

Connecting Communities



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Bus Éireann would like to acknowledge funding on major projects by the Irish Government under the National Development Plan 2007-2013 as well as co-funding by the European Union.



Operations Review

Our Vision

Bus Éireann is fully committed to meeting the needs of our customers with an attractive, sustainable and cost-effective service.

Our Principles

The safety of our customers and staff is of paramount importance to Bus Éireann. Customers make the difference in the service we provide. Bus Éireann enriches the economy, the environment and the life of communities around the country in a sustainable way. We are committed to working hard and focusing on delivering our services in a cost-effective and efficient way.

Our Objectives

Bus Éireann continues to improve and enhance services to meet the needs of our customers. For over 25 years, Bus Éireann has been an essential and integral part of Ireland's transport infrastructure. We are continuing to build on that tradition of public service and transport expertise to give Ireland a bus and coach system which it can be proud of.

Financial Review and Overview

During 2011 Bus Éireann continued its strong focus on cost reduction and marketing of our services to maximise passenger revenue. Total revenue earned in 2011 amounted to €283.7m compared to €285.9m in 2010. The company earned a profit of €0.5m, after exceptional items, in 2011 compared to a loss of €2.2m in 2010. The loss before exceptional items amounted to €1.8m in 2011 compared to a loss of €2.2m in 2010.

The effects of the recession, with factors such as increased unemployment, reduced retail spending and less disposal income impacted negatively on customers' "reason to travel" during 2011, however the company responded by strongly marketing its network of PSO and commercial services and succeeded in holding passenger revenue at 2010 levels. The company is striving to maintain a fully integrated network of services nationwide in a very competitive and challenging market.

Services in the provincial cities recorded a drop in passenger numbers of approx 1.4% against 2010 levels while passenger numbers on other scheduled services reduced by 2.5%.

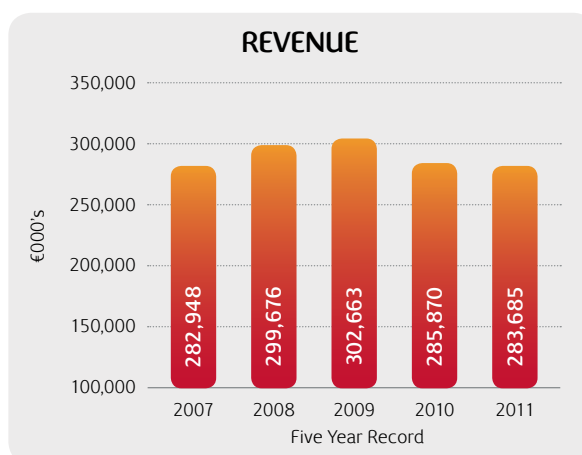
The reorganisation and restructuring of certain PSO services during 2010 continued to deliver savings in 2011. The company also achieved savings through its ongoing cost reduction programme. All cost savings were achieved while continuing to provide a comprehensive integrated transport network of services. In total, expenditure excluding fuel reduced by €8.0m compared to 2010 levels, but increases in the price of fuel cost the company €3.5m.

Bus Éireann is committed to ensuring that the company's operating cost base is reduced in line with reduced demand levels and reduced Exchequer funding. The company is continuing with its plans to further reduce expenditure during 2012 in what will continue to be a very challenging economic environment.

Staff numbers continued to reduce across all grades during 2011 with average staff numbers amounting to 2,605 compared to 2,704 in 2010, a reduction of 99. Payroll costs reduced by €6.2m (4%) in 2011 and this means that payroll costs have been reduced by €15.2m (10%) in total since 2009. These savings required the implementation of a range of challenging actions and were achieved with the co-operation of all staff across the company.

Bus Éireann has continued to invest in fleet, facilities, IT systems and plant and machinery to remain competitive and to maintain quality levels.

The revenue performance over recent years is set out in the table below:





88 new vehicles arrive into Dublin Port in late 2011. The new vehicles are equipped with features like Wi-Fi, power sockets, and Iso-Fix attachments for child safety seats.

An Efficient and Safe Public Transport Service

The company has delivered significant cost savings over recent years in line with reduced demand and reduced availability of Exchequer funding. The 2009 Cost Recovery Programme was designed to deliver a restructured network of PSO services and all of the targets associated with this have been delivered. Bus Éireann has continued to focus on reducing the ongoing operating cost base and savings of €8m were achieved during 2011. The focus has been on reducing costs while maintaining high standards of customer care. Safety remains the company's number one priority.

As the Independent Deloitte report noted, Bus Éireann is an efficient and effective public transport operator compared to European standards operating on a low subvention compared to other similar operators in Europe.

During 2011, the company continued to implement further efficiency measures as recommended by the Deloitte report. This included utilisation of higher capacity vehicles, integration with Rural Transport Programme and HSE transport services, and involvement in the Real-Time Passenger Information (RTPI) Display project. All Key Performance Indicators have recorded improvements during 2011 and further improvements are targeted for 2012.

Cost efficiencies were also achieved in school transport services through network planning in fully developing services, amalgamating routes and the renegotiation of contractor rates. Bus Éireann has delivered some €25.0m worth of cost saving measures in school transport since 2008. Efficiencies achieved in 2011 contributed significantly towards the requirements to deliver savings of €17m in the School Transport Budget by 2014 under the National Recovery Plan 2011 to 2014.

Technology has also been used to reduce costs. The increase in on-line ticket sales and the use of ticket vending machines led to a reduction in opening hours for ticket offices. The company is committed to developing and implementing technology and innovation in order to improve the customer experience. For example the introduction of Wi-Fi on board our buses.

We have ongoing programmes of innovative promotions to inform customers and potential customers of the great value service we provide.

National Transport Authority (NTA) and Public Service Obligation (PSO)

The company received capital funding for PSO services from the NTA in 2011 of €20.4m, which enabled the company to purchase 60 new PSO vehicles and invest in further initiatives to improve customer service.

The funding of PSO services is governed by Public Transport Contracts between the NTA and Bus Éireann. The current contract is for five years until 2014. The contract outlines standards of operational performance and customer services that Bus Éireann must maintain. In 2011, the company met the performance targets set out in the contract.

Bus Éireann received a subvention from the State as payment for its PSO of €43.4m in 2011 down from €49.4m two years previously in 2009.

Market Trends

In recent times, Bus Éireann has seen a significant drop in demand for public transport because of the fall in the number of people in work, the major slowdown in retailing and a considerable reduction in the number of tourists visiting Ireland. However, in 2011 Bus Éireann managed to keep the fall in road passenger numbers to just 2% with customer journey numbers decreasing from 37.3m in 2010 to 36.5m in 2011.

Year ended 31st December

Customer journeys	2011 000's	2010 000's
Provincial city services	16,389	16,620
Other scheduled services	20,112	20,640
School transport scheme	41,814	42,327
TOTAL	78,315	79,587



Major Employer & Contributor to Local Economies

Bus Éireann is a large national employer with a workforce of 2,605 at locations throughout the country.

A further 1,461 suppliers, who supply approximately 3,335 vehicles and provide over 4,000 jobs, are contracted to provide services mainly to the School Transport Scheme. Our business activities also create employment for people in many other sectors who supply Bus Éireann with goods and services at local and national level.

Bus Éireann contributed €58.3m to the Exchequer in 2011 through PAYE/PRSI payments, VAT, Carbon Tax, and Excise Duty.

National Integrated Rural Transport Committee

In line with Government policy and the Deloitte report, Bus Éireann continued to work closely with Pobal/ Rural Transport Programme (RTP), the HSE and the Departments of Education and Skills and Transport Tourism and Sport in developing a co-ordinated Integrated Transport Service.

The aim is to provide an enhanced range of local and rural transport services by connecting townlands and villages to towns and cities and beyond in a value for money way through better utilisation of transport networks and resources.

Focus on Communities & Customers

Bus Éireann provides essential bus services throughout the country, which benefit local communities, facilitate economic development and enhance the quality of life for many people living in rural or provincial areas. The improved customer information displays at shelters, stops and stations, and the bus shelter replacement programme have all enhanced our service quality levels.

Independent surveys show that Bus Éireann continues to have a high level of customer satisfaction.

The company also scored highly in terms of bus safety (93%); station staff (90%); friendliness of drivers (87%); and information provision (83%).

Bus Éireann's website - www.buseireann.ie - continued to be a very popular information and journey planning resource for the travelling public with the site receiving an average of 400,000 individual visits a month in 2011, which was a 5% increase on the year before and meant Bus Éireann's website remained one of the most visited Irish websites. Sales through the company's website grew by over 36% during the year. Bus Éireann now has over 13,000 followers on Facebook. Bus Éireann is always looking at ways of improving technology and communication as new systems develop.

As well as information and ticket purchasing, the company's website also has a journey planning feature that enables customers travelling to different destinations across the country to see how they can make onward connections using Bus Éireann's integrated network.

The Tax saver scheme has proved to be a huge success in 2011 with over 670 companies buying Bus Éireann Tax saver tickets with revenue increasing by 26%. In 2011 the Tax saver integrated online booking system was introduced for Bus Éireann, Irish Rail and Dublin Bus. Companies have welcomed the ease of use with the new online booking system.

Talking to our Customers

Monitoring and improving customer satisfaction is a key priority for Bus Éireann and is done through on-going engagement with our customers. Bus Éireann staff interact with customers on a daily basis which is a vital factor for improving customer satisfaction and customer feedback.

Operations Review (continued)

Each quarter, an independent audit is conducted to measure Bus Éireann's performance in meeting service commitments. The company's Customer Charter sets out a range of service commitments.

The independent audit has 3 components:

- Customer surveys to measure customer perceptions of performance
- Observations of bus departures to measure actual performance on bus operations
- Mystery shops & observations to evaluate various aspects of customer service

We encourage customer feedback through our customers emailing their comments to info@buseireann.ie.

Encouraging Public Transport Usage

In 2011 an extensive range of successful marketing initiatives were undertaken to help promote services. This included:

- A value online loyalty scheme - béClub that means the more you travel, the more you save and not just on public transport. By signing up to béClub for free on www.buseireann.ie, members can get discounted rates for hotel and self-catering accommodation; family days out; adventure activities; sporting gear; family meals and many more offers. Members can also benefit from discounted travel on Bus Éireann services.
- Bus Éireann launched its Value Campaign through advertising and PR. The aim was to show commuters and potential customers who travel by car the savings they can make by switching to public transport.
- Joint promotions were also established with a range of third-parties including; Dunnes Stores, Dublin Zoo, Guinness Storehouse, Dublin Airport, Burger King, Grand Canal Theatre, Viking Splash Tours, local retailers and shopping centres.



Passport to Summer.

- Our Passport to Summer campaign encouraged family travel within Ireland during the summer months and received tremendous feedback from customers. A number of initiatives were also introduced with local and national tourism bodies and organisations to encourage tourists to travel with Bus Éireann.
- Focussed student campaigns at key times of the year saw a boost in student passenger numbers.
- Bus Éireann continues to promote www.whensmybus.ie, the nationwide real-time passenger information system via the company website. Bus Éireann's real-time system provides customers with up-to-the-second information on arrivals and departures at stops across our network via SMS and the web.
- Offering special fares on local and national routes to encourage travel at key periods such as school holidays and the run-up to Christmas
- Promotional fares were also used on specific local routes that had not been performing well

Innovation

Bus Éireann continued to innovate in 2011 in order to provide an enhanced customer experience and generate revenue to invest in our services.

Initiatives undertaken in 2011 included:

- Introduction of limited and non-stop Expressway services
- Free Wi-Fi on more than 40 vehicles
- Real-time customer information displays at eight stations

- On-line self-service application for Tax saver
- Introduction of on-line loyalty scheme, béClub
- Use of automated ticket machines at stations
- On-line application form for School Transport Scheme
- Enhanced customer information displays at shelters, stops & stations
- Maximisation of advertising revenue in innovative formats

Enhanced Services through Technology

During 2011 the company revamped its website www.buseireann.ie. This included a more user-friendly system with greater emphasis on ticket purchasing and journey planning. We have received positive feedback from customers regarding the changes. Further enhancements to the website will be ongoing in 2012.

Bus Éireann is currently working with the NTA, Dublin City Council and Cork City Council on the introduction of real-time passenger information displays at appropriate bus stops/shelters in Cork City and in the Greater Dublin Area. The test phase of the RTPI began in Cork in November 2011.



Minister for Public and Commuter Transport Alan Kelly TD at the launch of the RTPI scheme in Cork city.

It is expected that the system will be fully operational when all RTPI signs have been installed in Cork. Further RTPI displays are expected to be extended to other provincial cities and the greater Dublin Area in the near future.

Service Enhancements

The service we provide is getting people where they want to go in a safe, reliable and efficient way. Despite the pressures on finances in 2011 we still introduced many improvements to our services.

This reflects the commitment and professionalism of all our staff in Bus Éireann who have responded positively to the challenges experienced in 2011.

During 2011, Bus Éireann introduced, in conjunction with the National Transport Authority, a number of service enhancements in line with customer demand by:

- Revamping several routes to make better use of existing resources.
- Revision of the timetable on the M3 Motorway corridor to offer customers quicker journey times.
- Introducing a new timetable for the 109a Navan-Dublin Airport-DCU with all services now operating to/from Kells.
- Extending the Route 226 Cork Airport/City Centre/Parnell Place Bus Station to Kent Station.
- Including Kinsale on the Route 252 Cork/Kenmare/Killarney route during the summer only.
- Extending the Route 208 to Marymount Hospice.

Expressway Developments

During 2011, Bus Éireann introduced, a number of Expressway Intercity service improvements in line with customer demand:

- Route 1 Dublin-Belfast-improved journey times and all services operate non-stop between Dublin Airport and Newry.
- X2 Dublin Airport-Belfast saw a seasonal non-stop service between Dublin Airport and Belfast City.
- Route 30 Dublin-Donegal delivered faster journey times and all services operate non-stop between Virginia and Dublin Airport

Operations Review (continued)



In September 2011, Minister for Transport, Tourism & Sport Leo Varadkar TD celebrated the reduced journey times to cities such as Dublin, Galway, Limerick, Derry and Belfast on Bus Éireann's limited-stop X services.

- Route X33 Dublin-Derry a non-stop service between Dublin City, Dublin Airport and Derry City introduced.

Eurolines Developments

Irish Ferries were appointed our new ferry partner on the Dublin to London via Holyhead Eurolines service in April 2011. A Eurolines 861 summer only day service from Dublin to London was introduced in partnership with Eurolines UK. The 890 Cork to London service now operates daily from Cork to Bristol/London.

Fleet Investment

88 new vehicles were delivered to the company in late 2011. The new vehicles are equipped with features like Wi-Fi, power sockets, and Iso-Fix attachments for child safety seats. The new vehicles will go into service during 2012. The investment of 88 new vehicles will provide customers with improved comfort and increased capacity and deliver internal efficiencies.

The new vehicles included:

- 60 NTA funded vehicles: 25 Commuter Coaches, 25 City Buses and 10 Double-Deck.

- 28 Expressway vehicles including 8 Double-Deck Coaches feature significant advancements in safety, technology, design and customer experience.



18 new vehicles arrive to Cork including four double-deck city buses and 11 single-deck city buses along with three new Expressway coaches.

School Transport

Bus Éireann worked very closely with the Department of Education & Skills in 2011 to ensure that school transport services provided under the School Transport Scheme to primary and post primary schools and children with special needs, continue to be delivered in a cost-effective and efficient manner on behalf of the State.

In the region of 113,000 children holding tickets issued under the School Transport Scheme are transported twice daily on dedicated Bus Éireann and contracted school transport fleet, and also on publicly owned and privately licensed scheduled local and national bus and rail services. This includes some 8,000 children with special needs who are provided with services tailored to meet individual requirements operating on a door-to-door basis.

Bus Éireann has delivered some €25m worth of cost saving measures in school transport since 2008 despite well over 300 new services being added to the School

Transport Scheme in that time, mainly for children with special needs.

Efficiencies achieved in 2011 contributed significantly towards the requirement to deliver savings of €17m in the School Transport Budget by 2014 under the National Recovery Plan 2011 to 2014.

In 2011 Bus Éireann introduced and developed an online application process for families seeking primary school transport. The application process is fast and more convenient for parents. Parents can now fill out an application form which goes directly to Bus Éireann to process.

The safety of schoolchildren travelling on board our school transport services is our highest priority and the promotion of school bus safety and communication of key safety messages received particular attention at local level. The Bus Éireann School Bus Safety Roadshow visited schools and participated in multi-agency events promoting safety around the country.

We continue to work closely with the Garda Central Vetting Unit to ensure that background checks are conducted on personnel involved in the provision of almost 4,000 school transport services under the School Transport Scheme, including Bus Éireann and Contractors drivers.

As an important part of our safety protocols, Bus Éireann also employs the services of an independent expert group who are committed to providing professional vehicle and maintenance systems inspection services and provide advice and assistance that helps to ensure that our own fleet maintenance procedures, not only in school transport, are consistent with best industry practices.

This independent agency is also used to conduct spot checks on Contractors buses under the Scheme and we have increased the frequency of random inspections.

The quality and range of school transport services being provided under the Scheme continues to improve, with 155 new services introduced in 2011. Even so, the total number of contractors vehicles employed was reduced by 48 vehicles since the start of the year through effective and careful network planning, which contributes significantly to cost efficiencies, while the number of Bus Éireann school buses did not increase.

There are now 404 wheelchair accessible vehicles providing school transport services every school day under the Scheme, an increase of 35 vehicles since 2010.

Supporting Tourism

State Visits

Bus Éireann operated coaches to and from some of the country's biggest events during 2011. These included the State Visit to Ireland by Her Majesty Queen Elizabeth II in May 2011 for which Bus Éireann was the official transport provider to the media during the visit.

Bus Éireann was also one of the support organisations involved in the visit of President Obama to Ireland and in particular to Moneygall.

The visits of Queen Elizabeth and President Obama were regarded as being hugely successful and Bus Éireann received complimentary letters from the Gardaí for the role it played.

Festivals

Bus Éireann operated a Park & Ride system during the hugely successful Tall Ships Festival in Waterford. It is estimated that over 22,000 customers availed of the service. There were extra services to/from Tramore and additional stage carriage and Expressway auxiliaries also operated taking visitors to and from the festival.

Bus Éireann also supported events such as the Sea Sessions festival in Bundoran and the Lissadell concerts and Warriors Festival in Strandhill, Co. Sligo. We also provided specials services to the Cork Jazz Festival, the National Ploughing Championships, Fleadh Cheoil na hÉireann, Electric Picnic, Waterford City Spraoi festival, Oxegeen and the Kings of Leon concert in Slane.

Day Tours

Bus Éireann provides an extensive range of day tours throughout the country. A revised day tour programme was introduced in Mayo and Donegal. In Cork a three-day rambler was introduced in May, allowing customers unlimited travel on many Bus Éireann services around Cork, from June to September inclusive.

Sporting Events

Bus Éireann operated special services to the All-Ireland Football and Hurling Championships Finals and the Leinster Hurling Final.

Operations Review (continued)

Bus Éireann transported both FC Porto and SC Braga for the Europa league final in the Aviva Stadium.

The Solheim Cup took place in Killeen Castle, Co. Meath and Bus Éireann was the official transport carrier to the US and European teams while also acting as an official carrier to the dignitaries, referees and the media.



Bus Éireann was the official transport provider to the US and European teams for the Solheim Cup.

Bus Éireann operated special services to and from the FAI Cup Final match in the Aviva Stadium. We also operated special services to the Galway Races and Limerick Races, as well as shuttle services from Limerick City to Thomond Park Stadium for Munster rugby matches.

Environmental Benefits

In May 2011, Bus Éireann joined the Sustainable Energy Authority of Ireland's Working Group on Financing Retrofit in the Public Sector, and thereafter Bus Éireann became a member of the Authority's Public Sector Energy Link.

During 2011, Bus Éireann examined a number of energy efficiency improvement projects, and submissions on these were made to the SEAI under the Authorities' Better Energy Workplaces 2011 scheme. Under the scheme, Bus Éireann completed projects to the value of €296,000 and for which a total of 35% was grant-aided.

The projects were focused on depots in Dublin and Cork with the emphasis on the energy efficiency upgrade of the buildings and in particular on improving insulation ratings.

In line with recommendations in an SEAI Energy Saving Opportunities Survey, a substantial portion of the office, garage and yard lighting systems at these locations were upgraded to more energy-efficient equipment.

The new vehicles comply with the very latest Euro 5 emissions standards. The arrival of 88 new fleet vehicles commenced in to depots during late 2011.

Telematic Fleet Management Systems are fitted to these vehicles and this equipment assists drivers in maximising the economic driving of each vehicle type.

All 88 vehicles have an automatic Engine Idling Cut-off facility. This ensures that after a period of time with the vehicle stationary, the engine is shut down which leads to fuel savings and emissions reductions.

In 2011 Bus Éireann's consumption was as follows:

Energy Products	2011 MWH	2011 %	2010 MWH	2010 %
Diesel	289,702	96.1%	297,467	96.3%
Electricity	6,781	2.2%	6,506	2.1%
Gas	3,638	1.2%	3,424	1.1%
Heating Oil	1,420	0.5%	1,417	0.5%

Maintaining Services to Communities in Difficult Conditions

Bus Éireann recognises its role as a key provider of public transport throughout the country and this was demonstrated during 2011 when the company provided a high level of services in a safe manner in difficult circumstances.

Bus Éireann also played an active and valued role as a member of the inter-agency Severe Weather Group established by the Department of the Environment, Heritage and Local Government to co-ordinate the multi-agency response to the weather crisis and provide a public information service.

The company has received a large number of correspondence from customers thanking our staff for maintaining services safely during these times.

To maintain services in such circumstances in a safe manner requires significant skills and expertise and the commitment of our employees in this regard, particularly

during the severe weather incidents, which before was recognised and applauded by the Government.

Community Involvement

Bus Éireann continued its commitment to communities throughout the country with its support for national and local projects.

Bus Éireann sponsored the GAA's Féile Peil na nÓg and Féile na nGael U-14 national hurling and football tournaments. Over 8,000 young players from all over Ireland and abroad participated in the event.

In September, Bus Éireann became the title sponsors of the FAI's Women's National League. The league, containing 6 clubs commenced in November. The clubs are: Castlebar Celtic FC, Cork Women's FC, Peamount United, Raheny United, Shamrock Rovers, and Wexford Youths Women's AFC.



Michael Ring TD, Minister of State for Tourism and Sport at the launch of the Bus Éireann's Women's National League in October 2011.

Bus Éireann also played an active role working with the Department of Transport, Tourism and Sport, and other State and local bodies to promote European Mobility Week, which is an initiative to encourage greater public transport use at a national and local level. Examples of community involvement at local level include our sponsorship of the County Waterford Community and Voluntary Awards for the West Waterford Region.

Bus Éireann staff in Ballina, Sligo and Stranorlar also volunteered their time on behalf of Special Olympics Ireland, who held their national collection day during April 2011.

Park n Ride

Bus Éireann operates the Black Ash – Lapps Quay Park and Ride service in Cork on behalf of Cork City Council. The service continues to be very popular and provides our customers with an integrated and convenient travel solution.

Additional Park and Ride services were operated in Cork and Galway cities over the Christmas period.

By offering the Park and Ride service, Bus Éireann gives customers options of using their car for the first part of their journey, where services are less frequent or they have reduced access to services. This allows the customer to avoid traffic congestion and city centre parking costs for the end of their journey.

Accessibility

In 2011, Bus Éireann upgraded facilities at Busáras, Limerick, Ennis and Killarney with wheelchair accessible bus bays to facilitate the safe operation of our wheelchair accessible coaches. 88 new vehicles which are all fully accessible were also introduced to the fleet. We will continue to roll out accessible coach services with wheelchair lift facilities on a route by route basis, as soon as the full complement of accessible coaches are available. During 2011 the Disability User Group met on several occasions to discuss and review progress being made.

Bus Éireann is a member of the Public Transport Accessibility Committee (PTAC) and has an active accessibility user group whose members include IWA, DeafHear, NCBI, and the Disability Focus Group on the Dublin Community Forum. These groups have been proactive in the development of Bus Éireann's accessibility services.

Safety & Risk Management

The safety of our customers and staff is Bus Éireann's main priority. The management continues to reinforce a safety culture throughout the organisation. As part of this, the company continued to invest in training for staff such as Driver Certificate of Professional Competence (CPC), safety management and technical training for maintenance staff in 2011. In line with policy, the company regularly reviews and updates its safety management systems. The Bus Éireann Safety Statement is reviewed, updated regularly and communicated to all staff.

Operations Review (continued)

Garage operations

In 2011, garage operations had a challenging year in successfully keeping road passenger and schools fleet operating during a prolonged period of inclement weather. Garage developments and improvement activities continued with further investment and upgrade of facilities such as fuelling works, upgrade of heating systems and electrical installations.

Investing in People

Bus Éireann continued its on-going investment in staff training and development in 2011.

Driver Training

In 2011, the third module of the Driver Certificate of Professional Competence (CPC) training, as approved by the Road Safety Authority (RSA), was completed and the fourth module commenced.

Training Instructors were trained in the Institute of Advanced Motorists (IAM) train the trainer driving techniques and in excess of 200 drivers were trained in SEAI approved eco-driving techniques.

Vehicle familiarisation and training on the operation of wheelchair accessible vehicles also continued during the year. Bus Éireann continued to issue and distribute a Quarterly Driver Safety Bulletin to all drivers.

Maintenance Staff

The first of the three year training plan for craft workers commenced in 2011. The focus of the three year plan is training in new processes and procedures and the continued development of an understanding of general diagnostics and repair of vehicles.

All craftworkers completed the FTA vehicle inspection initial and refresher training.

Statutory training required for craftworkers such as working at heights, Air Conditioning Maintenance Training, Forklift Truck training also continued in 2011.

An Institute of Occupational Safety & Health (IOSH) Managing Safety Course, which is FETAC accredited, was

completed by a number of maintenance supervisors and Regional Engineers.

Apprentice Training

The training of apprentices continued with 17 new apprentices hired in 2011. The apprentices undertake a four year training programme, which is provided by Bus Éireann in conjunction with FÁS.

Clerical Staff

A number of training courses were provided to staff throughout 2011 including training on new and existing IT systems. A wide range of other courses were made available to staff focusing on developing efficient ways of working, as well as the enhancement of people management and customer care skills.

An Duaiscéim

Through An Duaiscéim, a scheme open to all staff, a variety of courses were provided to staff to assist them in developing their skills in the workplace.

Management Staff

Bus Éireann continued to sponsor a number of staff on a programme in Management Studies for the Transport Sector, which is HETAC accredited. 40 staff have successfully completed the programme and 11 students commenced the programme in September, 2011.

Bus Éireann also continued to invest in its managerial experience during the year with staff undertaking a number of courses with particular focus on developing effective and efficient management skills.

A number of management staff completed the IOSH Managing Safety Course.



In conjunction with the National Transport Authority (NTA), Bus Éireann introduced a number of enhancements to its PSO services in 2011.

Directors and other information

Board of Directors

Directors at 19th October 2012

Paul Mallee, Chairman

Susan Donohoe

John Griffin (Retired 17th May 2012)

Tom Hussey

John Moloney

Bill McCamley

Micheál Ó'Faoláin

Henry Minogue

Kieran Fay

Gerard Ryan (Appointed 30th July 2012)

Chief Executive

Martin Nolan

Secretary and Registered Office

Andrea Keane

Broadstone,

Dublin 7.

Telephone: 00 353 1 703 3447

Facsimile: 00 353 1 703 3486

Website: www.buseireann.ie

Registered Number: 119570

Auditors

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors,

One Spencer Dock,

Dublin 1.

Biographies of Directors



Paul Mallee

Paul Mallee was appointed as Chairman of Bus Éireann and as a Board Member of Coras Iompair Éireann on 29 June 2011. He is a management consultant specialising in the transport sector, working internationally. Previously, he was a senior corporate strategy

executive with Etihad Airways. Paul also worked for several years in the transport practice of the global strategy consultancy Booz & Company. He is a Fellow and the immediate past President of the Chartered Institute of Logistics and Transport (CILT) Ireland. He is a graduate of University College Dublin and UCD Michael Smurfit Graduate Business School. Paul holds a Masters Degree in Strategic Management and Planning, a Bachelor of Commerce Degree and a Certificate of Professional Competence in Road Transport Operations Management.



Susan Donohoe

Susan Donohoe was first appointed to the Board in March 2010. Susan is a Fellow of the Association of Chartered Certified Accountants and has experience in a variety of finance roles since 1978. Susan worked in practice for 16 years and was a registered auditor

from 1997 to 2003. She has also undertaken the role of finance manager in a variety of industries. In her current role as Corporate Services Manager for EQuita Consulting Ltd, Susan leads a team of professionals specialising in Commercial Negotiation, Mediation, Dispute Resolution, Bullying & Harassment Investigations, and Executive Coaching in Ireland, Europe, USA and the Middle East. A graduate of UCD, Susan previously served as a member of the Council of CERT and a member of the interim board of Fáilte Ireland.



John Griffin

John Griffin was first appointed to the Board in May 2009. John served for thirty three years as a Public Servant with O. P. W. and An Post. He held elected office for circa thirty years with Limerick County Council and all of its Committees. He was a Member of

governing body Tralee Institute of Technology, Member of Tralee Institute of Technology Audit Committee. Member of Limerick Institute of Education Member of L. I. T. Audit Committee. Chairman of Foynes Harbour Trustees, Chairman Co. Limerick V. E. C. Chairman Finance Committee Member of I.V.E.A. for ten years. He retired as a director on 17th May 2012.



Tom Hussey

Tom was appointed to the board in December 2010. Tom is a former Public Representative and was T. D. for Galway East Constituency between 1969 and 1981. He served as Minister of State for Agriculture, Health and Social Welfare from 1977 to 1981

and was subsequently elected as Senator and sat on the Agricultural Panel for 12 years until 1992.

Tom was Chairman of Galway County Council for four consecutive years in the mid-1970's and also chaired the Western Health Board.

A graduate of NUI Galway, Tom previously served as a member of County Galway Vocational Education Committee as a Director of Aontas and National Adult Education Board. He has been a director of Dublin Port Company from 2002 to 2010.

Directors and other information (continued)



Gerard Ryan

Gerard Ryan has over 15 years' experience in senior management positions in the financial services and IT sectors in diverse organisations. He is currently Operations Director with Acorn Life Ltd, a privately owned Irish life insurance company, based

in Galway. He has a strong background in general management and also highly experienced in financial and cost management, project management and assessment, business change, technology led innovation and meeting customer needs. Gerard Ryan holds a Masters in Business Administration from the UCD Michael Smurfit Graduate Business School and is also a B.Sc. in Computer Science graduate of Trinity College, Dublin. He was appointed a director on 30th July 2012.



John Moloney

John Moloney was appointed to the Board in December 2005 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. John joined Bus Éireann in 1978 and works in Cork as a bus driver. He is a member of the NBRU.



Bill McCamley

Bill McCamley was first appointed to the Board in December 1997 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Bill joined Bus Atha Cliath in 1974 and works in Phibsboro Garage as a bus driver. He is a member of SIPTU and has

represented bus workers at local and branch level over many years.



Micheál Ó Faoláin

Micheál Ó Faoláin was first appointed to the Board in February 2011. A former director of Bord Gáis Éireann, Micheál served on the Audit and P.R. sub committees as well as a director of the C.H.P joint venture company CM Power.

As a former secondary school principal, Micheál has practical experience of the school transport system.

Other business experience comes from his directorships of Telcotec, a mobile phone back office system provider, Three Rock Media, an online training company in the photography/hand held camera area and Athgal a business/educational consultancy. An Arts and Law graduate from N.U.I.G Micheál also holds an Industrial Relations Diploma from the N.C.I.R.



Henry Minogue

Henry was appointed to the board in October 2011. He has been the IT Director for UPC in Ireland since 2006 having previously served as Programme Manager for Strategy and Planning. He has been working in the IT and Telecommunications sector in

Ireland for 18 years. During this time he has gained extensive business experience in IT Strategic Planning, IT Operations Management, Delivery and Governance while also delivering Business Transformation through Innovation led programmes.

He has held numerous consulting and senior management positions in the Telecommunications industry in Ireland. His portfolio also covers consulting positions in both the retail and financial sectors. Henry is a member of the Irish Computer Society and the Institute of Directors in Ireland. Henry was appointed Chairperson of Bus Éireann Audit Review Group during 2012



Kieran Fay

Kieran Fay was appointed to the Board in November 2011. A graduate of Trinity College Dublin, Kieran holds an Honours Science Degree and Diploma in Environmental Engineering, and a Masters of Science from

Napier University Edinburgh. He is a Chartered Scientist (MCIWEM 2008) and Chartered Water and Environmental Manager (C.WEM 2009) and has over 14 years of business experience in the Environmental Engineering and Health & Safety Sectors in Ireland and the UK, including the Office of Environmental Assessment at the Environmental Protection Agency (EPA) in Ireland.

Kieran is currently employed in Private Sector Engineering Consultancy working on projects ensuring compliance with EU legislation and in implementing Environmental Management Systems (EMS).

Report of Directors

The directors present their annual report in accordance with their obligations under the Irish Companies Acts 1963 to 2012 and the Transport (Re-organisation of Córas Iompar Éireann) Act 1986. The financial statements of the company and the related notes, which form part of the financial statements and are included in this report, have been prepared in accordance with accounting standards generally accepted in Ireland.

Principal Activities and Financial Review

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

The company recorded an overall surplus after the Public Service Obligation payment of €0.45m. Road passenger journeys decreased by 0.76m journeys, and school journeys decreased by 0.51m journeys in 2011.

Revenue decreased by €2.18m to €283.7m. Core Road Passenger revenue was maintained at 2010 levels in a difficult year of trading, while School revenue reduced in line with savings achieved for the Department of Education and Skills.

Payroll and related costs decreased again in 2011 down to €130.72m for the year.

Materials and services costs have increased by €3.28m during 2011 reflecting rising fuel costs.

The company continues its strong focus on the delivery of a safe and efficient network of services for all customers. In monitoring the company's performance a range of key operating and financial performance indicators are regularly reviewed by both the management and directors of the company.

A detailed review of the company's activity for the year is contained in the Operations Review on pages 2 to 12.

Results and Reserves

The financial statements for the year ended 31st December 2011 are set out in detail on pages 23 to 39. The results for the year ended 31st December, 2011 show a Surplus of € 0.45m (2010 – Deficit €2.24m).

Internal Control and Risk Management

The board of Bus Éireann has an Audit Review Group in place to review the annual accounts, internal controls and compliance matters, the effectiveness of internal and external audit and risk management. A risk register is maintained by the company and is updated for review by the directors and senior management on an ongoing basis. A Board Safety Committee and a Board Maintenance Committee are also in place to review safety matters, maintenance matters and procedures and they report to the Bus Éireann board.

Capital Investment

During 2011, €30.3m was invested in new fleet. 25 new single deck city buses, 10 new double deck buses and 25 new commuter coaches for operation on Public Service Obligation routes were fully funded by the NTA. 20 new Expressway coaches and 8 new double deck coaches for operation on commercial services were purchased using the company's own resources.

Report of Directors (continued)

Attendance at Board/Committee Meetings

Listed below are details of directors' attendance at Board/Committee meetings held during 2011

Bus Éireann Board/Committee Attendance Log 2011			
Director	BE Board	Safety	Maintenance
Mr Paul Mallee	4/4		
Dr John J Lynch	5/5		
Mr Henry Minogue	2/2		
Mr John Griffin	9/9		4/4
Mr Tom Hussey	8/9	3/3	
Mr Kieran Fay	1/1		
Mr John Moloney	7/9	4/4	4/4
Mrs Tras Honan	1/1	1/1	
Mr Bill McCamley	7/9		
Ms Susan Donohoe	8/9		
Mr Micheál Ó' Faoláin	7/8		

Employee Participation

As part of the Enterprise Partnership Scheme the Top Group and the Steering Group met in 2011 with quarterly meetings of the local councils continuing throughout the year.

Health and Safety

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

The Bus Éireann Board Safety Committee, which was established at sub board level in 2004, met during the year. This committee monitors the safety of the company

against an annual safety plan and encourages the widest participation in safety awareness and accident prevention in the company.

EC (Late Payment) Regulation 2002

The directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment) Regulation 2002. Procedures have been implemented to identify the dates upon which all invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the regulations.

Equality and Diversity

As required under the Disability Act 2005, Bus Éireann continues to monitor the number of its employees with disabilities. Since Bus Éireann commenced this monitoring process there has been a slight but steady increase in the number of employees with disabilities.

Bus Éireann continues its involvement as a business partner of the National Institute for Intellectual Disability (NIID) at Trinity College Dublin. The NIID is an inclusive Institute focusing on lifelong learning for individuals with intellectual disabilities. At the NIID students with intellectual disabilities can participate in a two year, full time approved programme. In the second year of the programme the students are required to complete at least 70 hours work experience and Bus Éireann facilitated two students with this work experience.

Bus Éireann continued its involvement with the Equality Authority and with other transport companies in a programme promoting age friendly transport services.

Books of Account

The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at Bus Éireann, Broadstone, Dublin 7.

Directors

The directors of the company are appointed by the Minister for Transport, Tourism and Sport. The names of persons who were directors during the year ended 31st December 2011 or who have since been appointed are set out below. Except where indicated they served as directors for the entire year.

Mr Paul Mallee, Chairman (Appointed 29th June 2011)

Mrs Tras Honan (Retired 9th February 2011)

Dr John J Lynch (Retired 27th March 2011 but extended to 28th June 2011)

Mr Henry Minogue (Appointed 10th October 2011)

Mr John Moloney

Mr Bill McCamley

Mr Tom Hussey

Mr John Griffin (Retired 17th May 2012)

Ms Susan Donohoe

Mr Micheál Ó' Faoláin (Appointed 21st February 2011)

Mr Kieran Fay (Appointed 7th November 2011)

Mr Gerard Ryan (Appointed 30th July 2012)

None of the directors or the secretary held any interest in any shares or debentures of the company, its holding company or its fellow subsidiaries at any time during the year.

Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the Code of Practice for the Governance of State Bodies are set out in the Córás Iompar Éireann Group Accounts.

Post Balance Sheet Events

There have been no significant post balance sheet events which require adjustment to the financial statements or inclusion of a note thereto.

Going Concern

The board of directors are satisfied that while a number of uncertainties exist, that the company will have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for the preparation of the accounts. Note 1 "Going Concern" addresses those uncertainties and summarises the directors conclusions in relation to going concern.

Auditors

The auditors, PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

P. Mallee, Chairman

H. Minogue, Director

19th October 2012

Statement of Directors' Responsibilities

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that year.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Irish Companies Acts, 1963 to 2012.

They are also responsible for safeguarding the assets of the company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Bus Éireann - Irish Bus

We have audited the financial statements of Bus Éireann for the year ended 31 December 2011 which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statements, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out in the statement of accounting policies therein.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Irish law and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Directors' Responsibilities on page 20.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 193 of the Companies Act 1990 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2012. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the company balance sheet, are not more than half of its called-up share capital.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Operations Review. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements;

- give a true and fair view of the state of the company's affairs as at 31 December, 2011; and
- of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Independent auditor's report to the members of Bus Éireann - Irish Bus (continued)

In our opinion, the information given in the report of the directors on pages 17 to 19 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 25, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December, 2011, a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern.

The Company incurred a surplus of €0.4 million during the year ended 31 December 2011 and, at that date, the Company had net assets of €23 million and net current assets of €11.3 million at 31 December 2011 of which €64.8 million relates to amounts due from the Holding Company CIE.

Note 1 in the CIE Group accounts indicates that CIE is in discussions with its bankers in relation to the renewal of its existing bank facilities which are due for renewal at dates between January 2013 and October 2013, and are also in discussions with the Department of Transport, Tourism and Sport, the National Transport Authority, and the Group's Bankers' in respect of the additional funding which will be required. Those discussions have not been concluded at the date of approval of these financial statements.

These conditions, along with the other matters explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

Teresa Harrington

For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
1st November 2012

Principal Accounting Policies

The significant accounting policies and estimation techniques adopted by the company are as follows:

(A) Basis of Accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

(B) Tangible Assets and Depreciation

Tangible assets are stated at historical cost less accumulated depreciation based on that historical cost.

The bases of calculation of depreciation are as follows:

(i) Road Passenger Vehicles

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

(ii) Plant and machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives.

(C) Leased Assets

Operating Leases

Rental payments under operating leases are charged to the profit and loss account as they accrue.

(D) Stocks

Stocks of materials and spare parts are valued at the lower of average cost and net realisable value.

Stocks which are known to be obsolete at the balance sheet date are written off, and provision is made in respect of stocks which may become obsolete in the future.

(E) Public Service Obligation Payments and Grants

(i) Public Service Obligation (PSO) payment

PSO payments received during the year are dealt with in the profit and loss account.

(ii) European Union and Exchequer grants

European Union (EU) and Exchequer grants which relate to capital expenditure are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

(F) Foreign Currency

Transactions denominated in a foreign currency are translated into euro at the rate ruling at the date of the transaction, or at contract rates where the amounts payable or receivable are covered by forward contracts.

Realised exchange gains or losses on transactions settled during the year are treated as part of the surplus or deficit for the year from ordinary activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or at contract rates where applicable.

(G) Pensions

The expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from independent actuaries, at what is expected to be a stable percentage of pensionable pay. Variations from regular pension costs, identified by periodic actuarial valuations, are spread over the expected average remaining service lives of the members of the scheme.

The capital cost of supplementary pensions is provided for and charged to the profit and loss account in the year that the related employee severance is recognised and is included in the cost of severance.

Profit and Loss Account

Year ended 31st December	Notes	2011 €000	2010 €000
Revenue		283,685	285,870
Costs			
Payroll and related costs	2	(130,722)	(136,945)
Materials and services	3(a)	(190,831)	(187,548)
Depreciation less amortisation of grants	4	(7,863)	(7,939)
Total operating costs		(329,416)	(332,432)
Deficit before loss on disposal, interest, Public Service Obligation payment and before exceptional items		(45,731)	(46,562)
Loss on disposal		(91)	(976)
Deficit before, Public Service Obligation payment, Interest and before exceptional items		(45,822)	(47,538)
Interest receivable		574	256
Deficit before Public Service Obligation payment and before exceptional items		(45,248)	(47,282)
Public Service Obligation payment	20	43,403	45,039
Deficit for the year after Public Service Obligation payment and before exceptional items		(1,845)	(2,243)
Exceptional item	3(b)	2,300	-
Surplus/(deficit) for the year after Public Service Obligation payment and after exceptional items		455	(2,243)
Accumulated Deficit at start of the year		(6,659)	(4,416)
Accumulated Deficit at end of the year		(6,204)	(6,659)

All figures relate to the continuing activities of the company.

There were no recognised gains or losses other than those included in the profit and loss account.

On behalf of the board

P. Mallee Chairman

H. Minogue Director

Balance Sheet

As at 31st December	Notes	2011 €000	2010 €000
Fixed assets			
Tangible fixed assets	5	121,791	109,363
Current assets			
Stocks	6	4,728	4,517
Debtors	7	78,079	91,918
Cash at bank and in hand		1,016	88
		83,823	96,523
Creditors (amounts falling due within one year)	8	(72,497)	(78,211)
Net current assets		11,326	18,312
Total assets less current liabilities		133,117	127,675
Provision for liabilities and charges	9	(47,829)	(47,894)
Deferred Income	10	(62,288)	(57,236)
		23,000	22,545
Financed by:			
Capital and reserves			
Called up share capital	11	29,204	29,204
Profit and loss account		(6,204)	(6,659)
Shareholders' funds		23,000	22,545

On behalf of the board

P. Mallee Chairman

H. Minogue Director

Cash Flow Statement

As at 31st December	Notes	2011 €000	2010 €000
Net cash (outflow)/ inflow from operating activities	13 (A)	(6,208)	19,962
Returns on investment and servicing of finance			
Interest receivable		574	256
		(5,634)	20,218
Capital expenditure			
Additions to tangible assets	5	(33,500)	(1,467)
Disposal of tangible assets		35	152
Capital grants received	10	19,191	—
(Outflow)/inflow before use of liquid resources and financing		(19,908)	18,903
Management of liquid resources			
Movement in amounts owed by holding company	13 (B)	20,836	(19,151)
Increase /(decrease) in cash	13 (B)	928	(248)

Liquid resources comprise amounts owed by the holding company, which represent cash generated not immediately required for operations, and made available to the holding company, repayable on demand.

Reconciliation of net cash flow to movement in net funds	2011 €000	2010 €000
Increase/(decrease) in cash in the year	928	(248)
Cash from change in liquid resources	(20,836)	19,151
Movement in net funds	(19,908)	18,903
Net funds at 1st January	85,759	66,856
Net funds at 31st December	65,851	85,759

Notes to Financial Statements

1. Going Concern – Material Uncertainty

The Company incurred a surplus of €0.4 million during the year ended 31 December 2011 and, at that date, the Company had net assets of €23 million and net current assets of €11.3 million at 31 December 2011 of which €64.8 million relates to amounts due from the Holding Company CIE.

A copy of the Going Concern disclosure included in Note 1 of the CIE financial statements is included below:

“The financial statements have been prepared on the going concern basis, which assumes that the Group will be able to continue in operational existence for the foreseeable future.

The Group continues to operate in a very challenging environment. The continued deterioration of the Irish economy has adversely affected the Group’s financial performance and poses challenges for the future. Passenger journeys have decreased and overall reductions in Government Public Expenditure have caused consequent reductions in the level of State funding to CIE.

The Group exceeded its available borrowing facilities during 2012, and the excess to date has been met by advance payments of the Public Service Obligation. Without mitigating measures, it is expected that the Group will again exceed its existing borrowing facilities in 2013. Coupled with this, the existing Group bank borrowing facilities (of €107 million) are due to expire on various dates between January and October 2013. At 31 December 2011 the Group had bank and leasing debt outstanding of €77.8m. The maximum debt facilities currently available to the Group amount to €121m (including leasing facilities of €14m).

The Department of Transport, Tourism and Sport has committed additional funding to the Group to fund ongoing activities of the Group to 31 December 2012. The format and extent of this funding has not yet been finalised. The Minister for Transport, Tourism and Sport has provided a letter of support to the Group dated 30 August 2012. The letter states the Department “continues to monitor the financial position of CIE and is engaging with the company in relation to measures necessary to safeguard CIE’s financial sustainability.” Whilst the letter states that nothing contained in the letter can be construed as a guarantee of the obligations or liabilities of CIE, it also states that “It remains Government policy that the business of CIE is at all times in a position to meet its liabilities. The State is CIE’s sole shareholder and I can confirm that the State will continue to exercise its shareholder rights with a view to ensuring that CIE manages its operations in a manner that will enable it to meet all its obligations in a timely manner. Any action to be considered by the State however would have to be in compliance with EU law, including State Aid rules which may require Commission notification and approval”.

Management’s current projections indicate that the Group will incur further deficits in the period 2012, 2013 and 2014, with a return to profitability expected in 2015 and 2016. The resultant cash deficits will result in a requirement for renewed facilities and other funding and measures including cost reduction and the realisation of assets.

These circumstances give rise to uncertainty for the business and cast doubt on the Group’s ability to continue to trade as a going concern in its current form.

Following a comprehensive review of the Group’s business plan and the underlying assumptions for the period 2011 to 2016 and its budget for the year 2012, and having considered the output of recent discussions which have taken place by Group management with the Department of Transport, Tourism and Sport, the Board Members have a reasonable expectation that planned actions, together with renewed facilities and other funding, the additional funding committed by the Department of Transport, Tourism and Sport, the additional revenue generated by fare increases, the support of the Government, and the successful implementation of cost reduction measures will ensure that the company will have sufficient resources to continue its operations for the foreseeable future.

The Board Members have a reasonable expectation that although there are a number of uncertainties facing the Group, that these uncertainties can be addressed through a range of measures. These measures include:

- Realisation of non-core assets
- Reduction in cost base including payroll reductions
- Multi-annual fare increases
- Curtailment of own-funded capital programme

Management have had initial discussions with their bankers in relation to the new facilities in 2013. As the outcome of the Groups negotiations with the Banks, the Department of Transport, Tourism and Sport and the National Transport Authority is not entirely within the Groups Control, the Board Members have concluded that the risk represents a material uncertainty which casts significant doubt about the Group’s ability to continue as a going concern. Nonetheless, having made due enquiries and considering the uncertainties described above, the Board Members have a reasonable expectation that renewed facilities and other funding will be made available to the Group and that government will support measures to ensure financial stability. For these reasons, the Board Members continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would be required if the Group were unable to continue as a going concern.”

Notes to the Financial Statements (continued)

2. Payroll and related costs

	2011 €000	2010 €000
Staff costs		
Wages and salaries	111,956	117,159
Social welfare costs	9,874	10,025
Other pension costs	8,826	9,703
	130,656	136,887
Engineering work for group companies	(58)	(60)
Net staff costs	130,598	136,827
Directors' remuneration		
- for services as directors	66	61
- for other services	58	57
Total directors' remuneration and emoluments	124	118
Payroll and related costs	130,722	136,945

The directors of the company were paid directors fees for services as directors as follows:

Mr. P. Mallee; €10,963, Mr. J. Griffin; €12,600, Mrs. T. Honan; €2,187, Mr. H. Minogue; €2,808, Mr. K. Fay; €1,848, Ms. S. Donohoe; €12,600; Mr. T. Hussey; €12,600 and Mr. M. Ó'Faoláin; €10,780

Dr. J. Lynch, Mr. B. Mc. Camley, and Mr. J. Moloney did not receive any director's fees for services as directors.

Included in wages and salaries costs is €176,040 for salary of the Chief Executive, Mr. M. Nolan for executive services.

The average numbers of employees during the year were	Staff Numbers	
	2011	2010
Full-time	2,103	2,189
Part-time school bus drivers	502	515
Total	2,605	2,704

Notes to the Financial Statements (continued)

3a. Materials and Services

		2011 €000	2010 €000
Fuels and lubricants		32,293	28,818
Other contractors		117,249	115,589
Road tax and licences		534	524
Operating lease rental of vehicles		546	562
Third party and employer's liability claims	9	5,000	7,100
Rates		851	838
Expenses paid to directors		1	2
Other materials and services		34,357	34,115
		190,831	187,548

		2011 €000	2010 €000
Included in expenses reimbursed to directors are			
Subsistence/accommodation		1	1
Other		-	1
		1	2

3b. Exceptional item

		2011 €000	2010 €000
<i>Restructuring credit</i>		2,300	-

As part of the 2009 Cost Recovery Programme the company had provided for the costs of voluntary severance and early retirement. An element of the current provision is no longer required.

4. Depreciation and amortisation of grants

		2011 €000	2010 €000
Depreciation of tangible fixed assets (<i>note 5</i>)		20,946	22,722
Grant amortisation (<i>note 10</i>)		(13,083)	(14,783)
		7,863	7,939

Notes to the Financial Statements (continued)

5. Tangible Fixed Assets

	Road Passenger Vehicles €000	Plant And Machinery €000	Total €000
Cost			
At 1st January, 2011	258,196	18,514	276,710
Additions	30,313	3,187	33,500
Disposals	(3,205)	-	(3,205)
At 31st December, 2011	285,304	21,701	307,005
Depreciation			
At 1st January, 2011	156,065	11,282	167,347
Charge for the year	18,951	1,995	20,946
Disposals	(3,079)	-	(3,079)
At 31st December 2011	171,937	13,277	185,214
Net book amounts			
At 31st December, 2011	113,367	8,424	121,791
At 31st December, 2010	102,131	7,232	109,363

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

	Lives (Years)
Road passenger vehicles	8 - 14
Plant and machinery	5 - 10

(b) Road passenger vehicles at a cost of €35,111,791 (2010; €22,388,172) were fully depreciated but still in use at the balance sheet date.

(c) Tangible fixed assets at 31st December, 2011 include €30,311,794 (2010 - Nil) in respect of tangible fixed assets not yet in service.

Notes to the Financial Statements (continued)

6. Stocks

	2011 €000	2010 €000
Maintenance materials and spare parts	3,649	3,451
Fuels, lubricants and sundry stocks	1,079	1,066
	4,728	4,517

These amounts include parts and components necessarily held to meet long-term operational requirements. The replacement value of stocks is not materially different from their book value.

7. Debtors

	2011 €000	2010 €000
Trade debtors	2,776	2,720
Department of Education and Skills	9,407	2,838
Amounts owed by holding company (<i>Note 13(b)</i>)	64,835	85,671
Other debtors and accrued income	1,061	689
	78,079	91,918

Notes to the Financial Statements (continued)

8. Creditors

	2011 €000	2010 €000
Amounts falling due within one year		
Trade creditors	14,086	13,902
Income tax deducted under PAYE, Income levy and USC	1,649	1,219
Pay-related social insurance	1,001	1,335
Value added tax and other taxes	197	86
Other creditors	1,204	1
Accruals	22,182	25,685
Third party and employer's liability claims (<i>note 9</i>)	10,000	9,500
Deferred Income (<i>note 10</i>)	14,152	13,096
Restructuring provision	8,026	13,387
	72,497	78,211
Creditors for taxation and social welfare included above	2,847	2,640

9. Provisions for Liabilities and Charges

	2011 €000	2010 €000
Third party & Employers Liability Claims		
Balance at 1st January	57,394	56,062
Utilised during the year	(4,565)	(5,768)
Transfer from profit and loss account (<i>Note 3a</i>)	5,000	7,100
Balance carried forward at 31st Dec, 2011	57,829	57,394
AppORTIONED:		
Current liabilities (<i>Note 8</i>)	10,000	9,500
Amounts falling due after one year	47,829	47,894
	57,829	57,394

Third party and employer's liability claims

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

(a) External Insurance Cover

Córas Iompair Éireann has, on behalf of the company, the following external cover:

- (i) Third party liability in excess of €2,000,000 for school buses and €2,000,000 for other road transport on any one occurrence or series of occurrences arising out of any one road transport event, except in the case of claims subject to United States jurisdiction where the excess is US\$3,300,000.
- (ii) Tour Operators liability for the group with an indemnity of €2,000,000 on any one incident and in the aggregate, subject to an excess of €250,000.
- (iii) Third party liability for the Group in excess of €150,000 on any one occurrence or series of occurrences arising out of Other Risk events, except;
 - (a) Water damage where the excess is €250,000
 - (b) any claim subject to United States of America jurisdiction where the excess is US\$ 150,000 .
- (iv) Road transport liabilities in excess of a self-insured retention of €11,000,000 in aggregate in the twelve month period, April 2011 to March 2012, subject to an overall Group self insured retention of €27,000,000 in the annual aggregate after which any individual self insured retention in that period will be € 50,000.
- (v) Group Combined Liability Insurance which does not include Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2011 to March 2012, for rail and road transport Third Party and Other Risks Liabilities.

Notes to the Financial Statements (continued)

- (vi) All risks, including storm damage, with an indemnity of €200,000,000 in respect of Group's property in excess of €1,000,000 on any one loss or series of losses, with the annual excess capped at €5,000,000 in aggregate after which any individual self insured excess in that annual period will be €100,000.
- (vii) Terrorism indemnity cover for the Group is €200,000,000 with an excess of €500,000 in respect of railway and road rolling stock and €150,000 in respect of other property damage, for each and every loss.

(b) Third Party and Employer Liability Claims Provision and Related Recoveries

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

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

In calculating the estimated cost of unpaid claims the company uses a variety of estimation techniques, 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 cause distortion in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including, for example, changes in company processes which might accelerate or slow down the development and/or recording of paid or incurred claims, changes in the legal environment, the effect of inflation, changes in mix of business and the impact of large losses.

In estimating the cost of claims notified but unpaid, the company has regard to the claim circumstance as reported, any information available from legal or other experts and information on the cost of settling claims with similar characteristics in previous periods. The estimation of IBNR claims is subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the company, because of the lack of any information about the claim event.

Claim types which have a longer reporting tail and where the IBNR proportion of the total reserve is therefore high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

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

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

Notes to the Financial Statements (continued)

10. 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 (accounting policy E).

	2011 €000	2010 €000
Capital Grants		
Balance at 1st January	70,332	85,115
Received and receivable	19,191	-
Transfer to profit and loss account (<i>Note 4</i>)	(13,083)	(14,783)
Balance carried forward	76,440	70,332
Less transfer to current liabilities (<i>Note 8</i>)	(14,152)	(13,096)
Balance at 31st December	62,288	57,236

11. Share Capital

	2011 €000	2010 €000
Authorised		
Ordinary shares of €1.27 each	40,632	40,632
Allotted, called up and fully paid		
Ordinary shares of €1.27 each	29,204	29,204

12. Reconciliation of Movement in Shareholders' Funds

	2011 €000	2010 €000
Surplus/(Deficit) for the year	455	(2,243)
Opening equity shareholders' funds	22,545	24,788
Closing equity shareholders' funds	23,000	22,545

Notes to the Financial Statements (continued)

13. Cash Flow Statement

	2011 €000	2010 €000
A) Reconciliation of operating deficit to net cash (outflow)/inflow from operating activities		
Operating deficit before PSO payment	(45,822)	(47,538)
PSO payment	43,403	45,039
	(2,419)	(2,499)
Depreciation and loss on disposal of tangible fixed assets	21,037	23,698
Capital grants amortised	(13,083)	(14,783)
Exceptional item	2,300	-
(Increase)/decrease in stocks	(211)	825
(Increase)/decrease in debtors	(6,997)	8,314
(Decrease)/increase in creditors	(1,909)	251
Increase in provisions for liabilities and charges	435	1,332
(Decrease)/increase in restructuring provision	(5,361)	2,824
Net cash (outflow)/inflow from operating activities	(6,208)	19,962

	At 1st Jan. 2011 €000	Cash Flow €000	At 31st Dec. 2011 €000
B) Analysis of change in net funds			
Cash at bank and in hand	88	928	1,016
Amounts owed by holding company (note 7)	85,671	(20,836)	64,835
	85,759	(19,908)	65,851

14. Operating Lease Obligations

	2011 €000	2010 €000
Commitments under non-cancellable operating leases payable as follows:		
Within one year	397	342
Between one and five years	830	214
	1,227	556

15. Pensions

The employees of Bus Éireann are members of Córas Iompair Éireann Group pension schemes. The Córas Iompair Éireann Group operates two defined benefit schemes covering the majority of employees, each of which is funded by contributions from the group and the members.

The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. It is not possible to identify the individual member's shares of the Córas Iompair Éireann Group pension scheme assets and liabilities, on a consistent and reasonable basis as even if it were possible to allocate non-active members across subsidiaries based on the last day of employment, members may have worked for more than one subsidiary. Therefore, it is not possible to identify to whom the liability (and corresponding asset) for successive periods of employment belongs.

The contributions to these schemes have been accounted for, as if it were a defined contribution scheme as permitted by FRS 17 'Retirement Benefits' by the Córas Iompair Éireann Group companies.

The most recent actuarial valuations of the schemes for the provision of FRS 17 showed that at 31st December 2011 that there was a deficit of €159.2 m on the schemes.

The pension cost for the year on the defined benefit schemes was €8.83m these costs are included in note 2.

16. Capital Commitments

	2011 €000	2010 €000
Contracted for	2,300	2,780
Funded	383	911

Notes to the Financial Statements (continued)

17. Contingent Liabilities

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

18. Net Surplus/(deficit) by activity

	Commercial and schools transport €000	Public Services Stage Carriage €000	City €000	Sub Total €000	Total €000
2011					
Revenue	218,502	42,833	22,350	65,183	283,685
Costs	221,569	68,169	36,895	105,064	326,633
Deficit before PSO payment	(3,067)	(25,336)	(14,545)	(39,881)	(42,948)
PSO payment	-	-	-	43,403	43,403
Result after PSO	(3,067)	-	-	3,522	455
2010					
Result after PSO	(5,257)	-	-	3014	(2,243)

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

The School Transport scheme is operated under contract with the Department of Education and Skills. The remaining principal activities are Stage Carriage and City Services for which the company receives PSO payments in respect of these public service activities.

Costs for Expressway, Stage Carriage and City Services are allocated on the basis of metrics derived from prior period data, independent studies of Bus Éireann operations, numbers of buses and mileage. The cost of PSO operations amounted to €39.88m in 2011 while the compensation received amounted to €43.40m. The reasonable surplus of €3.52m should be viewed in the context of substantial underpayments in previous years.

19. Related Parties

Entities controlled by the Irish Government are related parties of the company by virtue of the Irish Government's control of the holding company, Córas Iompair Éireann.

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being the ESB, An Post, Bord Gáis and Bank of Ireland. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business. The financial statements of Córas Iompair Éireann provide the information required by Financial Reporting Standard No. 8 (related party disclosures) concerning transactions between that company, its subsidiaries and the Irish Government.

20. Public Service Obligation Payment

The PSO payable to the company through the holding company, Córas Iompair Éireann, amounted to €43.4m for the year ended 31 December, 2011 (2010; €45.0m).

21. Membership of Córas Iompair Éireann Group

Bus Éireann-Irish Bus is a wholly owned subsidiary of Córas Iompair Éireann (the Group) and the financial statements reflect the effects of group membership.

22. Approval of Financial Statements

The directors approved the financial statements on 19th October 2012.



Bus Éireann