



The Route to Sustainability

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Number of KMs travelled

BÁC: 2022: 46.2 million (+8%)
2021: 42.8 million

BÉ: 2022: 171.8 million (+3%)
2021: 167.1 million

IÉ: 2022: 17.8 million (+7%)
2021: 16.6 million

Group: 2022: 235.8 million (+4%)
2021: 226.5 million



Number of employees

2022: **11,204** 2021: **10,825**

Capital Funding

€473m
Up from €367m in 2021.

Total Revenue

2022: (+15%) **€1,493m** 2021: **€1,298m**

Passenger Numbers (m)

IÉ:	2022:	35.8	BÉ:	2022:	89.5
	2021:	17.4		2021:	57.5
BÁC:	2022:	121.4	Group:	2022:	246.7
	2021:	70.0		2021:	144.9



Chairperson's Statement

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.

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

The Group plays an important role in delivering the objectives of the [2023 Climate Action Plan \(CAP\)](#). The CAP plans a 130% increase in public transport journeys by 2030 to stimulate modal shift and achieve the sectoral emissions reduction for transport.

Sustainability

The 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 Group is in a unique position to provide smarter travel options and contribute to a sustainable economy.

Our 2022 Sustainability Report demonstrates our commitment to meeting the goals set out in our Sustainability Strategy across three pillars of sustainability; economic, social and environmental. The Group is working towards the transition to low carbon and zero emissions services across both rail and bus networks.

Work continued in 2022 to progress the DART+ programme, which will ensure that up to 80% of Iarnród Éireann journeys will be free of direct emissions by 2027. In partnership with the NTA, orders were placed for 120 double-deck battery-electric buses to be deployed in Ireland by Bus Átha Cliath and Bus Éireann, the first step of a planned introduction of 800 zero-emission battery-electric buses into the public transport system over the next five years. Bus Éireann completed preparatory work in 2022 for the first fully electric bus service in Ireland which launched in January 2023, with the deployment of eleven battery-electric single-deck buses in Athlone town.

The Group made progress in delivering on commitments set out in our sustainability strategy, with the planned introduction of building energy efficiency measures across Group properties and through a coordinated plan of action in areas such as water management; energy management; waste reduction; and biodiversity initiatives. The CIÉ Board is investing in sustainability with the provision of a sustainability fund to accelerate the delivery of Group commitments. Central to achieving our goals, is embedding a culture of sustainability and investing in the skills, expertise and awareness of our employees. This includes implementing programmes to ensure an inclusive and equitable environment, offering opportunities for a diverse and talented workforce.



I am proud to chair the CIÉ Board's Sustainability Advisory Group (SAG), which has oversight of the delivery of the Group's Sustainability Strategy and climate action performance.

During 2022, we advanced increased transparency and accountability in sustainability reporting, by commencing preparation for reporting under the UN Global Compact, the EU Corporate Sustainability Reporting Directive and the EU Taxonomy. Progress in delivering on climate action was recognised by attaining a score of A- for disclosure to the Carbon Disclosure Project. We continue to prepare for increased sustainability reporting by investing in systems, processes and skill development across the Group.

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 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 frequent, high-quality transport services which are necessary to support TOD.

Projects have been advanced to deliver new active mobility connections to and through CIÉ's Heuston Station lands so as to enhance accessibility to the multiple public transport nodes in the vicinity. Further design development of this access infrastructure will facilitate the release of an initial tranche of property for TOD. CIÉ continued to work closely with the Land Development Agency during 2022 to ensure projects at various other locations including Colbert and Inchicore progress.

Direct Award Contracts

2022 was the third full year of operation of the current NTA Direct Awards Contracts with Bus Átha Cliath, Bus Éireann and Iarnród Éireann. The Group is committed 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, Connecting Ireland and other NTA initiatives. Bus Éireann looks forward to operating enhanced services along the Eastern (N1/N11) coastal corridor and new services in Carlow town during 2023 following Bus Éireann's successful tenders during 2022.



CIÉ Tours helped support the rural tourism sector by touring almost 30,000 long-missed American tourists across the country

Pensions

Sustainable pension provision is a challenge which is not unique to the CIÉ Group. However, the CIÉ Group has one of the largest pension deficits in the State, notwithstanding market movements contributing to an overall reduction in the deficit in 2022. The €396.5m pension deficit at the end of 2022 remains a key component of the weakness in the Group's financial position.

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 challenge during 2022.

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 and accepted by the workforce, was implemented during 2022.

1951 Scheme

This Pension Scheme covers approximately 25% of the Group's workforce, covering management, clerical and executive staff. It is the last remaining open and unchanged defined benefit pension scheme that provides a pension of 50% of final salary (based on 40 years' service) anywhere in the State. Despite the membership of the Group's Trade Unions accepting a Labour Court Recommendation, designed to address the Minimum Funding Standard deficit and place the Scheme on a more stable footing, the changes have not been implemented.

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

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 to close the Scheme to new entrants and future accrual.



Increased service frequency on Midleton to Cork and Cobh to Cork rail services from summer 2022 led to a surge in passenger numbers.

Government Strategy

With the support of our partners, the Group is playing its part in delivering the [National Development Plan 2021-2030](#); the [Climate Action Plan \(CAP\) 2023](#); [National Sustainable Mobility Policy](#); [Project Ireland 2040](#), and [Waste Action Plan for a Circular Economy](#) to help tackle climate change, reduce congestion and support sustainable economic growth.

Board Governance

CIÉ, and its subsidiary companies, are committed to operating to the highest standards of corporate governance, in line with best practice, legislation, Government policy and transparency. The CIÉ Group has put in place appropriate measures to comply with the Code of Practice for the Governance of State Bodies 2016 which sets out the principles of corporate governance which the Boards of State Bodies are required to observe. The CIÉ Group also complies with the obligations imposed by the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

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 2022. 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 and Advisory Groups during the year. In particular, I wish to welcome Ms. Miriam Hughes and Mr. Gary Owens who joined the Board during 2022.

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

Fiona Ross
Chairperson

CEO's Statement

2022 represented a year of recovery from the shock caused by the COVID-19 pandemic. Steady passenger growth throughout the year saw us exceeding pre-COVID-19 passenger numbers by the end of the year. Ireland's recovery in public transport usage has been one of the fastest experienced around the world.

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The Government's support for maintaining public transport services during the pandemic, growing the overall public transport network and supporting reductions in fares were all key elements to this success story.

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-19" saw continued careful management of the Group's finances in 2022. The Group generated a surplus of €30m before pension charges (2021: €5m), due in part to a one-off gain from the sale of development land. Importantly, the Group's commercial businesses returned to surplus in the year. This was achieved despite significant inflationary challenges that emerged during the year.

The rebounding of the economy and reintegration of society post-pandemic, saw a welcome return of passengers to public transport services in 2022. Playing a pivotal role in Ireland's climate response and supporting a just transition remains a priority for the CIÉ Group. The Climate Action Plan 2023 set out a pathway to deliver the legally-binding, sectoral ceilings agreed in July 2022. The reduction in transport emissions was set to 50% by 2030, by achieving a massive expansion of public transport services and active travel journeys, to enable large scale modal shift and reduced dependency on the private car. Responding to this challenge and opportunity, the CIÉ Group is working with Government and stakeholders, to enable the future expansion of the network, while transforming to a low to zero emissions operation. The enormity of this transition will see the close cooperation across Government and stakeholders to enable this strategic and economic response. As our sustainability strategy matures and is informed by emerging national and EU policy, the Group underpinned our commitments to deliver a cross-group sustainability plan, by providing a CIÉ Group sustainability fund. This investment is enabling the Group to become a fully sustainable, energy efficient, circular operation. Throughout 2022, the CIÉ Group worked across functions, teams and people to grow a culture of sustainability and to play our role in meeting this national challenge



The Group's focus in 2022 was around effectively managing the recovery from the pandemic while maintaining the overall financial stability of the Group. Highlighted below are just some of the other important strategic milestones reached across the Group during 2022:

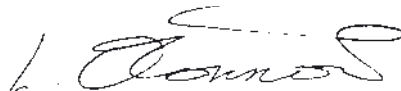
- **Bus Átha Cliath** introduced several new services as part of the NTA's rollout of BusConnects (Northern Orbitals and G Spine).
- **Bus Éireann** introduced additional PSO services in various cities and towns across Ireland while also completing the Athlone garage upgrade to facilitate the introduction of Ireland's first all-electric bus service in early 2023.
- **Iarnród Éireann** lodged Railway Orders for both Glounthaune-Midleton and DART+ West and placed a further order for 90 DART carriages with Alstom.
- **Rosslare Europort** set out its vision to become the Offshore Renewable Energy (ORE) hub for Ireland's South-East. The hub will service the emerging offshore wind industry and help support the Government's offshore wind target of seven gigawatts of power from ORE by 2030.
- **CIÉ Tours** saw its first full year of operations since the pandemic, helping support the rural tourism sector by touring almost 30,000 long-missed American tourists across the country.
- **CIÉ Property** progressed plans for the Heuston Masterplan – an ambitious plan exploring the opportunities for CIÉ's lands at Heuston Station, Dublin and the neighbouring site at Conyngham Road Bus Garage. The development presents an opportunity to be the largest and most sustainable Transit Orientated Development in Ireland.
- **2022 Sustainability Report published.** This report sets out the progress made in implementing the Group's sustainability strategy.
- Long term **pay deals** were secured across all Group Companies during 2022.

- The Group's pension deficit at the end of 2022 amounted to €396.5m
- The 1951 Scheme, covering management, clerical and executive staff is the last remaining open and unchanged defined benefit pension scheme that provides a pension of 50% of final salary (based on 40 years' service) anywhere in the State.
- CIÉ's current employer contribution rate to the 1951 Scheme is c. 27%, which is much higher than general norms and, even so, this funding level is not sufficient to fund the level of benefit on a sustainable basis.
- A Labour Court Recommendation (LCR) designed to address the 1951 Scheme's Minimum Funding Standard and place the 1951 Scheme on a more stable footing has been accepted by the Group's Trade Union Membership. Implementation has been resisted by the 1951 Scheme Committee.
- The LCR is the strongest possible independent assurance that can be obtained as to the reasonableness and fairness of the solution.
- Failure to implement the LCR will lead to the closure of the 1951 Scheme to new entrants and future accrual.

Notwithstanding the significant achievements in 2022 and the changes made to the Regular Wages Pension Scheme operated by CIÉ, it is important to acknowledge the challenges that lie ahead. These include the 'cloud' over the future of the Group caused by the slow progress in resolving the pension deficit for the 1951 Scheme, labour shortages, inflation, ensuring that our cost base and work practices are competitive and ensuring 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 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 the year. Finally, and most importantly, I would like to express my sincere gratitude to all our staff for their contribution during 2022.



Lorcan O'Connor
Group CEO



Financial Review

In 2022, the CIÉ Group continued to deliver the full range of public transport services on the basis of continuing strong financial support received from the Exchequer.

Overall financial stability was maintained during the year as a result of the 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 during the COVID-19 pandemic 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. The return of passenger numbers and general economic activity during 2022 allowed the Group to maintain financial stability, as the temporary COVID-19 supports were removed.

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 2022 increased by €195m (from €1,298m to €1,493m), driven by the increase in passenger and commercial revenue of €207m (from €449m to €656m) and an increase in Public Service Obligation (PSO) income of €59m, while other State Funding reduced by €71m as temporary Government COVID-19 supports ceased during the year.

Bus Átha Cliath (BÁC) and Bus Éireann (BÉ) continued to provide 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. In 2022, Iarnród Éireann operated under a net cost contract basis, whereby the significant increase in farebox revenue from returning passenger numbers reduced the requirement for PSO funding from the NTA.

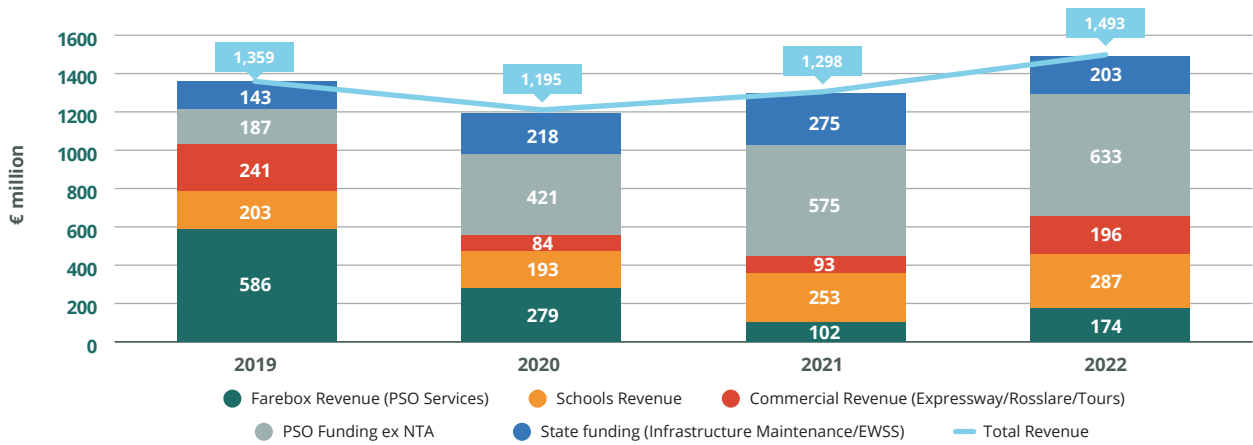
Figure 1 demonstrates the make-up of total revenue for the Group from 2019 to 2022.

Schools Revenue in 2022 is €34m higher than in 2021 due to the increase in demand for services resulting from the Government decision to waive school transport fees for school year 2022/2023. 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. The introduction of free schools transport from September 2022 has led to a significant growth in demand for these services across the country.

Commercial (Non PSO Services) revenue in 2022 is reporting a €103m increase in revenue over 2021, emanating from a full year return of operations in CIÉ Tours and continued growth in Rosslare Europort .

The increase in PSO revenue is primarily driven by the provision of additional services and routes under the BusConnects and Connecting Ireland programme.

Figure 1: Total Revenue



Free Schools transport from September 2022 led to significant growth in demand.





2022 was the first full year of operation for CIÉ Tours, after COVID-19

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 €185m. The additional services comprised of the 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 meet the increased demand associated with free school travel.

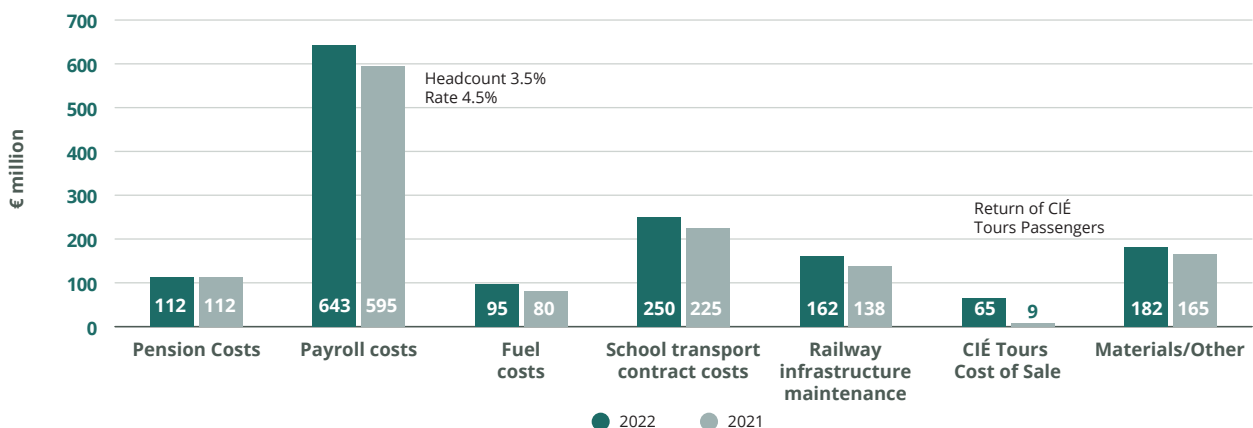
The principal components of Operating Costs are summarised below in Figure 2.

Pension costs have remained static year to year, whereas the payroll costs increased as a result of the implementation of pay deals across the Group during 2022 coupled with a year-on-year headcount increase of 3.5%.

CIÉ operates a fuel hedging policy and whilst we were largely protected from spiralling fuel prices during 2022, there was a steady increase in the forward contract rates compared to those applicable in prior years. The increase of €15m is a combination of rate decrease of 11% and additional volume associated with increased services of 26%.

The other major increase in cost was the Cost of Sales increase in CIÉ Tours associated with a full year of operations and the return of passenger numbers in 2022 (30,000 up from 4,000 in 2021).

Figure 2: Operating Costs 2022 Vs 2021



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. The current service costs have remained at a total of €112m in 2022 (€112m in 2021) reflecting the high cost of providing defined benefit pension benefits. In addition, the net finance costs of carrying the pension liability in 2022 was €10m (2021: €10m).

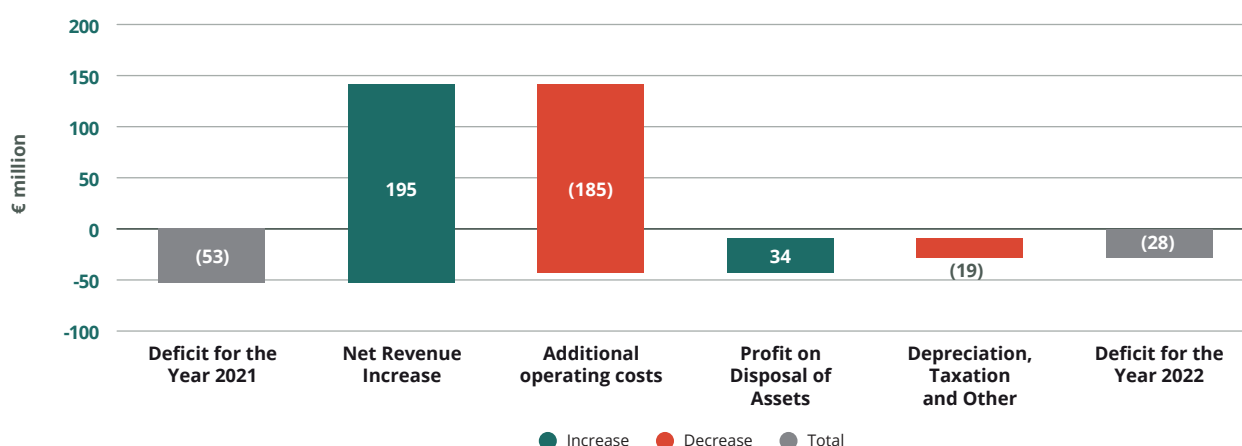
Operating Loss for the year

The impact of these factors on financial performance resulted in a movement in deficit from €53m in 2021 to a deficit of €28m in 2022 as summarised in Figure 3.

The Revenue and Operating Cost movements are addressed in Figures 1 and 2.

The sale of a development site during 2022 largely contributes to the profit on disposal of €34m and also contributes to the increase in taxation year-on-year.

Figure 3: Deficit Movements 2021 to 2022



Significant Other Financial Developments

Cash and Banking Facilities

The Group's net cash balances at year end increased to €318m (2021 €236m) due to timing of working capital payments and the sale of land in 2022.

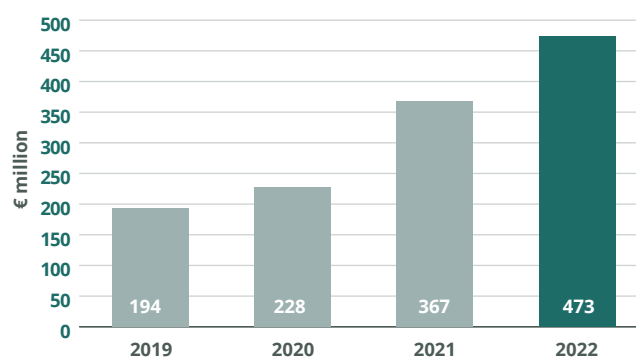
The Group has committed banking facilities in place under an arrangement which will continue in effect until January 2025. These facilities comprise a term loan facility of €12m and a committed revolving credit facility of €80m which was not drawn during the year. At all times during 2022, the Group operated with zero net debt and in a positive net cash position.

Capital Programme Exchequer Funding

CIÉ welcomes the increase in Capital Programme Exchequer Funding, which increased by €106m in the year to €473m. Figure 4 demonstrates the steady and very welcome increase in capital funding over the period 2019 to 2022. This funding is used for the investment and upkeep of the public transport network assets and the increase in 2022 is driven by the continued and

ongoing purchase of additional carriages for the DART+ Programme and railcars for the intercity fleet.

Figure 4: Capital Funding 2016 to 2022





Strong growth in passenger demand was experienced within the Expressway business.

Pensions

The net defined benefit pension scheme liability at year-end is €396.5 million, a reduction of €450m during 2022. While the fair value of the Schemes' assets fell by 17% during the year, this was more than offset by the reduction in the estimated value of the schemes' future liabilities resulting from the higher discount rate at year end.

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 July 2022, amending Statutory Instruments for the Regular Wages Scheme were approved by the Minister for Transport, bringing into effect changes agreed at the Workplace Relations Commission and approved by staff. Those changes are intended to secure the funding position of the Regular Wages Scheme.

A Labour Court Recommendation on proposals for the 1951 Scheme was accepted in a staff ballot in May 2021 and CIÉ adopted it as the sole basis for developing a revised Funding Proposal for this Scheme. Due to objections by the Committee of the 1951 Scheme, these changes have not yet been implemented, but CIÉ is committed to progressing these proposals which are intended to secure the financial sustainability of the 1951 Scheme.

Fiona O'Shea
Group Chief Financial Officer

Operational Review

Significant Operational Developments

In 2022, the Group continued to support the Irish economy and society in general as it emerged from the challenges resulting from the COVID-19 pandemic. Through its subsidiary companies, Bus Átha Cliath, Bus Éireann and Iarnród Éireann, the CIÉ Group was pleased to see the growth in passenger numbers, which by the end of year had reached pre-pandemic numbers. Public transport services across the country continued to expand and CIÉ Tours returned to a full year of operations and the welcomed return of American tourists to the island of Ireland and other European destinations.

COVID-19 Response

Over the last number of years 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.

In 2022, the Response Plans were adapted as the return to life in a post-pandemic era commenced across the country. The CIÉ Group will continue to be guided by the Government, HSE, Department of Health and other relevant Government agencies in respect of public health instructions.

Bus Átha Cliath

Bus Átha Cliath services, across Dublin, are delivered by a highly diverse and talented workforce of over 3,800 people.

Improving service performance and reliability for customers across the Greater Dublin Area (GDA), whilst also delivering key state projects such as BusConnects and Electrification of the city's bus fleet, was a key focus in 2022.

Beyond the key operational challenges posed by areas of service performance and reliability, the significant highlights are:

- 121m Passenger journeys (up from 70m in 2021).
- Financial surplus of €0.4m (2021: €5.8m surplus) with Net Assets of €45.0m (2021 €44.5m).

Bus Átha Cliath has become the only all-day and all-night public transport operator in the Greater Dublin Area, with ten 24-hour routes now in operation





Phase 4 (G-Spine) of BusConnects was launched in October 2022, with routes G1, G2 and route 60
 L-R: Sorin Costica, Head of Operations, Bus Átha Cliath; Zoe Bailey, Driver, Bus Átha Cliath; Tim Gaston, Director of Public Transport Services, NTA.

- Phase three of BusConnects, the Northern Orbitals, launched in May 2022, based out of Harristown Depot, resulting in 1,300 additional trips weekly.
- Phase four of BusConnects, the G-Spine route, launched in October 2022. Based out of Conyngham Road depot, the G-Spine route is delivering an extra 500 trips per week – an increase of 34%
- The addition of three 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 47 new hybrid vehicles into the fleet.

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 people to whom and what matters to them, right throughout the country, on a weekly basis.

Highlights of 2022 were:

- 89.5m customer journeys on scheduled and school bus services (Up from 57.5m in 2021).
- 9% decrease in passenger accidents per million kilometres operated
- Customer satisfaction reached 92% by the end of the year

- Financial deficit of €1.5m (2021: €1.6m deficit) with Net Assets of €31.6m (2021 €33.1m).
- The management of the Schools Transport Scheme, which issued tickets for a record 151,000 children following the abolition of fees for 2022/3 as a cost-of-living measure, and their transport to school, across more than 8,900 routes daily; mainly through the use of externally contracted operators.
- The electrification of the Athlone depot to accommodate Ireland’s first all-electric, zero tailpipe emission town service.
- Won the NTA’s tender to operate the Eastern Coastal Commuter Corridor services, 101/133.
- Won the NTA’s contract to operate the new Carlow town service.
- New PSO Services introduced as part of the Connecting Ireland Rural Mobility Plan added 1.7 million additional kilometres of connectivity to the network, covering locations such as Ballybunion, Cashel, Drogheda.
- The introduction of more than 30 new vehicles to the Bus Éireann fleet. This included the first all-electric buses to be deployed in Ireland.
- Opened a Near Zero Emissions administration building at Roxboro in Limerick
- Awards received included ILTA Passenger Transport Company of the Year, ILTA Green Impact Award, B&F ESG Award for Sustainable Supply Chain and the SEAI Public Sector Achievement Award.



Bus Éireann at the launch of Smart Ticketing for School Transport. L-R: Danny McCarthy, Chief Information Officer; Siobhán Griffin, Manager School Transport Dublin; Dermot Kelly, Senior Manager, IT Business Partner; Stephen Kent, CEO; Miriam Flynn, Chief Schools Manager; Rishil Sood, Senior IT Project Manager

Iarnród Éireann

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

Iarnród Éireann's operational highlights for 2022 include:

- 35.8m passenger journeys (17.4m in 2021), more than double the previous year's total as COVID-19 restrictions were lifted.
- Timetable enhancements were delivered on Cork to Cobh/Midleton railway line in July, and on a number of routes including from Newbridge, Hazelhatch, Carlow, Ballina and Westport in December.
- Financial surplus before taxation of €1.7m (2021: surplus €2.6m) with Net Assets of €47.5m (2021: €46.6m).
- Continuing infrastructure and fleet investment and enhancement to support the future growth of a sustainable rail network, with headline projects including:
 - DART+ Programme: All infrastructure elements of the DART+ Programme are in the design and planning process, with the significant milestone of the first Railway Order application (DART+ West) having been achieved in July 2022. The programme, which will transform the capacity and sustainability of the Greater Dublin Area rail network, also saw a further 90 carriages ordered for the new DART+ fleet. In total, 185 carriages are now on order for what will be the largest and most sustainable fleet for Ireland's public transport network.
 - New Intercity railcars: In addition, the 41 additional Intercity Railcars ordered in December 2019 and manufactured in South Korea by Hyundai Rotem commenced delivery in August 2022 with 27 delivered by year end. This fleet will enter service in 2023 following testing and approvals.
 - Cork Area Commuter Rail: Funded under the European Recovery and Resilience Fund (EURRF), this programme also saw significant progress for all three elements of the overall railway development ambitions in Cork: a Railway Order application was made for twin-tracking the Glounthaune to Midleton line, design works progressed for resignalling, and planning permission achieved for an additional platform in Kent Station.
 - National Train Control Centre (NTCC): Construction of the NTCC building in Heuston was completed in November 2022. The design of the NTCC Traffic Management System (i.e. the system which will manage rail traffic when NTCC is commissioned) was successfully completed in 2022, and works have commenced on the software development phase. The on-site hardware installation works for the Traffic Management System is forecast to commence in Q3 2023, with the entire system tested and commissioned by the end of 2024.



A second order of 90 DART+ Battery-electric carriages was placed by Iarnród Éireann in November 2022 with Alstom, funded by the National Transport Authority. L-R: Jim Meade, Chief Executive, Iarnród Éireann; Anne Graham, Chief Executive, NTA; Nick Crossfield, Managing Director, Alstom UK & Ireland.

- Enhancing the role of rail in regional cities: This key strategic priority was progressed in Cork (above) as well as Limerick, Galway and Waterford. As the Limerick Shannon Metropolitan Area Transport Strategy (LSMATS) was confirmed, design works commenced on a new station at Moyross, and twin-tracking Limerick to Limerick Junction. Tenders were issued for construction of the redevelopment of Ceannt Station in Galway in December, to improve the passenger experience in the station environment and integrate the station with the proposed new development to the south, improve integration between bus and rail, and facilitate future capacity increases. The construction contract was awarded by Waterford City and County Council for the Waterford North Quays project, which includes a new relocated Plunkett Station.
- A successful Connecting Europe Facility (CEF) funding application in 2022 will see 50% funding granted to support the implementation of the ambitious programme outlined in the company's Rail Freight 2040 strategy. Amongst the pillars of the strategy is the enhancement of infrastructure at seaports. Funding from the Department of Transport in December 2022 saw the project to re-establish the rail link from Limerick to Foynes Port for rail freight commence. Work continued in 2022 on securing future new business, securing funding for new fleet and infrastructure and the strengthening of the Rail Freight team.

Rosslare Europort

- Rosslare Europort: Growth at Rosslare Europort continued in 2022 with over 200,000 freight units passing through the port for the first time, which represented a 5% year on year increase on freight and a 53% cumulative increase since 2020. The Port introduced a new twice weekly service to Zeebrugge in conjunction with Finnlines, part of the Grimaldi Group, and there are now over 34 weekly direct Roll-on Roll-off (RoRo) services to and from Rosslare connecting to the ports of Bilbao, Cherbourg, Le Havre, Dunkirk and Zeebrugge. This maintains Rosslare Europort as the number one Port in Ireland for direct Ro-Ro/Ro-Pax services to Europe.
- The Rosslare Masterplan was reviewed in 2022, as a result of the continued increased growth in business and to accommodate the request to bring forward the building of the BCP (Border Control Post) inside of the port. Agreement has been reached with all stakeholders regarding the phasing of works to commence in Q2 2023. Progress continued on the design, funding and planning process for the future ORE facility at Rosslare Europort. A full project team across the various disciplines is in place with a number of key milestones delivered through 2022 to ensure the project can be delivered by 2026, including market consultation, appointment of financial advisors, design, foreshore application and the commencement of various studies required as part of the planning consent process.



From left to right photographed October 10, 2022 at Westin Dublin to mark the 90th anniversary of CIÉ Tours: Lorcan O'Connor, Group CEO, CIÉ Group; Fiona Ross, Chair, CIÉ Group; Catherine Martin, Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media; Elizabeth Crabill, CEO, CIE Tours; and Stephen Cotter, COO, CIE Tours.

CIÉ Tours

2022 was a year of restart for CIÉ Tours, Irish tourism and the global travel economy after 1.5 years of border closures and COVID-19-related travel restrictions. From January 2022 when most Ireland and UK inbound travel restrictions were lifted, through June 2022 when the United States expired the border requirement that inbound travellers present a negative COVID-19 test, US booking activity picked up significantly. With all CIÉ Tours destinations open, US customer demand began its rebound and marketing investment resumed, although at lower levels than pre-pandemic in a context of ongoing cost controls as significant uncertainty remained in North American and European travel markets. Destination Ireland signalled its restart to the world around St. Patrick's Day 2022 with the collective restart of Tourism Ireland promotional campaigns in the US and abroad. CIÉ Tours began operating the tour season in March 2022, for what would end up being the first full operating season in 3 years, ending the year with stronger than anticipated momentum for what is projected by industry to be a multi-year recovery.

Founded in 1932, CIÉ Tours celebrated its 90th anniversary in 2022 and commemorated the occasion with a series of campaigns celebrating brand longevity, innovation and heritage with customers, employees, partners and suppliers, punctuated by brand recognition events in New York and Dublin. As a follow up to a kick-off U.S. event held in June 2022 in New York City, the 90th anniversary activities culminated in October 2022 with a commemoration event in Dublin with Catherine Martin, Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media as guest of honor. More than 150 attendees gathered to mark the occasion, representing leading hotels, attractions and tourism industry leaders.

In recognition of CIÉ Tours' leadership position in Irish tourism, the celebration featured a [special video message](#) from An Taoiseach Micheál Martin. In his congratulatory remarks, the Taoiseach recognized CIÉ Tours' contribution to Ireland's tourism economy, including support of employment in rural areas by taking visitors to all corners of the country.

In 2022, CIÉ Tours undertook a series of projects to create the company's first ever sustainability plan. In alignment with the CIÉ Group, CIÉ Tours established a guiding set of environmental, social and economic commitments to guide the company's positive impact and carbon footprint improvement over coming years. Approved by the CIÉ Tours board in December 2022, CIÉ Tours' sustainability plan aligns to the United Nations Sustainable Development Goals framework and includes a guiding *Responsible Tourism Policy* and a high-level roadmap for action. The combination of commitments reflects the significant opportunity CIÉ Tours, the largest Irish-owned travel company in North America, has to positively impact the environment, tourism industry and economy of Ireland.

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 CIÉ 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 CIÉ 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
- claims management services
- specialist legal services
- treasury management
- pension scheme administration

During 2022 the significant operational achievements included:

- The sale of development property during 2022 largely contributes to the profit on disposal of €34m.
- The second phase of the Spencer Dock development was completed, providing c. 40,000 sq. m. of offices occupied by Salesforce, the 200-bedroom Samuel hotel, and 393 residential units.
- Creation of the CIÉ Sustainability Fund, to support projects that help to achieve the targets, set out in the Group’s 2020 Sustainability Strategy.
- IT Operations was transitioned to new IT Managed Service Provider (MSP) without any issues resulting in a higher level of service and security but at a lower cost than the previous MSP.
- Rollout of a nationwide unified communications platform to replace a legacy platform across all CIÉ Operating Companies.
- CIÉ Enterprise Shared Services was created to align the Shared Services provided by the Holding Company to the CIÉ Operating Companies.
- A new suite of updated Service Level Agreements, following industry standard formats was developed for the CIÉ Operating Companies.
- Successful tender of the Outdoor Advertising Business – new 5-year contract awarded to Global Media, 2023 to 2027.
- Recovery in advertising revenues, post-COVID-19.

Code of Practice

The Group policy is to be fully compliant with the 2016 Code of Practice for the Governance of State Bodies.

Payment Practices

The CIÉ Group acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Regulations 2012. The policy throughout the CIÉ Group in 2022 was to comply with the requirements of the Regulations.

Consultancy and Legal Costs

The CIÉ 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 CIÉ Group in 2022.

Consultancy Costs	€'000
Infrastructure (Including Capital Investment)	22,469
Pension and Human Resources	2,910
Operational & Other	1,606
Strategy & Organisational Design	2,251
Tax and Financial Advisory	479
Legal	1,642
Public Relations / Marketing	233
Gross Consultancy Costs	31,590
Capitalised Costs	(22,289)
Net Consultancy costs	9,301

Settlement costs of €3.8m and associated legal costs of €1.3m were incurred by the CIÉ Group in 2022, in relation to legal cases which exceeded €50,000.

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.

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 2022 was 11,204, an increase of 379 from 2021.

Staff Participation

Our staff are the most essential element in providing a reliable, safe and efficient public transport service. In recent years, our colleagues have met the many additional challenges associated with delivering services through the COVID-19 pandemic and it has been positive to see the easing of restrictions and growth in passenger number in 2022. 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.

Equality and Diversity

The CIÉ 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.

The publication of gender pay disclosures under the Gender Pay Gap Information Act 2021 by IÉ, BÉ and BÁC was welcomed across the Group. The results demonstrated that each of the operating companies have recognised the need to increase the numbers of women, particularly in the largely underrepresented areas of bus driving and engineering. The Group will continue its work in attracting women into these areas in the future, as well as to encourage female employees to progress through the CIÉ Group of companies.

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.

The Group recognises the importance of working across industry and Government to address Ireland's national development and climate challenges, providing input on national policymaking for transport and sustainability. Throughout 2022, the CIÉ Group worked with Eirgrid, Sustainable Energy Authority of Ireland (SEAI), NewEra, NTA, the Department of Transport, Department of the Environment and Climate and Communications and Hydrogen Mobility Ireland, amongst others, working to align our CIÉ Group's sustainability strategy with stakeholder expectations. Recognising the value of leading edge research and innovation, the CIÉ Group has partnered with research and development institutions and policy makers, including University College Dublin Energy Institute, University College Cork, NUI Galway and Dublin City University bringing together expertise to enable the energy transition. We seek to work with partners committed to sustainability and were proud to work with Microsoft on the development of the Microsoft Cloud for Sustainability tool, an experience which provided the CIÉ Group with the capability to identify opportunities for decarbonisation and sustainability performance improvement.



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Sustainability



Our Sustainability Strategy

The **CIÉ Group sustainability strategy** is a plan of action being delivered by the CIÉ Group. Our overarching goal is to meet the national targets set out in the **Climate Action Plan 2023 (CAP)** and to support achievement of the **U.N. Sustainable Development Goals (SDGs)**.

Our mission is to offer a low-carbon transport option, connecting communities; maximising accessibility; protecting biodiversity and supporting compact growth. We have committed to becoming a fully sustainable, circular business and to work closely with our partners, as part of a national integrated approach. We hold a unique portfolio of assets and resources which we are strategically leveraging, to maximise the intersection between the SDG's and our operations.

The CIÉ Group Sustainability Strategy is centred around the three pillars of sustainability: social, economic, and environmental. To ensure a holistic view of sustainability we have also designed our strategy to include the Sustainable Development Goals.

The CIÉ Board and Group of companies have implemented best climate governance structures to ensure we deliver on our commitments and manage the risks and opportunities underpinning our operational and strategic transition. As part of this governance structure, the aims and goals of the CIÉ Group sustainability strategy are supported, led and formulated centrally across the operating subsidiaries. Policy is coordinated on key areas of sustainability, including green public procurement, water management and energy management, including hydrogen, biofuels and corporate PPAs, behind the meter solutions and microgeneration development. The circular economy and resource management improvements is a key focus for us, along with fostering culture change and sustainability skills development across all employees of the Group. We are also collectively preparing to measure, monitor and disclose our sustainability performance and report to the European Commission through the CSRD in 2026.

As part of our commitment to becoming a fully sustainable business, the CIÉ Board approved the creation of the **CIÉ Sustainability Fund** in 2022 to finance the delivery of the strategy. In the first year of the Sustainability Fund, the CIÉ Holding Company and CIÉ Operating Companies each established programmes to deliver sustainability goals in areas such as waste reduction and recycling, sustainability training for staff, energy efficiency, research and development in low carbon technology, biodiversity, and water conservation.





Hybrid double deck bus operating in Limerick City

The 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. In December 2022, Ireland published its updated Climate Action Plan 2023 (CAP), which outlines 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.

The CIÉ Group plays an important role in delivering the objectives of the CAP and [National Sustainable Mobility Policy](#) by providing safe, green, accessible and efficient alternatives to car journeys. The CAP targets a 130% increase in public transport journeys by 2030, which the CIÉ Group is working to facilitate through the expansion of our networks via the [BusConnects](#) and [DART+](#) Programmes. As the CIÉ Group delivers more public transport journeys, we support the achievement of Ireland's national climate targets by providing a low carbon alternative to private car use.

Between 1990 and 2021, the transport sector has shown the greatest overall rise in GHG emissions with [an increase of 112%](#). Before the COVID-19 pandemic, the transport sector was responsible for over [40% of energy related CO₂ emissions](#). This demonstrates the emissions intensity of the transport sector, with a greater share of the energy related CO₂ 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. At the end of 2022, passenger numbers across the CIÉ Group returned to pre-pandemic levels with 246.7 million journeys completed, which puts challenges on our emissions reduction's targets, as we aim to reduce our emissions while also enhancing and growing our passenger services across Ireland.

The 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 CIÉ Group is exploring the feasibility of increasing renewables in our energy mix. The shift from a flexible, fossil fuel-based fleet to a zero emissions service presents both risks and opportunities as well as operational challenges. The electrification of high density, commuter services across the rail and bus fleet, will greatly increase our electricity demand and require planned upgrades of our stations and depots to support electrification. To balance our demand on Ireland's electrical grid, the CIÉ Group is also exploring alternative technologies to electrification. Long distance and intercity rail and bus services present technology challenges, in a race to meet 2030 targets, which the CIÉ Group is addressing by working with industry innovators to introduce technology solutions.



The new DART+ fleet will transform the customer experience on Greater Dublin Area rail services.

Our sustainability strategy has an important role in delivering the national development objectives. The 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 2022, the CIÉ Group advanced planning for TOD in key regional and city locations, promoting high quality urban development around major transportation hubs. A ten-year plan for delivery of flagship projects such as Heuston Station Masterplan Dublin, Colbert Station Limerick Masterplan, Connolly Station Dublin, Kent Station Cork and Ceannt Station Galway is in progress across the CIÉ Group.

We are committed to transparency and accountability in climate disclosure, providing visibility on meeting our targets. The CIÉ Group has been reporting on the CDP platform on an annual basis since 2020. After receiving a 'B' score for two consecutive years, the CIÉ Group was awarded a score of 'A-', being recognised by CDP for showing environmental leadership and demonstrating best practice in strategy and action on climate issues.

The CIÉ Group became a supporter of the Taskforce on Climate-related Financial Disclosures (TCFD) in 2021, and in 2022, the focus of the CIÉ Group was to further develop our climate risk management framework and prepare to carry out climate scenario analysis across the Operating Companies to help identify, define, and quantify our climate-related risks and opportunities. In 2022, we also signed up to report under the UN Global Compact to ensure that we follow best practice in adopting sustainable and socially responsible practices. 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 in early 2023, the Corporate Sustainability Reporting Directive and the EU Taxonomy.

CIÉ has published a separate 2022 Sustainability Report which covers our sustainability achievements in more detail.

CIÉ Group Sustainability Achievements - Highlights

CIÉ Holding Company	Iarnród Éireann	Bus Átha Cliath	Bus Éireann
 <p>Creation of the CIÉ Sustainability Fund, to support projects that help us achieve the targets as set out in our 2020 Sustainability Strategy.</p>	 <p>Expanding and electrifying the existing DART network through the DART+ Programme, providing transport access to more people in the Greater Dublin Area (GDA)</p>	 <p>Rainwater harvesting system installed in Summerhill bus depot to reduce use from water mains and reduce pressure on Dublin's water supply.</p>	 <p>Winner of the 2022 SEAI Energy Award Winner for the Public Sector</p>
 <p>Launched the Sustainability Leadership programme and Sustainability Pass training in partnership with Central Solutions for staff across the CIÉ Group.</p>	 <p>Hybrid Drive Trial underway. It is expected that the hybrid trains will provide a 10% reduction in carbon emissions.</p>	 <p>Wildflower embankment and beehive installed in Broadstone garage, increasing urban biodiversity, supporting pollinators, and providing a habitat for small birds and insects.</p>	 <p>19 participants enrolled in the Sustainable Management course across Bus Éireann.</p>
 <p>Achieved a CDP 'A' rating across the Group in 2022. Scope 3 mapping exercise and scenario analysis completed as part of submission</p>	 <p>Published biodiversity guidelines for infrastructure staff as part of pledge to minimise impacts on and maximise benefits to the environment.</p>	 <p>Employees participated in the Sustainability Leadership programme in partnership with Central Solutions</p>	 <p>Reverse Vending machine piloted in Busáras and Letterkenny stations, as a way of encouraging customers to return their waste for recycling</p>
 <p>Signed up to UN Global Compact to ensure best practice in promoting human rights and fair labour practices across our operations and value chain.</p>	 <p>Completed Engine compatibility tests for biofuels and prepared to introduce biofuels across the fleet.</p>	 <p>Partnered with Voi Technology to launch a 12-month sustainable transport pilot project for employees.</p>	 <p>Completed preparatory work to deploy eleven battery electric single deck buses in Athlone town in early 2023. Each bus is expected to save approximately 60 tonnes of carbon annually</p>
 <p>Launch of Laptop donation programme. Laptops were donated to two Irish charities in the first year of the initiative's operation.</p>	 <p>Introduced a new Responsible Purchasing Policy to support the purchase of sustainable goods and services.</p>	 <p>Commenced work to electrify garages and prepare for the arrival of Electric buses.</p>	 <p>Winner of the Sustainable Supply Chain Award at the 2022 Business and Finance ESG Awards.</p>

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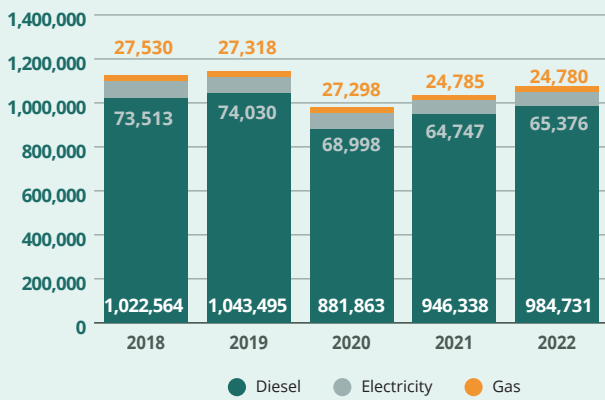
Non-Financial KPI's Highlights

Energy Consumption:

Operating through the pandemic led to a reduction in energy consumption and carbon emissions in 2020-2022 when compared to 2019. In line with the targets set out in the Climate Action Plan 2021, the CIÉ Group has been working to achieve the national climate targets of 51% reduction in emissions and 50% improvement in energy efficiency by 2030.

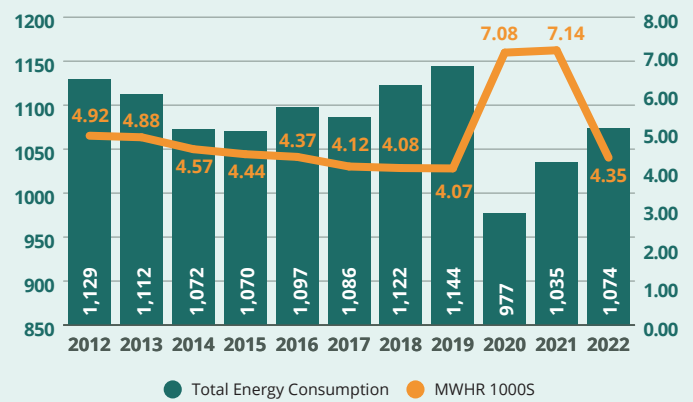
The impact of COVID-19 restrictions has had a significant impact on passenger journeys across 2020-2022, which subsequently has had an impact on performance of energy consumption per one million journeys. At the end of 2022, passenger numbers across the CIÉ Group returned to pre-pandemic levels, which will help stabilise our energy intensity metrics from 2023 onwards.

CIÉ Group Energy Consumption (MWhr)



Electricity and gas figures for CIÉ Holding Company and CIÉ Tours were included in energy consumption totals for 2018-2022.

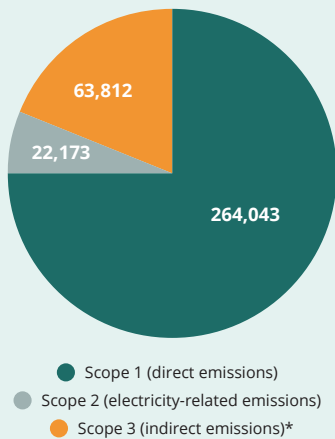
Total Energy Consumption



Total energy consumption is for Iarnród Éireann, Bus Átha Cliath & Bus Éireann only.

The TCFD recommendations highlight the importance for organisations to disclose their Scope 1, Scope 2, and Scope 3 emissions. In 2022, following a Scope 3 emissions screening process, the CIÉ Group identified the Scope 3 emissions categories relevant to our operations and embarked on a rigorous data discovery programme to estimate our Scope 3 emissions. Select KPIs for each Operating Company are reported on the pages that follow.

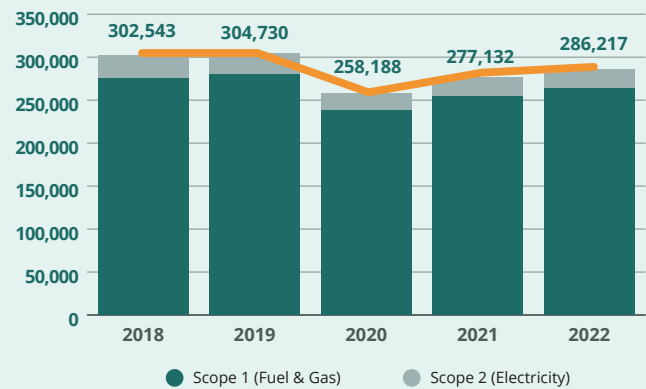
2022 CIÉ Group Emissions Breakdown by scope (tonnes CO₂e)



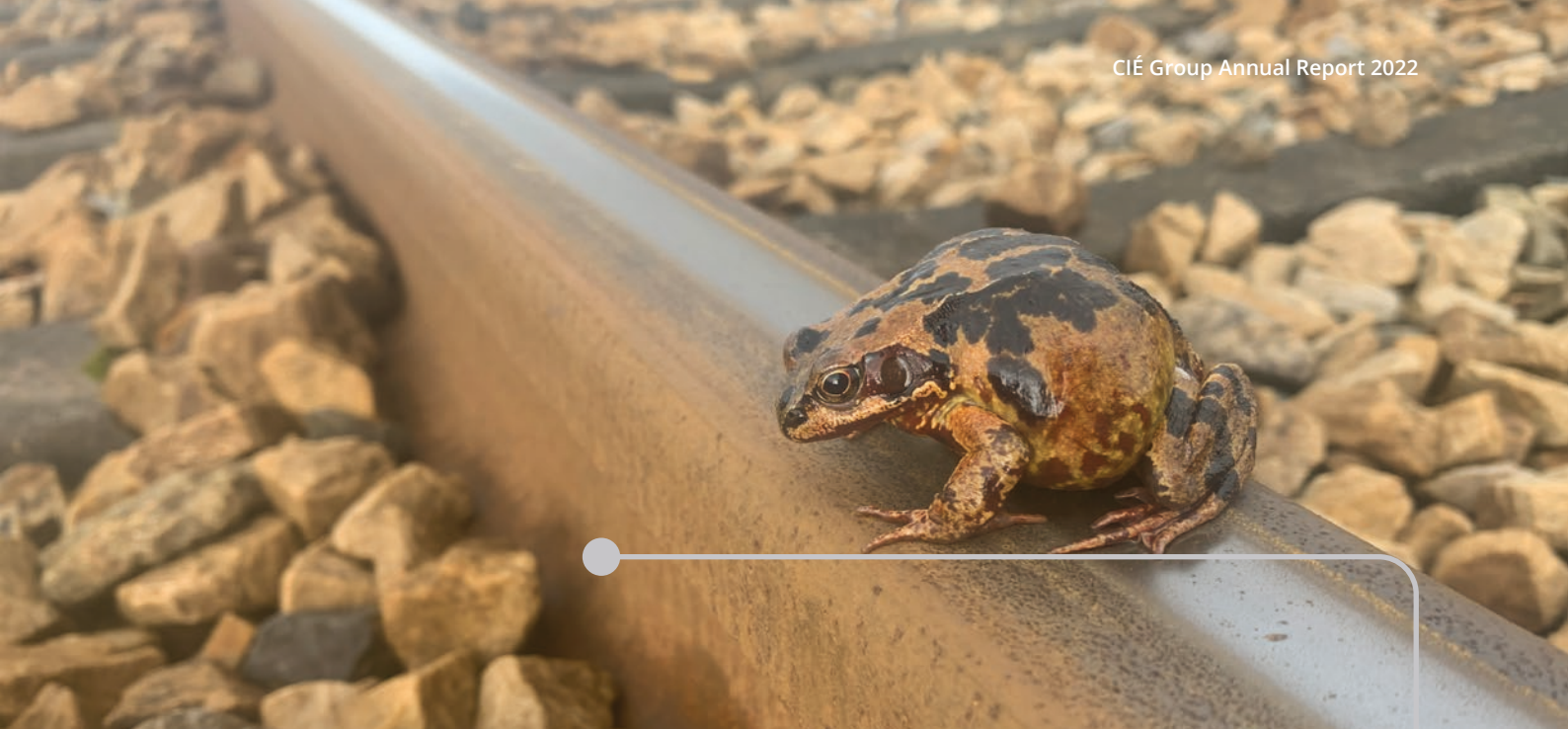
Includes emissions for Iarnród Éireann, Bus Éireann, Bus Átha Cliath, CIÉ Holding Company & CIÉ Tours.

* Scope 3 emissions include emissions from water, waste, air travel and Well-to-tank emissions from fuel use

CIÉ Group Carbon Emissions 2018-2022 (tonnes CO₂e)



Includes emissions for Iarnród Éireann, Bus Éireann, Bus Átha Cliath, CIÉ Holding Company & CIÉ Tours



Guidelines to protect biodiversity and the natural environment around railway lines were updated and strengthened in 2022.

Evidence-Led Approach

The CIÉ Group is collaborating with partners and stakeholders on developing a multi-disciplinary, evidence-led approach to delivering a zero-carbon transport sector. Over the past few years, the CIÉ Group has joined working groups, research projects, and cross-sectoral partnerships with the aim of knowledge-sharing and gaining expert-level insights on potential pathways to decarbonise and improve the sustainability of our operations.

One of these research studies was the *Wellbeing Lens* research study run by the Organisation for Economic Co-operation and Development (OECD) in 2022. Participants from the CIÉ Group were invited to partake in this study to share insights into our sustainability strategy and planned actions to support a net zero transport system. The CIÉ Group and other participants were presented with key insights and policy recommendations from the OECD analysis and asked to provide feedback, after which the OECD report, "[Redesigning Ireland's Transport for Net Zero: Towards Systems that Work for People and the Planet](#)" was published. This report was later cited in Ireland's CAP 2023.

We take care to engage with our stakeholders and provide input on national policymaking for transport and sustainability. We are working with leading research and development institutions and policy makers, including University College Dublin Energy Institute, University College Cork, 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 2022, the CIÉ Group engaged with the EPA, Sustainable Energy Authority of Ireland (SEAI), NewEra, the NTA, the Department of Transport and Hydrogen Mobility Ireland, among others, to obtain input the CIÉ Group 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 the achievement of our common goals.

Data Management Insights

The CIÉ Sustainability Strategy has set targets for resource management across areas such as waste, recycling, water use and energy use. To accurately track our progress towards these targets it is vital that our environmental data is easily available, automated, and highly granular across the entire CIÉ Group. Manual calculation of our resource use is time-consuming and does not allow us to capture improvements in energy or water use efficiency in real time. The CIÉ Group is working to introduce a data management system that will integrate smart meters and analytical software. Through the use of more accurate, transparent, and timely data, the CIÉ Group will be able to embed sustainability across strategic planning, risk modelling and what-if scenario planning. Our work with Microsoft on their Cloud for Sustainability will provide the CIÉ Group with the capability to identify opportunities for decarbonisation and sustainability performance improvement.

Creating a Culture of Sustainability

At the CIÉ Group, we all have our role to play in making our business more sustainable. By offering training opportunities to our employees, we can embed the fundamentals of sustainability across all levels of the company and include staff in the delivery of our sustainability strategy. In 2022, training was provided to senior management, sustainability teams and staff in various other functions to give insights into various sustainability initiatives such as upcoming corporate sustainability disclosures requirements.

CIÉ Group-wide employee training is underway which is facilitated by Central Solutions/Skillsnet Ireland and is a Government-funded initiative. One of the training programmes underway is the Climate Ready Academy Sustainability Pass, which is planned to be available for all employees across the CIÉ Group. This was initially rolled out to CIÉ Holding Company and CIÉ Tours staff in 2022 and will further be rolled out to the Operating Company employees on a phased basis in 2023. The other training underway is the Climate Ready Academy Sustainability Leadership Programme, which is a series of in-depth classes on a range of sustainability topics. On completion of the course, employees will become champions of and develop a plan for their area of responsibility.






The CIÉ Group and Bus Éireann are working with a consortium of partners to develop the Galway Hydrogen Hub (GH₂), Ireland's first hydrogen valley. GH₂ will produce up to 10MW of green (sustainably produced) hydrogen to be used for research and as a fuel for transport and industry in the greater Galway region. The project will commence in Summer 2023, and it is planned to have a hydrogen production facility and hydrogen refuelling at Galway harbour in 2026. The production and use of indigenous green hydrogen at hydrogen valleys demonstrates an important step towards enabling the development of a new hydrogen economy, positioning Ireland at the strategic centre of renewable energy generation and energy sector integration.



ZEST is a collaboration between ESB, CIÉ, Bus Éireann and Bus Átha Cliath to create a hydrogen and zero emissions e-refuelling transport hub. This project aims to be the first SMART zero emissions refuelling facility in Ireland to match intermittent wind generation with the energy demands of the bus fleets. The hub aims to electrify transport using a mix of battery and hydrogen fuel-cell electric vehicles.

Sustainability Reporting and Disclosures

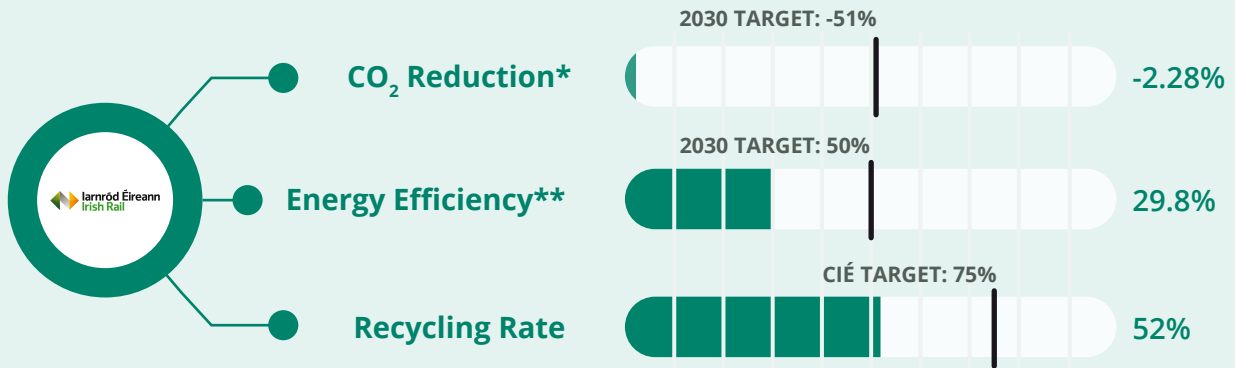
Reporting Framework	Description	Status												
 <p>Carbon Disclosure Project</p>	<p>The Carbon Disclosure Project (CDP) is an international, not-for-profit organisation that provides a global reporting platform for organisations to measure, disclose and share information on their carbon emissions and management strategy. Respondents receive a score between A and F, reflecting the level of their awareness and the management of their carbon emissions.</p> <p>The CIÉ Group has been reporting on the CDP platform for three years.</p>	<p>In 2022, the CIÉ Group was awarded a score of 'A-', being recognised by CDP for showing environmental leadership and demonstrating best practice in strategy and action on climate issues.</p> <table border="1"> <thead> <tr> <th>CDP Response</th> <th>Reporting Year</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>Climate Change 2020</td> <td>2019</td> <td>B</td> </tr> <tr> <td>Climate Change 2021</td> <td>2020</td> <td>B</td> </tr> <tr> <td>Climate Change 2022</td> <td>2021</td> <td>A-</td> </tr> </tbody> </table> <p>The improvement in the 2022 CDP score reflects the changes that the CIÉ Group has put in place to ensure the effective management of our carbon footprint. A concerted effort was made to quantify our Scope 3 carbon emissions from sources such as purchased goods and services, water use, waste and recycling generation, employee commuting, business travel, and leased assets. We also continued to build on our climate risk identification and management framework and disclosed several key climate-related risks and opportunities faced across the Group.</p> <p>The CIÉ Group will continue to take on board the recommendations from CDP and will aim to achieve an 'A' score on our carbon emissions management strategy.</p>	CDP Response	Reporting Year	Score	Climate Change 2020	2019	B	Climate Change 2021	2020	B	Climate Change 2022	2021	A-
CDP Response	Reporting Year	Score												
Climate Change 2020	2019	B												
Climate Change 2021	2020	B												
Climate Change 2022	2021	A-												
 <p>United Nations Global Compact</p> <p>UN Global Compact</p>	<p>The UN Global Compact is based on ten pillars that promote human rights, labour rights, environmental protection and anti-corruption in businesses. By signing up to the UN Global Compact, the CIÉ Group pledges to implement policies to support human rights and environmental protection across its operations and the value chain.</p>	<p>The CIÉ Group joined the UN Global Compact in 2022 to ensure that we follow best practice in adopting sustainable and socially responsible practices.</p> <p>The CIÉ Group's progress in implementing the UN Global Compact recommendations is outlined in Decent Work and Wellbeing and Diversity and Equal Opportunity. The CIÉ Group will also submit an annual public Communication on Progress to the UN Global Compact commencing in 2023 to detail our work in implementing the ten pillars in our business.</p>												
 <p>NewERA Framework for the Commercial Semi-State Sector</p>	<p>In 2021, the New Economy and Recovery Authority (NewERA) developed a reporting framework for the commercial Semi-State sector to address climate action objectives.</p> <p>The reporting framework spans five commitments that respondents must sign up to:</p> <ol style="list-style-type: none"> 1. Governance of Climate Action Objectives 2. Emissions Measurement & Reduction Target 3. Measuring and Valuing Emissions in Investment Appraisals 4. Circular Economy and Green Procurement 5. Climate-Related Disclosures in Financial Reporting 	<p>The CIÉ Group will report to NewERA commencing in 2023, on our progress made toward the five commitments of the climate action framework:</p>												

Reporting Framework	Description	Status
 <p>EU Corporate Sustainability Directive</p>	<p>The EU Corporate Sustainability Reporting Directive (CSRD) was introduced in 2021 to ensure that companies report reliable and comparable sustainability information that investors and other stakeholders need.</p> <p>The CSRD will include the ‘double materiality perspective’, meaning that companies must report on how sustainability issues affect their business and on the impact of their company operations on society and the environment.</p>	<p>The CIÉ Group is preparing to report under the CSRD and working to implement the framework requirements into our reporting procedures ahead of the mandatory reporting period from 2025 onward.</p> <p>CIÉ aims to complete a gap analysis on the requirements of the Corporate Sustainability Reporting Directive prior to it coming into force in 2025.</p>
 <p>EU Taxonomy Regulations</p>	<p>In 2020, the European Commission established the EU Taxonomy Framework as a classification system to establish a list of environmentally sustainable economic activities. To comply with the EU Taxonomy Regulation, eligible companies will be required to identify and report on how, and to what extent, their business activities align with the Taxonomy Regulation.</p>	<p>The CIÉ Group is preparing to disclose under the EU Taxonomy. To assist with this, The CIÉ Group carried out Board-level training and in-depth workshops with finance and sustainability teams to continue to expand awareness at of the emerging regulatory landscape and build capacity for effective reporting under the EU Taxonomy.</p> <p>The CIÉ Group aims to publish our alignment with the EU Taxonomy Framework by 2024.</p>
 <p>Taskforce on Climate Related Financial Disclosures</p>	<p>The Taskforce on Climate-related Financial Disclosures makes recommendations for more effective climate-related disclosures and promotes informed investment decisions and strategic development. The TCFD structures climate-related disclosure around four key pillars:</p> <ul style="list-style-type: none"> • Governance • Strategy (including scenario analysis) • Metrics and Targets • Risks and Opportunities 	<p>In 2021, the CIÉ Group became a supporter of the TCFD framework and is working to align our climate-related reporting to the recommendations. In 2022, our focus was to further develop our climate risk management framework and prepare to carry out climate scenario analysis across the Operating Companies to help identify, define, and quantify our climate-related risks and opportunities.</p> <p>In 2023, the CIÉ Group aims to complete initial iteration of climate scenario analysis and risk identification, to align with the TCFD requirements.</p>

CIÉ Group Carbon Emissions Conversion Factors

Emissions Category	CO ₂ e Emissions Source	Conversion Factor	Source
Scope 1	Natural Gas	0.000204741 tonnes CO ₂ /kWh	SEAI conversion factor 'Natural Gas'
	Kerosene	0.000257004 tonnes CO ₂ /kWh	SEAI conversion factor 'Kerosene'
	BioLPG	0 tCO ₂ /kWh	SEAI conversion factor 'BioLPG'
	Diesel (fossil)	0.000263868 tonnes CO ₂ /kWh	SEAI conversion factor 'Diesel (fossil)'
	Diesel (blend)	0.000248028 tonnes CO ₂ /kWh	SEAI conversion factor 'Diesel (blend)'
	R410A gas	2.088 tonnes CO ₂ /kg	DEFRA conversion factor 'R410A'
	HFC32 gas	0.675 tonnes CO ₂ /kg	DEFRA conversion factor 'HFC32'
Scope 2	Grid electricity - Ireland 2022	0.0003392 tonnes CO ₂ /kWh	SEAI conversion factor 'Grid electricity - Ireland 2022'
	Grid electricity - Ireland 2021	0.0003556 tonnes CO ₂ /kWh	SEAI conversion factor 'Grid electricity - Ireland 2021'
	Grid electricity - Ireland 2020	0.0002977 tonnes CO ₂ /kWh	SEAI conversion factor 'Grid electricity - Ireland 2020'
	Grid electricity - Ireland 2019	0.0003322 tonnes CO ₂ /kWh	SEAI conversion factor 'Grid electricity - Ireland 2019'
	Grid electricity - Ireland 2018	0.0003773 tonnes CO ₂ /kWh	SEAI conversion factor 'Grid electricity - Ireland 2018'
Scope 3	Air Travel	0.00266 tonnes CO ₂ /km	Department of Public Expenditure and Reform
	Recyclable waste	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'plastic/metal/electrical recycling'
	Compostable waste	0.0089105813 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'mixed food/garden waste compost'
	Waste - energy recovery	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'refuse combustion'
	Waste - landfill	0.0467008384449382 tonnes CO ₂ /tonne	DEFRA conversion factor 2022 'commercial and industrial waste - landfill'
	Cardboard waste recycling	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'paper/cardboard recycling/combustion'
	Glass waste recycling	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'glass recycling/combustion'
	Metal waste recycling	0.00098470835 tonnes CO ₂ /tonne	DEFRA Conversion factor 2022 'construction metal - recycling'
	Timber waste recycling	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA conversion factor 2022 'construction timber - recycling'
	WEEE waste recycling	0.0212801937984496 tonnes CO ₂ /tonne	DEFRA conversion factor 2022 'WEEE mixed recycling'
	Hazardous waste	0.824 tonnes CO ₂ /tonne	EpE conversion factor for hazardous waste
	Water in (water supply)	0.000149 tonnes CO ₂ /m ³	DEFRA Conversion factor 2022 'water supply'
	Water out (water treatment)	0.000272 tonnes CO ₂ /m ³	DEFRA Conversion factor 2022 'water treatment'
	Diesel (fossil) well-to-tank emissions	0.00062874 tonnes CO ₂ /L	DEFRA Conversion factor 2022 '100% mineral diesel oil well-to-tank'
	Diesel (blend) well-to-tank emissions	0.00060986 tonnes CO ₂ /L	DEFRA Conversion factor 2022 'diesel average biofuel blend'
	Kerosene well-to-tank emissions	0.00005888 tonnes CO ₂ /L	DEFRA Conversion Factor WTT Emissions Gasoil
Natural gas well-to-tank emissions	0.0000311 tonnes CO ₂ /kWh	DEFRA Conversion factor 2022 'natural gas gross CV'	
Electricity well-to-tank emissions	0.00002483333333333333 tonnes CO ₂ /kWh	European Commission 'Emission intensity of electricity in the European Union 2020'	

Iarnród Éireann:



* Comprised of Scope 1 and Scope 2 CO₂ emissions and calculated against a 2018 baseline.

** The SEAI-verified energy efficiency figures for 2022 are pending. These will be publicly available on the SEAI M&R website, once verified.

Transition to a low-emissions fleet



DART+ is being implemented by Iarnród Éireann and will see the electrification and expansion of the DART system, tripling the electrified track and doubling the passenger capacity. This will significantly lower direct emissions and increase the efficiency of the Dublin passenger rail commuter network. In November 2022, Iarnród Éireann announced the order of 90 additional new battery-electric train carriages following an initial order of 95 electric and battery-electric train carriages in 2021. The new carriages will begin entering service in 2025, increasing the capacity of the DART network.

The Intercity Railcar Hybrid Drive Trials commenced in 2021 and service tests were carried out 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 reducing air and noise pollution. The performance of the PowerPacks will be monitored throughout 2023, with the view of extending this technology further across the fleet to reduce overall carbon emissions.

Iarnród Éireann uses the Envirox fuel additive to reduce fuel consumption and keep diesel particulate filters clean, resulting in fuel savings of approximately 6%. The use of Envirox commenced in 2019 and it is now a business-as-usual activity for Iarnród Éireann.

Climate Resilience

In 2021, the Iarnród Éireann East Coast Railway Infrastructure Protection Project (ECRIPP) was established with the aim of protecting the railway at these locations. This project is a major undertaking tasked with mitigating the significant coastal erosion that has been accelerating in recent years due to climate change and storm impacts.

In the past several years, Iarnród Éireann has conducted urgent protection works in Rosslare and placed rock armour to offset major land loss in the area. The formal establishment of ECRIPP and its funding stream was also advanced for what will be a significant multi-annual investment and an extensive programme of works planned over the next ten years.

Circular Economy



In 2022, Iarnród Éireann introduced a new Responsible Purchasing Policy to support the purchase of sustainable goods and services, setting a target of incorporating sustainability selection criteria in 100% of their tenders by 2030.

Iarnród Éireann's Central Contracts team and its Environmental team have begun a review of various consumables associated with the central cleaning contracts with a view of reducing consumption volumes. Options have been identified that should reduce consumption (conservative dispensers, sustainable paper type, switching to tea towels) and implementation is planned for early 2023.



Iarnród Éireann Freight Unit Load Container Traffic, loading operations at Belview, Waterford Port.

The Iarnród Éireann Chief Mechanical Engineering Department (CME) is investigating options for minimising hazardous waste. CME is currently conducting a pilot study on the reuse of engine coolant. Ethylene glycol is mixed with water in a 50/50 blend to produce a coolant that is used in the train engines.

To prevent the waste of used concrete sleepers, Iarnród Éireann is exploring options for reuse. Iarnród Éireann takes used concrete sleepers off the track to be assessed and categorised. If they can be reused for a railway application, then they are stored for this purpose. For damaged sleepers, Iarnród Éireann is conducting a small study to assess potential secondary uses of damaged sleepers, such as for use on private paths, agricultural roads or to facilitate the retention of walls.

The Iarnród Éireann Railway Undertaking (RU) Environmental Team has commenced a water management programme, the initial phase of which has included meter identification and mapping of water usage.

Biodiversity

In 2022, Iarnród Éireann published its set of biodiversity guidelines for infrastructure staff as part of its pledge to minimise impacts on and maximise benefits to the environment. With over 2,200 km of railway network traversing through a variety of landscapes, Iarnród Éireann is seizing the opportunity to sustainably manage an extensive range of habitats, species and ecosystems.

Iarnród Éireann, under the Creation of Woodland on Public Lands Scheme, has committed to planting 12,000 native trees on a 10-and-a-half acre site adjacent to the railway line at Carrick-on-Shannon. Iarnród Éireann has identified a second site in Co. Cork as a potential site for reforestation and are in the application process for planning permission. Iarnród Éireann has committed to 100 acres of native planting on non-operational lands by 2030.

Health and Wellness



The Iarnród Éireann Medical Department is leading the development of a cross company Employee Wellbeing Strategy that aims to be in place by 2025. The strategy will be designed and implemented following the results of a Group-wide employee wellness audit, ultimately culminating in a CIÉ Group workplace health and wellbeing strategy and a health and wellbeing programme for each operating subsidiary.

In 2022, Iarnród Éireann partnered with Family Carers Ireland in an effort to provide supports and resources nationwide for employees with caring responsibilities at home.

Iarnród Éireann Key Performance Indicators:

Scope 1,2 and 3 emissions are calculated using emissions factors from UK Department for Environment, Food and Rural Affairs (DEFRA) and the Sustainable Energy Authority of Ireland (SEAI). See Carbon Emissions Conversion Factors table for the conversion factors used.

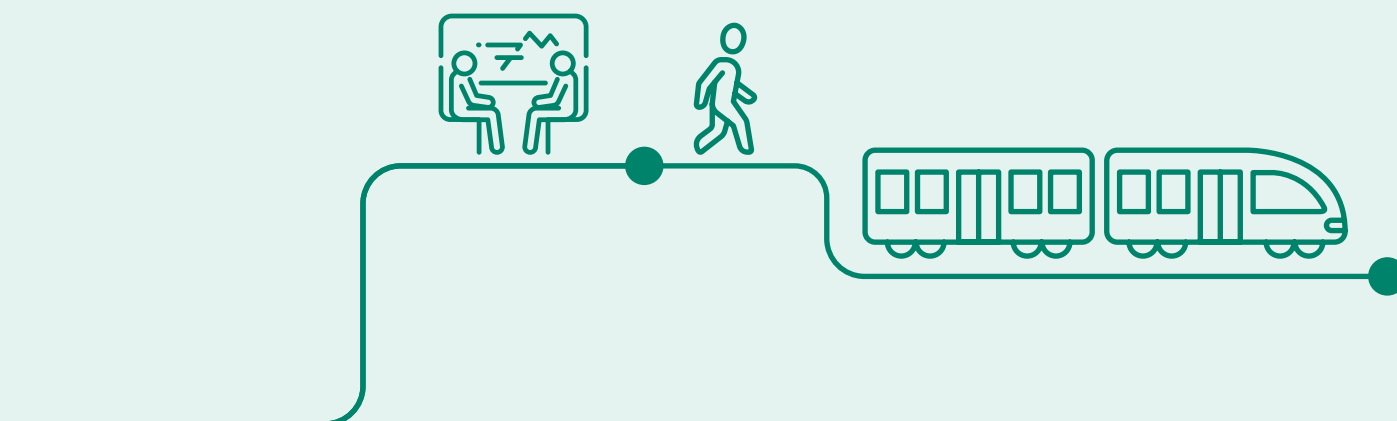
Pillar 1: Economic

Generating Economic Value					
Connecting People	2022	2021	2020	2019	2018
Passenger journeys (millions)	35.8	17.4	17.9	50.2	47.9

Pillar 2: Social

Sustainable cities and communities					
Accessibility	2022	2021	2020	2019	2018
Fully accessible stations	114	114	110	110	110
Community Engagement	2022	2021	2020	2019	2018
Partner organisations/beneficiaries directly reached	36	51	33	12	-

Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our employees	2022	2021	2020	2019	2018
Number of Employees	4,339	4,176	4,058	3,897	3,782
Safety	2022	2021	2020	2019	2018
Employee lost time accidents – reportable	53	43	35	55	47
Gender equality	2022	2021	2020	2019	2018
Female employees (%)	11%	11%	11%	11%	10%
Women in senior management roles (%)	17%	17%	19%	20%	18%
Female Board members (%)	57%	57%	57%	57%	50%



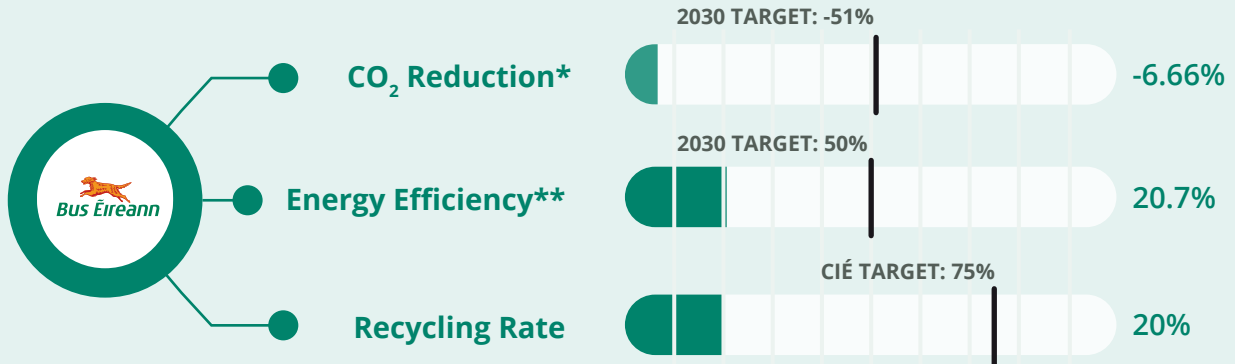
Pillar 3 Environment

Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	2022	2021	2020	2019	2018
Scope 1 emissions (thousand tCO ₂ e)	124.67	122.22	104.90	126.73	123.26
Scope 2 – Indirect emissions from electricity purchased (thousand tCO ₂ e)	19.10	19.65	17.58	21.09	23.86
Scope 3 – Indirect other (thousand tCO ₂ e)*	32.47	-	-	-	-
Total emissions (thousand tCO ₂ e)	176.24	-	-	-	-
Energy Efficiency	2022	2021	2020	2019	2018
Train diesel consumption B0 (litres)	44,342,630	43,479,272	36,968,720	45,150,850	43,830,400
Train diesel consumption B0 (MWh) (SEAI conversion factor 10.169 L/kWh)	450,920	442,141	375,935	459,139	445,711
Road diesel use (forecourt diesel) litres	1,492,557	1,440,676	1,443,752	1,443,700	1,476,100
Road diesel use (forecourt diesel) (MWh) (SEAI conversion factor 10.169 L/kWh)	15,178	14,650	14,682	14,681	15,010
Electricity for traction (MWh)	23,600	23,453	23,235	27,695	26,222
Electricity for fixed assets (MWh)	32,718	31,805	35,804	35,791	37,031
Electricity total (MWh)	56,318	55,258	59,039	63,486	63,253
Gas usage (MWh)	9,406	9,277	9,979	9,278	9,032
Total Energy Consumption (MWh)	531,822	521,326	459,634	546,584	533,007
Other Fuel and Energy Related Emissions (Diesel and Gas)	2022	2021	2020	2019	2018
Diesel B0 Well-To-Tank Emissions (thousand tCO ₂ e)	27.73	27.34	23.24	28.39	27.56
Forecourt Diesel Well-to-Tank Emissions (thousand tCO ₂ e)	0.91	0.88	0.88	0.88	0.90
Gas Well-to-Tank Emissions (thousand tCO ₂ e)	0.29	0.27	0.31	0.29	0.28
Electricity Well-to-Tank Emissions (thousand tCO ₂ e)	1.40	1.37	1.47	1.58	1.57
Fleet Proportions	2022	2021	2020	2019	2018
Fleet cars with hybrid engine (%)	15%	6%	4%	0%	0%
Fleet that are fully powered by electricity (%) (DART cars as % of total cars / carriages)	24%	24%	24%	24%	24%

* Scope 3 emissions include emissions from water, waste, air travel and Well-to-tank emissions from fuel use

Responsible Consumption and Production					
Waste management	2022	2021	2020	2019	2018
Total waste generated (tonnes)	2,084	1,580	1,512	2,314	2,337
Waste recycled (tonnes)	1,091	769	726	1,221	1,272
Waste recycled/recovered (%)	52%	49%	48%	53%	54%
Hazardous waste (tonnes)	707	853	1,132	765	909
Water management	2022	2021	2020	2019	2018
Water consumption (cubic metres)	365,603	220,461	-	-	-

Bus Éireann:



* Comprised of Scope 1 and Scope 2 CO₂ emissions and calculated against a 2018 baseline.

** The SEAI-verified energy efficiency figures for 2022 are pending. These will be publicly available on the SEAI M&R website, once verified.

Transition to a low-emissions fleet



Bus Éireann is testing the use of hydrogen technology in transport as a complementary fuel source to battery electric vehicles. They have continued to operate three hydrogen buses along the Northern Dublin Commuter Corridor throughout 2022, following the launch of the buses in 2021. These buses have reliably amassed over 100,000 emissions-free kilometres using hydrogen fuel cell technology.

In 2022, Bus Éireann completed preparatory work for the first fully electric bus service in Ireland, the deployment of eleven battery-electric single-deck buses in Athlone town, which launched in January 2023. The fleet conversion in Athlone required an extensive upgrade of the bus depot to install new charging infrastructure, including a substation, chargers, charging stations and a new depot charge management system. Orders were also placed in 2022 for 20 double-deck battery electric buses as part of a framework agreement that will allow for the procurement of additional electric buses over the next five years. These buses will launch in Limerick in late 2023 and will save an estimated 1,800 tonnes of tailpipe carbon emissions per year.

Under the National Sustainable Mobility Policy, Bus Éireann and the NTA plan to deliver a 100% zero emissions urban bus fleet in Dublin, Cork, Waterford, Limerick and Galway by 2035, and both are working towards developing solutions to commence the transition of the non-urban and longer distance coach fleet by the end of the decade.

Energy Efficiency



A project is underway to carry out building energy ratings (BER) at eight depots, identify options to upgrade the building fabric and improve the BER with the aim of reducing energy use at each location. The building surveys will help to inform future decisions on building retrofits, including moving to renewable energy sources.

Following a lighting energy efficiency pilot project in its Capwell depot in 2021, which replaced the depot's lighting system with energy efficient LED lights, in 2022 Bus Éireann commenced further LED lighting upgrades in their depots. The LED lighting retrofit in Tralee was completed in 2022, and a further four depots are planned to be upgraded to the LED lighting system in 2023.



The CIÉ Group continues to explore all potential zero-emission technologies, including all-electric and (green) hydrogen

Circular Economy



Bus Éireann aims to have sustainability requirements in place for 75% of their contracts by 2030, and it has developed a new policy on Responsible Purchasing in 2022 which will support this target.

In 2022, Bus Éireann installed recycling cardboard waste balers at eight depots to ensure proper waste segregation and recycling of cardboard materials. Dual purpose bins were also installed at various stations and depots to provide an opportunity to recycle waste along with waste information posters to guide proper waste segregation.

Bus Éireann introduced a Reverse Vending Machine (RVM) pilot project in their Busáras and Letterkenny depots as a way of encouraging customers to return their plastic bottles and aluminium drinks cans for recycling.

Cork Canteen launched a “Conscious Cups Campaign” in September 2022. The aim of the campaign is to encourage reuse over single use through incentivising behavioural change. In this way, the daily coffee cup is used as a vehicle for behavioural change. A 30% price reduction is applied to coffee or tea that is consumed in reusable cups. This is a permanent initiative and Bus Éireann hopes to extend the initiative to Broadstone canteen in early 2023.

In 2022, Bus Éireann undertook water audits at a number of locations in order to submeter water infrastructure and identify the main consumers of water. This project will allow Bus Éireann to review real-time data, pinpoint leaks and help prioritise future water infrastructure projects.

Community Engagement



Bus Éireann regularly partners with local community organisations to host ‘Fill-A-Bus’ campaigns across the country, with the aim of filling a bus with donations of non-perishable goods from members of the public. All goods donated are distributed locally to individuals and families in need by their charitable organisation partner.

Health and Wellness



In 2022, Health and Wellbeing in Bus Éireann focused on four strategic wellbeing pillars: Physical, Mental, Financial and Social wellbeing. A number of initiatives were rolled out that aligned to these pillars and goals; namely the development of a Mental Health First Aiders (MHFA) network with 30 staff completing training.

Diversity and Equal Opportunity

In recognition of its commitment to creating an inclusive workplace, Bus Éireann was shortlisted for the Outstanding Diversity Initiative Award by the 2022 National Diversity and Inclusion Awards.

Bus Éireann Key Performance Indicators:

Scope 1,2 and 3 emissions are calculated using emissions factors from UK Department for Environment, Food and Rural Affairs (DEFRA) and the Sustainable Energy Authority of Ireland (SEAI). See Carbon Emissions Conversion Factors table for the conversion factors used.

Pillar 1: Economic

Generating Economic Value					
Connecting People	2022	2021	2020	2019	2018
Passenger journeys (millions)	89.5	57.5	51.0	89.1	83.6
Number of buses in operation	1,099	1,178	1,047	1,138	1,148

Pillar 2: Social

Sustainable cities and communities					
Accessibility	2022	2021	2020	2019	2018
Fully accessible managed stations/stops (%)	100%	100%	90%	75%	65%
Community Engagement	2022	2021	2020	2019	2018
Partner organisations/beneficiaries directly reached	20	15	22	13	12
No. of students transported under the School Transport Scheme per school day	151,000	122,000	114,000	120,800	117,800
No. of students transported per school day with special education needs	17,500	16,000	14,500	14,300	13,400

Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our workforce	2022	2021	2020	2019	2018
Number of Employees	2,827	2,761	2,702	2,727	2,562
Safety	2022	2021	2020	2019	2018
Employee accident rate per 100 employees	0.79	0.83	1.03	1.32	1.76
Gender equality	2022	2021	2020	2019	2018
Female employees (%)	10%	10%	10%	9%	9%
Women in Senior Management roles (%)	39%	34%	33%	30%	32%
Female Board members (%)	29%	33%	17%	25%	25%



Pillar 3: Environmental

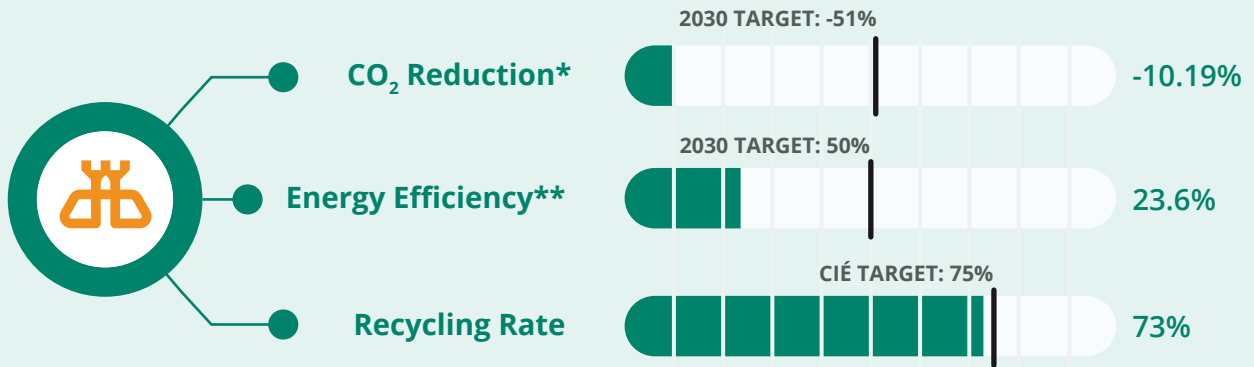
Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	2022	2021	2020	2019	2018
Scope 1 – Direct emissions (thousand tCO ₂ e)	72.67	70.34	70.29	83.89	77.33
Scope 2 – Indirect emissions from electricity purchased (thousand tCO ₂ e)	1.36	1.62	1.50	1.79	1.98
Scope 3 – Indirect other (thousand tCO ₂ e)*	17.30	-	-	-	-
Total emissions (thousand tCO ₂ e)	91.33	-	-	-	-
Energy Efficiency	2022	2021	2020	2019	2018
Diesel use (thousand litres of diesel)	26,885	25,993	25,869	30,992	28,491
Diesel use (MWh)	273,398	264,323	263,059	315,157	289,727
Electricity total (MWh)	4,017	4,543	5,029	5,389	5,236
Gas usage (MWh)	5,084	5,683	6,041	6,100	6,189
Kerosene usage (MWh)	638	-	602	529	519
Total Energy Consumption (MWh)	283,137	274,549	274,731	327,175	301,671
Other Fuel and Energy Related Emissions (Diesel and Gas)	2022	2021	2020	2019	2018
Diesel B0 Well-To-Tank Emissions (thousand tCO ₂ e)	14.26	13.86	14.11	16.45	14.92
Gas Well-to-Tank Emissions (thousand tCO ₂ e)	0.16	0.17	0.18	0.19	0.19
Diesel average biofuel blend Well-to-Tank Emissions (thousand tCO ₂ e)	2.57	2.41	2.09	2.95	2.91
Gasoil (kerosene) Well-To-Tank Emissions (thousand tCO ₂ e)	0.004	0.000	0.003	0.003	0.003
Electricity Well-To-Tank Emissions (thousand tCO ₂ e)	0.10	0.11	0.12	0.13	0.13
Fleet Proportions	2022	2021	2020	2019	2018
Service fleet with low emission engines (≥ Euro VI) (%)	80%	68%	55%	53%	43.00%
Service fleet with hybrid engine (%)	8%	9%	0%	0%	0%
Service fleet that are zero tailpipe emissions (fully powered by electricity or hydrogen) (%)	0.4%	0.3%	0%	0%	0%

* Scope 3 emissions include emissions from water, waste, air travel and Well-to-tank emissions from fuel use

Responsible Consumption and Production					
Waste management	2022	2021	2020	2019	2018
Total waste generated (tonnes)	620	623	681	782	745
Waste recycled (tonnes)	120.9	93.5	47.7	76.0	45.0
Waste recycled/recovered (% of waste collected to be recycled)	20%	15%	7%	10%	6%
Hazardous Waste (tonnes)	583	398			
Water management	2022	2021	2020	2019	2018
Water consumption (cubic metres)	43,768*	48,719	-	-	-

* Leak experienced in Drogheda under investigation, 2022 figure excludes Drogheda

Bus Átha Cliath



* Comprised of Scope 1 and Scope 2 CO₂ emissions and calculated against a 2018 baseline.

** The SEAI-verified energy efficiency figures for 2022 are pending. These will be publicly available on the SEAI M&R website, once verified.

Transition to a low-carbon fleet



In 2022, the NTA announced an order for 100 double-deck battery-electric buses to be deployed in Ireland by Bus Átha Cliath. The new battery electric buses are expected to enter into service with Bus Átha Cliath by Q4 2023.

By 2030, BusConnects Dublin will deliver 230km of bus corridors to provide safe, accessible and efficient public transport, while reducing traffic congestion, noise and air pollution. The size of Bus Átha Cliath’s fleet will be increased and converted to zero emissions vehicles by 2035 to meet the rising demand for services. Bus Átha Cliath’s future zero emissions fleet will be expected to save an estimated 30,000 tons of CO₂ annually and supports the targets outlined in the Climate Action Plan.

Bus Átha Cliath partnered with Voi Technology to launch a 12-month sustainable transport pilot project for employees. In June 2022, Voi provided a fleet of 20 e-bikes for Bus Átha Cliath employees to use when travelling between the eight bus depots located across the Greater Dublin Area.

Energy Efficiency



To meet its ambitious energy efficiency targets, Bus Átha Cliath designed a building energy efficiency pilot project that will see the deep retrofit of a selected Bus Átha Cliath location. The retrofit will upgrade building fabrics and windows and include the installation of energy efficient equipment and on-site renewable energy generation. The energy savings achieved through the retrofit will be used to assess additional building upgrades across Bus Átha Cliath’s locations. The project kicked off in 2022 with a series of feasibility studies across all of Bus Átha Cliath’s buildings.

Bus Átha Cliath has identified its lighting systems as a significant consumer of electricity across the depots. An LED retrofit project is underway to upgrade the current lighting system with energy efficient LED lighting along with lighting controls to allow for automation and reduce consumption in unoccupied areas. Bus Átha Cliath is carrying out a survey across eight locations to identify specific retrofit requirements, and the LED lighting retrofits will commence in 2023 following the results of the survey.

Circular Economy



To better understand the types of waste generated across operations and ensure proper segregation of recycling, Bus Átha Cliath commissioned a waste characterisation survey at their Broadstone depot. The results and recommendations from the survey will be used to identify areas of possible improvement to increase the recycling rate at Broadstone depot, and the survey will be repeated at regular intervals to capture any changes in the recycling rate.

In 2022, a rainwater harvesting system was installed in Summerhill bus depot to reduce use from water mains and reduce pressure on Dublin’s water supply. The rainwater harvesting system is expected to save an estimated 3 million litres of water annually. Following analysis of the results of the rainwater harvesting system’s initial operations, this technology will be installed in additional bus depot locations.

Biodiversity

In 2022, Bus Átha Cliath commenced their biodiversity and wellbeing project that will see the installation of wildflower and tree planting around ‘wellbeing areas’ that Bus Átha Cliath employees can use during their downtime. These areas will be rolled out across city centre and outer city locations, supporting awareness of native biodiversity and employee physical and mental wellbeing. Bus Átha Cliath also transformed a large, unused embankment at Broadstone depot into a wildflower meadow in 2022. The area was seeded with native plants and wildflowers, increasing urban biodiversity, supporting pollinators, and providing a habitat for small birds and insects.

The ‘Dublin Buzz’ beehive initiative was introduced in 2021 with the installation of a beehive in Phibsboro depot. The initiative has continued to grow and, in 2022, a second beehive was set up in a previously unused plot at Broadstone depot. Wildflower planting has been incorporated around the hives to provide a food source for the bees, and the hives will provide a home for up to 150,000 bees in the summer months.

Community Engagement



Bus Átha Cliath is committed to having a positive social impact on the communities it proudly serves. In 2022, Bus Átha Cliath announced the 65 winners of the Community Spirit Awards, which were awarded grants of €5,000, €2,000 or €1,000 to support its community projects.

Bus Átha Cliath has supported the Dublin Pride festival since 2008 following requests from its LGBTQ+ employees. Following on from the success of Bus Átha Cliath’s 2021 Pride partnership with Gay Community News, it partnered with LGBT Ireland, for Pride 2022.

In 2020, Bus Átha Cliath formed a two-year partnership with Dublin’s Bohemian Football Club to support the growth of the club and expand its positive impact on the city of Dublin. Through the partnership, Bus Átha Cliath supported the Under 17s women’s team with the aim of encouraging female participation in sport.

Gender Equality and Equal Opportunity



Bus Átha Cliath has developed policies and initiatives with the purpose of supporting its LGBTQ+ employees. In 2017, they launched a Workplace Gender Transition Policy and Guidelines which provide comprehensive information for employees and their managers in Bus Átha Cliath on gender identity and gender transition. The policy is one of the most comprehensive and advanced in the country, as well as Bus Átha Cliath being one of the first organisations in Ireland to introduce a policy of this kind.

Bus Átha Cliath is committed to addressing the gender imbalance in its workforce. In 2016, Bus Átha Cliath held their first open days for women in 2016 with the aim of recruiting more women into bus driving roles. Although these open days were suspended in 2020 and 2021 due to the COVID-19 pandemic, between August 2019 and December 2022, Bus Átha Cliath increased the number of female drivers by 72%, with over 70% of these new starters having attended an open day. These open days will continue to run in 2023 as Bus Átha Cliath focuses on increasing the recruitment number of female drivers and other minority groups.

Bus Átha Cliath Key Performance Indicators:

Scope 1,2 and 3 emissions are calculated using emissions factors from UK Department for Environment, Food and Rural Affairs (DEFRA) and the Sustainable Energy Authority of Ireland (SEAI). See Carbon Emissions Conversion Factors table for the conversion factors used.

Pillar 1: Economic

Generating Economic Value					
Connecting People	2022	2021	2020	2019	2018
Passenger journeys (million)	121	70	69	142	143
Passenger kilometres (million)	968	559	555	1,147	979
Number of buses in operation	1,056	1,034	994	1,016	1,010

Pillar 2: Social

Sustainable cities and communities					
Accessibility	2022	2021	2020	2019	2018
Fully accessible stations/stops (%)	100%	100%	100%	100%	100%
Community Engagement	2022	2021	2020	2019	2018
Number of Groups awarded 'Community Spirit' funding grants	65	65	-	88	85

Wellbeing, Gender Equality and Inclusivity in our Workforce					
Investing in our workforce	2022	2021	2020	2019	2018
Number of Employees	3,771	3,642	3,573	3,475	3,424
Gender equality	2022	2021	2020	2019	2018
Female employees (%)	8%	8%	7%	7%	7%
Women in Senior Management roles (%)	21%	22%	22%	22%	22%
Female Board members (%)	38%	50%	44%	44%	44%



Pillar 3: Environmental

Climate Action and Air Quality					
Greenhouse Gas (GHG) Emissions	2022	2021	2020	2019	2018
Scope 1 – Direct emissions (thousand tCO ₂ e)	66.58	61.42	62.33	69.39	74.08
Scope 2 – Indirect emissions from electricity purchased (thousand tCO ₂ e)	1.47	1.56	1.32	1.52	1.68
Scope 3 – Indirect other (thousand tCO ₂ e)*	15.71	-	-	-	-
Total emissions (thousand tCO ₂ e)	83.76	-	-	-	-
Energy Efficiency	2022	2021	2020	2019	2018
Diesel use (thousand litres)	24,116	22,148	22,440	25,029	26,759
Diesel use (MWh)	245,236	225,225	228,187	254,518	272,115
Electricity total (MWh)	4,324	4,401	4,423	4,576	4,463
Gas usage (MWh)	9,036	9,189	10,020	10,785	11,111
Total Energy Consumption (MWh)	258,596	238,814	242,630	269,880	287,689
Other Fuel and Energy Related Emissions (Diesel and Gas)	2022	2021	2020	2019	2018
Diesel B0 Well-To-Tank Emissions (thousand tCO ₂ e)	15.16	13.93	14.11	15.74	16.82
Gas Well-to-Tank Emissions (thousand tCO ₂ e)	0.28	0.29	0.31	0.34	0.35
Electricity Well-to-Tank Emissions (thousand tCO ₂ e)	0.11	0.11	0.11	0.11	0.11
Fleet Proportions	2022	2021	2020	2019	2018
Fleet with Euro IV standard engine (%)	9%	15%	14%	14%	14%
Fleet with Euro V standard engine (%)	14%	7%	7%	15%	15%
Fleet with Euro VI standard engine (%)	53%	60%	57%	56%	46%
Fleet with hybrid engine (%)	22%	15.00%	0.88%	0.88%	0%
Fleet that are fully powered by electricity (%)	0%	0%	0%	0%	0%
Average age of bus fleet (years)	6.34	6.80	7.00	7.00	6.00

* Scope 3 emissions include emissions from water, waste, air travel and Well-to-tank emissions from fuel use

Responsible Consumption and Production					
Waste management	2022	2021	2020	2019	2018
Total waste generated (tonnes)	640	733	817	821	912
Waste recycled (tonnes)	470	463	563	627	658
Waste recycled/recovered (% of waste collected to be recycled)	73%	63%	69%	64%	72%
Hazardous waste (tonnes)	1,102	-	-	-	-
Water management	2022	2021	2020	2019	2018
Water consumption (cubic metres)	85,567	75,185	61,221	56,754	-

Transit Orientated Development

The CIÉ Group is committed to integrating transit orientated development (TOD) whenever feasible, utilising the 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.

The CIÉ Group has projects including Heuston Station Masterplan, Dublin, Colbert Station Masterplan, Limerick, Connolly Station, Dublin, Kent Station, Cork and Ceannt Station, Galway.



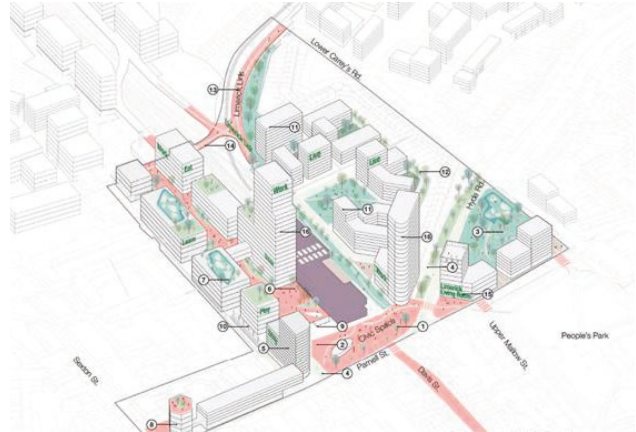
Heuston Masterplan

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

There are circa 10 hectares of potential development lands which could accommodate development of over 210,000 sqm of mixed uses, including over 1,000 residential units.

Proposals are being advanced for additional pedestrian and cycling linkages and facilities which 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.

Plans will be further developed through 2023, with a view to launching a Phase One development competition at the earliest opportunity.



Colbert Station Masterplan, Limerick

The CIÉ Group is working with the Land Development Agency (LDA) and Limerick City and County Council on proposals to rejuvenate lands at Colbert Station in line with the Colbert Station Quarter Spatial Framework, which envisages an exemplar of transit orientated development including up to 2,800 homes

Construction is underway on an extended Colbert Station concourse to fully integrate rail and bus services with 21 new bus bays, new accessible ticket offices, retail units and toilets, as well as refurbishment works to the existing facilities.



Kent Station, 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 is well advanced. Total office space of 29,000 sq. m. is planned for Horgan's Quay, together with the development of 325 residential units.



Connolly Station

Development commenced in 2022. The completed project will comprise of 59,000sq.m of offices, a 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.

Spencer Dock

The second phase of the Spencer Dock development has been completed, providing c. 40,000 sq. m. of offices occupied by Salesforce, the 200-bedroom Samuel hotel, and 393 residential units.



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. Planning permission currently on appeal to an Bord Pleanála with decision long overdue.

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 early 2024.

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

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

Members of the Board

The names of the persons who were Board Members at any time during the year ended 31 December 2022 are set out below. Except where indicated, they served as Board Members from 1 January 2022 up to the date of approval of these financial statements.

Fiona Ross	<i>Non-Executive Chairperson</i>
Frank Allen	
James Doran*	
Brian Fitzpatrick	<i>(Reappointed 16 April 2022)</i>
Stephen Hannan*	
Dermot Healy*	
Miriam Hughes	<i>(Appointed 26 April 2022)</i>
Niamh O'Regan	<i>(Reappointed 16 April 2022)</i>
Liam O'Rourke	
Gary Owens	<i>(Appointed 24 May 2022)</i>
Fiona Sweeney	<i>(Reappointed 16 April 2022)</i>
Tommy Wynne*	

* Worker Member

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	<i>(Resigned 1 November 2022)</i>
Fiona Ross	<i>(Appointed 2 November 2022)</i>

CIÉ Board Finance and Investment Committee

Niamh O'Regan	Chairperson
Frank Allen	
Brian Fitzpatrick	
Miriam Hughes	<i>(Appointed 1 June 2022)</i>
Gary Owens	<i>(Appointed 1 June 2022)</i>
Fiona Sweeney	

CIÉ Board Pensions Committee

Fiona Sweeney	<i>Chairperson</i>
Stephen Hannan	
Dermot Healy	<i>(Appointed 6 April 2022)</i>
Niamh O'Regan	
Liam O'Rourke	

CIÉ Board Remuneration Committee

Brian Fitzpatrick	<i>Chairperson</i>
Niamh O'Regan	
Fiona Ross	

Advisory Groups

CIÉ Sustainability Advisory Group

Fiona Ross	<i>Chairperson</i>
Éamonn Ballance	
Caoimhe Donnelly	
James Doran	<i>(Appointed 6 April 2022)</i>
Sharon Flood	
Richard Manton	
Lorcan O'Connor	
Colin Ward	

CIÉ Property Advisory Group

Brian Fitzpatrick	<i>Chairperson</i>
Aidan Cronin	
James Doran	<i>(Appointed 6 April 2022)</i>
Niall Grogan	
Lorcan O'Connor	
Tommy Wynne	

Group Management

Lorcan O'Connor	<i>Chief Executive, CIÉ</i>
Ray Coyne	<i>Chief Executive, Bus Átha Cliath (Retired 30 June 2022)</i>
Billy Hann	<i>Chief Executive, Bus Átha Cliath (Appointed 1 December 2022)</i>
Stephen Kent	<i>Chief Executive, Bus Éireann</i>
Jim Meade	<i>Chief Executive, Iarnród Éireann</i>

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.

- In June 2021 Fiona was re-appointed by the Government to chair Córas Iompair Éireann (CIÉ).
- Fiona was appointed as Chairperson of the National Paediatric Hospital Development Board (NPHDB) in 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, was appointed by the UK Government to serve on the Board of Network Rail. In March 2023, she was appointed as a Non-Executive Director of the Northern Ireland Office.

Fiona also has Central Bank of Ireland authorisation and serves as a Non-Executive Director at JK Funds, at Evelyn Partners where she chairs the Audit and Risk Committee and at 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 re-appointed to the Board of CIÉ 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 chairs the board of the Housing Finance Agency, which finances social and affordable housing. For many years, he chaired the board of Depaul Ireland, 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 of the Massachusetts Institute of Technology. He previously worked for the World Bank Group in both Washington DC and in Eastern Europe and was Head of Infrastructure Finance for KBC Bank in the International Financial Services Centre, Dublin. He is a Fellow of the Chartered Institute of Logistics and Transport.



James Doran

James (Jimmy) Doran was appointed to the Board of CIÉ 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 finance professional. He was appointed to the Board of CIÉ in April 2019 and was reappointed in April 2021. He currently chairs the CIÉ Board Remuneration Committee and the CIÉ Property Advisory Group. He is also a member of the CIÉ Board Finance and Investment Committee and the CIÉ Board Audit and Risk Committee.

Prior to joining the Board of CIÉ Brian was Finance Director and Company Secretary of BAM Contractors Ltd., the country's largest civil engineering and construction company. He retired from BAM in 2015 but remained as a Non-Executive Director until December 2019, when 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.

Brian was also a Director of the Housing Finance Agency, the State body charged with the financing of the Local Authority and Approved Housing Bodies providing social and affordable housing. He was permanent Chair of the Audit and Risk Committee until he retired from the Board of the Housing and Finance Agency in 2021.



Stephen Hannan

Stephen Hannan was re-appointed to the Board of CIÉ in December 2021 under the Worker Participation (State Enterprises) Acts 1977 to 2001. He works as a bus driver and is 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 Board of CIÉ in December 2021 under the Worker Participation (State Enterprises) Acts 1977 to 2001.

He is employed as a bus driver with Bus Éireann and is 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.



Miriam Hughes

Miriam was appointed to the Board of CIÉ on 26th April 2022. She is a Chartered Director from the IOD, Independent Strategic Business Consultant, Chairman and a Non-Executive Director.

Miriam was appointed as Chairperson of the Bus Eireann board by Minister Ryan in February 2022. She has been a member of that board since 2019 and has served as Chairperson of its Board Safety and Accessibility Committee, as a member of its Audit and Risk Committee, Sustainability Committee and Board Strategy Committee.

Miriam is also currently the Board Chairperson of the Advertising Standards of Ireland, is an independent Non-Executive Director for Eir and CareChoice nursing homes, Chairperson and an independent Non-Executive Director of Pluto, an independent marketing agency, and is also a mentor on the Enterprise Ireland Panel.

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

Miriam is a graduate of UCD and holds a BComm and Master's in marketing. She is a past Chairman of Barnardo's Charity in Ireland, Past President of the Marketing Institute of Ireland, Past Chairperson of the Advertisers Association of Ireland, Past Council Member of Dublin Chamber, Past Board Member of the Irish Hospice Foundation and a Past Council Member of the Irish Management Institute.



Niamh O'Regan

Niamh O'Regan was reappointed to the Board of CIÉ in April 2022 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 the 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 also an Independent Non-Executive Director of Vera Financial DAC, of Catalina Insurance Ireland and of Credit Agricole Creditor Insurance where she is Chair of each of the Board Audit Committees.



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.



Gary Owens

Gary Owens was appointed to the Board of CIÉ and as Chairperson of Bus Atha Cliath in May 2022.

He has wide experience in financial services at Board and Senior Executive level and was Chief Executive Officer of both Hibernian Insurance and IFG Ireland. He also served as an Independent Director for both AIG Ireland and AIG International where he was a member of the Audit Committee and Chair of their Investment Committee. Gary is a Director in Leaseplan Insurances where he has chaired both the Audit and Risk Committees and is currently Chair of Diona DAC and ICare Capital Partners.

He has fulfilled a number of roles in sport, serving as Interim Chief Executive Officer for both the Football Association of Ireland and Athletics Ireland and also having served as the Chief Executive Officer for Down Syndrome Ireland.

Gary is a Chartered Insurer and a member of the Chartered Insurance Institute.



Fiona Sweeney

Fiona was appointed to the Board of CIÉ in April 2019 and reappointed in April 2022.

Fiona 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 over the past 20 years. She is currently the CEO of Evelyn Partners Investment Management (Europe). 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 reappointed to the Board of CIÉ in December 2021 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. He joined Iarnród Éireann as a depot man in 1991 and worked in various roles before becoming a train driver in 1994.

Tommy holds a Higher Diploma in International Railway Management from Glasgow Caledonia University. He recently qualified as a Mediator and is registered with the Mediators Institute of Ireland (MII).

He was President of SIPTU TEAC Division for 12 years and is currently Chairperson of SIPTU Transport Sector. He has recently been elected to SIPTU National Executive Council (NEC).

Corporate Governance Statement

The Board

The Board is comprised of up to twelve Members appointed by the Government. 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 CIÉ 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, the budget, the corporate plan, significant acquisitions and disposals, investments, the appointment of a Chief Executive and major CIÉ Group policies. The CIÉ 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 2022, the Board had 33% female and 67% male members. Excluding the Worker Members, 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 incorporates considerations of gender balance in its observations relating to 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. 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 that is 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, including the CIÉ Chair. However, the CIÉ Chair is not the Chair of the Committee. The Committee met seven times in 2022.

Among the main duties of the ARC is oversight of the CIÉ 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 CIÉ Group.

The external auditors, Mazars, were appointed in 2020 following a tender process. The ARC recommended to the Board that they be formally reappointed in respect of the year ended 31 December 2022. 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 2022 valued at €165,000. 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 meet the Committee annually without the presence of management, to ensure the auditors can raise any matters in confidence.

The ARC keeps under review the effectiveness of the CIÉ 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 regularly with CIÉ's senior management.

The ARC approves the internal audit work programmes for the CIÉ 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.

Finance and Investment Committee (FIC)

The FIC has written Terms of Reference and is currently composed of six Non-Executive Board Members. The Committee met seven times in 2022.

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 five non-executive Board Member. The Committee met seven times in 2022.

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

Remuneration Committee

The Remuneration Committee has written Terms of Reference and is currently composed of three Non-Executive Board Members. The Committee met twice in 2022.

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 three Board Members and three members from the Executive. The Committee met six times in 2022.

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 three Board Members, four members from the Executive and an external member. The Committee met four times in 2022.

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

Audit and Risk Committee Report

I am pleased to present the Committee's report which provides insight into the key activities undertaken during 2022 and outlines key priorities for 2023.

This Committee is governed by comprehensive written Terms of Reference, a copy of which is available on the CIÉ website.

In terms of oversight, the Committee relies on the work of the Audit and Risk Committees of the subsidiary companies and focuses on the operation of the Group-wide Risk Management Framework and on those matters that would have a material impact on the CIÉ Group. The Committee received an annual report from each of the Chairmen of the Audit and Risk Committees of the subsidiary companies at its meeting on 26 October 2022.

All members of the committee are independent non-executive directors, and the Chair has recent and relevant financial experience. Since 5 June 2019, there have been no vacancies on the Committee.

Principal Activities undertaken during the 2022

The Committee continues to have a key governance role and reviews on behalf of the Board important matters relating to financial reporting, internal controls assurance, risk management and compliance with laws and regulations. During 2022, it continued to focus on these matters. The Committee's work also focused on the risks facing the business, to understand better the nature of the risks and provide assurance to the Board on the effectiveness of the associated internal controls. In particular, the Committee:

- Continued monitoring the impact of COVID-19 on the Group including the impact on the CIÉ Tours business.
- Monitored the impact of the Russian/Ukrainian war and the impact of inflation on fuel and other costs
- Received updates on sustainability matters and monitored forthcoming sustainability reporting requirements.
- Evaluated the effectiveness of internal controls and risk management systems. A Risk Management seminar was arranged for Board Members and Directors across the Group during the year.
- Appointed a new Head of Group Internal Audit.

Significant accounting judgements, key assumptions and estimates for the 2022 Financial Statements

The Committee reviewed the key assumptions and estimates underlying the following areas of significant judgement as outlined in the Notes to these Financial Statements:

- Going Concern;
- FRS102 pension assumptions and pension liability;
- Third party and employer claims provisions;
- Tangible Fixed Assets and capital grants.

Committee Effectiveness

One of the Committee's Terms of Reference is that it will keep its performance under constant review. An external review of the Committee's performance took place in the autumn of 2022. The Committee reviewed the recommendations arising out of the external review and these form the basis of the Committee's priorities for 2023.

Priorities for 2023

The Committee has set itself the following priorities to address in 2023:

- Succession Planning;
- Greater reporting of the Committee's objectives, activities and outcomes in the Annual Report;
- Greater disclosure of risks and agreed mitigations (across the CIÉ Group) for inclusion in the Annual Report and
- More detailed discussion and challenge on critically important topics for the Group with presentations/ updates to be provided by the external auditor or specialists on selected topical issues.

I would like to thank my fellow Committee Members for their contributions, insight and support during the year.



Liam O'Rourke

Chairman of the CIÉ Audit and Risk Committee

Statement on Internal Control

Scope of Responsibility

The subsidiaries of the 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 CIÉ 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 2022 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 Entity has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC.

Risk management within the CIÉ Group is based on the CIÉ Group Risk Policy which supports the mandates of each of the CIÉ companies to operate autonomously while ensuring the necessary integration on shared issues.

The CIÉ Group Risk Policy takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016) and the International Standards Organisation (ISO) 31000, Risk Management – Principles and Guidelines and considers the good practice guidelines set out in the Department of Public Expenditure and Reform (DPER) Risk Management Guidance for Government Department and Offices (February 2016).

Responsibility for risk management within the CIÉ Group is delegated to the Chief Financial Officer or suitable management alternative within each CIÉ company. In turn each CIÉ company has its own Risk Management Framework which is tailored to the specific strategic objectives of the company and approved by their own respective board.

Risk Management Framework

The overall aim of each CIÉ company's Risk Management Framework is to integrate the process for managing risk into the company's management processes (overall governance, strategy and planning, management, reporting, policies, values and culture).

The objective is to ensure, insofar as possible, that all foreseeable risks with the potential to affect the company's objectives are identified and managed, and that the risks are reported to the respective Company's Board and the CIÉ Board are adequately appraised of the Principal Risks facing the CIÉ Group.

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 each company's operational activities and from the company 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 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, the 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 CIÉ Group 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.

Principal Risks

Within the risk management process the relevant Risk Owners can determine if individual risks warrant more attention and escalation. In order to achieve this, they can assign a Principal Risk category to some risks that allows them to be recognised across the CIÉ Group as a key risk for the company. If the residual risk rating, that is the rating of the risk including the existing mitigating actions that are in place, is over a specific level the risk is automatically deemed a Principal Risk and is reported as such. If the rating is below the level specified, the risk owner can also set the category to a Principal Risk if they deem it necessary to escalate the risk.

Ongoing Monitoring and Review

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

Periodic reports incorporate the following:

- 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, a Top Group Principal Risks report, including common risks and Emerging Risks, is escalated for assessment by the CIÉ Executive Board on a CIÉ Group-wide basis. This report provides the status against Risk Appetite and performance as against KPI's with supporting Risk Detail Reports and is escalated to the CIÉ 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 CIÉ 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.

In addition to the Principal Risks and Emerging Risks, all of the risks within the CIÉ Group are categorised within a common risk structure and information shared for the benefit of risk management across the CIÉ 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 2022 being Cyber Incidents, Business Interruption and Climate Change. These risks are then shared across the CIÉ Group with a view to ensuring that best practice is used in the rating and mitigating actions that are put in place.

Key Risks

Category	Risk	Mitigating Actions
Sustainability	Risk associated with an increasing need for resources and infrastructure to meet expanding sustainability reporting requirements	<ul style="list-style-type: none"> • Training has been provided by the Sustainability team to the CIÉ subsidiary companies on the upcoming requirements of EU Taxonomy • Implementation of a CIÉ Group-wide sustainability data management software programme • Procurement of expert support for data reporting, KPI's and centralised management of reporting
	Changing infrastructure requirements for new technology implementation	<ul style="list-style-type: none"> • Risk assessments of projects • Training requirements assessed • Additional resources have been put in place and funded
	Coastal erosion close to existing routes	<ul style="list-style-type: none"> • Continuous monitoring of the condition of all infrastructure • Preventative and corrective maintenance work carried out • Specific funding received for project work
Cyber Security	Risk of impact of hacking, malware or phishing event	<ul style="list-style-type: none"> • IT Security Policies and strategies in place • The cyber policies are subject to regular third party audits to ensure robustness • Monthly Group IT&T meetings to review risks and Service Level Agreements • Encryption of mobile devices • Regular training and awareness of cyber security courses tailored to specific roles and responsibilities • Cyber incident test recovery exercises carried out • Ensuring all appropriate security arrangements are in place for support and maintenance activities
	Funding for replacement of back-office technology	<ul style="list-style-type: none"> • Engagement with stakeholders to highlight funding requirements for system upgrades, to improve security.
Financial	Insufficient funding to maintain and develop business	<ul style="list-style-type: none"> • Stakeholder engagement to ensure there is clarity around the necessary funding • Contract management approach to all Gross Cost Contract funding issues • Best practice budgeting and forecasting
	Threat to the financial stability of the CIÉ Group from the defined benefit pension liability	<ul style="list-style-type: none"> • Implementation of the Workplace Relations Commission deal for the RWS scheme. New Statutory Instruments were signed in July 2022 and a Section 50 request that was submitted to the Pensions Authority is ongoing • Implementation of the Labour Court Recommendations for the 1951 Superannuation Scheme, which are currently awaiting the outcome of a High Court judgement, related to the contribution obligations of CIÉ
	Recovery of commercial services after the COVID-19 pandemic	<ul style="list-style-type: none"> • Establishment of a commercial performance group • Targeted marketing campaigns • Liaise with stakeholders and funders to ensure full understanding of the potential impacts and possible mitigating actions • Route reviews including customer experience, revenue and cost • Implementation of dynamic pricing • Develop robust contingency plans to respond to financial aspects of the COVID-19 crisis

Category	Risk	Mitigating Actions
Safety & Health	Health Pandemic	<ul style="list-style-type: none"> • A response plan has been developed and is in place and employee training has been completed on implementing the plan • Ongoing monitoring and review of advice and guidelines from Government and other bodies • Co-ordination with CIÉ Chief Medical Officer • Procurement of relevant PPE across the CIÉ Group
	Collision/high speed event	<ul style="list-style-type: none"> • Safety management systems and safe operating procedures are in place • Drivers trained and competence maintained in accordance with regulations • Drug and alcohol testing policies are in place • Ongoing introduction of systems nationwide to reduce speeding and risk associated with level crossings • Regular technical inspections of level crossings • Major incidences are reviewed and analysed to identify and implement lessons learned
	Anti-social behaviour	<ul style="list-style-type: none"> • Security strategy developed • Increased security resources introduced on specific routes
People	Challenge in retaining staff and recruiting new staff	<ul style="list-style-type: none"> • Gap analysis to identify future resources required • Succession plans • Recruitment campaigns and open days held • Attendance at recruitment fairs
Compliance	Potential exposure to fines/penalties for non-compliance with regulations and directives	<ul style="list-style-type: none"> • Training and procedures in place to ensure compliance with all requirements • Intercompany working groups established to review and share details on controls and processes

Procurement

The Entity confirms it has procedures in place to ensure compliance with current procurement rules and guidelines.

There were no non-compliant purchase orders, with a total value in excess of €25k, processed during the year 2022.

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 the 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 that is 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 2022, 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 2022 that require disclosure in the financial statements. While no weaknesses in internal controls that represent a material impact on the financial statements for 2022 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 follows up on all such reports and implements 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 2022.

Board Member	Appointed / Reappointed	Term Expired	CIÉ Board	Audit and Risk Committee	Finance and Investment Committee	Pensions Committee	Board Remuneration Committee	Property Advisory Group	Sustainability Strategy Advisory Group
Fiona Ross			7/7	1/1			2/2		3/4
Frank Allen			6/7		6/7				
Jimmy Doran			7/7					4/4	3/3
Brian Fitzpatrick	16/04/2022		7/7	7/7	6/7		2/2	6/6	
Stephen Hannan			7/7			7/7			
Dermot Healy			6/7			5/5			
Miriam Hughes	26/04/2022		5/5		4/4				
Gary Owens	24/05/2022		4/5		4/4				
Niamh O'Regan	16/04/2022		7/7	5/6	7/7	7/7	2/2		
Liam O'Rourke			7/7	7/7		7/7			
Fiona Sweeney	16/04/2022		7/7		7/7	7/7			
Tommy Wynne			7/7					5/6	

Attendance at Advisory Group Meetings

Listed below is Board Members' attendance at Advisory Group meetings held during 2022.

Board Member	Appointed/ Reappointed	Property Advisory Group	Appointed / Reappointed	Sustainability Strategy Advisory Group
Fiona Ross				3/4
Brian Fitzpatrick		6/6		
James Doran	06/04/2022	4/4	06/04/2022	3/3
Tommy Wynne		5/6		

Going Concern

Significant Operational Developments

In 2022, the Group continued to support the Irish economy and society in general as it emerged from the challenges resulting from the COVID-19 pandemic. Through its subsidiary companies Bus Átha Cliath, Bus Éireann and Iarnród Éireann the CIÉ Group was pleased to see the growth in passengers, which by the end of year had reached pre-pandemic numbers. Public transport services across the country continued to expand and CIÉ Tours returned to a full year of operations and the welcome return of American tourists to the island of Ireland and other European destinations.

Global Economic Uncertainties

The war in Ukraine, which commenced on 24 February 2022, increased a number of general business risks, some of which became business challenges during the year. This included an increase in inflation across many economies, driven in part by a sharp increase in energy costs and risks associated with energy supply, most notably in the first half of 2022, albeit abating slightly in the second half of the year. Monetary policies globally have moved to address increasing inflation by increasing interest rates which impacts spending ability for businesses and consumers.

Equity and bond markets have seen significant volatility during the year, with a sharp increase in bond yields and reduction in bond values. This has led to challenges in the financial markets and a continuation of economic uncertainties and market volatility.

Commercial Activities.

The Group enjoyed a €31m surplus on Commercial activities in 2022 driven primarily by the sale of development land at Spencer Dock which yielded an after-tax return of c.€26m. The re-opening of the Tourism market saw a return to profit for CIÉ Tours of c.€8m and modest commercial profits were also a feature for both Bus Átha Cliath and Iarnród Éireann.

Bus Éireann's Expressway business whilst reporting an overall deficit for the year also benefited from NTA supports made available to commercial bus operators up to the end of June 2022 and this was a key support to this commercial activity in the year.

The Budget for 2023 on Commercial activity is set at a breakeven position for the Group. The Board is satisfied that the Group has sufficient resources to support the businesses through their recovery.

PSO Services

Throughout 2022, 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 and BÉ collect passenger revenue on behalf of the NTA and are reimbursed for the cost of the services provided.

Significant recruitment challenges during 2022, particularly for the bus companies, have given rise to penalties under the Direct Award Contracts. Major bus driver recruitment campaigns are underway to address this challenge for 2023.

Service plans for 2023 have been agreed with the NTA which is providing the requisite funding to meet the agreed costs of these plans.

In 2022 Iarnród Éireann continued 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.

From January 2023 Iarnród Éireann will commence operating on a gross contract basis.

Schools Transport Services

Bus Éireann manages the provision of Schools Transport Services across the State.

During 2022, the number of children availing of school transport increased significantly and the Department of Education provided additional funding for the increase of services to cater for:

- An unprecedented increase in demand for Mainstream services resulting from the Government decision to waive school transport fees for the school year 2022/23, with an increase of 20% in pupils travelling on school transport Mainstream services versus the end of school year 2021/22.
- The continued increase in school transport services for children with special educational needs.
- The provision of school Transport services for Ukrainian children with almost 4,000 availing of transport by the end of 2022.

Liquidity

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

The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2022 is €12 million. This loan amortises over a three 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

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.

Legislation 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. The financial statements for 2022 have been prepared 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 the Entity'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

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 2022 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 2022 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.

7 June 2023

Consolidated Profit And Loss Account

Financial Year Ended 31 December 2022

	Notes	2022 €000	2021 €000
Revenue from operations	3	656,173	449,007
Receipts from Public Service Obligations contracts	12	633,458	574,847
Other Exchequer funding	12	175,811	161,291
Other revenue grants	12	27,142	113,268
Total revenue	3	1,492,584	1,298,413
Payroll and related costs	5	(752,028)	(704,120)
Materials and services costs	6	(756,836)	(620,943)
Total operating costs		(1,508,864)	(1,325,063)
EBITDA before exceptional costs		(16,280)	(26,650)
Exceptional items	7	(904)	3,408
Depreciation and amortisation, net of capital grants amortised	8	(20,971)	(20,893)
Profit/(loss) on disposal of tangible assets	9	34,144	(128)
Operating (deficit)/profit before interest and taxation		(4,011)	(44,263)
Interest receivable and similar income	10	563	-
Interest payable and similar charges	10	(11,655)	(8,266)
Net interest expense		(11,092)	(8,266)
Deficit for the year before taxation		(15,103)	(52,529)
Tax on ordinary activities	11	(12,673)	(364)
Deficit for the year		(27,776)	(52,893)

Consolidated Statement of Comprehensive Income

Financial Year Ended 31 December 2022

	Notes	2022 €000	2021 €000
Deficit for the year		(27,776)	(52,893)
Other comprehensive income:			
Re-measurement of post-retirement benefit liabilities	25	508,089	187,730
Cash flow hedges			
- Re-classification to the profit and loss account		(13,579)	6,559
- Change in value of hedging instruments		10,454	15,001
- Unrealised gain/(loss) Foreign Exchange		(413)	(2,155)
- Other other comprehensive income movements		-	(533)
		(3,538)	18,872
Other comprehensive income for the year, net of tax		504,551	206,602
Total comprehensive income for the year		476,775	153,709

Consolidated Balance Sheet

As at 31 December 2022

	Notes	2022 €000	2021 €000
Fixed assets			
Intangible fixed assets	14	20,146	19,212
Tangible fixed assets	15	2,701,266	2,578,637
		2,721,412	2,597,849
Current assets			
Inventories	17	74,096	69,425
Debtors	18	400,575	269,381
Cash at bank and in hand		330,056	253,946
		804,727	592,752
Creditors (amounts falling due within one year)	19	(941,893)	(757,119)
Net current liabilities		(137,166)	(164,367)
Total assets less current liabilities		2,584,246	2,433,482
Creditors (amounts falling due after more than one year)	20	(10,566)	(13,737)
Deferred income	23	(2,195,780)	(2,065,025)
Provisions for liabilities			
Other provisions for liabilities	22	(195,263)	(198,892)
Provision for post employee benefit obligations	25	(396,496)	(846,462)
Net assets/(liabilities)		(213,859)	(690,634)
Capital and reserves			
Capital reserve		28,556	28,556
Profit and loss account		(254,926)	(731,701)
Non-repayable State advances		12,511	12,511
		(213,859)	(690,634)

On behalf of the Board



Fiona Ross
Chairperson



Liam O'Rourke
Board Member

7th June 2023

CIÉ Entity Balance Sheet

As at 31 December 2022

	Notes	2022 €000	2021 €000
Fixed assets			
Intangible fixed assets	14	915	1,008
Tangible fixed assets	15	872,872	840,900
Financial assets	16	359,255	359,255
		1,233,042	1,201,163
Current assets			
Debtors	18	22,344	22,912
Cash at bank and in hand		325,355	245,927
		347,699	268,839
Creditors (amounts falling due within one year)	19	(529,468)	(473,738)
Net current liabilities		(181,769)	(204,899)
Total assets less current liabilities		1,051,273	996,264
Creditors (amounts falling due after more than one year)	20	(10,566)	(12,231)
Deferred income	23	(624,035)	(593,313)
Provisions for liabilities			
Other provisions for liabilities	22	(3,382)	(3,447)
Provision for post employee benefit obligations	25	(396,496)	(846,462)
Net assets/(liabilities)		16,794	(459,189)
Capital and reserves			
Capital reserve		28,556	28,556
Profit and loss account		(24,273)	(500,256)
Non-repayable State advances		12,511	12,511
		16,794	(459,189)

On behalf of the Board



Fiona Ross
Chairperson



Liam O'Rourke
Board Member

7th June 2023

Consolidated Statement of Changes in Equity

Financial Year Ended 31 December 2022

	Capital reserves €000	Profit and loss account €000	Non- Repayable State advances €000	Total equity €000
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 expense for the financial year	–	206,602	–	206,602
Total comprehensive expense for the financial year	–	153,709	–	153,709
Balance as at 31 December 2021	28,556	(731,701)	12,511	(690,634)
Balance as at 1 January 2022	28,556	(731,701)	12,511	(690,634)
Deficit for the financial year	–	(27,776)	–	(27,776)
Other comprehensive income for the financial year	–	504,551	–	504,551
Total comprehensive income for the financial year	–	476,775	–	476,775
Balance as at 31 December 2022	28,556	(254,926)	12,511	(213,859)

CIÉ Entity Statement of Changes in Equity

Financial Year Ended 31 December 2022

	Capital reserves €000	Profit and loss account €000	Non- Repayable State advances €000	Total equity €000
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 expense for the financial year	–	205,665	–	205,665
Total comprehensive expense for the financial year	–	149,688	–	149,688
Balance as at 31 December 2021	28,556	(500,256)	12,511	(459,189)
Balance as at 1 January 2022	28,556	(500,256)	12,511	(459,189)
Deficit for the financial year	–	(27,631)	–	(27,631)
Other comprehensive income for the financial year	–	503,614	–	503,614
Total comprehensive income for the financial year	–	475,983	–	475,983
Balance as at 31 December 2022	28,556	(24,273)	12,511	16,794

Consolidated Cash Flow Statement

Financial year ended 31 December 2022

	Notes	2022 €000	2021 €000
Net cash from operating activities	24	75,940	22,330
Income taxes paid		(9,757)	(276)
Net cash generated from operating activities		66,183	22,054
Cash flow from investing activities			
Purchase of tangible fixed assets		(469,254)	(401,064)
Purchase of intangible fixed assets		(9,067)	(8,412)
Proceeds from disposal of tangible fixed assets		34,144	(128)
Proceeds from State and EU grants		459,312	376,590
Interest received		563	-
Net cash generated from/(used in) investing activities		15,698	(33,014)
Cash flow from financing activities			
Repayment of bank borrowings		(4,000)	(4,000)
Interest paid		(1,608)	(2,188)
Net cash used in financing activities		(5,608)	(6,188)
Net increase in cash and cash equivalents		76,273	(17,148)
Cash and cash equivalents at the beginning of the year		253,783	270,931
Cash and cash equivalents at the end of the year		330,056	253,783
Cash and cash equivalents consist of:			
Cash at bank and in hand		330,056	253,946
Bank overdrafts		-	(163)
Cash and cash equivalents at the end of the year		330,056	253,783

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.

(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. Tax saver 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.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

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 Tax saver and DSP revenue) received from the public transport passenger is distributed to the NTA and is no longer recognised in the profit and loss account of Bus 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.

(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.

(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.

Notes to the Financial Statements (continued)**1. Significant Accounting Policies (continued)**

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.

(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.

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(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.

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').

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

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.

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).

(v) Tax saver annual tickets

Tax saver annual tickets revenue recognition following NTA's "Free Tax saver Extension" guidelines incorporates a once off 6-month free ticket extension which aims to provide relief to Tax saver 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 Tax saver revenue during the 6-month free period.

Notes to the Financial Statements (continued)

2. Going Concern

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

The 2022 CIÉ Group financial statements have been prepared on a going concern basis. This assumes that 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 2022 financial statements to be prepared on this basis. Key factors considered in arriving at this determination include:

Financial Position as at 31 December 2022

At 31 December 2022, the Group had net liabilities of €214 million (2021: €691 million) and net current liabilities of €137 million (2021: €164 million). Net current liabilities include non-cash items of €564 million (2021: €426 million) relating to deferred income in respect of capital grants and deferred revenue, capital grants do not involve a cash commitment and are utilised in line with the depreciation of the asset. Therefore, excluding these non-cash items the Group has net current assets of €427 million (2021: €262 million). The net liabilities of the Group include liabilities in respect of defined benefit pension obligations of €396 million (2021: €846 million) and deferred income in respect of capital grants received of €2,390 million (2021: €2,260 million).

Liquidity

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

The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2022 is €12 million. This loan amortises over a three 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.

Significant Operational Developments

In 2022, the Group continued to support the Irish economy and society in general as it emerged from the challenges resulting from the COVID-19 pandemic. Through its subsidiary companies Bus Átha Cliath, Bus Éireann and Iarnród Éireann the CIÉ Group was pleased to see the growth in passengers, which by the end of year had reached pre-pandemic numbers. Public transport services across the country continued to expand and CIÉ Tours returned to a full year of operations and the welcome return of American tourists to the island of Ireland and other European destinations.

Global Economic Uncertainties

The war in Ukraine, which commenced on 24 February 2022, increased a number of general business risks, some of which became business challenges during the year. This included an increase in inflation across many economies, driven in part by a sharp increase in energy costs and risks associated with energy supply, most notably in the first half of 2022, albeit abating slightly in the second half of the year. Monetary policies globally have moved to address increasing inflation by increasing interest rates which impacts spending ability for businesses and consumers.

Equity and bond markets have seen significant volatility during the year, with a sharp increase in bond yields and reduction in bond values. This has led to challenges in the financial markets and a continuation of economic uncertainties and market volatility.

Commercial Activities

The Group enjoyed a €31m surplus on Commercial activities in 2022 driven primarily by the sale of development land at Spencer Dock which yielded an after-tax return of c.€26m. The re-opening of the Tourism market saw a return to profit for CIÉ Tours of c.€8m and modest commercial profits were also a feature for both Bus Átha Cliath and Iarnród Éireann.

Bus Éireann's Expressway business whilst reporting an overall deficit for the year also benefited from NTA supports made available to commercial bus operators up to the end of June 2022 and this was a key support to this commercial activity in the year.

The Budget for 2023 on Commercial activity is set at a breakeven position for the Group. The Board is satisfied that the Group has sufficient resources to support the businesses through their recovery.

PSO Services

Throughout 2022, 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 and BÉ collect passenger revenue on behalf of the NTA and are reimbursed for the cost of the services provided.

Significant recruitment challenges during 2022, particularly for the bus companies, have given rise to penalties under the Direct Award Contracts. Major bus driver recruitment campaigns are underway to address this challenge for 2023.

Service plans for 2023 have been agreed with the NTA which is providing the requisite funding to meet the agreed costs of these plans.

In 2022 Iarnród Éireann continued 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.

From January 2023 Iarnród Éireann will commence operating on a gross contract basis

Schools Transport Services

Bus Éireann manages the provision of Schools Transport Services across the State.

During 2022, the number of children availing of school transport increased significantly and the Department of Education provided additional funding for the increase of services to cater for:

- An unprecedented increase in demand for Mainstream services resulting from the Government decision to waive school transport fees for the school year 2022/23, with an increase of 20% in pupils travelling on school transport Mainstream services versus the end of school year 2021/22.
- The continued increase in school transport services for children with special educational needs.
- The provision of school Transport services for Ukrainian children with almost 4,000 availing of transport by the end of 2022.

Notes to the Financial Statements (continued)

2. Going Concern (continued)

2023 Financial Year

The CIÉ Group continues to operate PSO services in line with the underlying Contracts. The Group's Budget for 2023 was approved by Board in December 2022.

CIÉ enters 2023 with a strong liquid cash position, liquidity is forecast to reduce throughout 2023 as the positive cash flow timing difference which occurred in 2022 is expected to unwind during 2023 and as CIÉ continues to fund essential capital programmes. CIÉ is forecasting the continuation of positive liquidity into 2024.

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 term 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 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 and sustainability targets
- 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.

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 Inter- national Tours €000	Bus Átha Cliath €000	Bus Éireann €000	Iarnród Éireann €000	Total 2022 €000	Total 2021 €000
Railway undertaking	-	-	-	-	171,768	171,768	102,477
Freight division	-	-	-	-	4,830	4,830	3,619
Rosslare Harbour	-	-	-	-	12,887	12,887	9,919
Other rail services	-	-	-	-	34,625	34,625	28,061
Road passenger services							
- Dublin City	-	-	5,383	-	-	5,383	1,541
- Other services	-	-	-	338,003	-	338,003	288,728
Tours	-	87,988	-	-	-	87,988	14,004
Central business activities	26,371	-	-	-	-	26,371	19,803
Intra-group revenue	(25,682)	-	-	-	-	(25,682)	(19,145)
Revenue from operations	689	87,988	5,383	338,003	224,110	656,173	449,007
Public Service Obligation ("PSO") Contracts:							
PSO income (Note 12)	-	-	303,263	163,926	166,269	633,458	574,847
Other Exchequer grants (Note 12)	-	-	-	-	175,811	175,811	161,291
Revenue grant (Note 12)	754	-	1,474	8,565	16,349	27,142	113,268
Total revenue	1,443	87,988	310,120	510,494	582,539	1,492,584	1,298,413

Notes to the Financial Statements (continued)

4. Railway Infrastructure Costs

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

	2022	2021
	€000	€000
Infrastructure Funding		
Multi Annual Contract	175,439	161,276
Track access charges	71,108	72,366
Other Exchequer funding	10,695	8,628
Third-party revenue	29,562	23,783
Total revenue	286,804	266,053
Payroll and related costs	(124,416)	(119,417)
Materials and services	(162,050)	(141,607)
Depreciation and amortisation, net of capital grants amortised	(3,885)	(3,916)
Total operating costs	(290,351)	(264,940)
EBITDA before exceptional operating costs	(3,547)	1,113
Exceptional costs	(484)	(538)
Profit/(loss) on sale of tangible fixed assets	146	(130)
(Deficit)/Surplus for the year on ordinary activities before interest	(3,885)	445
Interest payable and similar charges	(128)	(466)
(Deficit)/Surplus for the year on ordinary activities	(4,013)	(21)

5. Payroll and Related Costs

	2022	2021
	€000	€000
Staff costs (excluding restructuring costs) comprise		
Wages and salaries	611,150	565,253
Social insurance costs	60,144	55,795
Other retirement benefit costs	108,658	107,849
	779,952	728,897
Own work capitalised	(28,380)	(25,258)
Net staff costs	751,572	703,639
Board Members' remuneration and emoluments		
– for services as Board Members	213	219
– for executive services	243	262
Total Board Members remuneration and emoluments	456	481
Total payroll and related costs	752,028	704,120

Of the total staff costs, €28.4 million (2021: €25.3 million) has been capitalised into tangible fixed assets and €752.0 million (2021: €704.1 million) has been treated as an expense in the profit and loss account.

Included in wages and salaries are:

	2022	2021
	€000	€000
Salary	477,033	455,558
Overtime	37,351	23,240
Allowances	96,766	86,455
	611,150	565,253

Notes to the Financial Statements (continued)

5. Payroll and Related Costs (continued)

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.

	2022	2021
€50,001 to €75,000	4,890	4,260
€75,001 to €100,000	712	802
€100,001 to €125,000	116	113
€125,001 to €150,000	45	36
€150,001 to €175,000	15	16
€175,000 to €200,000	8	15
€200,001 to €225,000	7	3
€225,001 to €250,000	1	2
€250,001 to €275,000	–	–
€275,000 to €300,000	1	–

Key management compensation

The Board Members were paid Directors' fees as follows:

	2022	2021
	€000	€000
Board Member		
Fiona Ross (Non-executive Chairman)	31,500	31,500
Frank Allen	21,600	21,600
Ultan Courtney	–	20,048
James Doran	15,750	1,312
Brian Fitzpatrick	15,750	15,750
Denise Guinan	–	14,438
Stephen Hannan	15,750	15,750
Dermot Healy	15,750	1,312
Miriam Hughes	20,475	–
Aidan Murphy	–	20,048
Tom O'Connor	–	14,438
Niamh O'Regan	15,750	15,750
Liam O'Rourke	15,750	15,750
Gary Owens	13,428	–
Fiona Sweeney	15,750	15,750
Tommy Wynne	15,750	15,750
	213,003	219,196

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.

	2022	2021
	€000	€000
Salaries and other short-term benefits	1,258	1,463
Social insurance costs	80	96
Post-retirement benefits	217	283
	1,555	1,842

Director's expenses

Included in expenses reimbursed to Board Members are:

	2022	2021
	€000	€000
Subsistence, travel, accommodation	1	–
Other	6	26
	7	26

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 (2021: €190,000) and employer pension contribution of €48,000 (2021: €47,500).

	2022	2021
	€000	€000
Salaries and other short-term benefits	839	1,025
Post-retirement benefits	203	260
	1,042	1,285

Termination and severance

	2022	2021
	€000	€000
Severance	496	1,263
	496	1,263

Notes to the Financial Statements (continued)

5. Payroll and Related Costs (continued)

Staff numbers

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

	2022	2021
CIÉ	267	246
Iarnród Éireann – Irish Rail	4,339	4,176
Bus Éireann – Irish Bus	2,827	2,761
Bus Átha Cliath – Dublin Bus	3,771	3,642
	11,204	10,825

6. Materials and Service Costs

Materials and services costs comprise of:

	2022 €000	2021 €000
Fuel, electricity and lubricants	94,637	79,887
Road tax and licenses	1,634	1,540
Rates	4,626	2,100
Auditors' remuneration	324	318
Operating lease rentals	6,518	5,991
School contractors	250,179	224,960
Third party and employer's liability claims	4,558	919
Directors Expenses	7	26
Other materials and services	391,237	301,416
Pension operating costs	3,116	3,786
	756,836	620,943

Included in other materials and services are:

	2022 €000	2021 €000
National travel and subsistence	1,008	431
International travel and subsistence	301	68
Hospitality	163	54
	1,472	553

Auditors' remuneration

The following table discloses the fees payable to Mazars Ireland in respect of the years ended 31 December 2022 and 31 December 2021. All amounts are exclusive of VAT.

	2022 €000	2021 €000
Statutory auditor		
– Statutory audit of Group companies	152	152
– Other assurance & compliance services	20	95
– Tax advisory services	75	54
– Other non-audit services	77	17
	324	318

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

	2022 €000	2021 €000
Inventory consumed	234,715	174,821
Increase in inventory obsolescence provision	766	199
Foreign exchange losses	(2,262)	(1,114)
(Profit)/loss on disposal of fixed assets	(34,144)	128
Operating leases	6,518	2,291
Business restructuring	904	(2,707)
Depreciation of tangible fixed assets	214,033	226,088
Amortisation of intangible assets	8,268	8,394
Amortisation of grants	(201,330)	(213,589)

7. Exceptional Items

	2022 €000	2021 €000
Business restructuring	904	1,794
Overheads	–	(701)
Onerous Commercial contract	–	(4,501)
	904	(3,408)

The business restructuring costs comprise of amounts arising from restructuring initiatives during the year: Iarnród Éireann €0.9 million.

Notes to the Financial Statements (continued)

8. Depreciation and Amortisation, Net of Capital Grants Amortisation

	2022	2021
	€000	€000
Amortisation of intangible fixed assets (Note 14)	8,268	8,394
Depreciation of tangible fixed assets (Note 15)	214,033	226,088
Amortisation of capital grants (Note 23)	(201,330)	(213,589)
	20,971	20,893

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

	2022	2021
	€000	€000
(Loss)/profit on disposal of land and buildings	34,144	(129)
Profit on disposal of rolling stock, vehicles, plant and machinery	–	1
	34,144	(128)

10. Net Interest Expense

(a) Interest receivable and similar charges

	2022	2021
	€000	€000
Interest income on short term deposits	563	–

(b) Interest payable and similar charges

	2022	2021
	€000	€000
Interest payable on loans, overdrafts and deposits	1,408	2,053
Total interest expense on financial liabilities not measured at fair value through the profit and loss	1,408	2,053
Net interest expense on defined benefit pensions plans	10,047	6,078
Unwind of discount provisions	200	135
Total interest payable and similar charges	11,655	8,266

(c) Net interest expense

	2022	2021
	€000	€000
Interest receivable and similar charges	563	–
Interest payable and similar charges	(11,655)	(8,266)
Net interest expense	(11,092)	(8,266)

11. Income Tax

(a) Tax expense included in profit and loss

	2022	2021
	€000	€000
Foreign corporation tax credit for the financial year	1,266	(2,054)
Irish corporation tax charge on profit for the financial year	11,407	2,418
<i>Current tax expense for the financial year</i>	<i>12,673</i>	<i>364</i>
Tax on profit on ordinary activities	12,673	364

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

	2022	2021
	€000	€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

	2022	2021
	€000	€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 2022 of 12.5% (2021: 12.5%) to the deficit for the year. The differences are explained below:

	2022	2021
	€000	€000
Deficit on ordinary activities before tax	(15,103)	(52,528)
Deficit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 December 2022 of 12.5% (2021: 12.5%)	(1,888)	(6,566)
Effects of:		
Income not subject to tax	(25,581)	(26,708)
Higher rate of tax on overseas earnings	1,266	(2,054)
Expenses not deductible for tax purposes	7,857	7,885
Depreciation in excess of capital allowances	25,353	26,636
Utilisation of tax losses	–	(209)
Income subject to higher rate of tax	5,746	1,325
Other differences	(10)	–
Overprovision re prior years	(162)	–
Tax on Royalties	91	25
Income Tax withheld	–	30
Group relief	1	1
Tax on profits on ordinary activities	12,673	364

A potential deferred tax asset of €950 million (2021: €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.

	2022 €000	2021 €000
Profit and Loss Account		
Public Service Obligation	653,905	563,507
Other Exchequer grants	172,327	159,958
Other revenue grants	35,256	116,726
	861,488	840,191
Balance Sheet		
Capital grants	366,277	359,106
Deferred Funding	105,850	7,591
EU Grants	1,167	–
Total Public Service Obligation and Other Grants	1,334,782	1,206,888
Sub-Head B7 of Vote 31 of Dáil Éireann – Public Service Obligation		
Bus Átha Cliath – Dublin Bus (revenue)	303,263	266,331
Bus Éireann – Irish Bus (revenue)	184,373	115,425
Iarnród Éireann – Irish Rail (revenue)	166,269	181,751
	653,905	563,507
Sub-Head B8 of Vote 31 of Dáil Éireann – Capital Investment		
Infrastructure Manager Multi Annual Contract (revenue)	172,327	159,958
Infrastructure Manager Multi Annual Contract (capital)	108,122	115,680
Exchequer grants for infrastructure and capital investment	259,322	243,426
Deferred PSO	105,850	7,591
Other Exchequer grants	35,256	116,726
	680,877	643,381
Total funding under Vote 31 of Dáil Éireann	1,334,782	1,206,888
Total PSO and Exchequer grants	1,334,782	1,206,888

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.

Notes to the Financial Statements (continued)

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

	Department of Transport 2022 €000	National Transport Authority 2022 €000	Total 2022 €000	Department of Transport 2021 €000	National Transport Authority 2021 €000	Total 2021 €000
Vote B8 Capital	-	637,310	637,310	-	522,124	522,124
Vote B8 Accessibility	-	7,826	7,826	-	5,110	5,110
Covid related wage subsidy schemes	-	29,243	29,243	-	102,107	102,107
Other revenue related Grants	-	5,331	5,331	-	14,040	14,040
Total	-	679,710	679,710	-	643,381	643,381

Source of Exchequer fund received during the calendar years 2021 and 2022 are restricted to particular projects.

13. CIÉ Net Result for the Year

CIÉ, the Entity's net loss for the year amounted to €27.6 million (2021: loss €56.0 million).

14. Intangible Fixed Assets

Group	Computer Software €000	Total €000	CIÉ Entity	Computer Software €000	Total €000
Financial year ended 31 December 2021			Financial year ended 31 December 2021		
Opening carrying amount	19,195	19,195	Opening carrying amount	127	127
Additions	8,411	8,411	Additions	1,282	1,282
Amortisation and impairment	(8,394)	(8,394)	Amortisation and impairment	(401)	(401)
Carrying amount	19,212	19,212	Carrying amount	1,008	1,008
At 31 December 2021			At 31 December 2021		
Cost	69,272	69,272	Cost	18,307	18,307
CIÉ Tours software	–	–	CIÉ Tours software	(425)	(425)
	69,272	69,272		17,882	17,882
Accumulated amortisation and impairment	(50,060)	(50,060)	Accumulated amortisation and impairment	(16,874)	(16,874)
Carrying amount	19,212	19,212	Carrying amount	1,008	1,008
Financial year ended 31 December 2022			Financial year ended 31 December 2022		
Opening carrying amount	19,212	19,212	Opening carrying amount	1,008	1,008
Additions	9,067	9,067	Additions	447	447
Amortisation and impairment	(8,268)	(8,268)	Amortisation and impairment	(540)	(540)
Reclassification	135	135	Reclassification	–	–
Carrying amount	20,146	20,146	Carrying amount	915	915
At 31 December 2022			At 31 December 2022		
Cost	78,182	78,182	Cost	18,754	18,754
Reclassification	150	150	Reclassification	–	–
	78,332	78,332		18,754	18,754
Accumulated amortisation and impairment	(58,171)	(58,171)	Accumulated amortisation and impairment	(17,839)	(17,839)
Reclassification	(15)	(15)	Reclassification	–	–
	(58,186)	(58,186)		(17,839)	(17,839)
Carrying amount	20,146	20,146	Carrying amount	915	915

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.

Notes to the Financial Statements (continued)

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 Equip- ment €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

	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 Equip- ment €000	Total €000
Financial year ended 31 December 2022									
Opening carrying amount	769,208	327,198	107,888	841,400	230,590	274,951	26,805	597	2,578,637
Additions	138,434	163,931	3,625	52,711	103,986	1,378	59	–	464,124
Disposals	–	–	–	–	(149)	–	–	–	(149)
Depreciation and impairment	(48,614)	(76,054)	(24,038)	(20,055)	(21,185)	(22,702)	(1,310)	(75)	(214,033)
Reclassification	–	(79,570)	–	213	(47,956)	–	–	–	(127,313)
Carrying amount	859,028	335,505	87,475	874,269	265,286	253,627	25,554	522	2,701,266
At 31 December 2022									
Cost	1,319,254	1,064,638	525,297	1,158,301	467,437	556,895	56,487	747	5,149,056
Accumulated depreciation and impairment	(460,226)	(729,133)	(437,822)	(284,032)	(202,151)	(303,268)	(30,933)	(225)	(2,447,790)
Carrying amount	859,028	335,505	87,475	874,269	265,286	253,627	25,554	522	2,701,266

During the financial year, the Group disposed of tangible fixed assets with a carrying amount of €149,000. The assets have a cost of €210.6 million and accumulated depreciation and impairment of €210.5 million. The profit on disposal of these tangible fixed assets is €34,144,000 (2021: loss €128,000).

- The Group has elected to use the cost model at the date of transition to FRS 102 in relation to land and buildings.
- Road passenger vehicles at a cost of €223.6 million (2021: €214.2 million) were fully depreciated but still in use at the balance sheet date.

Notes to the Financial Statements (continued)

15. Tangible Fixed Assets (continued)

CIÉ Entity

	Land and Buildings €000	Plant and Machinery €000	Total €000
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

Financial year ended 31 December 2022			
Opening carrying amount	838,574	2,326	840,900
Additions	52,464	729	53,193
Disposals	–	–	–
Depreciation	(19,923)	(1,298)	(21,221)
Carrying amount	871,115	1,757	872,872

At 31 December 2022			
Cost	1,154,486	25,862	1,180,348
Accumulated depreciation and impairment	(283,371)	(24,105)	(307,476)
Carrying amount	871,115	1,757	872,872

During the financial year, the Entity disposed of tangible fixed assets with a carrying amount of nil (2021: €1,000).

16. Financial Assets

Group

	Listed Shares		Unlisted Shares		Total	
	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €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	
	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000	2022 €000	2021 €000
Cost at 1 January	359,255	331,255	34	34	13	13	359,302	331,302
Increase in year	-	28,000	-	-	-	-	-	28,000
Impairment	-	-	(34)	(34)	(13)	(13)	(47)	(47)
Net Book Amounts at 31 December	359,255	359,255	-	-	-	-	359,255	359,255

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

	2022 €000	2021 €000
Maintenance materials and spare parts	33,187	33,729
Infrastructure stocks	32,608	29,137
Fuel, lubricants and other sundry stocks	8,301	6,559
	74,096	69,425
Stocks consumed during the year:		
Materials and fuel	234,715	174,821

Notes to the Financial Statements (continued)

18. Debtors

Group

	2022	2021
	€000	€000
Trade debtors	11,374	11,117
Amounts due from Department of Education and Skills	8,402	4,166
Derivative financial instruments	17,000	15,880
Other debtors and accrued income	361,176	236,787
Corporation tax receivable	2,623	1,431
	400,575	269,381

Debtors are stated after an allowance for impairment of €1,431,000 (2021: €1,209,000). Derivative financial instruments includes amounts falling due after one year of €391,000 (2021: €1,629,000).

CIÉ Entity

	2022	2021
	€000	€000
Trade debtors	1,213	1,360
Derivative financial instruments	17,000	15,880
Other debtors and accrued income	4,131	5,672
	22,344	22,912

Debtors are stated after an allowance for impairment of €785,000 (2021: €532,000). Derivative financial instruments includes amounts falling due after one year of €391,000 (2021: €1,629,000).

19. Creditors (Amounts Falling Due Within One Year)

Group

	2022	2021
	€000	€000
Bank overdraft	–	163
Bank loans (Note 21)	4,000	4,000
Trade creditors	62,882	72,233
Income tax deducted under PAYE	16,086	11,033
Pay related social insurance	10,953	8,415
Value added tax and other taxes	22,991	32,992
Corporation tax Irish	–	1,105
Other creditors	71,088	70,247
Accruals	187,170	130,056
Derivative financial instruments	2,582	671
Deferred grant income (Note 23)	194,513	194,617
Deferred revenue	369,628	231,587
	941,893	757,119
Creditors for taxation and social welfare included above	50,030	53,545

CIÉ Entity

	2022	2021
	€000	€000
Bank overdraft	–	163
Bank loans (Note 21)	4,000	4,000
Trade creditors	21,288	24,244
Amounts owed to subsidiary companies	482,015	428,057
Income tax deducted under PAYE	1,157	944
Pay related social insurance	158	93
Value added tax and other taxes	1,076	1,303
Corporation tax Irish	–	–
Accruals	4,457	2,155
Derivative financial instruments	2,582	671
Deferred grant income (Note 23)	12,735	12,108
	529,468	473,738
Creditors for taxation and social welfare included above	2,391	2,340

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

	2022 €000	2021 €000
Bank loans (Note 21)	8,000	13,506
Derivative financial instruments	2,566	231
	10,566	13,737

CIÉ Entity

	2022 €000	2021 €000
Bank loans (Note 21)	8,000	12,000
Derivative financial instruments	2,566	231
	10,566	12,231

21. Loans and Other Borrowings

Group – Bank loans

	2022 €000	2021 €000
Not later than one year (Note 19)	4,000	4,000
Later than one year and not later than five years (Note 20)	8,000	13,506
	12,000	17,506

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

CIÉ Entity – Bank loans

	2022 €000	2021 €000
Not later than one year (Note 19)	4,000	4,000
Later than one year and not later than five years (Note 20)	8,000	12,000
	12,000	16,000

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 2022 were 1.25%.

The Group has borrowings of €12.0 million (2021: €17.5 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 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
Balance at 1 January 2022	172,163	4,195	1,973	17,434	3,127	198,892
Utilised during year	(11,354)	(151)	(52)	(2,518)	(968)	(15,043)
Transfer (to)/from profit and loss account	4,561	2,525	(393)	2,761	1,960	11,414
Balance carried forward 31 December 2022	165,370	6,569	1,528	17,677	4,119	195,263

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	Envi- ronmental €000	Operational/ Other €000	Legal and related matters €000	Total €000
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
Balance at 1 January 2022	374	1,252	1,446	375	3,447
Utilised during year	(16)	–	(1,049)	–	(1,065)
Transfer from profit and loss account	–	–	1,000	–	1,000
Balance carried forward 31 December 2022	358	1,252	1,397	375	3,382

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 2022 the Group held €17.7 million (2021: €17.4 million) of other provisions. €16.7 million (2021: €17.4 million) related to operational provisions and €1.0 million (2021: nil) related to other claims.

Legal and related matters

At 31 December 2022, the Group held €4.1 million (2021: €3.1 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 (\geq €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-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

	01-Jan-22 €000	Received and Receivable €000	De- recognition €000	Profit and Loss Account €000	31-Dec-22 €000
Capital grants					
Railway lines and works	752,263	83,721	–	(47,763)	788,221
Railway rolling stock	333,494	164,321	(79,572)	(75,120)	343,123
Plant and machinery	210,919	160,624	(47,759)	(22,639)	301,145
Signalling	254,503	1,381	–	(20,423)	235,461
Docks, Harbours and Wharves	7,114	–	–	(312)	6,802
Land and Buildings	605,750	45,496	–	(14,165)	637,081
Road Passenger Vehicles	95,599	3,769	–	(20,908)	78,460
	2,259,642	459,312	(127,331)	(201,330)	2,390,293
Revenue Grants	–	27,142	–	(27,142)	–
Total deferred income	2,259,642	486,454	(127,331)	(228,472)	2,390,293

Notes to the Financial Statements (continued)

23. Deferred Income (Continued)

Total capital grants recognised in 2022 were €459.3 million (2021: €376.6 million).

Apportioned as follows:	2022 €000	2021 €000
Deferred income – amounts falling due within one year (Note 19)	194,513	194,617
Deferred income – amounts falling due after one year	2,195,780	2,065,025
	2,390,293	2,259,642

CIÉ Entity

	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

	01-Jan-22 €000	Received and Receivable €000	Profit and Loss Account €000	31-Dec-22 €000
Capital grants				
Land and buildings	605,421	45,496	(14,147)	636,770
Revenue grants	–	754	(754)	–
Total	605,421	46,250	(14,901)	636,770

CIÉ Entity

Apportioned:	2022 €000	2021 €000
Deferred income – amounts falling due within one year (Note 19)	12,735	12,108
Deferred income – amounts falling due after one year	624,035	593,313
	636,770	605,421

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

24. Cash Flow Statement

Notes to the statement of cash flows

Year ended 31 December	2022 €000	2021 €000
Deficit for the year	(27,776)	(52,893)
Tax on deficit on ordinary activities	12,673	364
Net interest expense	11,092	8,266
Operating (deficit)	(4,011)	(44,263)
Depreciation of tangible fixed assets	214,033	226,088
Amortisation of intangible fixed assets	8,268	8,394
Amortisation of deferred grant income	(201,330)	(213,589)
Increase in post-retirement benefits liability	48,076	52,148
Profit on disposal of tangible assets	(34,144)	128
<i>Working capital movement</i>		
– (Increase)/Decrease in stocks	(4,670)	(6,269)
– (Increase)/Decrease in debtors	(134,322)	(193,436)
– Increase in creditors and provisions	184,040	193,129
Cash flow from operating activities	75,940	22,330

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:

	2022 €000	2021 €000
Fair value of scheme assets	2,163,569	2,592,905
Present value of scheme liabilities	(2,544,723)	(3,419,860)
Present value of unfunded scheme liabilities	(15,342)	(19,507)
Pension deficit	(396,496)	(846,462)

Contained within the pension deficit of €396 million is unfunded liabilities of €15 million (2021: €20 million). The unfunded liability arose from additional pension contributions undertaken by the Group outside of the main pension Schemes.

Notes to the Financial Statements (continued)

25. Post Retirement Benefits (continued)

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

	2022	2021
	€000	€000
Charged to operating profit		
Current service cost	(108,390)	(108,636)
Administration and other operating expenses	(3,116)	(3,786)
Total operating charge	(111,506)	(112,422)
Net interest expense	(10,047)	(6,078)
Total charge	(121,553)	(118,500)

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

	2022	2021
	€000	€000
Actual return less interest income on pension scheme assets	(456,489)	41,942
Experience (losses)/gains arising on the scheme liabilities	(112,774)	25,250
Changes in assumptions underlying the present value of the scheme liabilities	1,077,352	120,538
Actuarial gain recognised in statement of other comprehensive income	508,089	187,730

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.

The principal actuarial assumptions used in the valuations were:

	31-Dec-22	31-Dec-21
	% p.a.	% p.a.
Discount Rate	3.70	1.25
Rate of inflation	2.60	1.90
Expected rate of increase of pensions in payment*	2.60**	1.90
Expected rate of pensionable salaries**	2.60***	1.90

* 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: Allowance has been made for increases due under agreed pay deals (broadly 3% pa) for 2023-2025 inclusive reverting to long term assumptions thereafter.

*** Pension increases from 2029 in the case of the 1951 Superannuation Scheme and 2024 in the case of the Regular Wages Scheme.

Discount rate: The financial assumptions underlying the calculation of the liabilities changed during the year. The discount rate increased from 1.25% p.a. last year to 3.70% 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 17-18 years).

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

	31-Dec 2022 Male	31-Dec 2022 Female	31-Dec 2021 Male	31-Dec 2021 Female
Currently aged 45 years	24.3	26.4	24.2	26.4
Currently aged 65 years	22.6	24.6	22.5	24.6

The assets in the scheme were:

	2022 €000	2022 %	2021 €000	2021 %
Equities	693,060	32.0	807,239	31.13261235
Bonds	1,087,965	50.3	1,410,700	54.40617797
Property	52,783	2.4	56,850	2.192521685
Cash/Alternatives	329,761	15.2	318,115	12.268688
Total	2,163,569	100.0	2,592,905	100.0

Change in present value of the liabilities during the year:

	2022 €000	2021 €000
Opening present value of liabilities	3,439,367	3,512,891
Current service cost	108,390	108,636
Administration and other operating expenses	3,116	3,786
Interest cost	42,426	22,560
Member contributions	21,928	21,255
Net benefits paid	(90,584)	(83,973)
Actuarial (gains)/losses on liabilities due to changes in assumptions	(1,077,352)	(120,538)
Actuarial losses/(gains) on liabilities due to scheme experience	112,774	(25,250)
Closing present value of liabilities	2,560,065	3,439,367

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

Notes to the Financial Statements (continued)

25. Post Retirement Benefits (continued)

Change in fair value of assets during the year:

	2022 €000	2021 €000
Opening fair value of assets	2,592,905	2,537,458
Interest income on pension scheme assets	32,379	16,482
Employer contributions (funded schemes)	62,261	59,071
Employer contributions (unfunded arrangements)	1,169	1,217
Members contributions	21,928	21,255
Net benefits paid	(90,584)	(83,973)
Actuarial gains on assets	(456,489)	41,942
Superannuation scheme S.I. 190 1988 closure	-	(547)
Closing fair value of assets	2,163,569	2,592,905

Actual returns on assets:

	2022 €000	2021 €000
Interest income on assets	32,379	16,482
Actuarial (losses)/gains on assets	(456,489)	41,942
Actual return on assets	(424,110)	58,424

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

	2022 €000	2021 €000
Contracted for	473,395	191,378
Authorised by Board but not contracted for	412,583	450,708
	885,978	642,086

Capital grants totalling €811.4 million have been approved in respect of the above expenditure (2021: €639.6 million).

26. Capital and Other Commitments (continued)

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

	On plant & equipment/ motor vehicles 2022 €000	On plant & equipment/ motor vehicles 2021 €000
Within one year	5,479	4,038
Between one and five years	12,416	6,487
	17,895	10,525

27. Financial Instruments

The Group has the following financial instruments:

	2022 €000	2021 €000
Financial assets at fair value through other comprehensive income		
– Derivative financial instruments	17,000	15,879
	17,000	15,879
Financial assets that are debt instruments measured at amortised cost		
– Trade receivables	11,374	11,117
– Department of Education and Skills	8,402	4,166
– Other receivables	361,176	236,787
	380,952	252,070
Cash and bank in hand	330,056	253,946
Financial liabilities at fair value through other comprehensive income		
– Derivative financial instruments	5,147	901
	5,148	901
Financial liabilities measured at amortised cost		
– Bank loans	12,000	17,506
– Bank overdraft	–	163
– Trade creditors	62,882	72,233
– Other creditors	71,088	70,247
	145,970	160,149

Notes to the Financial Statements (continued)

27. Financial Instruments (continued)

The CIÉ Entity has the following financial instruments:

	2022	2021
	€000	€000
Financial assets at fair value through other comprehensive income		
– Derivative financial instruments	17,000	15,879
	17,000	15,879
Financial assets that are debt instruments measured at amortised cost		
– Trade receivables	1,213	1,360
– Other receivables	1,712	4,241
	2,925	5,601
Cash and bank in hand	325,355	245,927
Financial liabilities at fair value through other comprehensive income		
– Derivative financial instruments	5,147	901
	5,148	901
Financial liabilities measured at amortised cost		
– Bank loans and overdrafts	12,000	17,506
– Amounts owed to subsidiary companies	482,015	428,057
– Creditors	21,288	24,244
	515,303	469,807

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 2022, CIÉ was committed to buying GBP7.0 million, buying USD102.6 million, selling USD46.5 million and selling CAD1.77 million under forward currency contracts expiring during 2023 and 2024. The fair value of these contracts at 31 December 2022 is an asset of €1.7 million (2021: Asset €2.1 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 2022, CIÉ had no interest rate hedge contracts in place.

Derivative financial instruments – commodity swap contracts

At 31 December 2022, CIÉ was also committed to buying oil under commodity swap contracts to the value of USD94.2 million expiring during 2023 and 2024. The fair value of these contracts at 31 December 2022 was an asset of €10.2 million (2021: Asset €12.9 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.

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.

Notes to the Financial Statements (continued)

30. Group Membership (continued)

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

The Board are not aware of any events since the end of the financial year which require adjustment to or disclosure in the financial statements.

32. Approval of Financial Statements

The Board approved the financial statements on 7th June 2023.

5 Year Historical Finances

These figures are not included in the audited Financial Statements.

Consolidated Profit & Loss

	2022	2021	2020	2019	2018
Total revenue	1,492,584	1,298,413	1,194,782	1,359,366	1,314,944
Total Operating Costs	(1,508,864)	(1,325,063)	(1,233,210)	(1,316,209)	(1,285,793)
EBITDA before Exceptional Costs	(16,280)	(26,650)	(38,428)	43,157	29,151
Exceptional, Net depreciation and Profit on Disposal	12,269	(17,613)	(20,450)	(39,823)	(49,382)
Operating (Deficit)/Profit before Interest and Taxation	(4,011)	(44,263)	(58,878)	3,334	(20,231)
Net Interest Expense	(11,092)	(8,266)	(10,085)	(11,576)	(14,197)
Deficit for the Year Before Taxation	(15,103)	(52,529)	(68,963)	(8,242)	(34,428)
Tax on Ordinary Activities	(12,673)	(364)	1,833	(6,172)	(83)
Deficit for the Year	(27,776)	(52,893)	(67,130)	(14,414)	(34,511)

Consolidated Balance Sheet

	2022	2021	2020	2019	2018
Fixed Assets	2,721,412	2,597,849	2,627,529	2,773,802	2,778,172
Current Assets	804,727	592,752	388,658	377,133	324,319
Current Liabilities	(941,893)	(757,119)	(553,778)	(535,761)	(508,026)
Total Assets less Current Liabilities	2,584,246	2,433,482	2,462,409	2,615,174	2,594,465
Creditors (amounts due after more than one year)	(10,566)	(13,737)	(18,182)	(20,239)	(28,347)
Deferred Income	(2,195,780)	(2,065,025)	(2,099,014)	(2,224,945)	(2,208,015)
Provisions	(591,759)	(1,045,354)	(1,189,556)	(989,334)	(767,975)
Net Liabilities	(213,859)	(690,634)	(844,343)	(619,344)	(409,872)
Capital Reserve	28,556	28,556	28,556	28,556	28,556
Profit and Loss Account	(254,926)	(731,701)	(885,410)	(660,411)	(450,939)
Non-Payable State advances	12,511	12,511	12,511	12,511	12,511
Capital and Reserves	(213,859)	(690,634)	(844,343)	(619,344)	(409,872)



Contact Information
Coras Iompair Éireann
Heuston Station
Dublin 8
D08 E2CV

www.cie.ie