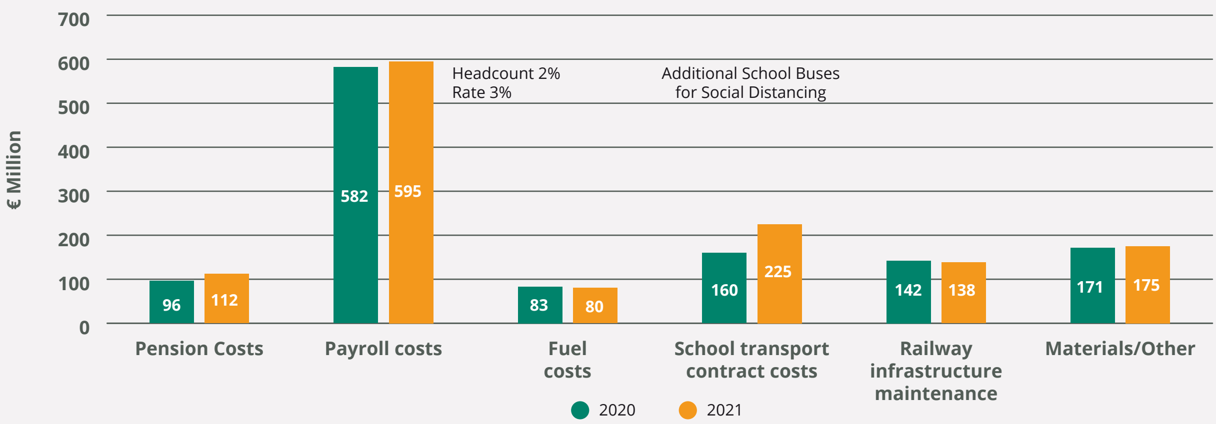


Figure 2: Operating Costs 2021 Vs 2020



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Pension Funding Costs

The financial statements incorporate the cash cost of pension provision and non-cash costs associated with the accounting estimate of current service costs and the imputed finance cost of carrying the net pension liability which has developed. These costs have increased from a total of €96m in 2020 to €112m in 2021 reflecting the higher cost of providing defined benefit pension benefits in a low interest rate environment.

Operating Loss for the year

The impact of these factors on financial performance resulted in a movement in deficit from €67m in 2020 to a deficit of €53m in 2021 and this movement is summarised as follows.

Significant Other Financial Developments

Banking Facilities

The Group has committed banking facilities in place under an arrangement which will continue in effect until January 2025. These facilities comprise a term loan facility of €16m and a committed revolving credit facility of €80m which was not drawn during the year. At all times during 2021 the Group operated with zero net debt and in a positive net cash position.

Recapitalisation

During 2021, the CIÉ Board approved a €28 million recapitalisation of Bus Éireann, significantly strengthening the company's balance sheet.

Figure 3: Deficit Movements 2020 to 2021

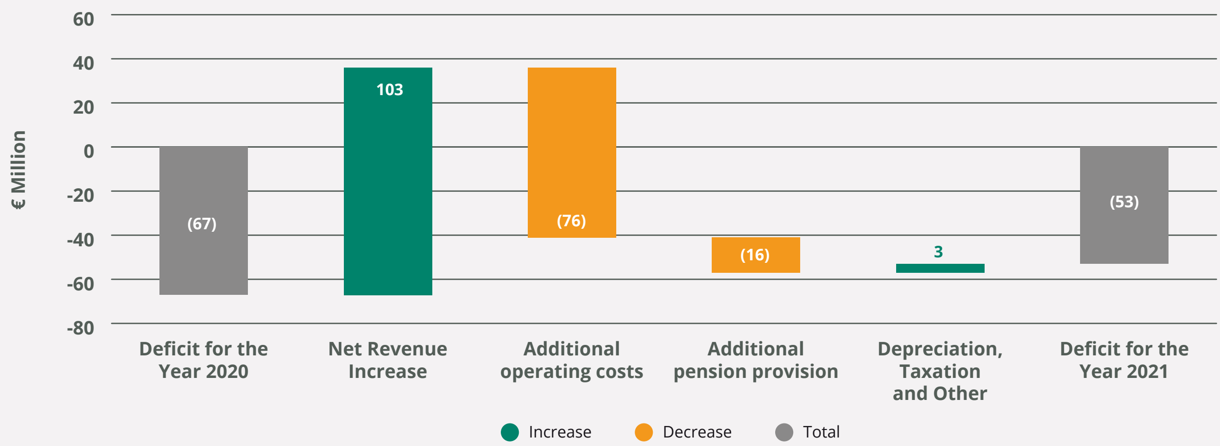
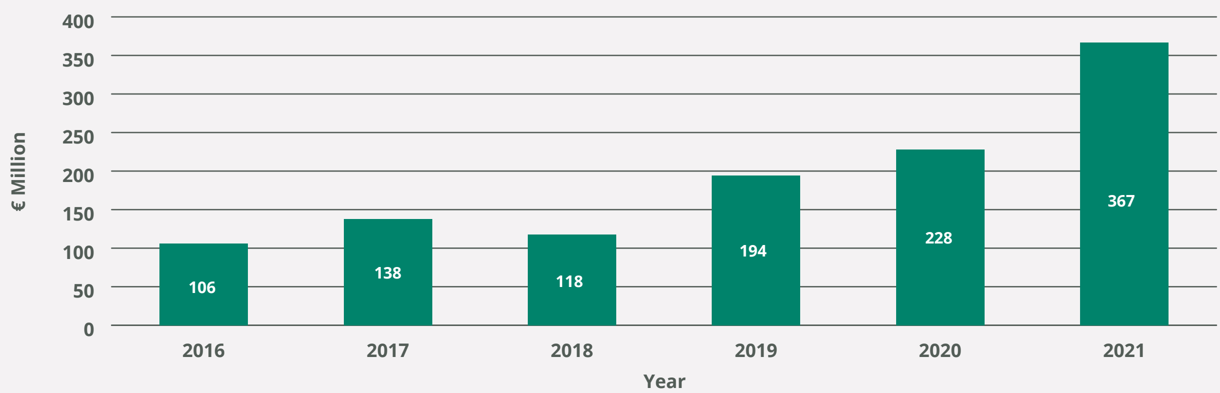


Figure 4: Capital Funding 2016 to 2021



Capital Programme Exchequer Funding

CIÉ welcomes the increase in Capital Programme Exchequer Funding which increased by €139m in the year to €367m. Figure 4 demonstrates the steady and very welcome increase in capital funding over the period 2016 to 2021.This funding is used for the investment and upkeep of the public transport network assets and the large increase in 2021 is driven primarily by a down-payment for the procurement of new rail carriages – up to 750 electric/battery electric powered vehicles as part of the DART+ programme. This order represents the purchase of the largest and most sustainable public transport fleet in Irish history.

Pensions

The net pension fund deficit at the year-end is €846 million, a reduction of €129m during 2021. The decrease in the net liability arose principally as a result of

i. an improved discount rate which reduced the estimated value of future liabilities and

ii. asset growth

The Group operates two defined benefit pension schemes: The CIÉ 1951 Scheme and the CIÉ Regular Wages Scheme. These are funded by contributions made by the Group and its employees. The retirement benefits, which are provided by these schemes, are funded by significant assets, which are invested in trustee-administered funds.

The annual cost of providing retirement benefits assumes the future rates of returns for pension fund assets and liabilities are aligned based on long-term interest rates. The exposure to fluctuations in long-term interest rates that arises is a significant risk, which the Group is seeking to mitigate.

In 2013, both Schemes submitted revised Funding Plans to the Pensions Authority. These plans were intended to restore the Schemes to solvency by 2023. Both Schemes are currently 'Off Track' with respect to their Funding Plans, as a result revised Funding Plans are required to be submitted to the Pensions Authority.

While the obligation to submit revised funding proposals rests with the Trustees of the Regular Wages Scheme and the Committee of the 1951 Scheme, as Scheme sponsor CIÉ is committed to supporting the Trustees and the Committee in bringing forward viable proposals which meet the requirements of the Pensions Act.

In December 2019, a Workplace Relations Commission facilitated negotiation process identified a series of proposals which, if implemented, could form the basis of revised Funding Proposals. These proposals were accepted by the membership of the Regular Wages Scheme in June 2020 and the process to implement this proposal, which requires amendment to Statutory Instruments, is nearing completion.

A Labour Court Recommendation on proposals for the 1951 Scheme was accepted in a ballot in May 2021 and CIÉ adopted it as the sole basis for developing a revised Funding Proposal for this Scheme.

Fiona O'Shea
Group Chief Financial Officer

Operational Review

Significant Operational Developments

2021 saw the Group supporting the Irish economy and society in general in living alongside COVID-19. Through its subsidiary companies Bus Átha Cliath, Bus Éireann and Iarnród Éireann the CIÉ Group provided a comprehensive range of public transport services across the country where levels of usage closely reflected the ebb and flow of the virus throughout the year. We also welcomed the return of inbound tourism through CIÉ Tours albeit at a relatively low level. Finally, CIÉ was pleased to launch the Heuston Masterplan and to continue to build on its sustainability strategy which had been launched in 2020.

COVID-19 Response

Across the CIÉ Group, COVID-19 Response Plans were continuously reviewed and updated as Government guidance evolved. Ongoing delivery of these plans was achieved through our dedicated COVID-19 response teams, who provided support on an ongoing basis to all of our colleagues to ensure compliance with relevant protocols and to minimise the risk to the travelling public, our employees and our suppliers.

The key features of our COVID-19 Response Plans were:

- Designation of COVID-19 Compliance Officers to lead the implementation of prevention and protection measures in each location.
- Engagement campaigns to inform, educate and support our colleagues in delivering services in a changing public health environment.
- Provision of additional cleaning in offices, workshops on our fleets and at stations.
- Provision of PPE kit.
- Implementing a Working at Home Policy for desk-based employees where possible supported by resources and working from home assessments.
- Use of high visibility signage and other promotional materials to promote the safe use of public transport.

The CIÉ Group will continue to be guided by the Government, HSE, Department of Health and other relevant government agencies to inform decisions. All public health instructions that are issued by the Government and the Department of Health are followed.

Ms. Anne Graham, CEO, National Transport Authority, Mr. Ray Coyne, CEO, Bus Átha Cliath and Mr. Eamon Ryan, Minister for Transport at the launch of C-Spine services, as part of Bus Connects.

Bus Átha Cliath

Bus Átha Cliath services, across Dublin, are delivered by a highly committed diverse workforce of over 3,600 people.

Getting customers and essential workers to where they needed to go and providing a safe, positive, experience, even in times of unprecedented challenges, was a key focus in 2021.

Beyond the key operational challenge posed by the pandemic, the significant highlights are:

- 70m Passenger journeys (up from 69m in 2020).
- Financial surplus of €5.8m (2020: €9.9m deficit) with Net Assets of €44.5m (2020 €38.8m).
- Phase one of BusConnects, the H Spine, launched in June 2021, based out of Clontarf Depot, resulting in +600 extra trips every week representing a 32% mid-week increase and highs of 49% increase for Saturday trips with 71% increases for Sunday trips. H Spine
- Phase two of BusConnects launched in November 2021, based out of Conyningham Road, Phibsboro, Broadstone, Summerhill, Ringsend and Harristown, the C Spine is delivering an extra 400 trips per week – an increase of 19%. C Spine
- The launch of four new (local link) routes that service Adamstown to Liffey Valley and River Forest to Red Cow (LUAS) and Hazelhatch, requiring a fleet of 30 buses in total.
- The addition of two new 24/7 routes that will deliver safe travel at night and provide a boost to the night-time economy in Dublin.
- The introduction of 172 new hybrid vehicles into the fleet.

CHARTERED ACCOUNTANTS IRELAND

The Chartered Accountants Ireland Leinster Society hosted the Published Accounts Awards in November 2021. CIÉ Group, in our first year of entry, was short-listed for the Statutory Unquoted Large Entity award.

Ms. Anne Graham, CEO, National Transport Authority, Mr. Denis Carthy, Bus Éireann Training Supervisor and Mr. Stephen Kent, CEO, Bus Éireann at the launch of BusConnects Cork consultation.

Bus Éireann

Bus Éireann is Ireland's national bus company delivering public transport between and within towns and cities across the country. Through its three businesses, Public Service Obligation (PSO), Expressway, and School Transport, Bus Éireann connects millions of people to their destinations on a weekly basis.

The significant operational highlights of 2021 were:

- 57.5m customer journeys on scheduled bus services (Up from 51m in 2020).
- Financial deficit of €1.6m (2020: €9.3m deficit) with Net Assets of €33.1m (2020 €6.8m).
- The management of the Schools Transport Service which safely transported over 122,000 socially distant children to school on over 6,800 vehicles across 9,000 routes daily mainly through the use of externally contracted operators.
- Contributing to the national vaccination programme by running shuttle services to vaccination centres in Waterford and Limerick.
- New PSO Services introduced as part of the Government stimulus package added three million additional kilometres of connectivity to the network covering locations such as Ballina, Dundalk and Limerick.
- A new PSO route between Cork and Dublin was introduced to ensure connectivity to communities previously served by Expressway X8. Route 245x operates between Cork and Dublin via Fermoy, Mitchelstown, Cahir and Cashel.
- The introduction of more than 200 new vehicles to the Bus Éireann fleet – the largest ever deployment, replacing almost one in five buses and coaches. This included the first hydrogen fuel cell electric vehicles to be deployed in Ireland. Lower emission hybrid vehicles were used to swap over the Galway City fleet in its entirety and 30 state-of-the art Euro VI coaches for Expressway were introduced for services along the Western Seaboard.
- With the consent of the Minister, the successful recapitalisation of the company by CIÉ which has strengthened the reserves in the Balance Sheet which were severely impacted by COVID-19.
- The launching of BusConnects plans for Cork in November which will provide the people of Cork with a more reliable and frequent service.
- Bus Éireann also launched the new MyExpressway ticketing system across its commercial Expressway services. MyExpressway introduces significant customer benefits including an improved online ticketing system, contactless payment and guaranteed seat reservations on all routes.
- During 2021, the construction of a new depot building at Roxboro in Limerick began, with completion on track for 2022. The company received planning permission for Phase 2 development of the site, which will include site expansion and environmental readiness works. The company is also at advanced stages of projects at Athlone and Limerick to accommodate new electric and hybrid vehicles with construction work to begin in 2022.

Mr. Jim Meade, CEO, Iarnród Éireann,
Mr. Henri Poupart-Lafarge, Global CEO, Alstom
at the signing of the contract for new DART carriages.

Iarnród Éireann

Iarnród Éireann is Ireland's national railway developing and operating the country's rail network.

Iarnród Éireann's operational highlights for 2021 include:

- 17.4m passenger journeys (17.9m in 2020 which included 2.5 months of pre-COVID-19 restrictions).
- Financial surplus before taxation of €2.6m (2020: surplus €2.5m) with Net Assets of €46.6m (2020: €44.0m).
- Continuing infrastructure investment and enhancement to support the future growth of a sustainable rail network, the headline projects include:
  - **DART+ Programme:** The contract for the largest and most sustainable fleet for Ireland's public transport network was signed with Alstom. The contract makes provision for up to 750 new rail carriages over the coming decade. This fleet, and the associated infrastructure developments under DART+, will be at the heart of Ireland's sustainable transport network.
  - **Cork Area Commuter Rail:** The European Commission endorsed Ireland's recovery and resilience plan. The plan includes funding for three elements of the overall railway development ambitions in Cork: resignalling and providing an additional track between Glounthaune and Midleton and an additional platform in Kent Station. Design development works on remaining elements of the proposed development commenced in 2021. This process will determine the fleet and infrastructure necessary to improve the service levels and identify additional stations and will conclude in early 2022.
  - **National Train Control Centre (NTCC):** Construction of the NTCC commenced in June of 2020. Work is progressing well and the superstructure works were substantially completed in 2021, allowing for the critical fit out works to follow.
  - **Pelletstown Station:** The newest station on the Iarnród Éireann network, Pelletstown Station opened on Sunday 26th September. The Station – the 145th on the rail network – is situated between Ashtown and Broombridge stations on the Dublin to Maynooth/M3 Parkway line and serves the existing community of Ashington as well as the new community at Royal Canal Park.
  - **Ceannt Station Redevelopment:** Detailed design on the redevelopment of Ceannt Station in Galway is nearing completion and subject to approval it is proposed to go to tender in April 2022 and award a contract to begin work in July 2022. This project will improve the passenger experience in the station environment and will integrate the station with the proposed new development to the south, improve integration between bus and rail, and facilitate future capacity increases.

- **Rosslare Europort:** Despite the challenges of Brexit and COVID-19, 2021 was a record year for Rosslare Europort in freight Ro-Ro traffic with over 183,000 freight units moved through the port. This represented an increase of 50% and 52% when compared to 2020 and 2019 respectively. There was also a significant increase in direct sailings to the continent with over 30 services a week now operating to and from Rosslare Europort to Bilboa, Cherbourg, Le Havre and Dunkirk making Rosslare Europort the number one port in Ireland for direct Ro-Ro/Ro-Pax services to Europe. The port secured new services from DFDS in addition to the established services from Irish Ferries, Stena Line, Brittany Ferries and Neptune Line.
- The Rosslare Masterplan was finalised in 2021 and construction commences in 2022 with significant investment taking place in the port by IÉ in creating additional Ro-Ro Pax capacity and facilities and the Office of Public Works investing in the required permanent Border Control Post. The Offshore Renewable Energy (ORE) project was launched in 2021 containing a substantive proposal and design for the establishment of an ORE facility at Rosslare to support the Celtic and Irish Sea offshore wind farm developments. An EU Connecting Europe Facility funding application has been presented for the January 2022 call down to seek 50% co-funding for studies, environmental, planning and detail design to take the ORE project to planning consent stage with consultants now appointed and a project team in place.

- A key deliverable for 2021 has been the development and implementation of IÉ Strategy 2027. Aligned to the National Development Plan, this ambitious strategy outlines plans for the 'growth, sustainability and transformation' of the railway.
- The promotion and growth of rail freight remains a key focus for the organisation and 2021 saw the launch of the Rail Freight 2040 strategy. Working with all key stakeholders, the strategy sets out six core pillars to position rail at the centre of Ireland's future freight transport systems. Core areas of investment in the coming years will be enhancement of infrastructure at seaports, development of a network of inland intermodal terminals, and the purchase of required rolling stock.
- Increase in joint Garda/IÉ public safety operations at high-risk locations and onboard services utilising recently appointed Revenue Protection Unit authorised officers resulting in overall decrease in crime and antisocial behaviour with increased compliance during the period.

CIÉ Tours

After 15 months of COVID-19 related travel disruption, CIÉ Tours restarted tour operations in summer 2021. CIE Tours was successful in retaining a very high proportion of the bookings which were disrupted as result of COVID-19. The successful transfer of the pre pandemic bookings from 2020 to 2021 and the delivery of Tours on the ground was based on with a well-resourced suite of itineraries which had been designed to mitigate COVID-19 issues.

Specific highlights are:

- Successful retention of 2020/2021 bookings.
- Continued growth of new bookings
- Promotional campaigns ongoing
- High customer satisfaction ratings in respect of complete Tours

Mr. John Coleman, CEO, LDA, Mr. Jim Meade, CEO, Iarnród Éireann, Mr. Lorcan O'Connor, Group CEO, CIÉ and Minister Darragh O'Brien, Minister for Housing, Local Government and Heritage at the launch of Colbert Quarter consultation.

CIÉ Holding Company

CIÉ, the parent company of the Group, is responsible for the overall governance of the Group in accordance with the Code of Practice for the Governance of State Bodies and the expectations of our shareholder the Minister for Transport, managing the financial sustainability of the group, managing the Group's property portfolio and finally providing a range of specialist professional support services within the Group. These services include:

- managing the Group's property to provide an ancillary income stream which helps to fund public transport
- providing information technology infrastructure and application services
- risk management services
- specialist legal services
- treasury management
- pension scheme administration

During 2021 the significant operational achievements included:

- CIÉ Group sustainability Annual Review 2021 published
- Heuston Station Masterplan launched November 2021
- Colbert Station Quarter Spatial Framework launched in October 2021
- New digital advertising bridges introduced to the market in 2021
- Continued supports to Retail Tenants over the course of 2021
- Progression of a tender process to renew our multi annual Managed Service Provider – this contract is a key building block of the resilience of our IT infrastructure estate
- Established a new Information Security Services Team and rolled out new technology to protect the CIE Group against Cyber attacks

Code of Practice

The Group policy is to be fully compliant with the 2016 Code of Practice for the Governance of State Bodies. A number of derogations from disclosures have been agreed with our parent department, the Department of Transport. These derogations are in place to address Data Protection concerns, commercial sensitivity concerns and finally, given the scale of the Group's operations, recognising that higher thresholds for disclosure are appropriate in regard to procurement matters.

Payment Practices

The Group acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Regulations 2002. The policy throughout the Group in 2021 was to comply with the requirements of the regulation.

Consultancy Costs

The Group procures consultancy services in relation to intellectual capital that assist in the effective decision making within the organisation in complex areas where the skills are not readily available within the organisation. Below is a summary of the areas of consultancy expenditure incurred by the Group in 2021. The following table provides a summary of the consultancy expenditure incurred by the Group in 2021.

Consultancy Costs	€'000
Infrastructure (Including Capital Investment)	17,770
Pension and Human Resources	3,118
Operational & Other	1,140
Strategy & Organisational Design	895
Tax and Financial Advisory	615
Legal	404
Public Relations / Marketing	189
Gross Consultancy Costs	**24,132**
Capitalised Costs	(17,399)
Net Consultancy costs	**6,733**

Procurement Policy

The CIÉ Group Procurement Policy is in place to ensure compliance with the EU Public Procurement and Utilities Directives, as well as Board and Government policies. Substantially all procurements over the qualifying thresholds were put to open tender and inserted in the EU Journal where appropriate. The CIÉ Group is compliant with the Public Spending Code that came into effect in September 2013.

Group Employment

The average number of people employed by the Group in 2021 was 10,825, an increase of 227 from 2020.

Figure 5: CIÉ Group average personnel numbers

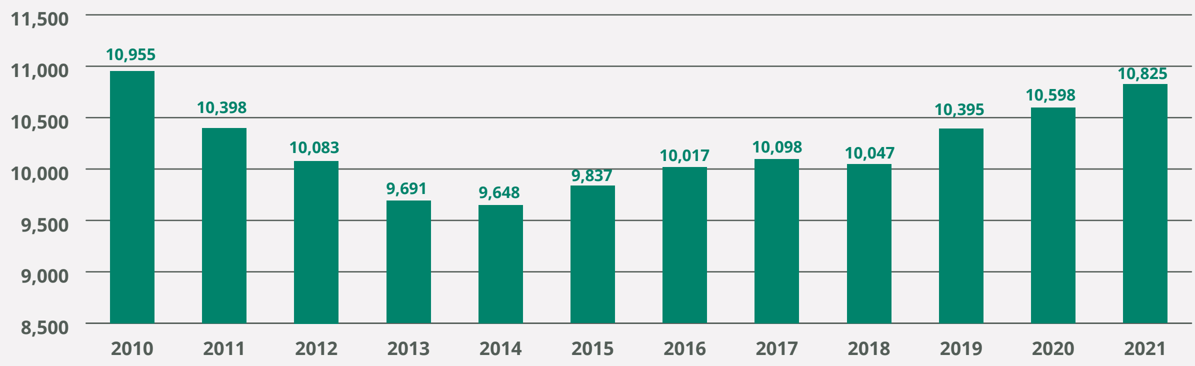
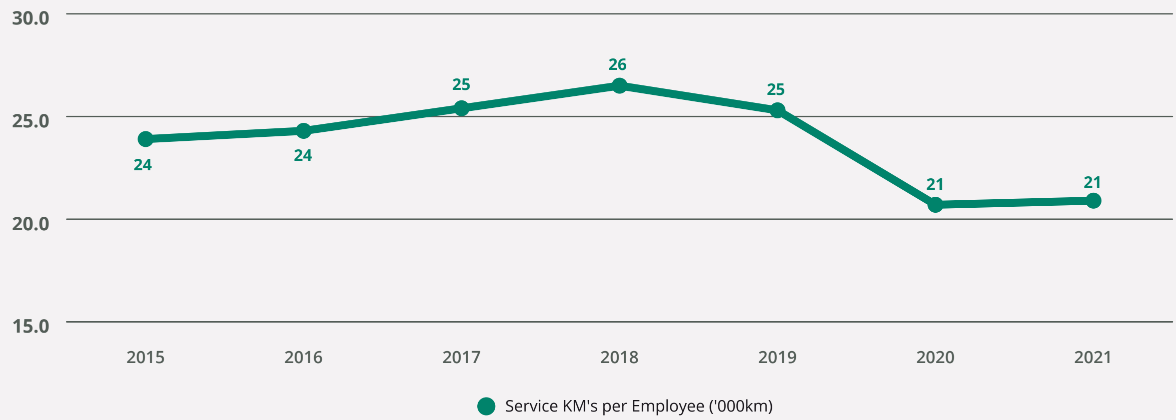


Figure 6: Service KM's per Employee ('000km)



Staff Participation

Our staff are the most essential element in providing a reliable, safe and efficient public transport service. Our colleagues have met the many additional challenges associated with delivering services through COVID-19. It is Group policy to maximise this resource through a culture of participation and teamwork. All staff are encouraged to participate in the running of the Group through active involvement in project teams, working parties and customer-focused initiatives. In 2021, the Group successfully completed the election process for the four Worker Members on the CIÉ Board.

Equality and Diversity

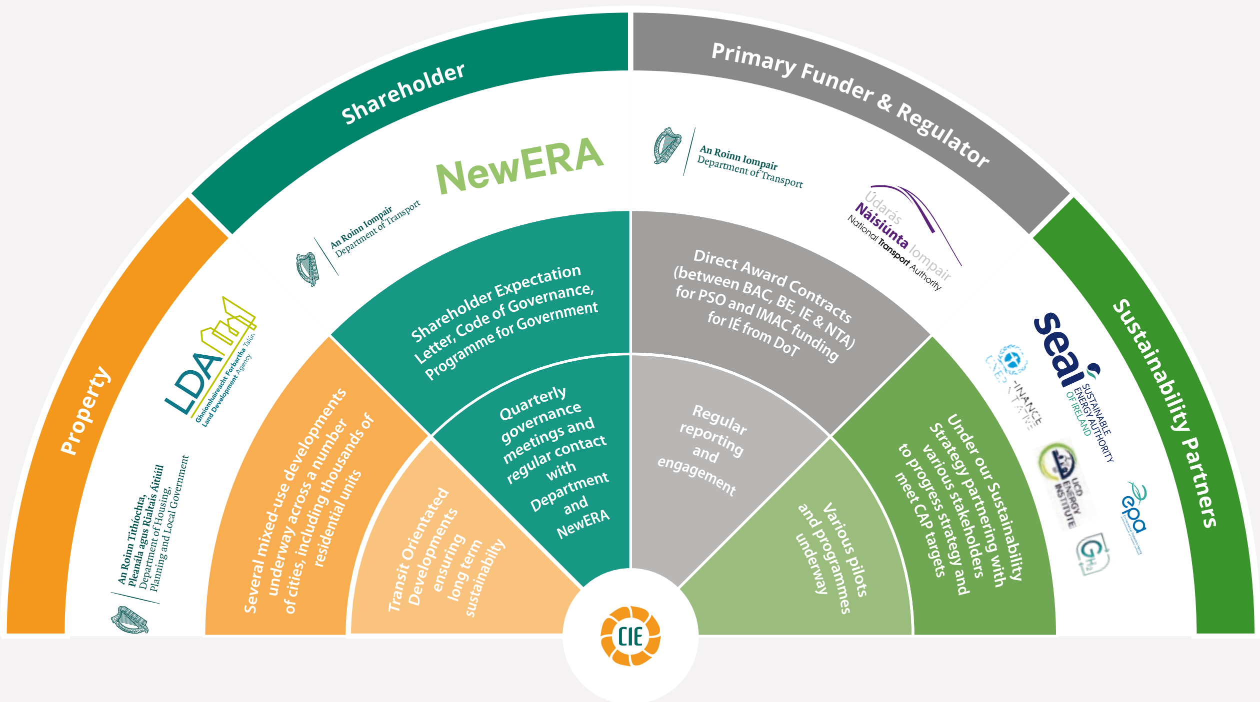
The Group is committed to creating an environment where employees and customers are treated with dignity and respect and where diversity is welcomed and valued. We also aim to create an environment in which everyone can achieve their full potential and where a broad range of individual abilities, talents and perspectives are valued and supported.

Through its equality officers, the Group's operating subsidiaries continue to enhance equality in the workplace for all groups. The range of Work Life Balance initiatives available to staff in the Group are kept under ongoing review. The Group participates with a variety of external organisations in developing its practices and procedures e.g. by being a member of the Diversity in the Workplace Working Group in IBEC.

External Stakeholder Engagement

The CIÉ Group prioritises working with stakeholders to support national transport, social and sustainable development objectives. We seek to work closely with partners to provide opportunities for knowledge-sharing and achievement of mutual objectives.

CIÉ Group External Stakeholder Engagement




H2

Sustainability

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

Our Sustainability Strategy

The 17 Sustainable Development Goals (SDGs) are the foundation for the CIÉ Group's sustainability strategy, which span the three dimensions of sustainable development: economic, social and environmental. The CIÉ Group Three Pillars of Sustainability integrates the SDGs across our strategy and ensures a holistic approach to sustainability. Our purpose is to transport Ireland to a sustainable future, underpinning the role of public transport in achieving sustainable, inclusive communities.

The CIÉ Group is uniquely positioned to deliver a sustainable transport network in Ireland, providing a low-carbon transport alternative, reducing congestion and tackling air pollution. Based on the three pillars, we are committed to delivering services to support vibrant regional and community growth and to delivering compact and sustainable urban development, across our property portfolio. Our Group sustainability strategy sets out the vision of the CIÉ Group of Companies, including Bus Átha Cliath, Iarnród Éireann and Bus Éireann, to provide a high quality, accessible, and environmentally sustainable transport service.

The CIÉ Group three pillars of sustainability

Pillar One: Economic

Goal: Provide a high-quality transport service to stimulate economic activity, tackle congestion and connect communities, businesses and organisations.

Pillar Two: Social

Goal: Foster a diverse and inclusive society, ensuring opportunity for all.

Pillar 3: Environmental

Goal: Work with partners to lead the transition to a low emissions transport network and protect our natural capital and infrastructure at risk of climate-related disruption.

The CIÉ Group Purpose-led Approach

Our mission is to offer a high quality, low-carbon transport option, playing a pivotal role in achieving modal shift and tackling climate change. Since publishing our first sustainability strategy in 2020, the Group has raised its ambition for addressing the climate challenge, and has set out progress in our 2021 Sustainability Annual Review. In 2021, Ireland published its updated Climate Action Plan 2021 (CAP), as set out in the Climate Action and Low Carbon Development (Amendment) Act 2021. The CAP 2021 provides a framework for delivering the Government's target of a 51% reduction in greenhouse gas (GHG) emissions by 2030 (relative to 2018) and a long-term target of reaching net zero GHG emissions by 2050. In our 2021 Sustainability Strategy Annual Review, CIÉ Group revised targets to be in line with the CAP 2021, committing to reducing emissions by 51% by 2030 and to operate at zero emissions by 2050.

In 2020, transport accounted for 34% of final energy demand in Ireland, with public passenger and rail transport accounting for 4% of that energy. Before the COVID-19 pandemic, the transport sector was responsible for over 40% of energy related CO_2 emissions. This demonstrates the emissions intensity of the transport sector, with a greater share of the energy related CO_2 emissions than the share of energy demand. This highlights the role for public transport in stimulating modal shift, reducing emissions and offering a less carbon intensive, energy efficient transport option.

Bus Éireann, in collaboration with Climate Club, Phibsboro Village Tidy Towns and Bio Bees, on Thursday 10 February in Broadstone, beside HQ.

CIÉ Group, along with our stakeholders the National Transport Authority (NTA) and the Department of Transport (DoT), is working to provide a low carbon transport option, offering high quality and frequent services to a growing population. With expected population growth and expansion of services through Project Ireland 2040, CIÉ Group faces a challenge to deliver national development objectives while meeting absolute reduction of carbon targets. CIÉ Group is taking action to meet its GHG reduction targets with a transition to low and zero emission fleet technology and the introduction of measures to mitigate and improve energy efficiency across operations. Coupled with a comprehensive suite of energy efficiency measures for operations and buildings, the Group is exploring the feasibility of increasing renewables in our energy mix. We are now aligning to CAP 2021 by charting our Scope 1 and 2 emissions reductions against a 2018 baseline year and overall, each Operating Company has reduced its GHG emissions since 2018.

Our sustainability strategy has an important role in delivering the national development objectives. CIÉ Group has a significant property portfolio where we seek to enhance the public realm and drive modal shift by investing in transit orientated development (TOD). In 2021, CIÉ Group advanced planning for TOD in key regional and city locations, promoting high quality urban development around major transportation hubs. Projects included the launch of the Heuston Station Masterplan and working with the Land Development Agency on a spatial framework study for Colbert Station Limerick.

We are committed to transparency and accountability in climate disclosure, providing visibility on meeting our targets. In 2020, CIÉ Group set out a public commitment to disclose under the Carbon Disclosure Project (CDP) and to make changes to implement best practice reporting. This year, we became a supporter of the Taskforce on Climate-related Financial Disclosures (TCFD), a framework for best-practice disclosure of climate-related performance. We are developing our non-financial reporting to meet obligations under voluntary and mandatory reporting frameworks and to ensure we rely on evidence led decision making. In addition to current sustainability reporting frameworks, we are preparing to report under the NewEra Climate Action Framework, the Corporate Sustainability Reporting Directive and the EU Taxonomy.

CIÉ Group Sustainability Achievements

CIÉ Holding Company	Iarnród Éireann	Bus Átha Cliath	Bus Éireann
Working to explore options for the integration of biofuels, hydrogen and renewable fuels across the network fleet, and are supporting the development of Ireland's first green hydrogen hub.	Commenced its GPP practices by reaching out to vendors to enquire on alternatives to plastics, with positive results with cleaning products and paper tickets.	Received a delivery of 74 hybrid vehicles and charging infrastructure in Q1 2021 and is working with the NTA and ESB to install charging infrastructure for full battery electric vehicles.	Three double deck hydrogen fuel cell buses and sixty one hybrid buses entered service in 2021
In November 2021, launched the ambitious Heuston Station Masterplan which will deliver sustainable urban development in Dublin.	Launched Sustainability Strategy "SustainabiliTE" at the end of 2021.	ISO 50001 certification is in place for Bus Átha Cliath, and are working towards ISO 14001 certification.	Bus Éireann's waste management partner recycles almost 1,000 of Bus Éireann's tyres annually.
B RATING Achieved a CDP 'B' rating across the Group in 2021 for second year in a row.	Over 30 railway stations have pollinator plans, and they plan to implement a Bee Corporate Sponsorship Programme in 2022.	A formal Sustainability strategy is currently under development by Bus Átha Cliath.	Improved Vehicle Accessibility to 100% with a number of infrastructure projects throughout the year.
TCFD Became a supporter of the TCFD in 2021 and are adopting the TCFD recommendations in our reporting standards in 2022.	Trialling the use of a 7% biofuel blend to power its train engines to ensure engine compatibility with biodiesel and the introduction of Intercity railcar hybrid drive trials.	A pilot rainwater harvesting system is in development at the Summerhill Bus Garage, and plans are in place to roll this out to other bus depots.	Launched Sustainability Strategy "Driving Change Sustainability Strategy 2021-2030".
Pursuing accreditation across the Group in the KeepWell programme developed by the Irish Business and Employers Confederation (IBEC).	Commenced the introduction of electric vehicles service fleet from 13 to 28 in 2021 in conjunction with the Department of Transport.	There is a planned biodiversity investment for Broadstone Garage.	The deployment of the first fully electric bus fleet in Athlone is in progress for 2022.

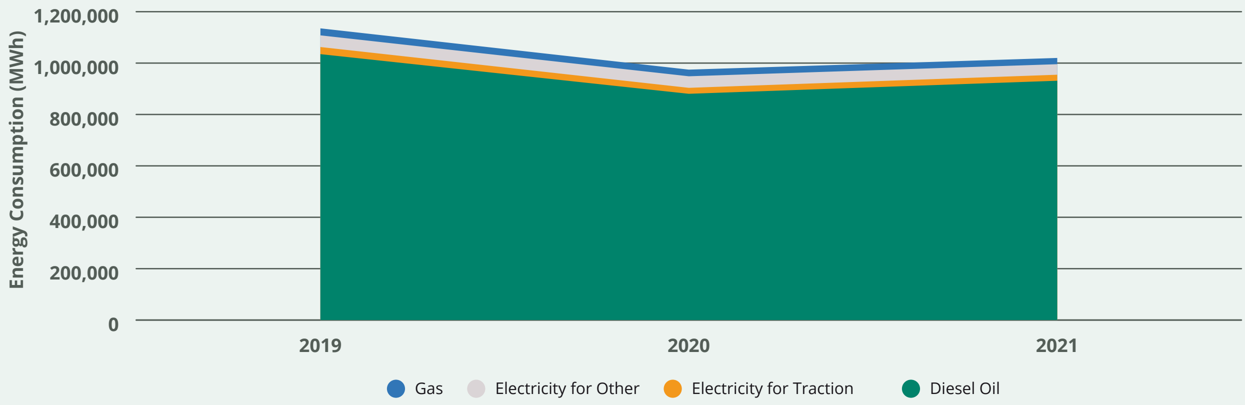
Non-Financial KPI's Highlights

Energy Consumption:

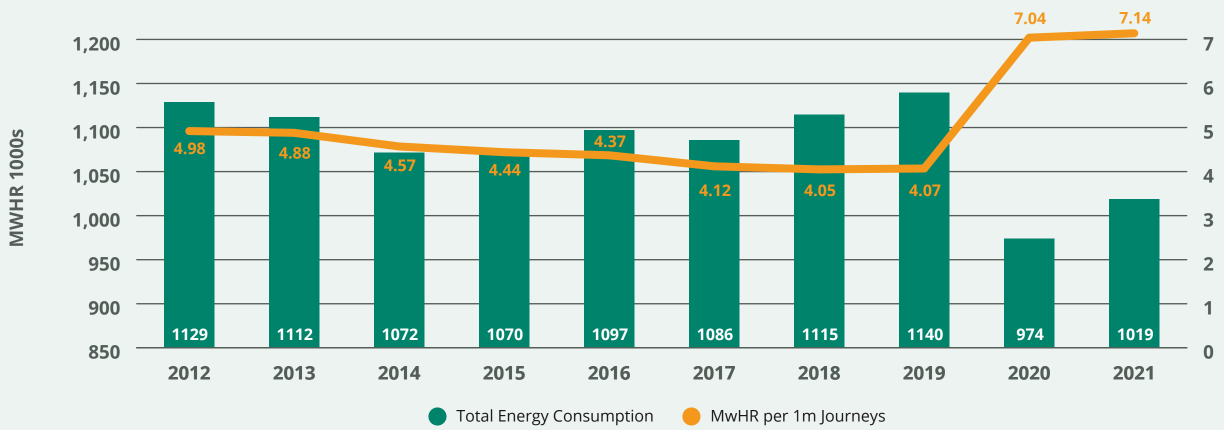
Operating through the pandemic led to a reduction in energy consumption and carbon emissions in 2020 and 2021 when compared to 2019. In line with the targets set out in the Climate Action Plan 2021, the Group has been working to achieve the national climate targets of 51% reduction in emissions and 50% improvement in energy efficiency by 2030.

The impact of COVID-19 restrictions has had a significant impact on passenger journeys across 2020 and 2021, which subsequently has had an impact on performance of energy consumption per one million journeys. This is expected to stabilise with passenger growth anticipated throughout 2022 and continuous improvement in energy efficiency performance across the Group.

CIÉ Group Energy Consumption (MWHR)



Total Energy Consumption



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Climate Change Mitigation

Energy Efficiency and Environmental Management – The CIÉ Group has been working to achieve energy efficiency across our fleet and operations and is putting measures in place to mitigate operational impact on the environment. With the ambitious target to achieve 50% of energy efficiency for 2030, CIÉ Group is set to support a suite of energy efficiency measures for buildings across the Group. We have commenced behind the meter, micro-generation of electricity and have taken measures to introduce resource efficiency solutions across the Group. The Group continues to invest in biodiversity with the development of native planting across the network; biodiversity programmes; pollinator plans; and green building technologies.

The Group Operating Companies have achieved ISO certification across a variety of management systems. They have each achieved ISO Energy Management 50001 certification through the National Standards Authority of Ireland, and Bus Átha Cliath is currently working towards their ISO 14001 Environmental Management certification.

Decarbonising our fleet – In partnership with the NTA, CIÉ Group is delivering a coordinated decarbonisation of the transport fleet by introducing a combination of low carbon and zero carbon public transport options. The NTA has set a target for all urban public transport vehicles operating State services in the Greater Dublin Area (GDA) to be zero-emissions by 2035 and the introduction of low emission technologies across the CIÉ bus companies and rail fleet. In 2021, Bus Átha Cliath and Bus Éireann deployed a total of 233 hybrid buses along bus routes across the country. The new buses are defined as a 'clean vehicle' under EU standards and produce 30% less GHG emissions than conventional buses. The introduction of these new buses represents an important step forward in the transition to a low and zero emission public bus fleet. The ultimate target is to move towards fully electric buses in the future, which is in line with the NTA target of zero-emissions.

The Operating Companies are installing Electric Vehicle (EV) charging infrastructure across depots to prepare for the planned conversion to EVs and plug in hybrid charging. In Athlone, the deployment of the first fully electric bus fleet is in progress for 2022, with 11 Bus EVs and 8-10 double sided chargers to be installed. The Bus Éireann Roxboro Depot in Limerick will also be redeveloped to provide for the planned conversion of the Limerick bus fleet to EVs.

Mr. Ray Connolly, Senior Technical Manager - Engineering, Bus Éireann, Ms. Caoimhe Donnelly, Group Sustainability Officer, CIÉ and Dr. James Carton, Assistant Professor in Sustainable Energy, DCU at the launch of double deck Hydrogen fuel cell buses.

Fleet, Euro VI Emissions Standard Engine, (Euro VI), Hybrid Electric Vehicles (Hybrid), and Fully Electric Vehicles			
	Bus Éireann	**Bus Átha Cliath**	**Iarnród Éireann**
Percentage of Fleet – Euro VI	63%	60%	–
Percentage of Fleet – Hybrid	9%	15%	6%
Percentage of Fleet – Electric	0%	0%	24%

Across the rail network a suite of measures is being introduced to ensure up to 80% of Iarnród Éireann journeys are free of direct emissions by 2027. The DART+ programme will see the electrification and expansion of the DART system, tripling the current length of track from 50km to 150km and doubling passenger capacity. DART+ will significantly lower direct emissions and increase the efficiency of the Dublin passenger rail commuter network.

Iarnród Éireann launched its Intercity Railcar Hybrid Drive Trials in 2021, in order to test the use of hybrid technology in its intercity rail fleet. Replacing the fleet's diesel engines with Hybrid PowerPacks can produce fuel savings of up to 33% and reduce GHG emissions, air pollution, and noise. Under the National Development Plan, Ireland's rail fleet is to be expanded to include battery and electric-powered carriages as part of a strategy to move towards more sustainable fuel options for new trains.

Hydrogen – Following the initial trial of the first hydrogen fuel cell electric vehicle (FCEV) in 2020, three double deck hydrogen FCEV buses entered service in the Greater Dublin Area in July 2021 as part of an alternative fuels technology pilot being undertaken by the NTA in conjunction with Bus Éireann. The technology pilot is providing valuable insight into the performance and potential of this vehicle type in full customer operation, which will be critical in advancing the roll out of further zero emission projects. In 2021, the three buses collectively completed over 40,000 kilometres in operation with Bus Éireann and abated the emission of approximately 35 tons of CO_2.

CIÉ Group is working with a consortium of partners to investigate the feasibility of rolling out Ireland's first hydrogen transport hub in Galway. The Galway Hydrogen Hub (GH2) is a partnership which is exploring the use of excess renewable electricity to produce green hydrogen for use as a zero-carbon transport fuel for buses, ships and planes in Galway.

CIE
Bus Éireann
aer arann islands
Port of Galway Calafort na Gaillimhe
sse Airtricity
OÉ Gaillimh NUI Galway

Biofuels – The CIÉ Group is working to explore long term options for the integration of increased biofuels and renewable fuels across the network fleet. Following on from the trial for integration of biodiesel in the rail fleet in December 2021, it is planned to commence the use of B7 across the rail and bus fleet, which will establish full integration of biodiesel across the Group.

The Transition to a Circular Economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In support of the EU Circular Economy Action Plan and Ireland's Waste Action Plan for a Circular Economy, the CIÉ Group is putting into action a circular economy strategy to reduce waste and increase recycling rates across the Group. We are working in partnership with the Environmental Protection Agency (EPA) and will take into account direction from the EPA's National Waste Prevention Programme, EPA Circular Economy guidance and the Circular Economy Bill 2021, and will incorporate guidance from these programmes as we launch our circular economy strategy and behavioural change programmes across the Group.

We are committed to achieving a 25% reduction in waste produced Group-wide and a Group recycling rate of 75%. The CIÉ Group is committed to a ban on single use plastics and has worked with suppliers to integrate sustainable alternatives. Iarnród Éireann conducted several circular economy pilot projects in 2021, which showed promising results from plastic use reduction and cost savings.

The CIÉ Group is one of the largest purchasers in the state and is committed to adopting green public procurement (GPP) practices across the Group. In 2021, the CIÉ Board updated its procurement policy in line with the Office of Government Procurement (OGP) Guidelines in order to integrate sustainable and green practices into procurement procedures. This updated GPP guidance will ensure a balance between sustainability and value for money. We are committed to market engagement as part of the tendering process, to explore green procurement options and to work with suppliers as markets develop. The Group is using pilot projects to adopt green procurement and is focusing on priority categories to work with suppliers to transition to sustainable alternatives. The recent refurbishment of Connolly Station Headquarters presented an opportunity to apply green procurement principles to the project which involved renovation and improving building energy efficiency.

Partnerships

17 PARTNERSHIPS FOR THE GOALS

Evidence-Led Approach

CIÉ Group is collaborating with partners and stakeholders on developing a multi-disciplinary, evidence-led approach to delivering a zero-carbon transport sector. We are working with leading research and development institutions and policy makers, including University College Dublin Energy Institute, NUI Galway and Dublin City University to pool resources and expertise and enable the energy transition.

Stakeholder Engagement

Working with our stakeholders is central to the delivery of our sustainability strategy. Engaging with stakeholders enables development of a targeted sustainability strategy and provides a better understanding of stakeholder expectations, while building an internal consensus on key sustainability priorities. Throughout 2021, CIÉ Group engaged with the EPA, Sustainable Energy Authority of Ireland (SEAI), NTA, the Department of Transport and Hydrogen Mobility Ireland, among others, to obtain input to CIÉ Group's sustainability strategy and how we can align with stakeholder expectations. We are working closely with these stakeholders on a range of sustainability challenges, where we are combining resources, knowledge, and strategic assets to deliver impact at scale. Working with partners is a critical enabler to achieve our common goals.

Stakeholder Materiality Matrix

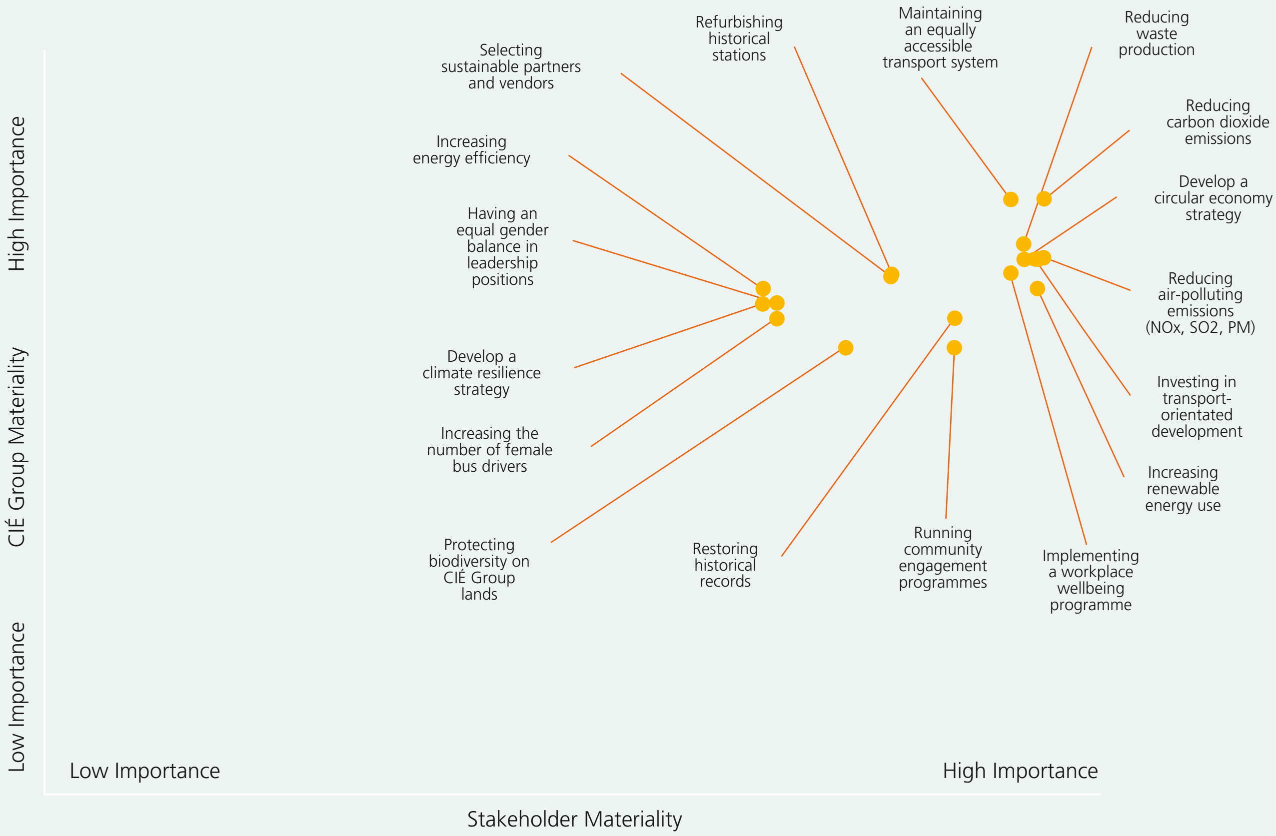
In 2021, CIÉ Group distributed our first sustainability stakeholder survey to both external stakeholders and Group employees to raise awareness about our commitment to sustainability and to provide an opportunity for participation in delivering our strategy. The survey was circulated to over 7,000 employees and yielded valuable feedback from employees and external stakeholders. The results of the survey were plotted on the below materiality matrix ranking CIÉ Group's sustainability initiatives according to their importance to CIÉ Group and our stakeholders. The feedback will help inform our future sustainability initiatives as we build a sustainability strategy in which everyone's input is counted.

UNEP FI Corporate Impact Analysis Tool

In 2021, CIÉ Group partnered with the United Nations Environment Program Finance Initiative (UNEP FI) as part of their stakeholder Working Group to develop the corporate analysis process. The UNEP FI's newly launched Corporate Impact Analysis Tool is intended to help companies assess their impacts across different sectors and countries, set and meet impact targets, and identify their material contributions to the SDGs. The UNEP FI invited CIÉ Group to join their Value Reporting Foundation, a working group of large international corporations that was formed to help collect feedback on the tool and support participants in interpreting the findings.

As we continue the reporting process alongside the Value Reporting Foundation, the feedback from the tool can help shape our sustainability strategy development by outlining the priority areas where we have the most influence in creating substantial change. CIÉ Group will continue to liaise with the UNEP FI and members of the Value Reporting Foundation throughout 2022 to provide feedback and suggestions on the functionality and findings of the tool.

Stakeholder Materiality Matrix



CDP SCORE REPORT – CLIMATE CHANGE 2021

Córas Iompar Éireann Group (CIÉ)

Region	Europe
County	Ireland
Questionnaire	Transport services
Activity Group	Road transport

The CDP Score Report allows companies to understand their score and indicate which categories require attention to reach higher scoring levels. This enables companies to progress towards environmental stewardship through benchmarking and comparison with peers, in order to continuously improve their climate governance. Investors will additionally receive a copy of the CDP Score Report upon request. For further feedback please contact your account manager or your key CDP contact.

Your CDP Score

B

Average performance

Road transport	Europe	Global Average
B	B	B-

Climate Reporting

Carbon Disclosure Project (CDP)

CIÉ Group strives for transparency and accountability in climate disclosure, and we continually seek to align our reporting standards with best-practice climate reporting guidelines. CIÉ Group submitted to CDP for the first time in 2020, where we were awarded a B rating and were featured as a first time responder in CDP's Annual Report. In 2021, we participated in CDP reporting for the second time and were awarded a B rating for the second year in a row. Taking on board CDP recommendations following our initial CDP submission, in 2021 the CIÉ Group enhanced governance oversight, with the introduction of the Sustainability Advisory Group (SAG), a sub-committee of the CIÉ Board. This progress was recognised in the CDP evaluation in 2021, which also highlighted much needed engagement with our value chain and calculation of our Scope 3 emissions.

The CDP platform has enhanced CIÉ Group's environmental reporting, established a benchmark for performance and provided insight into effective carbon management. Going forward, we are investing resources to assess climate related risk and opportunities and plan to stress-test our long-term climate strategy with climate scenario planning. CIÉ Group is committed to working with suppliers to ensure transparency for the reporting of Scope 3 emissions and enhance value chain engagement over the course of 2022.

Evidence-led decision making is critical to effective climate action and informing strategy. Coupled with the need for transparency and accountability for corporate sustainability reporting, a comprehensive data management and reporting system is required to enable effective performance measurement and communication to stakeholders.

Task Force on Climate-Related Financial Disclosures

The Task Force on Climate-Related Financial Disclosures (TCFD) was established in 2015 by the Financial Stability Board to develop recommendations for more effective climate related disclosures. By following the best practice reporting framework developed by the TCFD, organisations develop a better understanding of how to incorporate climate-related risks and opportunities into their risk management and strategic planning processes. Through this process, they become more aware of the financial ramifications associated with climate change, empowering investment in sustainable and resilient solutions, opportunities, and business models.

The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate:

- Governance
- Strategy
- Risk Management
- Metrics and targets

In Ireland, the Government now promotes the adoption of the TCFD across business and industry as part of their transition to a low carbon economy. In 2021, CIÉ Group became a supporter of the TCFD framework and is aligning climate-related reporting to the four thematic areas outlined in the recommendations.

Governance

CIÉ Group has Board-level oversight of climate-related issues within the organisation. Over the course of 2021, CIÉ Group introduced changes to its governance structure to ensure that sustainability issues achieve oversight and sponsorship at all levels. The CIÉ Board established the SAG subcommittee and the Sustainability Steering Group (SSG) as cross-company working groups with responsibility for overseeing and reporting on the sustainability strategy.

Strategy and Scenario Analysis

CIÉ Group released its first sustainability strategy in 2020 which is founded on the principles of the SDGs and spans across the three dimensions of sustainable development: economic, social and environmental. The CIÉ Group Three Pillars of Sustainability ensures an integrated approach toward sustainability.

A major component of the TCFD framework is scenario analysis, which is the process of examining and evaluating possible events or scenarios that could take place in the future and predicting the various feasible results or possible outcomes. By adopting the TCFD recommendations to carry out scenario planning analysis, we can stress test our strategy, risks and opportunities against possible impacts of global warming and the transition to a carbon neutral economy. CIÉ Group will evaluate Group strategy and operations using climate scenario analysis in 2022 as part of the TCFD reporting. The scenario analysis will feed into the Group's climate risks, opportunities and sustainability strategy.

Risk Management

The sustainability risks facing the CIÉ Group include environmental, social and governance risks, and climate changes poses both physical and transitional risks. Organisations must ensure their resilience to the physical impacts of climate change (e.g., rising sea levels and greater storm frequency) as well as climate policy development that will necessitate rapid adoption of low carbon technologies. Risks can be mitigated by a forward-looking, cross-organisational sustainability approach.

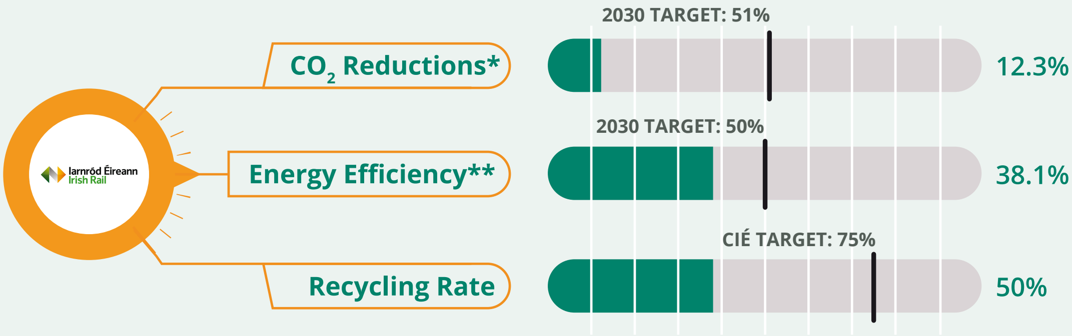
Achieving climate goals not only poses commercial risks but also presents opportunities in emerging sectors. Drawing on these strengths ensures strategic responsiveness in a dynamic and high-risk environment. CIÉ Group has identified a range of potential strategic opportunities stemming from climate adaptation and mitigation strategies.

The scenario analysis that is planned for 2022 will feed into the risk register and opportunity management for CIÉ Group. The findings of this analysis will be worked through and managed with the risk team and Operating Companies, and the Group's risks and opportunities will be updated and managed accordingly. Further detail on CIÉ Group's assessment of climate-related risks and opportunities is provided in the 2021 CIÉ Sustainability Annual Review.

Metrics and Targets

The CIÉ Group Operating Companies measure a range of KPIs to track progress towards our sustainability targets and ambitions. These KPIs are divided into economic, social and environmental segments, reflecting our three-pillar strategy. Select KPIs for each Operating Company are reported on the pages that follow, with the total range of sustainability related KPIs reported in the 2021 CIÉ Sustainability Annual Review.

Iarnród Éireann:



* *Comprised of Scope 1 and Scope 2 CO_2 emissions and calculated against a 2018 baseline. CO2 reductions for Iarnród Éireann had previously been calculated against a 2006 baseline. The CAP 2021 sets the baseline year for national emissions reductions to be 2018, so Iarnród Éireann's CO_2 reductions have been updated to reflect progress against this new baseline year.*

** *SEAI-verified energy efficiency figure for 2020 calculated against a baseline year of 2006. The SEAI-verified energy efficiency figures for 2021 will be publicly available in Q2 2022 on the* SEAI M&R website.

Iarnród Éireann – Sustainability 2021

Iarnród Éireann launched their "SustainabilitIE" strategy in 2021, setting out their roadmap for achieving a more sustainable railway across three pillars: economic, social, and environment.

Transition to a low carbon fleet

Iarnród Éireann, supported by the NTA, is delivering DART+, a ten-year programme of investment that will provide a sustainable, electrified, reliable rail service and significantly increase capacity on the rail corridors serving the Greater Dublin Area. Through DART+, the total Greater Dublin Area fleet and up to 80% of all heavy rail journeys in Ireland has the potential to be emissions-free.

In 2021, Iarnród Éireann placed an order for 95 electrically powered train carriages to add to its fleet. The carriages are set for delivery from mid-2024 and will enter service in 2025, with up to 750 total DART carriages to be ordered over a 10-year period. Funded under the National Development Plan 2021-2030, the electric carriages will reduce carbon and pollutant emissions and allow for more sustainable rail travel.

The Intercity Railcar Hybrid Drive Trials commenced in 2021 and service trials are due to commence in 2022. The project will be phased in over 8-10 years and will avoid the emission of 18,000 tonnes of carbon each year, in addition to reduced air and noise pollution.

In 2021, Iarnród Éireann began the process of trialling the use of a biofuel blend to ensure train engine compatibility with biodiesel. They also introduced the use of Envirox, a fuel additive, to test the effect on fuel consumption. The initial results of the Envirox trial identified fuel savings of approximately 6%.

Circular Economy

In its efforts to promote the circular economy, Iarnród Éireann instituted several pilots in 2021 to trial waste-reducing strategies. Replacing bottled cleaning products with a combination of reusable bottles and sachets resulted in a 91% reduction in plastic use and minimised the risk of spillage. A trial switch from plastic laminated tickets to paper-only tickets saved 420kg of plastic laminate and 5,319kg of CO_2 annually, with no issues in performance.

Iarnród Éireann also achieved paper waste reduction of 100% from digitalisation of infrastructure, fleet maintenance and renewal management documentation. They implemented a filter crusher in Inchicore Works to reduce the hazardous waste volume by 85% and are working to recycle concrete sleeper and ballast.

In the recent refurbishment of Connolly Station Head Quarters, Iarnród Éireann instituted green procurement principles and ensured that all office furniture used was fully recyclable, ensuring a "cradle to cradle" philosophy.

Through its community engagement initiatives, Iarnród Éireann has formed partnerships with local groups such as the SMILE Resource Centre that re-purpose packaging waste and other clean waste into construction projects for schools and local organisations.

Accessibility

Iarnród Éireann endeavours to assist all customers with disabilities to travel on their rail services. They are conducting trials of using gap fillers and platform humps at select stations for easier passenger access. The Connolly Station public toilets renovation was completed in 2021 and includes a new changing places facility for adults with disabilities. The Heuston Station public toilet upgrade and extension is underway and will allow for greater accessibility.

Health and Wellness

Following an internal employee health audit in 2021, Iarnród Éireann instituted several health initiatives and disease prevention programmes including a 12-week online Life Fit programme for shift workers. Iarnród Éireann will implement additional employee health initiatives throughout 2022.

IARNRÓD ÉIREANN KEY PERFORMANCE INDICATORS:

Pillar 1: Economic

Generating Economic Value					
Connecting People	**2021**	2020	2019	2018	2017
Passenger journeys (millions)	17.4	17.9	50.2	47.9	45.5
Passenger journeys (% increase)	-2.80%	-64.20%	5.10%	5.30%	6.30%

Pillar 2: Social

Sustainable cities and communities					
Community Engagement	**2021**	2020	2019	2018	2017
Partner organisations/beneficiaries directly reached	51	33	12	–	–

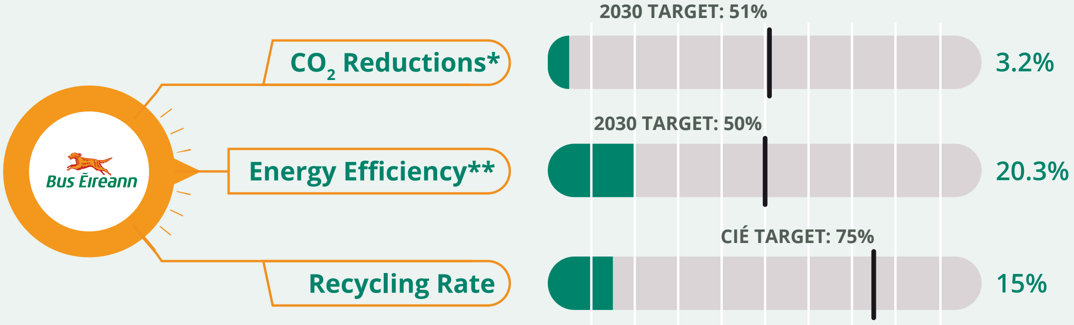
Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our employees	**2021**	2020	2019	2018	2017
Number of Employees	4,231	4,135	4,009	3,831	3,761
Safety	**2021**				
Employee lost time accidents – reportable	43	35	55	47	53
Gender equality	**2021**				
Female employees (%)	11%	11%	11%	10%	10%
Women in senior management roles (%)	17%	19%	20%	18%	17%
Female Board members (%)	57%	57%	57%	50%	40%

Pillar 3: Environment

Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	**2021**	2020	2019	2018	2017
Scope 1 – Transport emissions (thousand tCO_2e)	108.8	93.01	115.7	118	113.7
Scope 1 – Thermal (Gas) (thousand tCO_2e)	1.6	1.74	1.7	1.7	1.5
Scope 2 – Indirect emissions from electricity purchased (thousand tCO_2e)	16.3	17.4	25.1	24.7	28
Scope 3 – Indirect other (thousand tCO_2e)	–	-	–	-	–
Total emissions (thousand tCO_2e)	126.7	112.23	142.64	144.4	143.2
TCO_2e/'000 train km	7.99	7.61	8.17	8.85	8.86
Energy Efficiency	**2021**				
Train Energy consumption MWh	441,315	375,233	460,113	445,500	438,600
Road diesel use (MWh)	14,644	14,644	14,676	15,005	15,527
Electricity for traction (MWh)	23,453	23,235	27,695	26,222	25,240
Electricity for fixed assets (MWh)	31,805	35,804	35,791	37,031	36,816
Electricity total (MWh)	55,258	59,039	63,486	63,253	62,056
Gas usage (MWh)	9,277	9,979	9,278	9,032	8,600
Total Energy Consumption (MWh)	520,494	458,895	547,553	532,790	524,783
Fleet Proportions	**2021**				
Fleet cars with hybrid engine (%)	6	4	0	0	0
Fleet that are fully powered by electricity (%). (DART cars as % of total cars/carriages)	24%	24%	24%	24%	24%

Responsible Consumption and Production					
Waste management	**2021**	2020	2019	2018	2017
Total waste generated (tonnes)	2,433	2,644	3,079	3,246	3,216
Total waste generated (% increase/decrease)	-8%	-14%	-5%	1%	–
Waste recycled/recovered (% of waste collected to be recycled)	50%	48%	53%	54%	58%
Number of waste upcycling projects completed with community groups	0	0	5	2	0

Bus Éireann:



* *Comprised of Scope 1 and Scope 2 CO_2 emissions and calculated against a 2018 baseline. CO_2 reductions for Bus Éireann had previously been calculated against a 2009 baseline. The CAP 2021 sets the baseline year for national emissions reductions to be 2018, so Bus Éireann's CO_2 reductions have been updated to reflect progress against this new baseline year.*

** *SEAI-verified energy efficiency figure for 2020 calculated against a baseline year of 2009. The SEAI-verified energy efficiency figures for 2021 will be publicly available in Q2 2022 on the SEAI M&R website.*

Bus Eireann – Sustainability 2021

Bus Éireann published a sustainability strategy "Driving Change" in May 2021, formalising targets for climate, waste, communities, education, and safe work. Through "Driving Change", Bus Éireann aims to replace half its fleet with electric and hydrogen vehicles by 2030 and implement initiatives for energy efficiency, waste reduction and recycling and sustainable procurement.

Transition to a low-emissions fleet

Three double deck hydrogen FCEV buses entered service in the GDA in mid-July 2021 as part of an alternative fuels technology pilot being undertaken by the NTA in conjunction with Bus Éireann. While battery electric buses are well suited to bus services in urban areas, on longer commuter and inter-urban services, hydrogen fuel cell technology may prove to be the most appropriate zero-tailpipe emission alternative to diesel.

This year, Bus Éireann added 61 NTA-funded hybrid buses to their fleet and were shortlisted for Galway Chamber of Commerce Sustainability Award for their 100% hybrid fleet in Galway city.

To support the planned conversion of the Bus Éireann car and bus fleet to electric vehicles, 22 electric chargers were installed at Bus Éireann locations in 2021. The deployment of the first fully electric bus fleet in Athlone is in progress for 2022, with 11 EV buses and 8-10 electric chargers to be installed. The Bus Éireann Roxboro Depot in Limerick will also be redeveloped to provide for the planned conversion of the Limerick bus fleet to EVs.

Bus Éireann delivered 150,000 emission free kilometres in 2021 and they are expecting to deliver 300,000 emission free kilometres in 2022 through the expansion of their low and zero emission fleet.

Energy Efficiency

Bus Éireann implemented over 20 individual energy efficiency projects across their sites which included lighting and building fabric upgrades. Most notably their LED lighting project in the Capwell Bus Depot in Cork City replaced all lighting with energy-efficient LED lightbulbs which delivered a 51% reduction in energy consumption and an expected annual reduction of 83 tonnes of CO_2 emissions, a significant step towards achieving Bus Éireann's carbon reduction targets.

Circular Economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The Bus Éireann waste management plan was approved in April 2021. As part of the drive to increase recycling rates, Bus Éireann's waste management partner will develop a strategy to increase recycling levels in 2022/2023 with plans to replace 20% of general waste bins with recycling bins in 2022.

A designated Furniture Shop was created in the Broadstone HQ, where used office furniture can be collected for reuse or redistributed to other locations instead of being sent to landfill.

The reuse of spare parts and cardboard packaging is a practice that is extensively implemented throughout the organisation.

In 2021, Bus Éireann awarded their new uniform contract to a supplier that uses polyester made from recycled plastic bottles. Each uniform made prevents 20 plastic bottles going to landfill.

Bus Éireann's move towards automation and digitalisation across their garage operations has contributed to an 8% reduction in paper and printing costs.

Community Engagement

3 GOOD HEALTH AND WELL-BEING
15 LIFE ON LAND
17 PARTNERSHIPS FOR THE GOALS

Bus Éireann has a strong focus on community engagement and partnered with 14 community organisations and charities throughout the year. A collaboration with Phibsboro Tidy Towns installed a community biodiversity garden in the Broadstone depot. Bus Éireann also supported an initiative in collaboration with GROW Mental Health advocacy group across stations in 2021.

Health and Wellness

3 GOOD HEALTH AND WELL-BEING

Bus Éireann prioritises employee health and wellness, and in 2021 delivered a Healthy Heart initiative for Broadstone depot employees in 2021. This initiative was complemented by the launch of the Bus Éireann Food Nutrition and Ethics programme in November 2021 in collaboration with CIÉ Group Health Promotion Executive and Broadstone canteen caterer. Additionally, Bus Éireann conducted a 12-week online Life Fit program for shift workers in 2021.

Employee Engagement

Over 950 hours of sustainability related training were delivered to Bus Éireann employees in 2021. The overall employee engagement rating was 79% in 2021, an increase of 6 points from 2020.

Bus Éireann Key Performance Indicators:

Pillar 1: Economic:

Generating Economic Value					
Connecting People	**2021**	2020	2019	2018	2017
Passenger journeys (millions)	55.3	51	89	84	79
Passenger journeys (% increase/decrease)	8.4	-42%	7%	6%	-2%
Customer satisfaction (passenger focus score) (%)	86%	87%	84%	89%	92%
Number of buses in operation	1,178	1,047	1,138	1,148	1,171

Pillar 2: Social

Sustainable cities and communities					
Accessibility	**2021**	2020	2019	2018	2017
Fully accessible managed stations/stops (%)	100%	90%	75%	65%	65%
Community Engagement	**2021**	2020	2019	2018	2017
Partner organisations/beneficiaries directly reached	15	22	13	12	10
No. of students transported under the School Transport Scheme per school day	122,000	114,000	120,800	117,800	115,500
No. of students transported per school day with special education needs	16,000	14,500	14,300	13,400	11,700

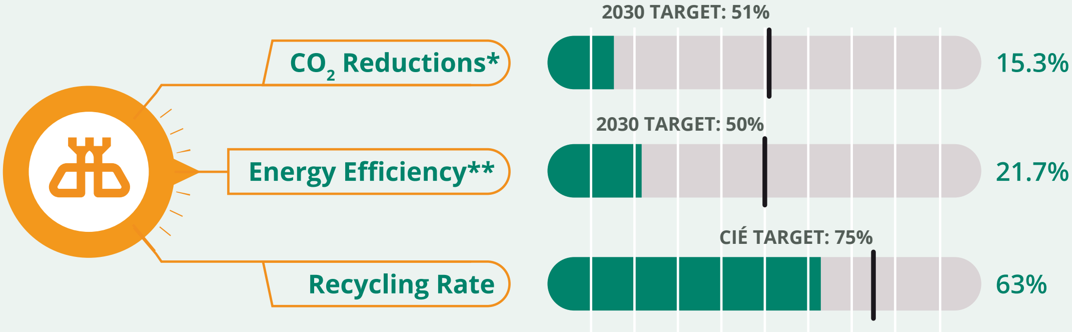
Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our workforce	**2021**	2020	2019	2018	2017
Number of Employees	2,792	2,735	2,727	2,562	2,446
Safety	**2021**				
Employee accident rate per 100 employees	0.83	1.03	1.32	1.76	2.04
Gender equality	**2021**				
Female employees (%)	10%	10%	9%	9%	9%
Women in Senior Management roles (%)	35%	38%	38%	25%	25%
Female Board members (%)	29%	29%	29%	29%	29%
Diversity	**2021**				
Non-Irish employees (%)	14%	13%	13%	15%	14%

Pillar 3: Environmental

Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	**2021**	2020	2019	2018	2017
Scope 1 – Direct emissions (thousand tCO_2e)	71.21	71.48	76.54	73.01	67.94
Scope 2 – Indirect emissions from electricity purchased (thousand tCO_2e)	1.37	1.4	1.72	1.97	2.21
Scope 3 – Indirect other (thousand tCO_2e)	–	-	–	-	-
Total emissions (thousand tCO_2e)	72.51	72.98	78.58	74.98	70.15
Energy Efficiency	**2021**				
Diesel use (thousand litres of diesel)	25,993	25,908	30,226	28,491	26,605
Diesel use (MWh) (1 litre diesel = 10.165 kWh)	264,320	262,457	305,572	288,370	269,192
Electricity total (MWh)	4,543	4,761	5,073	5,235	5,040
Gas usage (MWh)	5,683	5,856	7,196	6,101	4,263
Total Energy Consumption (MWh)	275,724	273,074	317,841	299,706	278,495
Fleet Proportions	**2021**				
Service fleet with Euro VI standard engine (%)	63%	55%	53%	43.00%	34%
Service fleet with hybrid/Fuel cell engine (%)	9%	0	0	0	0
Service fleet that are fully powered by electricity (%)	0	0	0	0	0
Average age of bus fleet (years)	9	10.7	10.7	n/a	n/a

Responsible Consumption and Production					
Waste management	**2021**	2020	2019	2018	2017
Total waste generated (% increase/decrease)	-8.7%	-14.7%	+1%	+2%	-1%
Waste recycled/recovered (% of waste collected to be recycled)	15%	26.61%	16%	14%	13%

Bus Átha Cliath



* *Comprised of Scope 1 and Scope 2 CO_2 emissions and calculated against a 2018 baseline. CO_2 reductions for Bus Átha Cliath had previously been calculated against a 2008 baseline. The CAP 2021 sets the baseline year for national emissions reductions to be 2018, so Bus Átha Cliath's CO_2 reductions have been updated to reflect progress against this new baseline year.*

** *SEAI-verified energy efficiency figure for 2020 calculated against a baseline year of 2006. The SEAI-verified energy efficiency figures for 2021 will be available in Q2 2022 on the SEAI M&R website.*

Bus Átha Cliath – Sustainability 2021

Bus Átha Cliath launched the environmental and sustainability strategy "Driving Change: Our Journey to Zero" in 2021, setting out a clear ambition for their environmental targets and goal of becoming a zero emissions operator by 2050. The guiding goals and objectives include:

- Developing the first fully electric route by 2024
- Fully electrifying bus depots by 2028
- Reducing the carbon footprint by 50% by 2030

The NTA has set out the additional objective of having a fully electrified urban bus fleet by 2035.

Bus Átha Cliath is developing an Environmental, Social and Governance (ESG) strategy and plan to implement it in 2022. The strategy will help inform and give a broader approach to sustainability within the company.

Transition to a low-carbon fleet

In 2021, Bus Átha Cliath received the first initial delivery of 74 double-decker plug-in hybrid electric buses, with a further 98 introduced at the end of 2021. These buses produce 30% less GHG emissions than conventional diesel buses.

To support the transition to hybrid and electric vehicles, Bus Átha Cliath is working with the NTA and ESB Networks to install EV charging infrastructure across several depots.

Circular Economy

Bus Átha Cliath has adopted a range of waste reduction and recycling measures to help contribute to the circular economy. A ban on single-use plastics was instituted across the company and now recycle the majority of waste across each bus depot.

The Bus Átha Cliath sustainable procurement policy has been updated to align with the SDGs and Group GPP guidelines.

Green Building Technology

Bus Átha Cliath is developing a rainwater harvesting pilot at the Summerhill Bus Garage to sustainably source water for washing buses. In 2022, there are plans to launch this pilot as well as assess additional bus depots to evaluate the feasibility of delivering water harvesting schemes at additional bus depots.

Bus Átha Cliath has fitted a new 51kilowatt peak solar photovoltaic system on the roof of Phibsboro depot that is estimated to generate approximately 8% of the site's annual electricity usage. There are 144 panels equating to over 200m2 of coverage on the southern aspect of the roof. This pilot project will then assess the feasibility of installing solar photovoltaic systems at additional sites.

Bus Átha Cliath achieved ISO 50001 Energy Management certification in 2020, which provides a framework for establishing energy management best practice to help improve energy efficiency. It is on track to achieve ISO 14001 Environmental Management certification in 2022.

In Broadstone depot, Bus Átha Cliath has planned a biodiversity investment in 2022, which will include the planting of a wildflower meadow and bird feeders.

Community Engagement

Bus Átha Cliath is committed to having a positive social impact on the communities they proudly serve. This is reflected in their Community Spirit Initiative (CSI) which aims to support, improve and enhance the lives of the people in the communities in which their services operate.

Bus Átha Cliath 2020 Community Spirit Awards winners were announced in May 2021. A total of 65 grassroots, voluntary and community groups operating around the Capital and Greater Dublin Area were awarded a grant of €1,000, €2,000, or €5,000. The awards provide groups with much-needed funds so that they can continue to offer vital services and raise community spirit.

Pride and GCN – Bus Átha Cliath undertook a new community engagement partnership with Gay Community News (GCN) for Pride 2021, as part of their continued support of the LGBTI+ community and employees. GCN is Ireland's only dedicated national LGBTQ+ press. It has been a vital, free-of-charge information service for Ireland's LGBTQ+ community since 1988.

Culture Night – Bus Átha Cliath are proud to support cultural initiatives and events throughout the city. In September 2021, Bus Átha Cliath provided free Culture Night buses along three tailored bus routes, as part of their role as official transport partner.

Bus Átha Cliath is a member of Business in the Community Ireland (BITCI), a movement for sustainable change in business. They are currently facilitating a review of Bus Átha Cliath's community engagement initiatives, which will be completed in 2022.

Gender Equality and Equal Opportunity

The Bus Átha Cliath "Diversity and Inclusion" Policy reflects the company's continuing commitment to equality, diversity and non-discrimination for employees, customers and the wider community.

Bus Átha Cliath is one of the founding Irish signatories of the "Irish Diversity Charter" and achieved the Investors in Diversity Bronze Award in 2021.

Health and Wellbeing

Bus Átha Cliath is developing a Health and Wellbeing strategy. The overall aim of the strategy is to promote and enable Bus Átha Cliath employees to increase control over and to improve their health.

Bus Átha Cliath has an interactive wellbeing website, DBWellbeing, which provides employees with support, education and information on a wide range of topics to help their overall health and wellbeing.

Bus Átha Cliath Key Performance Indicators:

Pillar 1: Economic

Generating Economic Value					
Connecting People	**2021**	2020	2019	2018	2017
Passenger journeys (million)	69.95	69	142	143	139
Passenger journeys (% increase)	0.74%	-51%	5%	2.90%	8.10%
Passenger kilometres (million)	559	555	1,147	979	1,115
Customer satisfaction (passenger focus score)	–	-	74%	78%	82%
Number of buses in operation	1,034	994	1,016	1,010	1,016

Pillar 2: Social

Sustainable cities and communities					
Community Engagement	**2021**	2020	2019	2018	2017
Number of Groups awarded 'Community Spirit' funding grants	65	–	88	85	85
No. of Community Stakeholder Meetings held	–	-	27	23	18
Accessibility	**2021**				
Fully accessible stations/stops (%)	100%	100%	100%	100%	100%

Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our workforce	**2021**	2020	2019	2018	2017
Number of Employees	3,680	3,573	3,552	3,432	3,469
Gender equality	**2021**				
Female employees (%)	7.6%	7%	7%	7%	7%
Women in Senior Management roles (%)	22%	22%	22%	22%	22%
Female Board members (%)	50%	44%	44%	44%	44%
Diversity	**2021**				
Non-Irish employees (%)	21%	21%	19%	19%	19%

Pillar 3: Environment

Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	**2021**	2020	2019	2018	2017
Scope 1 – Direct emissions (thousand tCO_2e)	61.38	62.3	66.9	72.3	73.6
Scope 2 – Indirect emissions from electricity purchased (thousand tCO_2e)	1.1	1.1	1.3	1.4	1.7
Scope 3 – Indirect other (thousand tCO_2e)	0.0365	0.0389	0.137	0.082	0.065
Total emissions (thousand tCO_2e)	62.54	63.44	68.34	73.78	75.37
Energy Efficiency	**2021**				
Diesel use (thousand litres)	22,148	22,439	25,029	26,759	27,605
Diesel use (MWh)	225,134	228,092	254,420	272,005	280,605
Electricity total (MWh)	4,401	4,422	4,576	4,462	4,521
Gas usage (MWh)	9,189	10,019	10,785	11,111	10,084
Total Energy Consumption (MWh)	238,724	242,533	269,781	287,578	295,210
Fleet Proportions	**2021**				
Fleet with Euro IV standard engine (%)	15%	14%	14%	14%	14%
Fleet with Euro V standard engine (%)	7%	7%	15%	15%	15%
Fleet with Euro VI standard engine (%)	60%	57%	56%	46%	36%
Fleet with hybrid engine (%)	15%	0.88%	0.88%	0%	0%
Fleet that are fully powered by electricity (%)	0%	0%	0%	0%	0%
Average age of bus fleet (years)	6.8	7	7	6	6

Responsible Consumption and Production					
Waste management	**2021**	2020	2019	2018	2017
Total waste generated (tonnes)	733	817	821	912	708
Total waste generated % increase/decrease	-10%	-11%	-5%	15%	-11%
Waste recycled (tonnes)	463	563	627	658	564
Waste recycled/recovered (% of waste collected to be recycled)	63%	69%	64%	72%	75%

Transit Oriented Development

CIÉ is committed to integrating Transit oriented development (TOD) whenever feasible utilising the extensive and centrally located property holdings in the CIÉ Group portfolio. We have the potential to optimise the provision of housing, employment and urban spaces in close proximity to the frequent, high-quality transport services which are necessary to support TOD.

Our development objectives prioritise compact growth and access to well-designed mobility hubs, creating the conditions necessary for modal shift.

We are working on a ten-year plan for delivery of flagship projects such as Heuston Station Masterplan Dublin, Colbert Station Limerick Masterplan, Horgan's Quay, Cork, Connolly Station Dublin, Kent Station Cork and Ceannt Station Galway. Strategic Property achievements during 2021 includes the following examples.

Orlaith O'Callaghan, Director, O'Mahony Pike Architects, Lorcan O'Connor, Group CEO, CIÉ, Aoife Brennan, Senior Director - Research & Consultancy, Lisney, Barry Kenny, Corporate Communications Manager, Iarnród Éireann and David O'Connor, Assistant Head of School, TU Dublin Environment & Planning, at the launch of the Heuston Masterplan

Heuston Masterplan Launch

The Heuston Masterplan was launched at an event in Smock Alley Theatre in November 2021 and presentations were given by Orlaith Ryan of OMP Architects and Lorcan O'Connor, Group CEO.

The Masterplan is a blueprint for the mixed-use, transformational development of lands at Heuston Station as an exemplar of transit oriented development.

Proposals for additional pedestrian and cycling linkages and facilities will enhance accessibility, encourage sustainable mobility and further incentivise take-up of public transport – enhancing the role of Heuston as a nexus for multiple public transport and sustainable mobility travel modes.

There are circa 10 hectares of potential development lands contingent upon the rationalisation/relocation of transport uses. This could accommodate development of over 210,000 sqm of mixed uses including over 1,000 residential units.

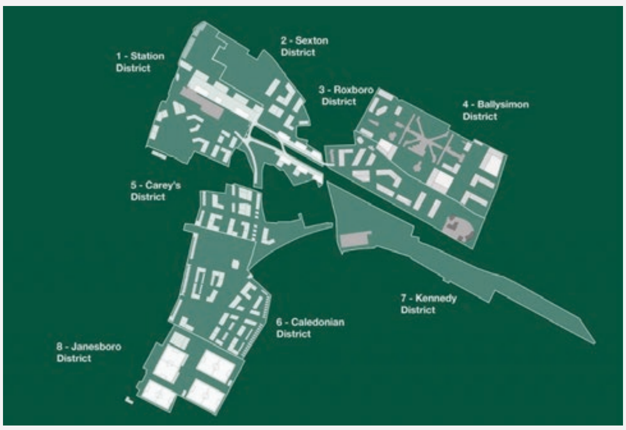
Plans will be further developed through 2022 with a view to launching of Phase One marketing towards the end of the year.

Colbert Station Masterplan, Limerick

The Land Development Agency (LDA) launched the Colbert Station Quarter Spatial Framework in October 2021 in collaboration with CIÉ, Limerick City and County Council and HSE.

The Colbert Station project will transform a major urban area earmarked for rejuvenation through the creation of new urban districts. CIÉ lands at Colbert Station are a key element in this transformation and we are working with the LDA to achieve an exemplar of transit orientated development. The Spatial Framework envisages the creation of new sustainable transport linkages between communities in conjunction with new urban districts and the creation of new urban districts which will overtime deliver up 2,800 homes.

Aligned with this project, construction will commence in 2022 of an extended Colbert Station concourse to fully integrate Bus Éireann services with 21 new bus bays, new accessible ticket offices, retail units and toilets as well as refurbishment works to the existing facilities.



Horgan's Quay, Cork

Following the development and letting of Phase 1 offices, with Apple and Regus as tenants and the opening of the Dean Hotel, construction of the Phase 2 office scheme got underway in 2021. Total office space of 29,000 sq. m. is planned for Horgan's Quay, together with the development of 325 residential units.

Tara Street

A landmark Office at city centre DART Station is under construction comprising of 14,000 sq.m. Improved accessibility to the station via Tara Street will be delivered as part of the scheme.

Spencer Dock

Construction is nearing completion on the second phase of the Spencer Dock development, which will comprise c. 40,000 sq. m. of offices to be occupied by Salesforce, a 200 bedroom Dalata hotel, and nearly 400 residential units.

Boston Sidings

The former Boston Railway Sidings are located within Dublin's Silicon Docks area. Construction commenced in May 2021 of a 20,000 sq.m prime office scheme which is scheduled for completion in 2023.

Connolly Station

Work commenced in 2021 on the site compromising the former carpark adjoining Connolly Station. Benefiting from proximity to the station, the proposed development will comprise of 59,000sq.m of offices, 200 bed hotel, and 187 residential units. The scheme will substantially improve linkages with the adjoining community and improve access to the station and rail services.

Galway, Ceannt Station, Phase 1

Lands to the south of Ceannt Station form the proposed "Augustine Hill" mixed-use scheme, including 376 residential units and substantial retail development. The proposals are currently being considered by the planning authorities.

Housing for All Strategy

'Housing for All – a New Housing Plan for Ireland' is the government's housing plan to 2030, launched in September 2021. In the plan the LDA is tasked with accelerating the release of state lands for housing, particularly affordable housing. Four properties in the CIÉ Group are specifically mentioned: Colbert Station Limerick, Inchicore Works, Broadstone and Conyngham Road Bus Garage.

CIÉ is working closely with the LDA in order to help achieve the strategy's objectives.

In addition to the above properties, CIÉ have shared with LDA ideas on other potential development opportunities, including the Heuston Masterplan of which they are very supportive.

CIÉ strategy is to continue to work closely with the LDA, and to be proactive in the release of surplus lands.

CIÉ Tours operations recommenced August 2021, following 15 month suspension.

Members of the Board

The names of the persons who were Board Members at any time during the year ended 31 December 2021 are set out below. Except where indicated they served as Board Members from 1 January 2021 up to the date of approval of these financial statements.

Fiona Ross	*Non-Executive Chairperson*
Frank Allen	
Ultan Courtney	(Retired 5 December 2021)
James Doran*	(Appointed 1 December 2021)
Brian Fitzpatrick	
Denise Guinan*	(Retired 30 November 2021)
Stephen Hannan*	(Reappointed 1 December 2021)
Dermot Healy*	(Appointed 1 December 2021)
Aidan Murphy	(Retired 5 December 2021)
Tom O'Connor*	(Retired 30 November 2021)
Niamh O'Regan	
Liam O'Rourke	
Fiona Sweeney	
Tommy Wynne*	(Reappointed 1 December 2021)

* *Worker Member*

There are two vacancies at present

Secretary of the Board

Geraldine Finucane
Heuston Station
Dublin 8
Telephone + 353 1 703 2008

Board Committees

Audit and Risk Committee

Liam O'Rourke	*Chairperson*
Brian Fitzpatrick	
Niamh O'Regan	

Board Strategy Committee

Fiona Ross	*Chairperson*
Brian Fitzpatrick	
Niamh O'Regan	
Fiona Sweeney	

This Committee was wound up on 2nd June 2021.

CIE Board Finance and Investment Committee

Niamh O'Regan	*Chairperson*
Frank Allen	
Brian Fitzpatrick	
Fiona Sweeney	

There are two vacancies at present

CIÉ Board Pensions Committee

Fiona Sweeney	*Chairperson*
Stephen Hannan	
Dermot Healy	*Appointed 6 April 2022*
Niamh O'Regan	
Liam O'Rourke	

CIÉ Board Remuneration Committee

Mr. Brian Fitzpatrick	*Chairperson*
Niamh O'Regan	
Fiona Ross	

Advisory Groups

CIÉ Sustainability Advisory Group

Fiona Ross	*Chairperson*
Éamonn Ballance	
Caoimhe Donnelly	
James Doran	*Appointed 6 April 2022*
Sharon Flood	
Richard Manton	
Lorcan O'Connor	
Colin Ward	

CIÉ Property Advisory Group

Brian Fitzpatrick	*Chairperson*
Aidan Cronin	
James Doran	*Appointed 6 April 2022*
Niall Grogan	
Lorcan O'Connor	
Tommy Wynne	

Group Management

Lorcan O'Connor	*Chief Executive, CIÉ*
Ray Coyne	*Chief Executive, Bus Átha Cliath*
Stephen Kent	*Chief Executive, Bus Éireann*
Jim Meade	*Chief Executive, Iarnród Éireann*

Auditors

Mazars
Block 3 Harcourt Centre
Harcourt Road
Dublin 2

Solicitor

Colm Costello
Bridgewater House
Islandbridge
Dublin 8

Principal Banker

Bank of Ireland
College Green
Dublin 2

About the Board of Córas Iompair Éireann

Fiona Ross *Non-Executive Chairperson*

Fiona Ross is an experienced public and private sector Chair and Non-Executive Director, having served on 17 Boards in Ireland and the UK over the past ten years.

- In June 2021 Fiona was re-appointed by the Government to Chair Córas Iompair Éireann (CIÉ).
- Fiona was appointed Chairperson of the National Paediatric Hospital Development Board (NPHDB) 2021.
- Fiona was a member of the Board of the HSE where she served on the HSE audit and risk committee.
- In the UK Fiona serves as a Non-Executive Director at The Scottish Government and in May 2020 Fiona was appointed by the UK Government to serve on the Board of Network Rail.
- Fiona also has Central Bank of Ireland authorisation and serves as a non-executive director at JK Funds, Tilney Smith, and Williamson Europe where she chairs the Audit and Risk committee and SphereInvest.

Fiona began her career as a stockbroker in the City of London and spent 25 years working in all areas within Capital Markets in Dublin, London, Eastern Europe, and the United States.

In 2010, Fiona was appointed by the Minister for Arts to run Ireland's National Library. Subsequently, Fiona continued her interest in the Arts and joined the Heaney family as a Non-Executive Director of the Heaney literary estate.

Fiona is a graduate of Trinity College Dublin, University College Dublin, Queen's University Belfast and the Institute of Art and Design (IADT).

In 2012, Fiona was awarded a fellowship in Governance at George Washington University in the United States.

Frank Allen

Frank Allen was reappointed to the Board of CIE and as Chairperson of Iarnród Éireann, in 2020.

He is an independent financial consultant, advising on infrastructure investment and operations, mostly in developing and transition economies. He chairs the board of Corre Energy b.v., a renewable energy company listed on Euronext Dublin, and is Treasurer of Depaul Housing, which provides accommodation and other support for people who have experienced homelessness. He was Chief Executive of the Railway Procurement Agency, which implemented Luas, from 2002 to 2012.

Frank is a graduate of University College Cork and the Massachusetts Institute of Technology. He previously worked for the World Bank Group in Washington DC and in Eastern Europe and was head of Infrastructure Finance for KBC Bank in the International Financial Services Centre, Dublin.

James Doran

James (Jimmy) Doran was appointed to the CIÉ Board in December 2021 under the Worker Participation (State Enterprises) Acts 1977 to 2001.

Jimmy completed his electrical apprenticeship with CIÉ from 1980-84 and then having worked on the building sites of London for six years he returned to work as an electrician for Bus Átha Cliath in Clontarf Garage in 1991 where he has remained since.

Jimmy was elected as a shop steward in 1993 and has been on the Bus Átha Cliath Negotiating Committee since then. He is a member of the Connect Trade Union National Executive Committee, the chair of its National Transport Consultative Committee, and represents the union on the Irish Congress of Trade Unions' (ICTU) Health and Safety Committee and the ICTU Transport Group. Working in public transport is a family tradition for three generations of Dorans as is trade union activism, his namesake and Grandfather being a founder member of Connect trade union's predecessor the IES&FTU in 1920.

Brian Fitzpatrick

Brian is an accountant and experienced financial professional. Prior to joining the Board of CIÉ in April 2019 he was Finance Director and Company Secretary of BAM Contractors Ltd., the country's largest civil engineering and construction company and he continued to be a Non-Executive Director until December 2019 at which time he retired from the Board. He spent the early part of his career in the financial services sector as Financial Controller of First National Building Society which then became First Active Plc. He is also currently a Director of the Housing Finance Agency which is the State Body charged with the financing of Local Authorities and Approved Housing Bodies in the provision of social and affordable housing and is permanent Chairperson of the Audit and Risk Committee.

Stephen Hannan

Stephen Hannan was re-appointed to the Board in December 2021 under the Worker Participation (State Enterprises) Acts 1977 to 2001. He works as a bus driver based in Ringsend Garage. He is a member of SIPTU and has held a wide variety of positions within the trade union for over 30 years: President of the Bus Drivers Committee; Vice-Chairperson of the Transport Sector Committee; the Divisional Committee, Depot Representative to name but a few.

Dermot Healy

Dermot was appointed to the CIÉ Board in December 2021.

He is employed as a bus driver with Bus Éireann based at Roxboro Depot in Limerick. He joined CIÉ in 1983 as a junior dining car attendant before moving to the Road Passenger Section the following year taking up such roles as Office Assistant and Bus Conductor prior to his current position as a driver since 1991.

He has been active in his union, the NBRU, since 1997 when he was first elected to his local branch committee. He served as both Vice-Chairperson and Chairperson of the Limerick Branch prior to being elected to the National Executive Council in 1999. As a member of the NBRU National Negotiating Team. He has extensive experience in Industrial Relations issues including several WRC negotiations and Labour Court hearings.

Niamh O'Regan

Niamh O'Regan was appointed to the CIÉ Board in April 2019, and she is Chair of the CIÉ Board Finance and Investment Committee.

Niamh is a fellow of Chartered Accountants Ireland, having trained with PWC. She holds a B.A. (Hons) degree in French and Spanish from Trinity College Dublin, a Postgraduate Diploma in Accounting from Dublin City University and a specialist Diploma in Risk, Compliance and Internal Audit from Chartered Accountants Ireland.

Niamh has over 25 years of experience predominantly in Financial Services and Health industries. Niamh's professional experience includes roles in Barclays Bank London as Head of Business Performance and in Barclays Bank Ireland as Head of Business Management.

Niamh is an Independent Non-Executive Director of ALD RE DAC where she is Chair of the Board Risk Committee. She is an Authority Member of the Property Registration Authority of Ireland and she is an External Member of the Audit Committee of the Pharmaceutical Society of Ireland.

Liam O'Rourke

Liam O'Rourke was re-appointed to the Board of CIÉ in September 2021 He is a Fellow of the Institute of Certified Public Accountants in Ireland (FCPA). He has held senior executive positions with US multinational manufacturing companies for over 30 years and has extensive experience in Finance, HR and ICT. He was previously the Finance Director/Controller of Champion Spark Plug Company and is currently the Internal Auditor with the Irish Wheelchair Association.

Fiona Sweeney

Fiona was appointed to the Board of CIÉ in April 2019. She is an investment professional with 30 years' experience in the asset management industry. She has held executive and board roles in leading Irish investment firms including AIB Investment Managers, Prescient Ireland and Davy over the past 20 years. In these roles she has been responsible for the development, communication and implementation of effective business strategies. She has an in depth knowledge of pensions and investment markets and has significant experience in corporate governance and compliance. Fiona holds Undergraduate and Masters Degrees in Economics from University College Dublin and the Diploma in Company Direction from the Institute of Directors.

Tommy Wynne

Tommy Wynne was re-appointed to the Board in December 2021 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. He joined Iarnród Éireann as a depot man in 1991 and became a train driver in 1994. Tommy holds a Higher Diploma in International Railway Operations from Glasgow Caledonia University. He is currently President of the SIPTU TEAC Division and Chairperson of the Transport Sector in SIPTU.

Corporate Governance Statement

The Board

The Board is comprised of up to twelve Members appointed by the Government. There are two vacancies at present. The Board includes four Worker Members, who are appointed by the Government for a four-year term, following an election by the staff of the Group.

The Board meets at least seven times a year and on other occasions as necessary. It has a formal schedule of matters specifically reserved for its decision including the approval of the annual financial statements, budgets, the corporate plan, significant acquisitions and disposals, investments, senior management appointments and major Group policies. The Group has a comprehensive process for reporting management information to the Board on a regular basis. The Board reviews performance against Budget and Forecast on a periodic basis.

All Board Members have access to the advice and services of the Group Secretary.

As at 31 December, the Board had 30% female and 70% male members, with two positions vacant. Excluding the Worker Directors, the ratio is 50% female 50% male.

The Board therefore does not meet the Government target of a minimum 40% representation of each gender in the membership of State Boards.

The appointment of Members of the CIÉ Board is a matter for Government. CIÉ has incorporated considerations of gender balance in its observations related to future Board appointments.

Board Committees and Advisory Groups

Committees are established to assist the Board in the discharge of its responsibilities. The committees comprise of an Audit and Risk Committee (see below), a Remuneration Committee, a Finance and Investment Committee and a Pensions Committee. The Board Strategy Committee was wound up on 2 June 2021 and its responsibilities reallocated to newly created committees and the re-established Board Remuneration Committee. In addition, the Board has a Property Advisory Group and a Sustainability Advisory Group.

Senior Management Team

The Senior Management Team of the CIÉ Entity (the Entity) is responsible for the day-to-day management of the Entity's activities as delegated by the Board. The Senior Management Team is governed by an organisation structure designed to suit the needs of the organisation in areas including Finance, Audit, Company Secretarial, Property, Human Resources, IT, Pensions, Investigations and Claims, Sustainability and Legal. The Entity is also responsible for co-ordinating the activities from a reporting and governance perspective in relation to the CIÉ Group of companies.

Audit and Risk Committee ("ARC")

The ARC has written Terms of Reference and is currently composed of three non-executive Board Members. The Committee met seven times in 2021.

Among the main duties of the ARC is oversight of the Group's relationship with the external auditor, including consideration of the appointment and performance of the external auditor, audit fees and any question of independence, resignation or dismissal.

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

The external auditors, Mazars, were appointed in 2020 following a competitive tender process. The ARC recommended to the Board that they be formally reappointed in respect of the year ended 31 December 2021. There were no contractual commitments that acted to restrict the ARC in making this recommendation. In addition to the audit services provided by Mazars, following their appointment, the firm also provided non-audit professional services to the Group in 2021 valued at €166,000. Having considered all relationships between the Group and the external audit firm, the ARC does not consider that the nature or extent of additional work undertaken in any way impairs the auditors' judgement or independence.

The external auditors and the Head of Group Internal Audit have full and unrestricted access to the ARC. The external auditors attend meetings of the ARC and annually meet the Committee without management being present to ensure the auditors can raise any matters in confidence.

The ARC keeps under review the effectiveness of the Group's internal controls and risk management systems by considering the work undertaken by the Audit and Risk Committees of the CIÉ Group's operating subsidiaries and by meeting periodically with CIÉ's senior management. The ARC approves the internal audit work programmes for the Group, meets regularly with the Head of Internal Audit and considers the results of the various internal audits undertaken and their implications. The ARC also keeps under review the controls, procedures and policies relating to compliance, whistleblowing and fraud. The ARC reviews the system of internal controls and makes recommendations in relation to the controls activities in accordance with the Code of Practice for the Governance of State Bodies 2016.

Board Strategy Committee

The Board Strategy Committee was wound up on 2 June 2021 and its responsibilities reallocated to the newly created Board Finance and Investment Committee, the newly created Board Pensions Committee, the re-established Board Remuneration Committee and to newly created Property Advisory Group.

Finance and Investment Committee ("FIC")

The FIC has written Terms of Reference and is currently composed of four non-executive Board Members with two vacancies. The Committee met four times in 2021.

The FIC monitors own-funded strategic investment and the financial sustainability of the CIÉ Group.

Pensions Committee

The Pensions Committee has written Terms of Reference and is currently composed of four non-executive Board Members with one vacancy. The Committee met three times in 2021.

The Pensions Committee's main duties relate to funding levels, liability management and investment strategy of the pension schemes and also pension governance and compliance.

Remuneration Committee

The Remuneration Committee has written Terms of Reference and is currently composed of three non-executive Board Member. The Committee met once in 2021.

The Remuneration Committee's main duties relate to the implementation of Government policy with respect to the remuneration of Board Members, the CIÉ Chief Executive, the direct reports of the CIÉ Chief Executive and succession planning within the Entity.

Property Advisory Group

The Property Advisory Group has written Terms of Reference and is currently composed of two Board Members with one Board Member vacancy and three members from the Executive. The Committee met four times in 2021.

The Property Advisory Group reviews strategy in relation to acquisition, disposal and development of the CIÉ Group's property portfolio.

Sustainability Advisory Group

The Sustainability Advisory Group has written Terms of Reference and is currently composed of two Board Members, five members from the Executive and an external member. The Committee met twice in 2021.

The Sustainability Advisory Group reviews the implementation and resourcing of the CIÉ Groups' sustainability strategy. It also reviews compliance with relevant legislation including appropriate climate-related reporting.

Statement on Internal Control

Scope of Responsibility

The subsidiaries of CIÉ Group (the Group) have each prepared a Statement of Internal Control that has been approved by their individual boards. In addition, the CIÉ Entity (the Entity) has prepared a Statement of Internal Control. The following statement relates specifically to the Entity and has been approved by the CIÉ Board.

The Entity acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies 2016. This statement has been reviewed by the Audit and Risk Committee (ARC) and the Board to ensure it accurately reflects the control system in operation during the reporting period. This statement has also been reviewed by the external auditors to ensure that it is consistent with the information of which they are aware from their audit of the financial statements.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform and the Department of Finance has been in place in the Entity for the year ended 31 December 2021 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Entity has an ARC. The Charter and Terms of Reference of the ARC provides for up to three Board Members to be appointed to the Committee, one of whom is the Chairperson of the Committee. In the event that the CIÉ Board composition is such that it does not support the membership requirements set out above, the Board may appoint a Committee Chairperson and Committee members who are not Members of the CIÉ Board. The Committee is currently composed of three non-executive Board Members. The ARC met seven times in 2021.

The Entity has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

The Entity has developed a risk management policy which delegates responsibility for risk management to the Chief Financial Officer (or suitable management alternative), and they in turn set out a reporting structure, and appoint appropriate personnel, as detailed in the Risk Management Framework. The Board of the Entity has responsibility for and approves the Risk Management Framework, tailored to address their specific strategic objectives, and to manage their specific risk exposures efficiently and effectively, within the context of the policy.

The policy is to ensure that appropriate procedures are in place within the Entity to identify, assess and manage the key risks facing all areas of the business. The key risks are those that can damage its reputation, operational and or financial capability or cause hazards or prevent it from achieving its objectives in a risk averse manner.

Risk and Control Framework

Risk assurance is provided by way of the three lines of defence. The key differentiating factor between the three lines of defence are their levels of independence from the Entity's operational activities and from the Entity itself.

The three lines of defence governance model distinguishes between risk resources, supervision and oversight as follows:

- Risk Ownership, i.e. functions owning and managing risks as part of their day-to-day activities (first line of defence);
- Risk Supervision, i.e. functions overseeing risks and providing robust challenge to the management teams (second line of defence); and
- Risk Oversight, i.e. functions providing independent assurance (third line of defence).

Risk Ownership is aligned with business ownership. As the heads of the departments are responsible for achieving business objectives, they are ultimately responsible, as risk owners, for identifying and managing risks associated with their areas of responsibility. They exercise this responsibility by ensuring that risk identification is fully incorporated into the day-to-day activities of those working within their departments.

Newly identified risks are assigned to a risk owner, that is, head of the department. This individual may delegate the management of the risk to a Risk Manager who will be responsible for the further analysis, evaluation and treatment of the risk in question.

The Entity has implemented a risk management system via an auditable risk software system, OpRiskControl, which has been designed to ensure that Risk Owners and other department resources, adopt a consistent, robust approach at every stage of the risk management process, from risk identification through to escalation. In accordance with ISO 31000, it is policy that risks be defined at a level that can be managed, that is, they are sufficiently articulated so that the possible extent and likelihood of the event can be appraised and mitigating actions put in place.

Risks are evaluated by the responsible Risk Owner using Risk Criteria Tables which have been developed so that risks which are outside of the Entity's Risk Appetite, are assigned the appropriate Risk Rating, and are escalated to the appropriate level of oversight.

Ongoing Monitoring and Review

All newly identified risks and Principal Risks and decisions and details of any emerging risks are subject to peer review by the Entity Executive Team at their monthly meetings.

Periodic reports will incorporate the following as standard:

- Principal Risks;
- Changes in Principal Risk;
- Newly Identified Risks;
- Emerging Risks;
- Overview of Entity Risk Universe; and
- Risks in breach of risk appetite and mitigating actions.

A report of all Entity Risks, status as against Risk Appetite and performance as against KPI's if applicable is thereafter escalated to the ARC in line with the annual Risk Plan with supporting Risk Detail Reports.

In addition to the above, all Top Group Principal Risks and Emerging Risks are escalated to the CIÉ Executive Board for assessment by the CIÉ Executive Board on a Group-wide basis. A report of Top Group Principal Risks, status as against Risk Appetite and performance as against KPI's with supporting Risk Detail Reports is escalated to each sitting of the ARC and to the CIÉ Board quarterly.

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way.

The Entity confirms that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/ forecasts.

All Principal risks are reviewed objectively with regard to their rating and mitigating actions. Where necessary a Principal risk is escalated through the aforementioned Boards and Committees. Throughout 2021 this resulted in the escalation of 4 Principal risks through the CIÉ Executive Board, the ARC and the CIÉ Board. These risks related to financial viability/profitability (2 risks), service provision (1 risk) and the replacement of end-of-life ticketing systems (1 risk).

The Risk Management Policy and Principles also enables the Group to identify, analyse and report emerging risks to the CIÉ Executive Board and ultimately to the CIÉ Audit and Risk Committee and CIÉ Board. These emerging risks help identify potential exposures as soon as possible by looking at conditions or trends that could impact the Entity's financial, competitive or reputational position over the next 5 years. These are monitored and reviewed in conjunction with Principal Risks.

In addition to the Principal and Emerging risks, all of the risks within the Group are categorised within a Common risk structure and information shared for the benefit of risk management across the group. An independent global external benchmark is used to group the risks into categories. These are then sorted in order of priority, the top 3 in 2021 being Pandemic Outbreak, Cyber Incidents and Business Interruptions. These risks are then shared with a view to ensuring that best practice is used in the rating and mitigating actions in place. In the example of the Pandemic Outbreak risks it meant a comparison of these risks was completed to ensure that ratings and mitigating actions were shared and discussed to ensure a comprehensive risk management approach was being taken by CIÉ and its subsidiaries.

Procurement

The Entity confirms it has procedures in place to ensure compliance with current procurement rules and guidelines. The Department of Transport has acknowledged that it is CIÉ Group Policy to apply a threshold of €50,000 for procurement non compliances due to the volume of purchases within the CIÉ Group and the additional cost of supplying information at the lower limit.

CIÉ had one procurement non-compliance for the year at a value of €52,500. This relates to the procurement of recruitment services. A tender process for this service has now been initiated.

Review of Effectiveness

The Code of Practice for the Governance of State Bodies 2016 published by the Department of Public Expenditure and Reform requires an external review of effectiveness of Risk Management Framework of each State Body be completed “on a periodic basis”. Mazars were engaged to perform a review of the Entity’s Risk Management Framework in September 2020 with the next review due in 2023.

The Entity was found to be compliant with the Code.

Furthermore, the Entity confirms that it has procedures to monitor the effectiveness of its risk management and control procedures. The Entity’s monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the ARC, which oversees their work, and the senior management within the Entity responsible for the development and maintenance of the internal financial control framework.

The Entity confirms that the Board conducted an annual review of the Risk Management Framework in 2021 in accordance with the Code of Practice for the Governance of State Bodies 2016.

Internal Control Issues

No material weaknesses in internal control, material losses or frauds were identified in relation to 2021 that require disclosure in the financial statements. While no weaknesses in internal controls that represent a material impact on the financial statements for 2021 or subsequent years were identified in the current year, the Board and Management remain vigilant against control weaknesses and welcome feedback through internal audit, external audit and other areas of ongoing monitoring and review on recommendations and suggestions to enhance the system of control within the Entity. The Entity follow up on all such reports and implement actions to the recommendations in a prompt manner.

Board Members’ Remuneration

The remuneration of Board Members, in relation to their duties as Board Members, is determined by the Minister for Transport. They do not receive pensions for their duties as Board Members.

Board Members appointed under the Worker Participation (State Enterprises) Acts, 1977 to 2001 are also remunerated in accordance with their contracts of employment.

Attendance at Board/Committee Meetings

Listed below is Board Members' attendance at Board/Committee meetings held during 2021.

Board Member	Appointed	Term Expired	CIÉ Board	Audit & Risk	Strategy	Finance & Investment	Pensions	Board Renumeration
Fiona Ross			7/7		3/3			1/1
Frank Allen			7/7			4/4		
Ultan Courtney		05/12/2021	6/6			2/4		
James Doran	01/12/2021		1/1					
Brian Fitzpatrick			7/7	6/7	3/3	3/4		1/1
Denise Guinan		30/11/2021	6/6					
Stephen Hannan			7/7				3/3	
Dermot Healy	01/12/2021		1/1					
Aidan Murphy		05/12/2021	6/6			3/4		
Tom O'Connor		30/11/2021	6/6				2/3	
Niamh O'Regan			7/7	7/7	3/3	4/4	3/3	1/1
Liam O'Rourke			7/7	7/7			3/3	
Fiona Sweeney			7/7		3/3	4/4	3/3	
Tommy Wynne			7/7					

Attendance at Advisory Group Meetings

Listed below is Board Members' attendance at Advisory Group meetings held during 2021.

Board Member	Term Expired	Property Advisory Group	Sustainability strategy Advisory Group
Fiona Ross			2/2
Brian Fitzpatrick		4/4	
Denise Guinan			2/2
Tom O'Connor	30/11/2021	3/4	
Tommy Wynne		4/4	

Going Concern

The Irish economy continues to adopt to the Governments "Living with Covid" plans. The primary impact on CIÉ relates to a continued reduction in passenger journeys, compared to pre COVID-19 levels. The board is also mindful of the current global economic issues.

Impact of COVID-19

After the shock of the onset of the pandemic in 2020, the Group adapted to living alongside COVID-19 in 2021. While passenger journeys rose and fell during different periods of 2021 reflecting Government travel advice, in overall terms there was a positive upward trend.

The Board acknowledges the additional funding support received during 2021 which has enabled the continued operation of essential public transport services and the positive engagement with the department and the NTA in agreeing PSO service plans for 2022.

Global Economic Uncertainties & War in Ukraine

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

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

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

Key factors included in arriving at this decision include;

- it remains the intention of the NTA to fund Group Subsidiary Companies to allow them to continue to operate PSO Services in line with the Contract in 2022;
- the Exchequer budget for 2022 includes adequate provision for the continuation of PSO Services;
- the NTA will receive sufficient funding from the Exchequer in order to fund the PSO Contract;
- Continued recovery in commercial services.

The going concern basis assumes that the CIÉ Group 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.

Commercial Activities

The Group incurred a loss of €1.5m on commercial activities in 2021 compared to an equivalent loss of €26m in 2020 which highlights the level of corrective measures implemented by management to curb the trend. Staff reductions and re-deployments in key areas as well as tight cost controls were key factors in the turnround.

Bus Éireann's Expressway business also benefited from NTA supports made available to commercial bus operators and this was a key support to this commercial activity in the year.

The Budget for 2022 plans a continued improvement in the financial performance of our Commercial activities notwithstanding the anticipated tapering-off of Government COVID-19 supports. The Board is satisfied that the Group has sufficient resources to support the businesses through their recovery.

PSO Services

From 1 January 2021, Bus Átha Cliath (BÁC) and Bus Éireann (BÉ) have operated public transport services on behalf of the National Transport Authority (NTA) on a gross cost contract basis. Under these contracts both BÁC have BÉ collect passenger revenue on behalf of the NTA and are reimbursed for the cost of the services provided.

Service plans for 2022 have been agreed with the NTA which is providing the requisite funding to meet the agreed costs of these plans.

In 2021 and 2022, Iarnród Éireann continues to operate its contract with the NTA on a net cost contract basis. Funding of the difference between fare box revenue earned and the agreed cost of operations is being provided through the NTA from the Exchequer.

Schools Transport Services

Bus Éireann manages the provision of Schools Transport Services across the State, Additional funding was provided by the Department of Education and Skills (DoES) throughout 2021 to fund the additional resource deployment that was necessary to accommodate school going passengers in accordance with social distancing requirements.

Additional Exchequer Funding

The additional funding from both the NTA and DoES ensured the continued liquidity of the Group throughout 2021. Management is engaged in continuous and positive discussions with both the Department of Transport and the Department of Education and Skills to ensure the continued provision of public and schools transport in line with the Government's Living with Covid plan.

Liquidity

The Group currently holds a cash balance of €254 million as at 31 December 2021.

The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2021 is €16 million. This loan amortises over a four year period. The undrawn amount available to the Group under the Group's committed revolving credit facility is €80 million.

Management expects that the Group will continue to meet its obligations under the agreement for the period of at least 12 months from the date of approval of these financial statements.

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

Fiona Ross
Chairperson

Liam O'Rourke
Board Member

6th April 2022

Statement of Board's Responsibilities

The Board Members are responsible for preparing the Annual Report and the financial statements of the CIÉ Entity (the Entity) and for the CIÉ Group ("the Group") in accordance with the Transport Act, 1950 and subsequent amendments.

The law requires the Board Members to prepare financial statements for each financial year that give a true and fair view of the Group's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law, the Board Members have prepared the financial statements in accordance with FRS 102, the financial reporting standard applicable in the UK and the Republic of Ireland, issued by the Financial Reporting Council ("relevant financial reporting framework").

Under Irish law, the Board Members shall not approve the financial statements unless they are satisfied that they give a true and fair view of CIÉ's and the Group's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Group for the financial year.

In preparing these financial statements, the Board Members are required to:

- select suitable accounting policies 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 applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements;
- notify CIÉ's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Entity and the Group will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Entity and the Group;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Entity and the Group to be determined with reasonable accuracy; and
- enable the Board Members to ensure that the Entity and Group financial statements are prepared in accordance with applicable accounting standards and the Transport Act, 1950 and subsequent amendments.

The Board Members are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the Board

Fiona Ross
Chairperson

Liam O'Rourke
Board Member

6th April 2022

Independent Auditor's Report

To the Minister for Transport in respect of Córas Iompair Éireann

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Córas Iompair Éireann ("the Entity") and its subsidiaries ("the Group") for the year ended 31 December 2021 which comprise the Consolidated Profit & Loss Account, Consolidated Statement of Comprehensive Income, Consolidated and Entity Balance Sheet, the Consolidated and Entity Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies set out in Note 1. The relevant financial reporting framework that has been applied in their preparation is the Transport Act 1950 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 financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Entity as at 31 December 2021 and of the Group's result for the year then ended;
- the Group financial statements have been properly prepared in accordance with FRS 102;
- the Entity financial statements have been properly prepared in accordance with FRS 102 as applied with the provisions of the Transport Act 1950; and
- the Entity and Group financial statements have been properly prepared in accordance with the requirements of the Transport Act 1950.

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 described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity and the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard 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 Board Members' 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 Entity's and the Group'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 Board Members with respect to going concern are described in the relevant sections of this report.

Other information

The Board Members are responsible for the other information. The other information comprises the information included in the CIÉ Group 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 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.

Respective responsibilities

Responsibilities of Board Members for the financial statements

As explained more fully in the Statement of Board Responsibilities, the Board Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine 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 Board Members are responsible for assessing the Entity's and the Group'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 Entity or the Group 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 IAASA'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.

Matters on which we are required to report by exception

Under the Code of Practice for 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 does not reflect the Groups 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 regard.

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

This report is made solely to the Minister for Transport in accordance with Section 34(3) of the Transport Act 1950. Our audit work has been undertaken so that we might state to the Minister 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 Entity and the Minister, 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
Dublin 2

6 April 2022

Consolidated Profit And Loss Account

Financial Year Ended 31 December 2021

	Notes	2021 €000	2020 €000
Revenue from operations	*3*	449,007	555,492
Receipts from Public Service Obligations contracts	*12*	574,847	421,285
Other Exchequer funding	*12*	161,291	155,779
Other revenue grants	*12*	113,268	62,226
Total revenue	*3*	**1,298,413**	**1,194,782**
Payroll and related costs	*5*	(704,120)	(673,275)
Materials and services costs	*6*	(620,943)	(559,935)
Total operating costs		**(1,325,063)**	**(1,233,210)**
EBITDA before exceptional costs		**(26,650)**	**(38,428)**
Exceptional items	*7*	3,408	3,746
Depreciation and amortisation, net of capital grants amortised	*8*	(20,893)	(24,365)
Profit on disposal of tangible assets	*9*	(128)	439
Operating (deficit)/profit before interest and taxation		**(44,263)**	**(58,608)**
Interest receivable and similar income	*10*	–	14
Interest payable and similar charges	*10*	(8,266)	(10,099)
Net interest expense		**(8,266)**	**(10,085)**
Deficit for the year before taxation		(52,529)	(68,693)
Tax on ordinary activities	*11*	(364)	1,833
Deficit for the year		**(52,893)**	**(66,860)**

Consolidated Statement of Comprehensive Income

Financial Year Ended 31 December 2021

	Notes	2021 €000	2020 €000
Deficit for the year		(52,893)	(66,860)
Other comprehensive income:			
Re-measurement of post-retirement benefit liabilities	*25*	**187,730**	**(152,109)**
Cash flow hedges			
– Re-classification to the profit and loss account		6,559	1,059
– Change in value of hedging instruments		15,001	(7,089)
– Unrealised Gain/Loss Foreign Exchange		(2,155)	–
– Other other comprehensive income movements		(533)	–
		18,872	**(6,030)**
Other comprehensive income/(expense) for the year, net of tax		**206,602**	**(158,139)**
Total comprehensive income/(expense) for the year		**153,709**	**(224,999)**

Consolidated Balance Sheet

As at 31 December 2021

	Notes	2021 €000	2020 €000
Fixed assets			
Intangible fixed assets	*14*	19,212	19,195
Tangible fixed assets	*15*	2,578,637	2,608,334
		2,597,849	**2,627,529**
Current assets			
Inventories	*17*	69,425	63,156
Debtors	*18*	269,381	54,387
Cash at bank and in hand		253,946	271,115
		592,752	**388,658**
Creditors (amounts falling due within one year)	*19*	(757,119)	(553,778)
Net current liabilities		**(164,367)**	**(165,120)**
Total assets less current liabilities		**2,433,482**	**2,462,409**
Creditors (amounts falling due after more than one year)	*20*	(13,737)	(18,182)
Deferred income	*23*	(2,065,025)	(2,099,014)
Provisions for liabilities			
Other provisions for liabilities	*22*	(198,892)	(214,123)
Provision for post employee benefit obligations	*25*	(846,462)	(975,433)
Net liabilities		**(690,634)**	**(844,343)**
Capital and reserves			
Capital reserve		28,556	28,556
Profit and loss account		(731,701)	(885,410)
Non-repayable State advances		12,511	12,511
		(690,634)	**(844,343)**

On behalf of the Board

Fiona Ross
Chairperson

Liam O'Rourke
Board Member

6th April 2022

CIÉ Entity Balance Sheet

As at 31 December 2021

	Notes	2021 €000	2020 €000
Fixed assets			
Intangible fixed assets	*14*	1,008	127
Tangible fixed assets	*15*	840,900	777,616
Financial assets	*16*	359,255	331,255
		1,201,163	**1,108,998**
Current assets			
Debtors	*18*	22,912	10,918
Cash at bank and in hand		245,927	269,417
		268,839	**280,335**
Creditors (amounts falling due within one year)	*19*	(473,738)	(463,849)
Net current liabilities		**(204,899)**	**(183,514)**
Total assets less current liabilities		**996,264**	**925,484**
Creditors (amounts falling due after more than one year)	*20*	(12,231)	(16,792)
Deferred income	*23*	(593,313)	(538,569)
Provisions for liabilities			
Other provisions for liabilities	*22*	(3,447)	(3,567)
Provision for post employee benefit obligations	*25*	(846,462)	(975,433)
Net liabilities		**(459,189)**	**(608,877)**
Capital and reserves			
Capital reserve		28,556	28,556
Profit and loss account		(500,256)	(649,944)
Non-repayable State advances		12,511	12,511
		(459,189)	**(608,877)**

On behalf of the Board

Fiona Ross
Chairperson

Liam O'Rourke
Board Member

6th April 2022

Consolidated Statement of Changes in Equity

Financial Year Ended 31 December 2021

	Capital reserves €000	Profit and loss account €000	Non-Repayable State advances €000	Total equity €000
Balance as at 1 January 2020	28,556	(660,411)	12,511	(619,344)
Deficit for the financial year	–	(66,860)	–	(66,860)
Other comprehensive expense for the financial year	–	(158,139)	–	(158,139)
Total comprehensive expense for the financial year	–	(224,999)	–	(224,999)
Balance as at 31 December 2020	**28,556**	**(885,410)**	**12,511**	**(844,343)**
Balance as at 1 January 2021	28,556	(885,410)	12,511	(844,343)
Deficit for the financial year	–	(52,893)	–	(52,893)
Other comprehensive income for the financial year	–	206,602	–	206,602
Total comprehensive income for the financial year	–	153,709	–	153,709
Balance as at 31 December 2021	**28,556**	**(731,701)**	**12,511**	**(690,634)**

CIÉ Entity Statement of Changes in Equity

Financial Year Ended 31 December 2021

	Capital reserves €000	Profit and loss account €000	Non-Repayable State advances €000	Total equity €000
Balance as at 1 January 2020	28,556	(445,939)	12,511	(404,872)
Deficit for the financial year	–	(44,929)	–	(44,929)
Other comprehensive expense for the financial year	–	(159,076)	–	(159,076)
Total comprehensive expense for the financial year	–	(204,005)	–	(204,005)
Balance as at 31 December 2020	**28,556**	**(649,944)**	**12,511**	**(608,877)**
Balance as at 1 January 2021	28,556	(649,944)	12,511	(608,877)
Deficit for the financial year		(55,977)		(55,977)
Other comprehensive income for the financial year		205,665		205,665
Total comprehensive income for the financial year	–	149,688	–	149,688
Balance as at 31 December 2021	**28,556**	**(500,256)**	**12,511**	**(459,189)**

Consolidated Cash Flow Statement

Financial year ended 31 December 2021

	Notes	2021 €000	2020 €000
Net cash from operating activities	*24*	22,330	37,093
Income taxes paid		(276)	(5,277)
Net cash generated from operating activities		**22,054**	**31,816**
Cash flow from investing activities			
Purchase of tangible fixed assets		(401,064)	(209,476)
Purchase of intangible fixed assets		(8,412)	(6,652)
Proceeds from disposal of tangible fixed assets		(128)	438
Proceeds from State and EU grants		376,590	203,795
Interest received		–	14
Net cash used in investing activities		**(33,014)**	**(11,881)**
Cash flow from financing activities			
Repayment of bank borrowings		(4,000)	(4,000)
Interest paid		(2,188)	(1,246)
Net cash used in financing activities		**(6,188)**	**(5,246)**
Net (decrease)/increase in cash and cash equivalents		**(17,148)**	**14,689**
Cash and cash equivalents at the beginning of the year		270,931	256,242
Cash and cash equivalents at the end of the year		**253,783**	**270,931**
Cash and cash equivalents consist of:			
Cash at bank and in hand		253,946	271,115
Bank overdrafts		(163)	(184)
Cash and cash equivalents at the end of the year		**253,783**	**270,931**

Notes to the Financial Statements

1. Significant Accounting Policies

Statement of Compliance

The consolidated financial statements of Córas Iompair Éireann ("CIÉ") have been prepared on a going concern basis in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Transport Act, 1950 and subsequent amendments.

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

Summary of significant accounting policies

The significant accounting policies used 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.

(A) Basis of Preparation

The financial statements have been prepared on a going concern basis, under historical cost convention as modified for the measurement of certain financial assets and liabilities at fair value through the profit and loss account.

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 estimation uncertainty at the reporting date. It also requires the Board Members to exercise their judgement in the process of applying the Group'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 (W) below.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the entity's shareholders.

CIÉ, the Entity, has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Entity cash flows, to the extent that the Entity had cash flows with parties that were external to the Group.

CIÉ has not presented a parent entity profit and loss account (Income Statement) on the basis that it is generally accepted practice in Ireland for groups to take a Company Law exemption from presenting an Income Statement. While there is no specific exemption contained in the Transport Act 1950, the Group has taken this position on the basis that the financial statements are required to be prepared on a basis outlined by the Minister.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(B) Basis of Consolidation

The Group financial statements are a consolidation of the financial statements of CIÉ and its subsidiaries:

- Iarnród Éireann – Irish Rail
- Bus Éireann – Irish Bus
- Bus Átha Cliath – Dublin Bus
- CIÉ Tours International Incorporated

The subsidiaries' financial period ends are all coterminous with those of CIÉ. Subsidiaries are all entities over which CIÉ has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

(C) Foreign Currency

(i) Functional and presentation currency

The functional currency of CIÉ and each of its subsidiaries is the Euro and the presentation currency of the Group 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 'material and service costs'.

(D) Revenue

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

Revenue is recognised in the period in which the service is provided. Each of the key revenue streams is described below, along with a description of the revenue recognition policy for each stream.

Proceeds received for the sale of annual tickets and other future dated products are carried within liabilities and recognised in the profit and loss account over the period of the relevant product. Taxsaver annual tickets are recognised evenly over the periods in the year which the product relates to. Any concessions or complimentary schemes are recognised in accordance with the terms of the concessionary scheme. No revenue is recognised during complimentary periods.

Freight revenue and Rosslare Europort revenue is recognised in the period in which the service is provided.

Rental income is recognised on a straight-line basis over the lease term.

Revenue from advertising and other sundry activities is recognised over the period of the relevant contract. Revenue from advertising is earned from bi-monthly and quarterly contracts with the associated revenue receipt received in arrears.

Income from commissions is recognised when the service is provided to the customer.

Other third party revenues are recognised as they are earned, or at the point of service, to the extent that relevant expenses incurred have been recognised that are recoverable against this revenue in the period.

CIÉ Tours International Incorporated revenue is derived from the provision of services offered including scheduled Tours, groups and Foreign Independent Travel (FIT). Revenue is measured at fair value of the consideration received for supply of services offered and is recognised when the delivery of the service commences.

Gross Cost Contract

From 1 January 2021, Bus Átha Cliath and Bus Éireann records revenue under the PSO direct award contract on a gross cost basis. The gross cost contract revenue recognition is a key requirement under the PSO contract. Bus Átha Cliath and Bus Éireann are remunerated based on the cost of the services supplied. All fare box and other passenger revenue (such as Taxsaver and DSP revenue) received from the public transport passenger is distributed to the NTA and is no longer recognised in the profit and loss account of Bus Átha Cliath and Bus Éireann. Bus Átha Cliath and Bus Éireann submits an invoice on a periodic basis for the provision of services under the PSO contract which is paid one period in arrears. Further details on the accounting policy for PSO payment are set out in policy (e) Public Service Organisation (PSO) Payments.

(E) Public Service obligation payments, European Union and Other Exchequer Grants

The Group recognises Government grants in line with the accruals model under FRS 102.

(i) Public Service Obligation (PSO) payments

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

(ii) Grants for capital expenditure

Grants for capital expenditure are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(iii) Revenue grants

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

(iv) Infrastructure Manager Multi Annual Contract (MAC) grant

Grants are recognised as deferred income or immediately as income in the profit and loss account, by reference to the underlying activity for which the grant is intended to compensate. MAC capital grants credited to deferred income in the balance sheet are amortised over the useful economic life of the related assets.

(F) Materials and services costs

Materials and services costs constitute all costs associated with the day-to-day running of the operations of the Group, excluding depreciation, amortisation and payroll costs, which are disclosed separately in the profit and loss account, and set out in more detail in Note 6 of the financial statements.

(G) Exceptional costs

The Group's profit and loss account separately identifies operational results before specific items. Specific items are those that in the judgement of the Board need to be disclosed separately by virtue of their size, nature or incidence. The Group 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 the definition is based on qualitative and quantitative judgements used by the Board in assessing the particular items, which by virtue of their scale and nature, are disclosed in the Group profit and loss account and related notes as exceptional items.

(H) Interest

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the net gain or loss on hedging instruments that are recognised in the profit and loss; and
- the reclassification of amounts related to cash-flow hedges previously recognised in other comprehensive income (OCI).

Interest income or expense is recognised using the effective interest method. In addition the unwind of discounts on provisions and the net interest cost on defined benefit pensions are charged to finance costs.

(I) Income tax

Income taxation 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

The CIÉ Group 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.

(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.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(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 the location and condition necessary for its intended use and applicable dismantling, removal and restoration costs.

(i) Railway lines and works

Railway lines and works comprise a network of systems.

Expenditure on the network, which increases its capacity or enhances its operating capability is treated as an addition to tangible fixed assets, is capitalised and depreciated over its estimated economic useful life. Tangible fixed assets include capitalised employee and other costs that are directly attributable to the asset.

Expenditure on the existing network, which maintains the operating capability in accordance with defined standards of service is treated as maintenance and expensed to the profit and loss account. Any related grant is treated similarly and presented in the profit and loss account.

(ii) Railway rolling stock

Locomotives (other than those fully depreciated or acquired at no cost), railcars, coaching stock and wagons are depreciated on the basis of their historical cost spread over their estimated economic useful lives using the straight-line method.

(iii) Road passenger vehicles

Road passenger vehicles, other than school buses, are depreciated on the basis of the historical cost of vehicles in the fleet, spread 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.

(iv) Road freight vehicles

These assets are depreciated on the basis of historical cost spread over their estimated economic useful lives using the straight line method.

(v) Land and buildings

Land and buildings include freehold land and buildings, retail outlets and offices. Land and buildings are carried at cost (or deemed cost for land and buildings previously revalued under GAAP) less accumulated depreciation and accumulated impairment losses.

Certain properties within the Group are mixed use properties as the Group receives incremental revenues from the rental of retail units within its stations to third parties and rental income on certain other properties that are not fully utilised by the Group. However as the fair value of the investment property component cannot be measured reliably without undue cost or effort, the entire properties are accounted for as property, plant and equipment in accordance with Section 17 of FRS 102.

(vi) Bridges, docks, harbours and wharves, signalling, plant and machinery and catering equipment

These assets are depreciated based on the historical cost spread over their estimated economic useful lives using the straight-line method.

(vii) Depreciation and residual values

Depreciation on assets, except land, is calculated using the depreciation methods and estimated useful lives, as follows:

Railway lines and works	straight-line method	10-40 years
Bridges	straight-line method	120 years
Railway rolling stock	straight-line method	4-20 years
Road passenger vehicles	reducing percentage method	8-14 years
School buses	straight-line method	8-14 years
Road freight vehicles	straight-line method	1-10 years
Freehold buildings	straight-line method	over 50 years
Plant and machinery	straight-line method	3-30 years
Signalling	straight-line method	10 years
Docks, harbours and wharves	straight-line method	over 50 years
Catering equipment	straight-line method	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(viii) Subsequent additions and major components

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

The carrying amount of any replaced component is recognised. 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 are expensed as incurred to the profit and loss account.

(ix) De-recognition

Tangible fixed 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.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(M) Heritage Assets

The Group has a number of heritage assets, mainly former fleet vehicles, plates, crests and various artefacts. The assets are not maintained "purely for their contribution to knowledge and culture" and the assets comprise mainly former operational assets.

Given the diverse nature of the assets held and the lack of comparable market values, the cost of obtaining a valuation of heritage assets is such that it would not be commensurate with the benefits provided to users of the financial statements. Therefore, these assets have a nil value for financial reporting purposes.

(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 the profit and loss account.

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) Financial Assets

CIÉ's investment in subsidiary companies is carried at historical cost less accumulated impairment losses.

(P) Stocks

Stocks consist of maintenance materials, spare parts, fuel and other sundry stock items. Stock is 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 costs 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 is recorded in respect of stocks which are considered to be impaired.

Civil Engineering (CCE) and Signalling (SET) stock is categorised into moving and unmoving stock. A provision is applied to unmoving stock, based on the length of time since the stock last moved. An excess provision is applied to the excess portion of "moving stock" depending on the level of stock with excess of two years usage on hand.

Mechanical Engineering (CME) stock is categorised as strategic, program and consumable stocks. A provision is applied to each category depending on the age of the stock.

Stand-by equipment or specialised major spare parts which are held for replacement purposes and are expected to be used during more than one period are held as tangible fixed assets in accordance with FRS 102.

(Q) 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. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(R) Financial Instruments

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

(i) Financial assets

The Group has a number of basic financial assets which include trade and other debtors and cash and cash equivalents, 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 the profit and 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 the profit and loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(ii) Financial liabilities

Similarly, the Group has a number of basic financial liabilities, including trade and other creditors and bank loans and overdrafts, which are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the financial liability is 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 subsidiary companies and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is treated as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 due within one year when the Group does not have the unconditional right to defer settlement for at least 12 months after the reporting date. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Derivatives financial instruments and hedging activities

Derivatives, including interest rate swaps, forward foreign exchange and commodity swap contracts are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The Group applies hedge accounting for forward foreign exchange and commodity swap contracts and these derivatives are designated as cash flow hedges.

The effective portions of changes in the fair values of derivatives that are designated and qualify as cash-flow hedges are recognised in equity. The gain or loss relating to any ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in the hedge reserve are recycled in the profit and loss account in the periods when the hedged items will affect profit or loss (for instance when the forecast purchase that is hedged takes place). If a forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in the hedge reserve are transferred from the reserve and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the hedge reserve at that time remains in the reserve and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the profit and loss account.

(S) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Group 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 the profit and 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 CIÉ has a legal or constructive obligation at the end of the financial year to carry out the restructuring. CIÉ has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and 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 Group.

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

Provision is not made for future operating losses.

(T) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the Group 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.

(U) Leased Assets

(i) Finance Leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessor.

At the commencement of the finance lease term the Group recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. The capital cost of such assets is included in tangible assets and depreciated over the shorter of the lease term or the estimated useful life of the asset. The capital element of the outstanding lease obligations is included within creditors. Finance charges are charged to the profit and loss account over the primary period of the lease.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating Leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease. Rental payments under operating leases are charged to the profit and loss account as they accrue.

(V) Employee Benefits

The Group 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 premia for additional work undertaken. In addition, employer contributions in respect of pensions are made for eligible staff to the respective pension schemes.

Post-Employment Benefits

The Group operates defined benefit plans for permanent 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.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the end of each financial year, less the fair value of the plans assets at the same date.

The defined benefit obligations are calculated annually by an external actuary using the projected unit credit method. The present value of the defined benefit obligations are determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in Euro and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plans assets out of which the obligations are to be settled are measured in accordance with the Group's accounting policy for financial assets. For most assets of the plans this is the quoted price in an active market. Where quoted prices are not available appropriate valuation techniques are used to estimate the fair value.

The cost of the defined benefit plans, recognised in the profit and loss, except where included in the cost of an asset, comprises:

(a) the increase in net defined benefit liabilities arising from employee service during the financial year; and

(b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This net interest cost is recognised in the profit and loss account as 'interest payable and similar charges'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented as re-measurement of net defined benefit liability' in other comprehensive income.

All of the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Schemes. 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. The net defined benefit pension liability for the schemes as a whole is recognised in the CIÉ Entity balance sheet.

(W) Critical Judgements in Applying the Group's Accounting Policies

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

The Board Members make estimates and assumptions concerning the future in the process of preparing the financial statements. 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 fixed assets

The annual amortisation charge for intangible fixed assets and the depreciation charge for tangible fixed assets are 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 useful economic lives for each class of intangible fixed and tangible fixed assets are set out above. The carrying amount of intangible and tangible fixed assets for each class of assets is set out in Note 14 and Note 15.

(ii) Defined benefit pension schemes

The Group has an obligation to pay pension benefits to certain employees. Valuations of the pensions plans are carried out by the schemes actuaries. The cost of pension benefits and the present value of the pension liabilities depend on the assumptions made in respect of such factors as the life expectancy of the members of the scheme, the salary progression of current employees, the level of increases, if any, awarded to pensioners and the interest rate at which the future pension payments are discounted. The Group uses estimates for all of these factors in determining the pension costs and assets and liabilities reflected in the financial statements.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the yields of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

There is still a significant level of uncertainty in relation to ultimate pensionable salaries that will apply in determining benefits payable. Differences between assumptions made and actual experience and changes in assumptions made also impact on pension charges. Further detail of the Group's defined benefit pension schemes and the assumptions used in the valuation of pension liabilities are set out in Note 25.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

As a result of the significant level of volatility in financial markets, the market values of the pension scheme assets and the discount rate at which future pension liabilities are valued have fluctuated significantly over the last number of years.

(iii) Third party and employer liability claims provisions

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 Group.

The Group 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 22 to the financial statements.

(iv) Road passenger vehicles acquired under a bus leasing agreement

Road passenger vehicles received under the bus leasing agreement with the NTA are recognised in line with Significant Accounting Policy (U). Similarly, a corresponding grant for capital expenditure is recognised in line with Significant Accounting Policy (E).

Changes to the rights and obligations of the Group and the NTA, as prescribed in the Direct Award Contracts December 2019 – November 2024, have taken effect in 2020 and, as a result, the Group has determined that road passenger vehicles recognised in line with Significant Accounting Policy (L) in financial years 2017 to 2019 have been derecognised in 2020 and are now recognised in line with Significant Accounting Policy (U).

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 15 to the financial statements.

(v) Taxsaver annual tickets

Taxsaver annual tickets revenue recognition following NTA's "Free Taxsaver Extension" guidelines incorporates a once off 6-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 Group has therefore determined not to recognise Taxsaver revenue during the 6-month free period.

2. Going Concern

The 2021 CIÉ Group financial statements have been prepared on a going concern basis. This assumes thatb the Group and 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.

Assessment

The Board has given careful consideration to the going concern basis of preparation and is satisfied that it is appropriate for the 2021 financial statements to be prepared on this basis. Key factors considered in arriving at this determination include:

Financial position as at 31 December 2021

At 31 December 2021, the Group had net liabilities of €691 million (2020: €844 million) and net current liabilities of €164 million (2020: €165 million). Net current liabilities include non-cash items of €426 million (2020: €241 million) relating to deferred income in respect of capital grants and deferred revenue, capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding these non-cash items the Group has net current assets of €262 million (2020: €76 million). The net liabilities of the Group include liabilities in respect of defined benefit pension obligations of €846 million (2020: €975 million) and deferred income in respect of capital grants received of €2,260million (2020: €2,303 million).

Liquidity

The Group currently holds a cash balance of €235 million as at 31 December 2021.

The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2021 is €16 million. This loan amortises over a four year period. The undrawn amount available to the Group under the Group's committed revolving credit facility is €80 million.

Management expects that the Group will continue to meet its obligations under the agreement for the period of at least 12 months from the date of approval of these financial statements.

Impact of COVID-19

After the shock of the onset of the pandemic in 2020, the Group adapted to living alongside COVID-19 in 2021. While passenger journeys rose and fell during different periods of 2021 reflecting Government travel advice, in overall terms there was a positive upward trend.

The Board acknowledges the additional funding support received during 2021 which has enabled the continued operation of essential public transport services and the positive engagement with the Department of Transport and the NTA in developing and implementing enhanced service plans for 2021.

Global Economic Uncertainties & War in Ukraine

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

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

Notes to the Financial Statements (continued)

2. Going Concern (continued)

Commercial Activities.

The Group incurred a loss of €1.5m on commercial activities in 2021 compared to an equivalent loss of €26m in 2020 which highlights the level of corrective measures implemented by management to curb the trend. Staff reductions and re-deployments in key areas as well as tight cost controls were key factors in the turnround.

Bus Éireann's Expressway business also benefited from NTA supports made available to commercial bus operators and this was a key support to this commercial activity in the year.

The Budget for 2022 plans a continued improvement in the financial performance of our Commercial activities notwithstanding the anticipated tapering-off of Government Covid supports. The Board is satisfied that the Group has sufficient resources to support the businesses through their recovery.

PSO Services

From 1 January 2021, Bus Átha Cliath (BÁC) and Bus Éireann (BÉ) have operated public transport services on behalf of the National Transport Authority (NTA) on a gross cost contract basis. Under these contracts both BÁC have BÉ collect passenger revenue on behalf of the NTA and are reimbursed for the cost of the services provided.

Service plans for 2022 have been agreed with the NTA which is providing the requisite funding to meet the agreed costs of these plans.

In 2022 Iarnród Éireann continues to operate its contract with the NTA on a net cost contract basis. Funding of the difference between fare box revenue earned and the agreed cost of operations is being provided through the NTA from the Exchequer.

Schools Transport Services

Bus Éireann manages the provision of Schools Transport Services across the State, Additional funding was provided by the Department of Education and Skills (DoES) throughout 2021 to fund the additional resource deployment that was necessary to accommodate school going passengers in accordance with social distancing requirements.

Additional Exchequer Funding

The additional funding from both the NTA and DoES ensured the continued liquidity of the Group throughout 2021. Management is engaged in continuous and positive discussions with both the Department of Transport and the Department of Education and Skills to ensure the continued provision of public and schools transport in line with the Government's Living with Covid plan.

2022 financial year

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

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

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

On-going Management Actions

The Group's management are continuing to take a number of actions, including:

- continuous engagement with the Department and NTA on appropriate funding in support of the continued operation of the Direct Award Contracts
- close monitoring of economic trends and the impact of global economic uncertainties, and the war in Ukraine on the company's business activities
- close monitoring by management of the daily, weekly and monthly cash position across the Group
- 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 Group's operations

Conclusion

The Board Members, having regard to the factors outlined above, have a reasonable expectation that the Group and CIÉ 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. Revenue By Activity

Revenue represents the amounts derived from the provision of services which fall within the Group's ordinary activities, stated net of tax.

The Group is primarily a transport service provider and operates in the island of Ireland. Each division of the Group's transport service is managed by a separate legal entity. The Group also operates a "Tour" company – CIÉ Tours International Incorporated.

Revenue is analysed as follows:

	CIÉ €000	CIÉ International Tours €000	Bus Átha Cliath €000	Bus Éireann €000	Iarnród Éireann €000	Total 2021 €000	Total 2020 €000
Railway undertaking	–	–	–	–	102,477	102,477	103,636
Freight division	–	–	–	–	3,619	3,619	3,818
Rosslare Harbour	–	–	–	–	9,919	9,919	7,134
Other rail services	–	–	–	–	28,061	28,061	29,090
Road passenger services							
– Dublin City	–	–	1,541	–	–	1,541	125,077
– Other services	–	–	–	288,728	–	288,728	284,786
Tours	–	14,004	–	–	–	14,004	1,456
Central business activities	19,803	–	–	–	–	19,803	21,976
Intra-group revenue	(19,145)	–	–	–	–	(19,145)	(21,481)
Revenue from operations	**658**	**14,004**	**1,541**	**288,728**	**144,076**	**449,007**	**555,492**
Public Service Obligation ("PSO") Contracts:							
PSO income *(Note 12)*	–	–	269,715	122,941	182,191	574,847	421,285
Other Exchequer grants *(Note 12)*	–	–	–	–	161,291	161,291	155,779
Revenue grant *(Note 12)*	2,654	–	1,481	58,699	50,434	113,268	62,226
Total revenue	**3,312**	**14,004**	**272,737**	**470,368**	**537,992**	**1,298,413**	**1,194,782**

4. Railway Infrastructure Costs

In compliance with EU Council Directive 91/440, these costs have been computed as follows:

	2021 €000	2020 €000
Infrastructure Funding		
Multi Annual Contract	161,276	155,797
Track access charges	72,366	74,170
Other Exchequer funding	8,628	5,713
Third-party revenue	23,783	26,360
Total revenue	**266,053**	**262,040**
Payroll and related costs	(119,417)	(117,056)
Materials and services	(141,607)	(137,848)
Depreciation and amortisation, net of capital grants amortised	(3,916)	(3,695)
Total operating costs	**(264,940)**	**(258,599)**
EBITDA before exceptional operating costs	**1,113**	**3,441**
Exceptional costs	(538)	(502)
(Loss)/Profit on sale of tangible fixed assets	(130)	–
Surplus for the year on ordinary activities before interest	**445**	**2,939**
Interest payable and similar charges	(466)	(397)
(Deficit)/Surplus for the year on ordinary activities	**(21)**	**2,542**

Notes to the Financial Statements (continued)

5. Payroll and Related Costs

	2021 €000	2020 €000
Staff costs (excluding restructuring costs) comprise		
Wages and salaries	565,253	546,903
Social insurance costs	55,795	54,437
Other retirement benefit costs	107,849	92,455
	728,897	693,795
Own work capitalised	(25,258)	(21,012)
Net staff costs	**703,639**	**672,783**
Board Members' remuneration and emoluments		
– for services as Board Members	219	222
– for executive services	262	270
Total Board Members remuneration and emoluments	**481**	**492**
Total payroll and related costs	**704,120**	**673,275**

Of the total staff costs, €25.3 million (2020: €21.0 million) has been capitalised into tangible fixed assets and €704.1 million (2020: €673.3 million) has been treated as an expense in the profit and loss account.

Included in wages and salaries are:

	2021 €000	2020 €000
Salary	455,558	440,328
Overtime	23,240	21,588
Allowances	86,455	84,987
	565,253	**546,903**

The 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 is set out below.

	2021	2020
€50,001 to €75,000	4,260	4,072
€75,001 to €100,000	802	840
€100,001 to €125,000	113	108
€125,001 to €150,000	36	36
€150,001 to €175,000	16	17
€175,001 to €200,000	15	12
€200,001 and above	5	6

Key management compensation

The Board Members were paid Directors' fees as follows:

	2021 €000	2020 €000
Board Member		
Fiona Ross *(Non-executive Chairman)*	31,500	31,500
Frank Allen	21,600	21,600
Ultan Courtney	20,048	21,600
James Doran	1,312	–
Brian Fitzpatrick	15,750	15,750
Denise Guinan	14,438	15,750
Stephen Hannan	15,750	15,750
Dermot Healy	1,312	–
Aidan Murphy	20,048	21,600
Tom O'Connor	14,438	15,750
Niamh O'Regan	15,750	15,750
Liam O'Rourke	15,750	15,750
Fiona Sweeney	15,750	15,750
Tommy Wynne	15,750	15,750
	219,196	**222,300**

Notes to the Financial Statements (continued)

5. Payroll and Related Costs (continued)

Key management includes the Board Members and members of senior management of the Group. The compensation paid or payable to key management for employee services is shown below.

	2021 €000	2020 €000
Salaries and other short-term benefits	1,463	1,471
Social insurance costs	96	96
Post-retirement benefits	283	388
	1,842	**1,955**

Director's expenses

Included in expenses reimbursed to Board Members are:

	2021 €000	2020 €000
Subsistence, travel, accommodation	–	1
Other	26	–
	26	**1**

The compensation paid or payable to the Chief Executive Officers of the Group for employee services is shown below.

Included in the table below are the payroll and related costs for the role of the Chief Executive Officer of CIÉ, including gross salary of €190,000 (2020: €190,000) and employer pension contribution of €47,500 (2020: €47,500).

	2021 €000	2020 €000
Salaries and other short-term benefits	1,025	1,024
Post-retirement benefits	260	363
	1,285	**1,387**

Termination and severance

	2021 €000	2020 €000
Severance	1,263	919
	1,263	**919**

Staff numbers

The average number of persons employed by CIÉ during the financial year was

	2021	2020
CIÉ	246	265
Iarnród Éireann – Irish Rail	4,176	4,058
Bus Éireann – Irish Bus	2,761	2,702
Bus Átha Cliath – Dublin Bus	3,642	3,573
	10,825	**10,598**

6. Materials and Service Costs

Materials and services costs comprise of:

	2021 €000	2020 €000
Fuel, electricity and lubricants	79,887	83,017
Road tax and licenses	1,540	1,435
Rates	2,100	1,644
Auditors' remuneration	318	517
Operating lease rentals	5,991	6,007
School contractors	224,960	160,219
Other bus hire	–	5,999
Third party and employer's liability claims	919	9,117
Directors Expenses	26	1
Other materials and services	301,416	289,350
Pension operating costs	3,786	2,629
	620,943	**559,935**

Notes to the Financial Statements (continued)

6. Materials and Service Costs (continued)

Included in other materials and services are:

	2021 €000	2020 €000
National travel and subsistence	431	435
International travel and subsistence	68	140
Hospitality	54	82
	553	**657**

Auditors' remuneration

The following table discloses the fees payable to Mazars Ireland in respect of the years ended 31 December 2021 and 31 December 2020. All amounts are exclusive of VAT.

	2021 €000	2020 €000
Statutory auditor		
– Statutory audit of Group companies	152	159
– Other assurance & compliance services	95	187
– Tax advisory services	54	59
– Other non-audit services	17	112
	318	**517**

The deficit for the year is stated after charging/(crediting):

	2021 €000	2020 €000
Inventory consumed	174,821	192,731
Increase in inventory obsolescence provision	199	3,331
Foreign exchange (gains)/losses	(1,114)	1,880
Loss/(profit) on disposal of fixed assets	128	(439)
Operating leases	2,291	6,007
Business restructuring	(2,707)	5,212
VAT Refund	–	(8,958)
Depreciation of tangible fixed assets	226,088	227,906
Amortisation of intangible assets	8,394	6,188
Amortisation of grants	(213,589)	(209,729)

7. Exceptional Items

	2021 €000	2020 €000
Business restructuring	1,794	604
VAT Refund	–	(8,958)
Overheads	(701)	–
Onerous Commercial contract	(4,501)	4,608
	(3,408)	**(3,746)**

The business restructuring costs comprise of amounts arising from restructuring initiatives during the year: Iarnród Éireann €1.2 million, Bus Átha Cliath €0.5 million and CIÉ €0.1 million.

A retrospective refund of VAT was received in CIÉ Tours from HMRC in 2020.

8. Depreciation and Amortisation, Net of Capital Grants Amortisation

	2021 €000	2020 €000
Amortisation of intangible fixed assets *(Note 14)*	8,394	6,188
Depreciation of tangible fixed assets *(Note 15)*	226,088	227,906
Amortisation of capital grants *(Note 23)*	(213,589)	(209,729)
	20,893	**24,365**

9. (Loss)/Profit on Disposal of Tangible Assets

	2021 €000	2020 €000
(Loss)/profit on disposal of land and buildings	(129)	160
Profit on disposal of rolling stock, vehicles, plant and machinery	1	279
	(128)	**439**

Notes to the Financial Statements (continued)

10. Net Interest Expense

(a) Interest receivable and similar charges

	2021 €000	2020 €000
Interest income on short term deposits	**–**	**14**

(b) Interest payable and similar charges

	2021 €000	2020 €000
Interest payable on loans, overdrafts and deposits	2,053	1,097
Total interest expense on financial liabilities not measured at fair value through the profit and loss	2,053	1,097
Net interest expense on defined benefit pensions plans	6,078	8,853
Unwind of discount provisions	135	149
Total interest payable and similar charges	**8,266**	**10,099**

(c) Net interest expense

	2021 €000	2020 €000
Interest receivable and similar charges	–	14
Interest payable and similar charges	(8,266)	(10,099)
Net interest expense	**(8,266)**	**(10,085)**

11. Income Tax

(a) Tax expense included in profit and loss

	2021 €000	2020 €000
Foreign corporation tax credit for the financial year	(2,054)	(1,675)
Irish corporation tax charge on profit for the financial year	2,418	(158)
Current tax expense for the financial year	*364*	*(1,833)*
Tax on profit on ordinary activities	**364**	**(1,833)**

(b) Tax expense relating to items recognised in other comprehensive income

	2021 €000	2020 €000
Current tax	–	–
Deferred tax	–	–
– Deferred tax on re-measurement of net defined benefit liability	–	–
Total tax expense relating to items recognised in other comprehensive income	**–**	**–**

(c) Tax expense relating to items recognised in equity

	2021 €000	2020 €000
Current tax	–	–
Deferred tax	–	–
Total tax expense relating to items recognised in equity	**–**	**–**

Notes to the Financial Statements (continued)

11. Income Tax (continued)

(d) Reconciliation of tax expense

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

	2021 €000	2020 €000
Deficit on ordinary activities before tax	(52,529)	(68,693)
Deficit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2021 of 12.5% (2020: 12.5%)	(6,566)	(8,587)
Effects of:		
Income not subject to tax	(26,708)	(25,436)
Higher rate of tax on overseas earnings	(2,054)	(1,675)
Expenses not deductible for tax purposes	7,885	6,254
Depreciation in excess of capital allowances	26,636	26,869
Utilisation of tax losses	(209)	(634)
Unrelieved tax losses carried forward	–	203
Income subject to higher rate of tax	1,325	1,328
Other differences	–	2
Overprovision re prior years	–	(404)
Carryback of losses to prior period	–	1
Tax on Royalties	25	246
Income Tax withheld	30	–
Group relief	1	–
Tax on profits on ordinary activities	**365**	**(1,833)**

A potential deferred tax asset of €950 million (2020: €950 million) in relation to accumulated losses carried forward has not been recognised as their future recovery against taxable profits is uncertain.

12. Public Service Obligations and Other Exchequer Grants

The grants payable to Córas Iompair Éireann are in accordance with the relevant EU Regulations governing State Aid to transport undertakings.

	2021 €000	2020 €000
Profit and Loss Account		
Public Service Obligation	563,507	418,642
Other Exchequer grants	159,958	155,797
Other revenue grants	116,726	63,531
	840,191	**637,970**
Balance Sheet		
Capital grants	359,106	182,373
Deferred Funding	7,591	45,596
Total Public Service Obligation and Other Grants	**1,206,888**	**865,939**
Sub-Head B7 of Vote 31 of Dáil Éireann – Public Service Obligation		
Bus Átha Cliath – Dublin Bus (revenue)	266,331	125,954
Bus Éireann – Irish Bus (revenue)	115,425	93,833
Iarnród Éireann – Irish Rail (revenue)	181,751	198,855
	563,507	**418,642**
Sub-Head B8 of Vote 31 of Dáil Éireann – Capital Investment		
Infrastructure Manager Multi Annual Contract (revenue)	159,958	155,797
Infrastructure Manager Multi Annual Contract (capital)	115,680	67,863
Exchequer grants for infrastructure and capital investment	243,426	114,510
Deferred PSO	7,591	45,596
Other Exchequer grants	116,726	63,531
	643,381	**447,297**
Total funding under Vote 31 of Dáil Éireann	**1,206,888**	**865,939**
Total PSO and Exchequer grants	**1,206,888**	**865,939**

Notes to the Financial Statements (continued)

12. Public Service Obligations and Other Exchequer Grants (continued)

There are no unfulfilled conditions and other contingencies attached to grants recognised as income.

CIÉ records grants using the "Accrual Model" allowable under FRS 102 Section 24.

The amount and term of the capital grants are amortised over the useful lives of the related assets. Revenue grants are included in the consolidated profit and loss account in full in the relevant year.

	Department of Transport 2021 €000	National Transport Authority 2021 €000	Total 2021 €000	Department of Transport 2020 €000	National Transport Authority 2020 €000	Total 2020 €000
Vote B8 Capital	–	522,124	522,124	–	389,419	389,419
Vote B8 Accessibility	–	5,110	5,110	–	3,975	3,975
COVID-19 related wage subsidy schemes	–	102,107	102,107	–	53,903	53,903
Other revenue related Grants	–	14,040	14,040	–	–	–
Total	**–**	**643,381**	**643,381**	**–**	**447,297**	**447,297**

Source of Exchequer fund received during the calendar years 2020 and 2021 are restricted to particular projects.

13. CIÉ Net Result for the Year

CIÉ, the Entity's net loss for the year amounted to €56.0 million (2020: loss €44.9 million).

14. Intangible Fixed Assets

Group

	Computer Software €000	Total €000
Financial year ended 31 December 2020		
Opening carrying amount	19,960	19,960
Additions	6,652	6,652
Amortisation and impairment	(6,188)	(6,188)
Reclassification	(1,229)	(1,229)
Carrying amount	**19,195**	**19,195**
At 31 December 2020		
Cost	64,743	64,743
Reclassification	(1,135)	(1,135)
CIÉ Tours software	–	–
	63,608	**63,608**
Accumulated amortisation and impairment	(44,319)	(44,319)
Reclassification	(94)	(94)
Carrying amount	**19,195**	**19,195**
Financial year ended 31 December 2021		
Opening carrying amount	19,195	19,195
Additions	8,411	8,411
Amortisation and impairment	(8,394)	(8,394)
Carrying amount	**19,212**	**19,212**

CIÉ Entity

	Computer Software €000	Total €000
Financial year ended 31 December 2020		
Opening carrying amount	1,539	1,539
Additions	27	27
Amortisation and impairment	(671)	(671)
Reclassification	(1,229)	(1,229)
CIÉ Tours software	461	461
Carrying amount	**127**	**127**
At 31 December 2020		
Cost	19,111	19,111
Reclassification	(1,135)	(1,135)
CIÉ Tours software	(886)	(886)
	17,090	**17,090**
Accumulated amortisation and impairment	(16,869)	(16,869)
Reclassification	(94)	(94)
Carrying amount	**127**	**127**
Financial year ended 31 December 2021		
Opening carrying amount	127	127
Additions	1,282	1,282
Amortisation and impairment	(401)	(401)
Carrying amount	**1,008**	**1,008**

Notes to the Financial Statements (continued)

14. Intangible Fixed Assets (continued)

Group

	Computer Software €000	Total €000
At 31 December 2021		
Cost	69,272	69,272
CIÉ Tours software	–	–
	69,272	**69,272**
Accumulated amortisation and impairment	(50,060)	(50,060)
	(50,060)	**(50,060)**
Carrying amount	**19,212**	**19,212**

CIÉ Entity

	Computer Software €000	Total €000
At 31 December 2021		
Cost	18,307	18,307
CIÉ Tours software	(425)	(425)
	17,882	**17,882**
Accumulated amortisation and impairment	(16,874)	(16,874)
	(16,874)	**(16,874)**
Carrying amount	**1,008**	**1,008**

Intangible assets comprise computer software. Computer software is measured at cost less accumulated amortisation and impairment losses. Computer software is amortised over its estimated useful life, which is between three and five years.

15. Tangible Fixed Assets

Group

	Railway lines and works €000	Railway Rolling Stock €000	Road Passenger Vehicles €000	Land and Buildings €000	Plant And Machinery €000	Signalling €000	Docks, Harbours and Wharves €000	Catering Equipment €000	Total €000
Financial year ended 31 December 2020									
Opening carrying amount	759,758	438,209	272,289	767,538	180,729	305,644	28,928	747	2,753,842
Additions	47,338	55,746	3,432	28,579	58,285	9,837	472	–	203,689
Disposals	–	–	(230)	–	–	–	–	–	(230)
Depreciation and impairment	(56,809)	(76,668)	(33,495)	(17,885)	(21,134)	(20,505)	(1,335)	(75)	(227,906)
Reclassification	–	–	–	–	1,229	–	–	–	1,229
Derecognition of assets	–	–	(122,290)	–	–	–	–	–	(122,290)
Carrying amount	**750,287**	**417,287**	**119,706**	**778,232**	**219,109**	**294,976**	**28,065**	**672**	**2,608,334**
At 31 December 2020									
Cost	1,253,739	1,130,479	576,588	1,023,979	431,415	559,628	56,840	747	5,033,415
Accumulated depreciation and impairment	(503,452)	(713,192)	(456,882)	(245,747)	(212,306)	(264,652)	(28,775)	(75)	(2,425,081)
Carrying amount	**750,287**	**417,287**	**119,706**	**778,232**	**219,109**	**294,976**	**28,065**	**672**	**2,608,334**

Notes to the Financial Statements (continued)

15. Tangible Fixed Assets (continued)

	Railway lines and works €000	Railway Rolling Stock €000	Road Passenger Vehicles €000	Land and Buildings €000	Plant And Machinery €000	Signalling €000	Docks, Harbours and Wharves €000	Catering Equipment €000	Total €000
Financial year ended 31 December 2021									
Opening carrying amount	750,287	417,287	119,706	778,232	219,109	294,976	28,065	672	2,608,334
Additions	71,102	180,337	15,144	81,611	51,262	3,569	54	–	403,079
Disposals	(1)	–	(603)	–	(1)	(15)	–	–	(620)
Depreciation and impairment	(52,180)	(77,350)	(27,391)	(18,443)	(25,756)	(23,579)	(1,314)	(75)	(226,088)
Reclassification	–	(193,076)	1,032	–	(14,024)	–	–	–	(206,068)
Carrying amount	**769,208**	**327,198**	**107,888**	**841,400**	**230,590**	**274,951**	**26,805**	**597**	**2,578,637**
At 31 December 2021									
Cost	1,253,295	1,039,367	554,387	1,105,590	457,423	555,663	56,428	747	5,022,900
Accumulated depreciation and impairment	(484,087)	(712,169)	(446,499)	(264,190)	(226,833)	(280,712)	(29,623)	(150)	(2,444,263)
Carrying amount	**769,208**	**327,198**	**107,888**	**841,400**	**230,590**	**274,951**	**26,805**	**597**	**2,578,637**

During the financial year, the Group disposed of tangible fixed assets with a carrying amount of €620,000. The assets have a cost of €207.5 million and accumulated depreciation and impairment of €206.9 million. The loss on disposal of these tangible fixed assets is €128,000 (2020: profit €439,000).

a) The Group has elected to use the cost model at the date of transition to FRS 102 in relation to land and buildings.

b) Road passenger vehicles at a cost of €214.2 million (2020: €210.1 million) were fully depreciated but still in use at the balance sheet date.

c) Road passenger vehicles above include the derecognition of 414 buses received under a bus leasing agreement with the NTA. The buses derecognised in 2020 came into service in the period from 01 January 2017 to 31 December 2019.

The buses that have been derecognised have a net book value of €122.2 million as at 1 January 2020. The corresponding grants for capital expenditure relating to these buses have a carrying value of €122.2m million and have also been derecognised as at 1 January 2020.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contracts December 2019 – November 2024, have taken effect in 2020 and, as a result, the Group has determined that road passenger vehicles recognised as road passenger vehicles in tangible fixed assets in financial years 2017 to 2019 have been derecognised in 2020 and are now recognised as buses held under operating leases, 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.

CIÉ Entity

	Land and Buildings €000	Plant and Machinery €000	Total €000
Financial year ended 31 December 2020			
Opening carrying amount	765,819	935	766,754
Additions	27,655	2,256	29,911
Depreciation	(17,754)	(1,295)	(19,049)
Carrying amount	**775,720**	**1,896**	**777,616**
At 31 December 2020			
Cost	1,020,866	28,194	1,049,060
Accumulated depreciation and impairment	(245,146)	(26,298)	(271,444)
Carrying amount	**775,720**	**1,896**	**777,616**
Financial year ended 31 December 2021			
Opening carrying amount	775,720	1,896	777,616
Additions	81,156	1,595	82,751
Disposals	–	(1)	(1)
Depreciation	(18,302)	(1,164)	(19,466)
Carrying amount	**838,574**	**2,326**	**840,900**
At 31 December 2021			
Cost	1,102,022	25,133	1,127,155
Accumulated depreciation and impairment	(263,448)	(22,807)	(286,255)
Carrying amount	**838,574**	**2,326**	**840,900**

During the financial year, the Entity disposed of tangible fixed assets with a carrying amount of €1,000 (2020: nil). The assets have a cost of €4.6 million and accumulated depreciation and impairment of €4.6 million.

Notes to the Financial Statements (continued)

16. Financial Assets

Group

	Listed Shares		Unlisted Shares		Total	
	2021 €000	**2020 €000**	**2021 €000**	**2020 €000**	**2021 €000**	**2020 €000**
Cost at 1 January	34	34	13	13	47	47
Impairment	(34)	(34)	(13)	(13)	(47)	(47)
Net Book Amounts at 31 December	**–**	**–**	**–**	**–**	**–**	**–**

Financial assets comprise listed and unlisted shares. The shares relate to transport stocks and war stocks held by the Group.

CIÉ Entity

	Subsidiary companies		Listed Shares		Unlisted Shares		Total	
	2021 €000	**2020** €000	**2021** €000	**2020** €000	**2021** €000	**2020** €000	**2021** €000	**2020** €000
Cost at 1 January	331,255	331,255	34	34	13	13	331,302	331,302
Increase in year	28,000	–	–	–	–	–	28,000	–
Impairment	–	–	(34)	(34)	(13)	(13)	(47)	(47)
Net Book Amounts at 31 December	**359,255**	**331,255**	**–**	**–**	**–**	**–**	**359,255**	**331,255**

Financial assets comprise investments in subsidiary companies.

Investment in subsidiary companies comprise of equity shares in Iarnród Éireann, Bus Éireann, Bus Átha Cliath and CIÉ Tours International (US subsidiary). These shares are not publicly traded.

In 2021, there was a €28 million recapitalisation of Bus Éireann.

17. Stocks

Group

	2021 €000	2020 €000
Maintenance materials and spare parts	33,729	31,534
Infrastructure stocks	29,137	22,411
Fuel, lubricants and other sundry stocks	6,559	9,211
	69,425	**63,156**
Stocks consumed during the year:		
Materials and fuel	**174,821**	192,731

18. Debtors

Group

	2021 €000	2020 €000
Trade debtors	11,117	9,267
Amounts due from Department of Education and Skills	4,166	8,687
Derivative financial instruments	15,880	3,006
Other debtors and accrued income	236,787	30,759
Corporation tax receivable	1,431	2,668
	269,381	**54,387**

Debtors are stated after an allowance for impairment of €1,209,000 (2020: €1,482,000). Derivative financial instruments includes amounts falling due after one year of €1,629,000 (2020: €769,000).

CIÉ Entity

	2021 €000	2020 €000
Trade debtors	1,360	96
Derivative financial instruments	15,880	3,006
Other debtors and accrued income	5,672	7,816
	22,912	**10,918**

Debtors are stated after an allowance for impairment of €532,000 (2020: €573,000). Derivative financial instruments includes amounts falling due after one year of €1,629,000 (2020: €769,000).

Notes to the Financial Statements (continued)

19. Creditors (Amounts Falling Due Within One Year)

Group

	2021 €000	2020 €000
Bank overdraft	163	184
Bank loans *(Note 21)*	4,000	4,000
Trade creditors	72,233	69,209
Income tax deducted under PAYE	11,033	12,578
Pay related social insurance	8,415	7,342
Value added tax and other taxes	32,992	6,457
Corporation tax Irish	1,105	1,040
Other creditors	70,247	59,632
Accruals	130,056	143,909
Derivative financial instruments	671	8,796
Deferred grant income *(Note 23)*	194,617	204,320
Deferred revenue	231,587	36,311
	757,119	**553,778**
Creditors for taxation and social welfare included above	53,545	27,417

CIÉ Entity

	2021 €000	2020 €000
Bank overdraft	163	184
Bank loans *(Note 21)*	4,000	4,000
Trade creditors	24,244	20,767
Amounts owed to subsidiary companies	428,057	415,500
Income tax deducted under PAYE	944	963
Pay related social insurance	93	113
Value added tax and other taxes	1,303	433
Accruals	2,155	2,102
Derivative financial instruments	671	8,796
Deferred grant income *(Note 23)*	12,108	10,991
	473,738	**463,849**
Creditors for taxation and social welfare included above	2,340	1,509

Amounts owed to subsidiary companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Although the amounts owed to subsidiary companies are repayable on demand, the Board Members do not expect CIÉ to be required to repay the amounts due in the near future.

Notes to the Financial Statements (continued)

20. Creditors (Amounts Falling Due More Than One Year)

Group

	2021 €000	2020 €000
Bank loans *(Note 21)*	13,506	17,390
Derivative financial instruments	231	792
	13,737	**18,182**

CIÉ Entity

	2021 €000	2020 €000
Bank loans *(Note 21)*	12,000	16,000
Derivative financial instruments	231	792
	12,231	**16,792**

21. Loans and Other Borrowings

Group – Bank loans

These bank loans are included within creditors and are repayable as follows:

	2021 €000	2020 €000
Not later than one year *(Note 19)*	4,000	4,000
Later than one year and not later than five years *(Note 20)*	13,506	17,390
	17,506	**21,390**

CIÉ Entity – Bank loans

	2021 €000	2020 €000
Not later than one year *(Note 19)*	4,000	4,000
Later than one year and not later than five years *(Note 20)*	12,000	16,000
	16,000	**20,000**

The bank loans represent a term loan, which was restructured in 2018 and will be fully repaid by January 2025. The interest rate on the term loan was revised under the restructuring and is driven by the Group's net debt to EBITDA ratio. The applicable rates in 2021 were 1.25%.

The Group has borrowings of €17.5 million (2020: €21.4 million) at the balance sheet date

22. Provisions for Liabilities and Charges

Group

	3rd Party and Employer's Liability €000	Re-structuring €000	Environ-mental €000	Operational/ Other €000	Legal and related matters €000	Total €000
Balance at 1 January 2020	182,863	5,443	3,682	18,109	2,329	212,426
Utilised during year	(10,996)	(1,469)	(520)	(1,258)	(57)	(14,300)
Transfer from profit and loss account	9,139	407	150	679	5,622	15,997
Balance carried forward 31 December 2020	**181,006**	**4,381**	**3,312**	**17,530**	**7,894**	**214,123**
Balance at 1 January 2021	181,006	4,381	3,312	17,530	7,894	214,123
Utilised during year	(9,762)	(186)	(660)	(795)	(5,732)	(17,135)
Transfer (to)/from profit and loss account	919	–	(679)	699	965	1,904
Balance carried forward 31 December 2021	**172,163**	**4,195**	**1,973**	**17,434**	**3,127**	**198,892**

The disclosure above in relation to 3rd Party and Employers Liability and Legal and related matters provide details as required under the Code of Practice for the Governance of State Bodies 2016, the number of cases has not been shown due to commercial sensitivity.

CIÉ Entity

	Re-structuring €000	Environ-mental €000	Operational/ Other €000	Legal and related matters €000	Total €000
Balance at 1 January 2020	331	1,252	1,423	568	3,574
Utilised during year	–	–	(9)	(44)	(53)
Transfer from profit and loss account	46	–	–	–	46
Balance carried forward 31 December 2020	**377**	**1,252**	**1,414**	**524**	**3,567**
Balance at 1 January 2021	377	1,252	1,414	524	3,567
Utilised during year	(3)	–	(9)	(149)	(161)
Transfer from profit and loss account	–	–	41	–	41
Balance carried forward 31 December 2021	**374**	**1,252**	**1,446**	**375**	**3,447**

Notes to the Financial Statements (continued)

22. Provisions for Liabilities and Charges (continued)

Environmental

The land and buildings occupied by Group companies are of varying age. The environmental provision relates to substantial building works that are currently required to be performed to meet the Group's obligations under Environment and Health and Safety legislation.

Operational/Other

At 31 December 2021 the Group held €17.4 million (2020: €17.5 million) of other provisions. €17.4 million (2020: €17.5 million) related to operational provisions and nil (2020: €0.03 million) related to other claims.

Legal and Related Matters

At 31 December 2021, the Group held €3.1 million (2020: €7.9 million) of legal and related matters provisions.

Third Party and Employers Liability

CIÉ as a self-regulated body operates a self-insurance model whereby the operating subsidiaries bear the financial risk associated with the costs of claims, subject to any-one incident and annual insurance caps in the case of Third Party claims.

Any losses, not covered by external insurance, are charged to the profit and loss account.

Provision is made at the year-end for the (undiscounted) estimated cost of future payments required to discharge liabilities incurred but not finalised at the balance sheet date, including the cost of claims incurred but not yet reported (IBNR) and incurred but not enough reported (IBNER).

The provisions that have been recorded represent the Board's best estimate of the expenditure required to settle the obligations, with the benefit of experienced in-house claims handlers and external actuarial and legal advice. The best estimate includes estimates of externally procured services in managing claims but excludes the internal overhead of the costs incurred by the Group in the investigation and management of claims.

In calculating the estimated cost of outstanding potential liabilities case estimates are set by skilled claims handlers and are subject to established policies and procedures. Claims handlers apply their experience and knowledge to the specific circumstances of individual claims. Quantum is set taking into account all available information and correspondence regarding the specific circumstances of the claim, such as inspection reports, medical reports, legal and/or other expert advices, Book of Quantum and/or court precedents on liabilities with similar characteristics. Claims above certain limits are referred to senior claims handlers.

The ultimate cost of outstanding claims is then estimated with the assistance of external actuarial advice. The actuaries use a range of standard actuarial claims projection techniques, such as the Average Cost per Claim Method, Chain Ladder Method, Credibility Method and Large Claims Method. The actuary's mathematical modelling is generally based upon 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 create distortions in the underlying statistics or which might cause the potential liabilities to increase or reduce when compared with the cost of previously finalised claims including, for example, changes in the legal environment, the effects of inflation, changes in operational activity and the impact of large losses. Provisions are calculated separately for each of the Group's operating subsidiaries for each class of business.

Large value claims (≥€250k reserve) are assessed separately from the majority of claims, through annual actuarial modelling.

While the Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures it is inherent in the nature of estimating liability that the ultimate liabilities may differ to initial valuations as investigations ensue and particulars are disclosed. If the outcomes of the claims are different to the assumptions underpinning the directors' best estimates then a further liability may arise.

Provisions for claims are calculated gross of any reinsurance recoveries. Reinsurance recoveries are recognised in the profit and loss account as they are received.

23. Deferred Income

This account comprises of 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:

Group

	01-Jan-20 €000	Received and Receivable €000	De-recognition €000	Profit and Loss Account €000	31-Dec-20 €000
Capital grants					
Railway lines and works	749,655	39,964	–	(56,192)	733,427
Railway rolling stock	429,060	60,657	–	(74,425)	415,292
Plant and machinery	176,974	52,223	–	(20,326)	208,871
Signalling	280,380	9,855	–	(18,221)	272,014
Docks, Harbours and Wharves	7,734	–	–	(310)	7,424
Land and Buildings	544,669	17,682	–	(12,445)	549,906
Road Passenger Vehicles	257,682	8,815	(122,289)	(27,810)	116,398
	2,446,154	**189,196**	**(122,289)**	**(209,729)**	**2,303,332**
Other deferred income	3	–	–	(1)	2
	2,446,157	**189,196**	**(122,289)**	**(209,730)**	**2,303,334**
Revenue Grants	–	62,226	–	(62,226)	–
Total deferred income	**2,446,157**	**251,422**	**(122,289)**	**(271,956)**	**2,303,334**

Notes to the Financial Statements (continued)

23. Deferred Income (continued)

	01-Jan-21 €000	Received and Receivable €000	De-recognition €000	Profit and Loss Account €000	31-Dec-21 €000
Capital grants					
Railway lines and works	733,427	70,156	–	(51,320)	752,263
Railway rolling stock	415,292	180,943	(186,342)	(76,399)	333,494
Plant and machinery	208,871	50,328	(20,242)	(28,038)	210,919
Signalling	272,014	3,776	(16)	(21,271)	254,503
Docks, Harbours and Wharves	7,424	–	–	(310)	7,114
Land and Buildings	549,906	68,637	–	(12,793)	605,750
Road Passenger Vehicles	116,398	2,746	(87)	(23,458)	95,599
	2,303,332	**376,586**	**(206,687)**	**(213,589)**	**2,259,642**
Other deferred income	2	–	–	(2)	–
	2,303,334	**376,586**	**(206,687)**	**(213,591)**	**2,259,642**
Revenue Grants	–	113,268	–	(113,268)	–
Total deferred income	**2,303,334**	**489,854**	**(206,687)**	**(326,859)**	**2,259,642**

Total capital grants recognised in 2021 were €376.6 million (2020: €189.2 million).

Apportioned as follows:	2021 €000	2020 €000
Deferred income – amounts falling due within one year *(Note 19)*	194,617	204,320
Deferred income – amounts falling due after one year	2,065,025	2,099,014
	2,259,642	**2,303,334**

CIÉ Entity

	01-Jan-20 €000	Received and Receivable €000	Profit and Loss Account €000	31-Dec-20 €000
Capital grants				
Land and buildings	544,489	17,499	(12,430)	549,558
Other deferred income	3	868	(869)	2
Total	**544,492**	**18,367**	**(13,299)**	**549,560**

	01-Jan-21 €000	Received and Receivable €000	Profit and Loss Account €000	31-Dec-21 €000
Capital grants				
Land and buildings	549,558	68,637	(12,774)	605,421
Other deferred income	2	–	(2)	–
Revenue grants	–	2,654	(2,654)	–
Total	**549,560**	**71,291**	**(15,430)**	**605,421**

CIÉ Entity

Apportioned:	2021 €000	2020 €000
Deferred income – amounts falling due within one year *(Note 19)*	12,108	10,991
Deferred income – amounts falling due after one year	593,313	538,569
	605,421	**549,560**

Deferred income represents grants received/receivable to fund capital investment. Refer to Note 12 for additional disclosure on grants received/receivable.

Notes to the Financial Statements (continued)

24. Cash Flow Statement

Notes to the statement of cash flows

Year ended 31 December	2021 €000	2020 €000
Deficit for the year	(52,893)	(66,860)
Tax on deficit on ordinary activities	364	(1,833)
Net interest expense	8,266	10,085
Operating (deficit)	**(44,263)**	**(58,608)**
Depreciation of tangible fixed assets	226,088	227,906
Amortisation of intangible fixed assets	8,394	6,188
Amortisation of deferred grant income	(213,589)	(209,729)
Increase in post-retirement benefits liability	52,148	37,563
Profit on disposal of tangible assets	128	(439)
Working capital movement		
– (Increase)/Decrease in stocks	(6,269)	765
– (Increase)/Decrease in debtors	(193,436)	2,583
– Increase in creditors and provisions	193,129	30,864
Cash flow from operating activities	**22,330**	**37,093**

25. Post Retirement Benefits

Group and CIÉ Entity

CIÉ operates defined benefit plans for the majority of employees. The amounts recognised in the financial statements in respect of the defined benefit plans are as follows:

	2021 €000	2020 €000
Fair value of scheme assets	2,592,905	2,537,458
Present value of scheme liabilities	(3,419,860)	(3,492,000)
Present value of unfunded scheme liabilities	(19,507)	(20,891)
Pension deficit	**(846,462)**	**(975,433)**

Contained within the pension deficit of €846 million is unfunded liabilities of €20 million (2020: €21 million). The unfunded liability arose from additional pension contributions undertaken by the Group outside of the main pension Schemes.

The amount recognised in the profit and loss account is as follows:

	2021 €000	2020 €000
Charged to operating profit		
Current service cost	(108,636)	(91,363)
Administration and other operating expenses	(3,786)	(2,629)
Past service cost	–	(1,530)
Total operating charge	**(112,422)**	**(95,522)**
Net interest expense	(6,078)	(8,853)
Total charge	**(118,500)**	**(104,375)**

The amount recognised in the statement of other comprehensive income is as follows:

	2021 €000	2020 €000
Actual return less interest income on pension scheme assets	41,942	126,645
Experience gains arising on the scheme liabilities	25,250	6,192
Changes in assumptions underlying the present value of the scheme liabilities	120,538	(284,946)
Actuarial gain/(loss) recognised in statement of other comprehensive income	**187,730**	**(152,109)**

Defined benefit scheme

No deferred tax asset has been recognised in respect of the above pension deficit, as it is unlikely that the Group will have taxable profits in the foreseeable future.

CIÉ operates defined benefit pension schemes with assets held in separately administered funds. The schemes provide retirement benefits on the basis of members' final salary. The schemes are administered by independent trustees, who are responsible for ensuring that the schemes are sufficiently funded to meet current and future obligations. CIÉ has agreed a funding plan with the trustees, whereby ordinary contributions are made into the schemes based on a percentage of active employees' salary.

Notes to the Financial Statements (continued)

25. Post Retirement Benefits (continued)

The principal actuarial assumptions used in the valuations were:

	31-Dec-21 % p.a.	31-Dec-20 % p.a.
Discount Rate	1.25	0.65
Rate of inflation	1.90	1.25
Expected rate of increase of pensions in payment*	1.90*	1.25*
Expected rate of pensionable salaries**	1.90**	1.25**

* *Allowance is also made for increments and promotional related increases in respect of active members by incorporating an additional age related salary scale into the assumptions*

** *Short term adjustments: 0% increase for 2022-2023 (Regular Wages Scheme) and 2022 to 2028 (1951 Scheme) reverting to long term assumptions thereafter.*

Discount rate: The financial assumptions underlying the calculation of the liabilities changed during the year. The discount rate increased from 0.65% p.a. last year to 1.25% p.a. over the period. This was derived from a yield curve of AA rated corporate bonds appropriate to the duration of the liabilities of the CIÉ scheme (approximately 20-21 years).

The mortality assumptions, in years, of a member retiring at age 65 were as follows:

	31-Dec 2021 Male	31-Dec 2021 Female	31-Dec 2020 Male	31-Dec 2020 Female
Currently aged 45 years	24.2	26.4	24.0	26.2
Currently aged 65 years	22.5	24.6	21.8	24.2

The assets in the scheme were:

	2021 €000	2021 %	2020 €000	2020 %
Equities	807,239	31.1	664,442	26.2
Bonds	1,410,700	54.4	1,463,609	57.7
Property	56,850	2.2	114,055	4.5
Cash/Alternatives	318,115	12.3	295,352	11.6
Total	**2,592,905**	**100.0**	**2,537,458**	**100.0**

Change in present value of the liabilities during the year:

	2021 €000	2020 €000
Opening present value of liabilities	3,512,891	3,161,863
Current service cost	108,636	91,363
Administration and other operating expenses	3,786	2,629
Interest cost	22,560	37,454
Member contributions	21,255	20,448
Net benefits paid	(83,973)	(81,150)
Actuarial (gains)/losses on liabilities due to changes in assumptions	(120,538)	284,946
Actuarial (gains) on liabilities due to scheme experience	(25,250)	(6,192)
Past service costs	–	1,530
Closing present value of liabilities	**3,439,367**	**3,512,891**

All of the schemes' liabilities above arise from schemes that are wholly funded.

Change in fair value of assets during the year:

	2021 €000	2020 €000
Opening fair value of assets	2,537,458	2,384,955
Interest income on pension scheme assets	16,482	28,601
Employer contributions (funded schemes)	59,071	56,689
Employer contributions (unfunded arrangements)	1,217	1,270
Members contributions	21,255	20,448
Net benefits paid	(83,973)	(81,150)
Actuarial gains on assets	41,942	126,645
Superannuation scheme S.I. 190 1988 closure	(547)	–
Closing fair value of assets	**2,592,905**	**2,537,458**

Notes to the Financial Statements (continued)

25. Post Retirement Benefits (continued)

Actual returns on assets:

	2021 €000	2020 €000
Interest income on assets	16,482	28,601
Actuarial gains on assets	41,942	126,645
Actual return on assets	**58,424**	**155,246**

Non-Funded Pensions

Across the CIÉ group of companies, staff were encouraged at various times to consider early retirement. Within the CIÉ Pension Scheme for Regular Wages Staff, staff if they were considering early retirement, were in some cases offered an enhanced pension by the operating company which employed them. These enhanced pensions had not been prefunded, as in the normal course of events and therefore are paid for by the different companies as the pensions are paid. The amount paid by the pensions office to such individuals includes the enhanced pension, so that each individual concerned only receives one pension payment. The enhanced pension, like all other pensions, (unless there is a spouse's element to be paid) stops when the pensioner passes away.

26. Capital and Other Commitments

	2021 €000	2020 €000
Contracted for	191,378	141,824
Authorised by Board but not contracted for	450,708	187,725
	642,086	**329,549**

Capital grants totalling €639.6 million have been approved in respect of the above expenditure (2020: €293.1 million).

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	On plant & equipment/ motor vehicles 2021 €000	On plant & equipment/ motor vehicles 2020 €000
Within one year	4,038	3,665
Between one and five years	6,487	7,827
	10,525	**11,492**

27. Financial Instruments

The Group has the following financial instruments:

	2021 €000	2020 €000
Financial assets at fair value through other comprehensive income		
– Derivative financial instruments	15,879	3,006
	15,879	**3,006**
Financial assets that are debt instruments measured at amortised cost		
– Trade receivables	11,117	9,267
– Department of Education and Skills	4,166	8,687
– Other receivables	236,787	33,427
	252,070	**51,381**
Cash and bank in hand	**253,946**	**271,115**
Financial liabilities at fair value through other comprehensive income		
– Derivative financial instruments	901	9,588
	901	**9,588**
Financial liabilities measured at amortised cost		
– Bank loans and overdrafts	17,506	21,390
– Bank overdraft	163	184
– Trade creditors	72,233	69,209
– Other creditors	70,247	59,632
	160,149	**150,415**

Notes to the Financial Statements (continued)

27. Financial Instruments (continued)

The CIÉ Entity has the following financial instruments:

	2021 €000	2020 €000
Financial assets at fair value through other comprehensive income		
– Derivative financial instruments	15,879	3,006
	15,879	**3,006**
Financial assets that are debt instruments measured at amortised cost		
– Trade receivables	1,360	96
– Other receivables	4,241	7,816
	5,601	**7,912**
Cash and bank in hand	**245,927**	**269,417**
Financial liabilities at fair value through other comprehensive income		
– Derivative financial instruments	901	9,588
	901	**9,588**
Financial liabilities measured at amortised cost		
– Bank loans and overdrafts	17,506	21,390
– Amounts owed to subsidiary companies	428,057	415,500
– Creditors	24,244	19,377
	469,807	**456,267**

Derivative financial instruments – forward contracts

The Group enters into foreign currency forward contracts to mitigate exchange risk that exists when financial transactions are denominated in a currency other than euro.

At 31 December 2021, CIÉ was committed to buying GBP4.7 million, buying USD68.6 million, selling USD24 million and selling CAD0.93 million under forward currency contracts expiring during 2022 and 2023. The fair value of these contracts at 31 December 2021 is an asset of €2.1 million (2020: Liability €2.4 million).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for EUR:USD, EUR:GBP and EUR:CAD.

Derivative financial instruments – interest rate swaps

At 31 December 2021, CIÉ had no interest rate hedge contracts in place.

Derivative financial instruments – commodity swap contracts

At 31 December 2021, CIÉ was also committed to buying oil under commodity swap contracts to the value of USD62.1 million expiring during 2022 and 2023. The fair value of these contracts at 31 December 2021 was an asset of €12.9 million (2020: Liability €4.1 million).

28. Contingent Liabilities

Pending litigation

The Group, from time to time, is party to various legal proceedings. It is the opinion of the Board that losses, if any, arising in connection with these matters will not be materially in excess of provisions in the financial statements.

Grants receivable

The Group's capital expenditure in respect of PSO bus fleet is funded through Capital Grants from the National Transport Authority. This funding is provided in line with the provisions of the Direct Award Contract, signed on 1 December 2019 and certain contingent liabilities arise under these agreements. The Board Members believe that the risk of the National Transport Authority exercising their rights under the related agreements is remote.

Details of PSO and other exchequer grants are included in note 12.

29. Related Party Transactions

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

The Group is exempt from the disclosure requirements of paragraph 33.9 of FRS 102 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.

Note 5 to the financial statements includes the disclosure of the compensation paid or payable to key management of the Group.

Notes to the Financial Statements (continued)

30. Group Membership

Name	Principal Activity
Holding company:	
Córas Iompair Éireann	Public transport services
Subsidiary companies (all wholly owned)	
Bus Átha Cliath – Dublin Bus	Public bus passenger services
Bus Éireann – Irish Bus	Public bus passenger services
CIÉ Tours International Incorporated	Tours
Iarnród Éireann – Irish Rail	Public rail (passenger and freight) services

Iarnród Éireann – Irish Rail, Bus Éireann – Irish Bus and Bus Átha Cliath – Dublin Bus are incorporated and operate principally in the Republic of Ireland. These three companies are incorporated under the provisions of the Companies Act, 2014, as wholly owned subsidiaries of Córas Iompair Éireann in accordance with Section 6 of the Transport (Re-organisation of Córas Iompair Éireann) Act, 1986. All of the Group's interests in the subsidiary companies consist of ordinary share capital.

CIÉ Tours International is incorporated in New York and operates in North America. Its principal activity is the sale and promotion of Ireland coach tour holidays and ancillary activities in certain markets outside Ireland. It purchases the tour packages from CIÉ.

The registered offices of the subsidiary companies are as follows:

Bus Átha Cliath – Dublin Bus	59 Upper O'Connell Street, Dublin 1
Bus Éireann – Irish Bus	Broadstone, Dublin 7
CIÉ Tours International Incorporated	10 Park Place, Suite 510, P.O. Box 1965, Morristown NJ 07962-1965
Iarnród Éireann – Irish Rail	Connolly Station, Amiens Street, Dublin 1

31. Events Since The End Of The Financial Year

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

These business risks include

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

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

The Group has determined that this event is a non-adjusting post balance sheet event. Accordingly, no adjustment is required to the financial position or results from operations for the year ending 31st December 2021.

32. Approval of Financial Statements

The Board approved the financial statements on 6th April 2022.

5 year Historical Finances

These figures are not included in the audited Financial Statements.

Consolidated Profit & Loss

	2021	2020	2019	2018	2017
Total revenue	1,298,413	1,194,782	1,359,366	1,314,944	1,238,454
Total Operating Costs	(1,325,063)	(1,233,210)	(1,316,209)	(1,285,793)	(1,209,441)
EBITDA before Exceptional Costs	**(26,650)**	**(38,428)**	**43,157**	**29,151**	**29,013**
Exceptional, Net depreciation and Profit on Disposal	(17,613)	(20,450)	(39,823)	(49,382)	(56,386)
Operating (Deficit)/Profit before Interest and Taxation	**(44,263)**	**(58,878)**	**3,334**	**(20,231)**	**(27,373)**
Net Interest Expense	(8,266)	(10,085)	(11,576)	(14,197)	(14,542)
Deficit for the Year Before Taxation	**(52,529)**	**(68,963)**	**(8,242)**	**(34,428)**	**(41,915)**
Tax on Ordinary Activities	(364)	1,833	(6,172)	(83)	(1,114)
Deficit for the Year	**(52,893)**	**(67,130)**	**(14,414)**	**(34,511)**	**(43,029)**

Consolidated Balance Sheet

	2021	2020	2019	2018	2017
Fixed Assets	2,597,849	2,627,529	2,773,802	2,778,172	2,871,705
Current Assets	592,752	388,658	377,133	324,319	280,714
Current Liabilities	(757,119)	(553,778)	(535,761)	(508,026)	(480,714)
Total Assets less Current Liabilities	**2,433,482**	**2,462,409**	**2,615,174**	**2,594,465**	**2,671,705**
Creditors (amounts due after more than one year)	(13,737)	(18,182)	(20,239)	(28,347)	(15,485)
Deferred Income	(2,065,025)	(2,099,014)	(2,224,945)	(2,208,015)	(2,275,718)
Provisions	(1,045,354)	(1,189,556)	(989,334)	(767,975)	(1,016,163)
Net Liabilities	**(690,634)**	**(844,343)**	**(619,344)**	**(409,872)**	**(635,661)**
Capital Reserve	28,556	28,556	28,556	28,556	285,556
Profit and Loss Account	(731,701)	(885,410)	(660,411)	(450,939)	(676,728)
Non-Payable State advances	12,511	12,511	12,511	12,511	12,511
Capital and Reserves	**(690,634)**	**(844,343)**	**(619,344)**	**(409,872)**	**(378,661)**

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