



**Bus Éireann**

ANNUAL  
REPORT  
**2012**

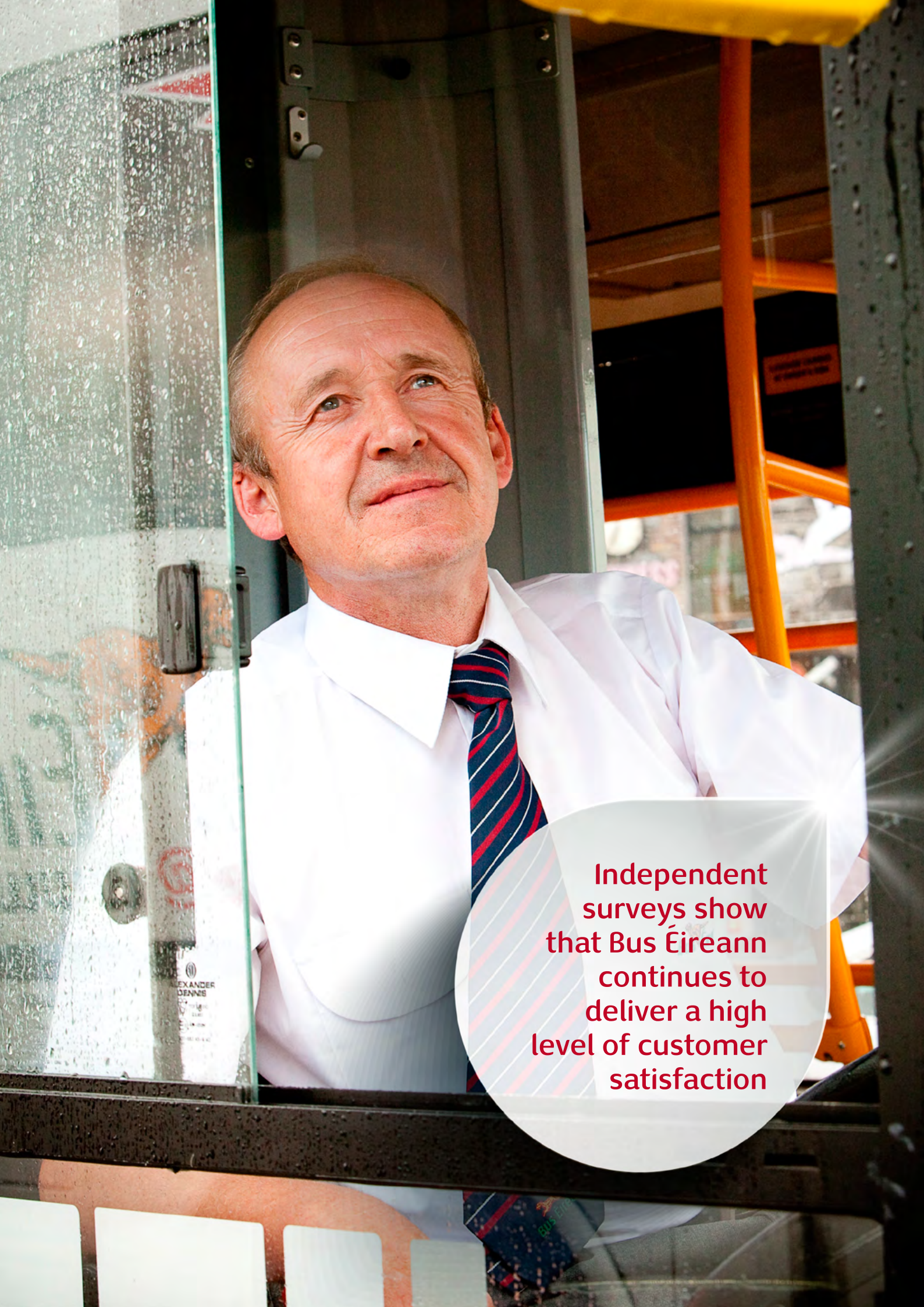


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Bus Éireann would like to acknowledge funding on major projects from the National Transport Authority.





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

### Our Mission

To succeed by providing excellent service to our customers through a committed team.

### Our Values

More than anything else, we value the safety of our customers, employees and fellow road users.

We place customers at the heart of our business and through continuous improvement strive to provide a friendly, effective, value-for-money and safe service for them, and treat everyone with due care and consideration.

As an organisation that has been at the heart of communities throughout the country for 25 years, we take great pride in providing vital public transport to people in towns, villages and cities and ensuring that every day we help tens of thousands of people get to work, to school, to the shops, and visit family and friends.

Our employees are critical to us delivering high performing public transport services and we believe strongly in enabling our people to reach their full potential.

### Our Objectives

To provide a safe, quality public transport service for our customers and the State.

To always listen to our customers as they make the difference in the service we provide.

To maintain our market-leading position in a changing market and environment through a strong focus on continuous improvement.

To ensure that where possible we continue to support and connect local communities.

To utilise our experience and expertise to deliver a bus and coach service of which Ireland can be proud.



### Our Services

Bus Éireann provides three main services:

- Over 300 State funded routes
- 28 Expressway inter-city commercial routes
- The School Transport Scheme on behalf of the Department of Education & Skills

### Commitment to Safety

The safety of our customers and staff is Bus Éireann's main priority through the strict adherence to health and safety standards.

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 the Driver Certificate of Professional Competence (CPC), safety management and technical training for maintenance staff in 2012.

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.



Bus Éireann provides over 300 State funded routes such as Limerick City services.

## 2012 Highlights

- Increased road passenger revenue by €3.5m with total revenue up by €2.6m
- Expenditure savings of €6.5m achieved
- Contribution of €53.7m to Exchequer, which is more than we received in State funding
- Road passenger numbers up by 1% with city services up 2% and inter-city customers numbers increased by 4%
- Introduction of 88 new Wi-Fi enabled vehicles with the coaches including customer-friendly features such as power sockets, extra comfort seating and increased capacity
- Roll-out of free Wi-Fi to over 200 vehicles and 7 stations
- Revamp of Expressway network and city networks in Galway, Limerick and Cork to provide faster journey times and better connections
- In conjunction with National Transport Authority, roll-out of Real Time Passenger Information at stops across Cork city
- Improved on-line ticket purchase process and upgraded journey planner system to make it easier for customers to plan their journey and buy a ticket on-line. Online ticket sales were up 25% in the year.
- Introduction of iPhone Mobile Travel App that allows customers to plan their journeys, see real-time departures and arrival times for their chosen stop, and view timetables while on the move
- Continued to deliver cost savings in the provision of School Transport Services while at the same time expanding the numbers of services offered
- Implemented a range of measures designed to reduce fuel costs and benefit the environment such as eco-driving, telematic fleet management, anti-idling initiatives, and water recycling systems.
- Piloted Ireland's first ever Compressed Natural Gas-powered public transport vehicle
- Independent surveys showed that Bus Éireann continued to have a high level of customer satisfaction with over 90% of our customers saying they would recommend us to a friend
- Met all performance targets set out in the Public Transport Contract between National Transport Authority and Bus Éireann

Over  
**90%**  
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Introduction of 88 new Wi-Fi enabled vehicles with the coaches including customer-friendly features such as power sockets, extra comfort seating and increased capacity.

## Financial Review

Bus Éireann continued to face significant challenges during 2012. The dominant influence on Bus Éireann's finances continues to be the effects of the recession which have had an unprecedented adverse impact on customer demand and Exchequer funding.

The company incurred a deficit of €6.2m in 2012 compared to a profit of €0.45m, after exceptional items, in 2011. The loss before exceptional items amounted to €1.84m in 2011. The losses, as stated above, are primarily driven by reduced subvention levels, volatile fuel prices, increased competition and uncertain customer demand and represent an unsustainable drain on the cash reserves of the company.

Despite the significant changes to the network in 2009, a pay freeze is in place since July 2008 and significant cost savings in both payroll and non payroll expenditure, the company is faced with a deficit of €6.2m in 2012 and the net assets of the company have reduced to €17m. In response to the deteriorating financial position the company engaged in a detailed process in 2011 to agree a plan that would see the company return to profitability. This included consultation with staff at all levels. In order to avoid significant reductions to the current network of services and associated job losses the company's response was to address the challenging financial environment through a comprehensive suite of measures. These measures comprised:

- Revenue generation plans,
- Expressway route changes,
- Cost reduction plans – payroll and non payroll

The company's planned payroll savings associated with changes to terms and conditions form an integral element of this plan.

The company succeeded in increasing core road passenger revenue by €3.5m in 2012 while total revenue increased by €2.6m. PSO payments however, for the operation of services under contract to the NTA, reduced by €6.5m in 2012. Expenditure savings of €6.5m were achieved in 2012, however the payroll savings associated with the changes to terms and conditions will only accrue from 2013 due to delays in implementing these changes. Increases in the price of fuel also cost the company €3.6m in 2012.

All cost savings were achieved while continuing to provide a comprehensive integrated transport network of services. Staff numbers continued to reduce across all grades during 2012 with average staff numbers amounting to 2,551 compared to 2,605 in 2011, a reduction of 54. Bus Éireann has continued to invest

in facilities, IT systems and plant and machinery to remain competitive and to maintain quality levels. Capital expenditure amounted to €2.4m in 2012. The company also received funding for PSO services from the National Transport Authority in 2012 of €3.6m, which enabled the company to invest in improved services for its customers.

Total revenue earned in 2012 amounted to €286.3 million compared to €283.7m in 2011.

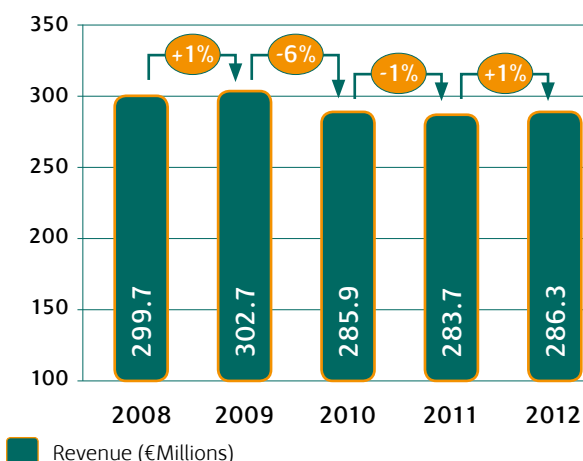
The revenue performance over recent years is set out in the table below:

Total revenue earned in 2012 amounted to

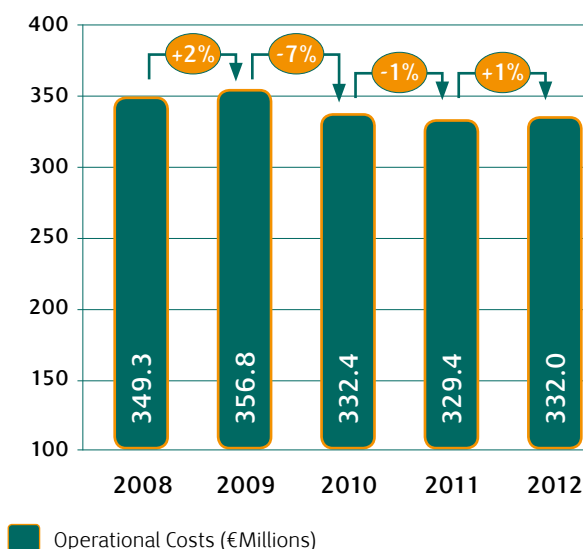
**€286.3 million**

compared to €283.7m in 2011

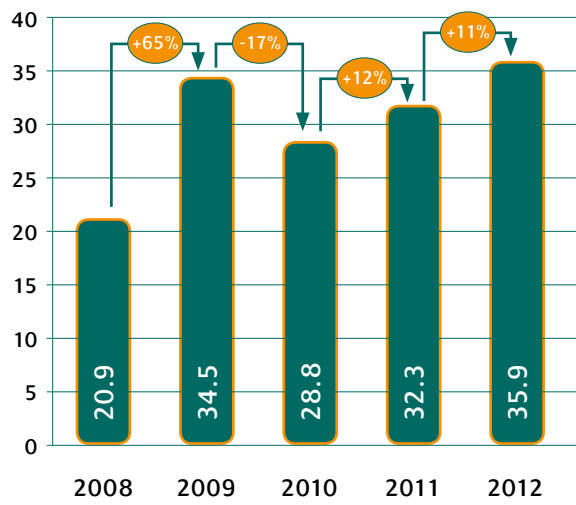
Revenue



Operational Costs

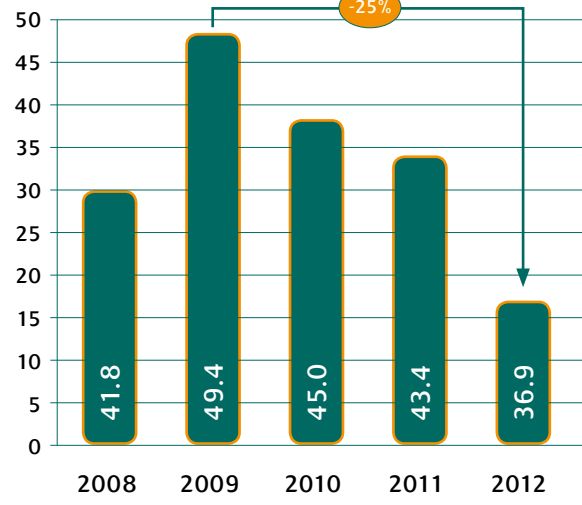


### Fuel Costs



Fuel Costs (€Millions)

### Subvention



Subvention (€Millions)



The company succeeded in increasing core road passenger revenues by €3.5m in 2012.



## 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 2012 Bus Éireann managed to increase road passenger numbers by 1% with customer journey numbers increasing from 36.5m in 2011 to 36.8m in 2012. On city services, customer numbers were up 2% and increased by 4% on Expressway services. Stage carriage services saw a 1.5% decrease in customer usage in 2012.

### Year ended 31st December

Customer journeys	2012 000's	2011 000's
Provincial city services	16,728	16,389
Other scheduled services	20,046	20,112
Sub total	36,774	36,501
School transport scheme	40,398	41,814
	77,172	78,315

### Year ended 31st December

Vehicle kilometres	2012 000's	2011 000's
Provincial city services	7,805	8,061
Other services - own	82,633	82,409
Other services - sub contracted	82,014	81,623
	172,452	172,093

## Connecting Communities for 25 Years

February 2012 marked the 25th anniversary of Bus Éireann. The company has changed significantly since it first began operation in 1987, but our commitment to providing vital public transport to people in towns, villages and cities across the country in an efficient, effective and safe manner on our integrated network of services has always remained the same. We are very proud to say that we have been at the heart of communities throughout the country for 25 years.

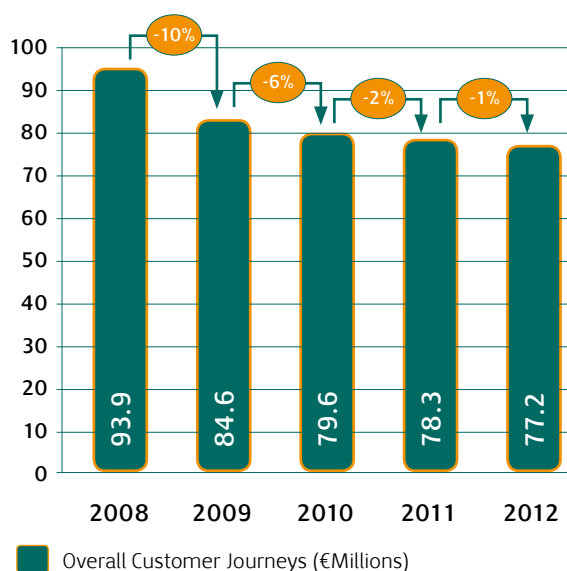
In this role, we provide essential bus services, which benefit local communities, facilitate and support economic development, and enhance the quality of life for many people living in rural or provincial areas.

As an employer of 2,551 people at 17 locations throughout the country and a purchaser of goods and suppliers from over 2,600 suppliers, we are also a major economic contributor to local communities.

And as a provider of an environmentally-friendly form of transport, we help benefit communities through reduced emissions and improved air quality.

The significant growth and development of Bus Éireann over the last 25 years has been achieved by a continuous focus on improvement and by putting customers at the centre of the business. In 2012, we continued to innovate and enhance our delivery of our services by introducing a wide-range of measures across all our products to ensure that we provide the best possible service to the customers and communities that we service. These are outlined on the following pages.

### Overall Customer Journeys



## Commercial Services

### Expressway

#### Service Improvements

In 2012, a significant redevelopment of the Expressway network took place to meet customer demand for reduced journey times and increased connections to major airports. This saw the introduction of a number of limited-stop services that also utilised the improved motorway network to cut the length of journeys. For instance, Route 2 Wexford-Dublin-Dublin Airport has the fastest coach journey time in the market of just 2 hours and 40 minutes.

In addition, Bus Éireann and private operator Gobus introduced a new GoBé non-stop service from Cork to Dublin/Dublin Airport. The service has a City to City journey time of just 3 hours and all coaches come equipped with free Wi-Fi and toilets on-board.

#### Fleet Investment

Following an investment of €11m from Bus Éireann's own resources, the customer experience on Expressway was further enhanced by the introduction of 28 new coaches delivered into service featuring free Wi-Fi, power sockets at select seats, extra comfort seating and additional leg-room. This included 8 double-deck coaches, which have two tables downstairs and are the largest ever vehicles in the company's history with the ability to accommodate 82 passengers.

#### Focus on Innovation

As well as the new vehicles, free Wi-Fi was also made available on half of the company's Expressway fleet, which proved to be very popular with customers. It is expected that the remainder of the commercial fleet will be Wi-Fi enabled in 2013.

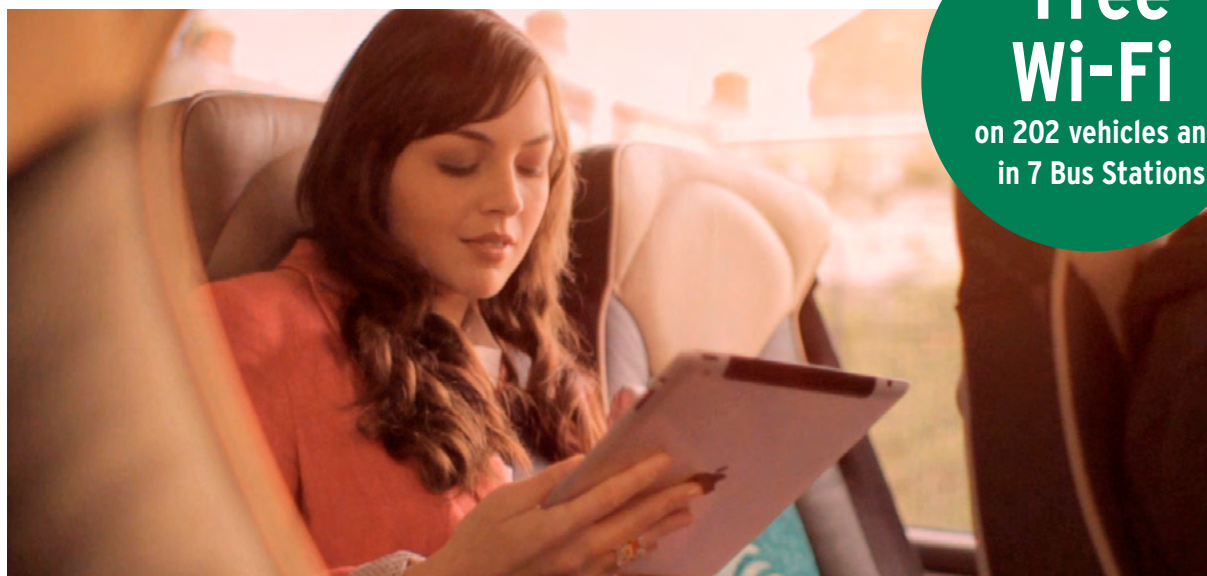
Bus Éireann also made it easier for customers to plan and buy their journey on-line by upgrading its e-ticketing system and introducing a new journey planner with mapping features. While our iPhone Mobile Travel App gave customers the ability to see exactly when their next services will arrive at any of our stops across the country.

#### Encouraging Usage

To promote usage of the enhanced Expressway offering, a major advertising campaign across TV, radio and print, and on-line was undertaken. This resulted in more than 80% of people who saw the campaign saying they were likely to travel with Bus Éireann in the future.

To further encourage travel on our services, Bus Éireann continued to expand its innovative on-line loyalty scheme, which by the end of year had over 30,000 members who could benefit with offers from major brands such as Pizza Hut, Maldrón Hotels, DID Electrical, Elverys Sports and Dublin Zoo, as well as discounted travel on our services.

We also continued to use social media to promote our Expressway services and by year-end our Facebook site had over 18,000 "fans".



*In 2012 a major advertising campaign was undertaken to promote our Expressway services, which resulted in 80% of those who saw it saying they were likely to travel with us in the future.*

## Eurolines

Our Eurolines services to the UK and Europe, which we operate in conjunction with Irish Ferries, continued to be popular in 2012 with customer numbers up 6%.

To cater for this additional demand, a new summer service from Dublin to London was introduced four days a week from July to September.

## 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 with our customers and provides them with an integrated and convenient travel solution.

Over the Christmas period additional Park and Ride services were operated in Cork on behalf of Cork City Council and also in Galway on behalf of the Galway Transportation Unit.

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

## State Funded Services

Under contract to the National Transport Authority, Bus Éireann operates over 300 State funded routes providing vital services that connect communities, particularly in isolated rural areas. This includes city services in Cork, Galway, Limerick, Waterford and Sligo, and commuter and stage carriage services outside of Dublin.

The current Public Transport Contract between the National Transport Authority and Bus Éireann, which is for five years until 2014, outlines standards of operational performance and customer services that Bus Éireann must maintain. In 2012, Bus Éireann met all performance targets set out in the contract.

Bus Éireann received a subvention from the State as payment for its PSO of €37m in 2012, a reduction of 25% from 2009.

## Service Improvements

During 2012, Bus Éireann, in conjunction with the National Transport Authority, introduced enhancements to a number of PSO services in line with customer demand including:

- A revised Galway city network with improved frequencies, better access to employment areas and industrial estates from residential areas, improved timetables and a more frequent service
- A revised city network in Limerick with new cross city routes, improved access to the Mid-Western Regional Hospital, more frequent services, and enhanced connections to the rail and bus station
- Upgrading of five city routes in Cork and the introduction of a new cross route from Blarney to Mahon Point.
- Revised timetables on the Sligo to Strandhill Route 472 and the Sligo to Rosses Point 473 service

## Investment in Fleet



60 new PSO vehicles went into service in 2012.

Following capital funding of €20.4m from the National Transport Authority in 2011, 60 new PSO vehicles went into services in 2012 on city, commuter and stage carriage services. These included 10 double-deck buses, 25 single-deck city buses, and 25 single-deck coaches. All the vehicles offer free Wi-Fi, while the coaches are equipped with power sockets at selected seats.

## Focus on Innovation

Working with the National Transport Authority, Bus Éireann continued to innovate to provide an enhanced customer experience. Initiatives undertaken in 2012 included:

- Introduction of the National Journey Planner, which provides door-to-door information on all available travel options to, from and within the Republic of Ireland. Bus Éireann worked with the National Transport Authority on the provision of all scheduling data for Bus Éireann services for this project.

- Roll-out of Real Time Passenger Information (RTPI) displays at stops in Cork city in 2012. Information for the RTPI displays is sourced from the Bus Éireann Automatic Vehicle Location (AVL) System, which is installed on all Cork city buses, and this updates the RTPI displays throughout the day. RTPI displays will be also rolled out to the Greater Dublin Area, Limerick city, Waterford City and Galway city in 2013.
- Preparing for the implementation of the Leap Card in the Greater Dublin Area as part of the Integrated Ticketing Scheme. All ticket machines in the Greater Dublin Area have been upgraded with smartcard readers and most of the required back-office enhancements have already been implemented.
- Further development of the AVL system has also enabled us to establish key control centres. These control centres monitor services in real-time with specific regard to timetable adherence, communication with drivers, operational decisions and structured diversions, and have resulted in improved service delivery and reliability.
- Introduction of free Wi-Fi at 7 of our stations
- Introduction of real-time customer information displays at 8 stations



Introduction of free Wi-Fi at 7 of our stations.

## Encourage Usage

A range of promotions were undertaken to encourage usage of public transport and to publicise the above improvements.

This included promotion of the National Transport Authority's Journey Planner; joint campaign with Irish Rail and Dublin Bus targeting businesses and employees to highlight the benefits of the Tax saver scheme, which helped deliver a significant increase in Tax saver sales during the year; PR and public information campaigns on the enhanced city networks, and promotional fares to encourage travel at key periods such as Christmas.

Bus Éireann also continued to work closely with the National Transport Authority, Pobal/Rural Transport Programme (RTP), the HSE and the Departments of Education and Skills and Transport, Tourism and Sport in developing and improving 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.

## School Transport



In the region of 114,000 children are transported twice daily on dedicated Bus Éireann and contracted school transport fleet.

Every school day, approximately 114,000 primary, post-primary and special needs school children are transported on almost 4,000 vehicles, across 6,000 routes, serving some 3,000 schools across the country under the School Transport Scheme. 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.

In 2012, Bus Éireann continued to work closely with the Department of Education & Skills to ensure that school transport services provided under the School Transport Scheme continued to be delivered in a cost-effective and efficient manner on behalf of the State.

## Continuous Improvement

Bus Éireann has delivered over €20m worth of cost saving measures in school transport since 2010, despite well over 300 new services being added to the School Transport Scheme in that time and several hundred operational improvements to existing services being implemented. In 2012 alone, 150 new services were introduced and there was an increase in the number of wheelchair accessible vehicles providing school transport services to 439.

Efficiencies achieved in 2012 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.

During 2012, the transition of responsibility for administering the Post Primary School Transport Scheme from Transport Liaison Officers to Bus Éireann was completed efficiently and in line with Government requirements. Changes to the School Transport Scheme announced in the Budget were implemented accordingly.

Bus Éireann also progressed the development of its new School Transport IT system, which will enhance the company's ability to plan and monitor the delivery of school transport services and, as a result, will deliver further cost savings.

## Focus on Safety

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 continued to receive particular attention during 2012. The Bus Éireann School Bus Safety Roadshow visited schools and participated in a number of 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 that provide school bus services under the Scheme. This area is the subject of ongoing management attention and the company strives for continuous improvement in safety standards.

## Commitment to Communities

Bus Éireann has been at the heart of communities for 25 years and takes its role in providing them with critical social and economic services very seriously. In delivering our services, we also help to support the development of these communities in a number of ways.

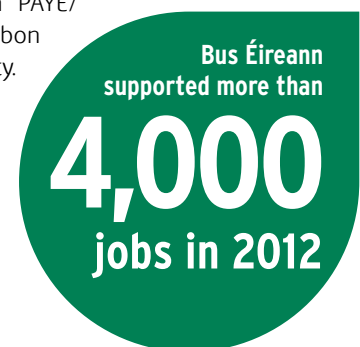
### Maintaining Services in Difficult Conditions

During periods of inclement weather, Bus Éireann managed to maintain the vast majority of its services to ensure that customers could continue to get to work, college, to shops and to visit family and friends.

### Contributor to Local Economies & Local Businesses

Bus Éireann provides a vital social service for practically every community in the country outside of Dublin. The company also facilitates significant numbers of customers travelling into Dublin for both work and recreation. We are also a major economic contributor to these communities as an employer of 2,551 people at 17 locations throughout the country. A further 1,428 suppliers, who supply approximately 3,414 vehicles and provide over 4,000 jobs, are contracted to provide services mainly to the School Transport Scheme. In addition, we are a significant purchaser of local goods and services with the company purchasing from approximately 1,234 suppliers nationwide.

Bus Éireann generates a significant economic benefit for the Exchequer. The company contributed €53.7m in 2012 through PAYE/ PRSI payments, VAT, Carbon Tax, and Excise Duty. This contribution to the Exchequer is more than we received in State funding in 2012.



## Supporting Tourism

Tourism is a vital source of income and employment for communities across the country, and Bus Éireann continued to support the tourism sector through its provision of special services for festivals and events throughout the year.

## Festivals

Bus Éireann supported a wide-variety of events throughout the country during the year such as the Sea Sessions festival in Bundoran; the Cork Jazz Festival, the National Ploughing Championships, Electric Picnic, and Waterford City Spraoi festival.

## Day Tours

During 2012 Bus Éireann provided an extensive range of day tours throughout the country visiting some of the most beautiful and culturally celebrated parts of Ireland such as Glendalough, Newgrange, Ring of Kerry, Blarney and Kylemore Abbey.

## Sporting Events

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

We were the official transport carrier for the players, officials and dignitaries of the Ladies Irish Open. Bus Éireann continues to be the official transport provider for the IRFU and FAI senior teams while also a transport provider for the Dublin County Board, Galway Hurling and Leinster Rugby. We also operated special services to the Galway Races and Limerick Races, as well as shuttle services from Limerick to Thomond Park Stadium for Munster rugby matches.

## Community Involvement

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

Bus Éireann continued its sponsorship of the GAA's Feile Peil na NÓg and Feile na nGael U-14 national festival of football and hurling tournaments for boys and girls. Over 8,000 young players from all over Ireland and abroad participated in the events in Dublin and Laois.

Bus Éireann is also the title sponsor's of the FAI's Women's National League. The league contains 7 clubs: Castlebar Celtic FC, Cork Women's FC, Peamount United, Raheny United, Shamrock Rovers, DLR Waves and Wexford Youths Women's AFC.

In the year of the Olympics, Bus Éireann also supported badminton player Scott Evans and cyclist Caroline Ryan in their training efforts for the Games.

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 at 13 stations across the country volunteered their time on behalf of Special Olympics Ireland, who held their national collection day during 2012.



Bus Éireann supported cyclist, Caroline Ryan in her training efforts for the Olympic Games.

## Talking to our Customers

Keeping our customers informed is extremely important to the company. Monitoring and improving customer satisfaction is a key priority for Bus Éireann and is done through on-going engagement with our customers on a daily basis. This is a vital factor for improving customer satisfaction and customer feedback is very important to us.

Bus Éireann always endeavours to provide customers with value for money, which involves continuous evaluation, change and improvement to our network and services. The company's Customer Charter sets out a range of service commitments which the company is committed to delivering for existing customers and in order to attract new customers.

Each quarter, an independent audit is conducted to measure Bus Éireann's performance in meeting service commitments. The audit is comprised of three specific components:

- Customer surveys which measure customer perceptions of performance
- Observations of bus departures to measure the performance of bus operations
- Mystery shoppers and observations to assess different aspects of customer service

We encourage customer feedback through our customers emailing their comments to [info@buseireann.ie](mailto:info@buseireann.ie)

## Environmental Benefits

In 2012 Bus Éireann continued to implement Eco-Driving and Defensive Driving for all its driving staff. The new fleet which went into service in early 2012 has Telematic Fleet Management Systems fitted to it. The equipment assists drivers in maximising the economic driving of each vehicle type. All new vehicles have an automatic Engine Idling Cut-off facility fitted, which ensures that after a period of time with the vehicle stationary, the engine is shut down, leading to fuel savings and emissions reductions.

As part of the Cork Capwell Garage works, a water recycling system is being installed to recycle water from the Bus Wash. This will provide a highly efficient and safe means for the recycling of waste water from vehicle washing operations, which reduces the impact on the environment by saving water consumption and waste

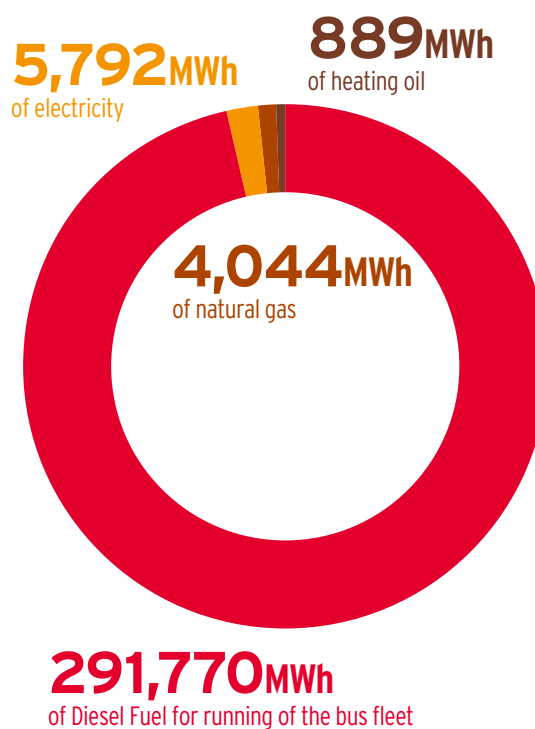
water discharge from such operations. Capwell Garage washes up to one hundred and fifty buses per day with a water usage of 22,500 litres. The system will reduce the bus water consumption by approximately 70%. The loss of water is minimised and consequently the amount of overflow waste water to public sewers is also reduced to less than 5%.

## Energy consumption

The primary energy consumption for Bus Éireann is that associated with the use of diesel fuel in the bus fleet. The main other sources of energy consumed are from electricity and gas at premises. The breakdown of energy consumption for 2012 was: fuel used by fleet 96.5%, Electricity 1.9%, Gas 1.3% and Heating Oil 0.3%.

Electricity consumption is primarily used for lighting and operating garages and offices whilst gas and oil is used for heating. In 2012, Bus Éireann consumed 302,495 MWh of energy. This consisted of:

- 291,770 MWh of diesel fuel for running of the bus fleet
- 5,792 MWh of electricity
- 4,044 MWh of natural gas
- 889 MWh of heating oil



The energy consumption of the company in 2012.

After taking delivery of the 88 new vehicles in 2012 which were all fitted a telematics system, we commenced piloting a number of eco-drive routes in around the country. In tandem with the route by route roll-out of eco-drive, a complementary awareness program on anti-idling is also commencing. Clear targets have been set for 2013 for fuel savings arising out more eco-friendly driving and reduced engine idling around our depots and garages.

## Compressed Natural Gas Bus Trial



*In 2012, Bus Éireann introduced the first trial in Ireland of a Compressed Natural (CNG) Gas public transport vehicle.*

In 2012, Bus Éireann introduced the first trial in Ireland of a Compressed Natural (CNG) Gas public transport vehicle. The city bus operated on Cork city routes and feedback from customers and drivers was very positive in terms of reduced vehicle noise and smoothness of journey. Results of the trial backed up the international view that CNG is uniquely beneficial for city transport operations in terms of reducing carbon foot print and fuel costs.

The trial was supported by vehicle supplier MAN, Bord Gáis Networks and the Gas Bus Alliance.

## Accessibility

In 2012, 88 new vehicles which are all fully accessible were 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 subject to funding.

During 2012 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.

## Garage Operations

With the arrival of 88 new vehicles in 2012, all garage operations staff underwent a programme of familiarisation training to build on current fleet knowledge and allow a safe and seamless integration of the new technically advanced fleet nationally.

The redevelopment of the Capwell depot in Cork began in 2012. Upon completion, the facilities in Capwell will have a new fuelling infrastructure, fuel storage, security hut, entrance including automated barriers, electrical services upgrade, CCTV system, upgrade of waste water and parking layout. The structure of the new fuelling facility was completed in late 2012 and it is planned that this project will be fully completed in mid-2013.

The refurbishment of the Navan Bus Depot took place in mid 2012. This included the upgrade of the yard to include a full resurfacing of the loading area, security fencing around the perimeter, installation of yard lighting, a corralled loading area and other Health and Safety modifications.

Garage developments and improvement work also continued nationally with four initial electrical upgrade programme projects being brought from design to completed tender stage with the projects due to start in early 2013.

## Investing in People

Bus Éireann continued its on-going investment in staff training and development in 2012.

### Driver Training

In 2012, the fourth module of the Driver CPC training, as approved by the Road Safety Authority, was completed and the fifth module commenced. Training instructors were trained to deliver an eco-driving/defensive driving course and delivery of the course to drivers began during 2012.

All training instructors and drivers undertook familiarisation training on the new vehicles introduced into the fleet.



The Road Safety Authority inspected training premises and carried out random assessments on all training instructors delivering the driver CPC. As a result one instructor was awarded a national Leading Light award for his exceptional delivery of training.

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

### Maintenance Staff

In 2012 the second year of a three year training plan for craft workers commenced. 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 a training course in wheel fitting and inspection.

Statutory training required for craftworkers such as Working at Heights, Air Conditioning maintenance training, Forklift Truck training also continued in 2012 and all garage foremen received training on vehicle lifting equipment.

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.

Various grades of maintenance staff completed fire warden, manual handling and first aid training.

### Apprentice Training

The training of apprentices continued with 14 new apprentices hired in 2012. The apprentices undertake a four year training programme, which is provided by Bus Éireann in conjunction with FÁS.

### 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.

### Clerical Staff

A wide range of 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. A number of clerical staff satisfactorily completed an assessment in Defensive Driving Practices and Eco Driving Techniques.

### Management Staff

A management development programme entitled “One Team – One Plan” commenced in mid-2012 and was delivered to approximately two hundred Bus Éireann managers and supervisors.

The programme engaged with frontline supervisors/managers to equip them to take challenging tasks within the company, thus becoming the main focus point and link between the Senior Leadership Team and employees. It also focused on developing their leadership skills and influencing skills, in order to lead teams that are commercially aware and focussed on achieving Key Performance Indicators.

Bus Éireann continued to sponsor a number of employees on a programme in Management Studies for the Transport Sector, which is HETAC accredited. This course is provided by the Irish Aviation Authority (IAA) and the Carlow Institute of Technology (CIT). Eight students commenced the programme in late 2012 and eleven other students entered the second year of the programme.

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, with a significant number of managers completing the management CPC.

A number of management staff satisfactorily completed an assessment in Defensive Driving Practices and Eco Driving Techniques.





In 2012, a significant redevelopment of the Expressway network took place to meet customer demand for reduced journey times and increased connections to major airports

# Directors and other information

## Board of Directors

### At 19th April 2013

Paul Mallee, Chairman

Susan Donohoe (Retired 14th March 2013)

John Griffin (Retired 17th May 2012)

Tom Hussey

John Moloney

Bill McCamley

Micheál Ó'Faoláin

Henry Minogue

Kieran Fay

Aidan Murphy (Appointed 16th April 2013)

Gerard Ryan

## 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](http://www.buseireann.ie)

Registered Number: 119570

## Auditors

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors,  
One Spencer Dock,  
Dublin 1

# Board 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. He has held senior management positions at Etihad Airways and with the global strategy consultancy Booz & Company. Paul is a Fellow and a 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 Susan leads a team of professionals specialising in Commercial negotiation, Mediation, Dispute Resolution, Bullying and 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 Failte Ireland. Susan retired as a director on 14th March 2013.



## 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 Gov.Body Tralee Institute of Technology, Member of T.I.T 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 17 May 2012.



## Tom Hussey

Tom Hussey 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.

# Board of Directors (Continued)



## 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 1981. Bill joined Bus Atha Cliath in 1974 and works in Phibsboro garage as a bus driver. He has held a variety of positions in his trade union, SIPTU, including membership of the Regional, Divisional and Branch committees. Bill is presently a member of the Transport Sector and Dublin District Committees. He has represented his trade union at a number of European transportation conferences and was a member of the Department of Justice Working Party on Bus Violence 1996. Bill has written extensively on transportation and trade union issues, including a book on the history of Dublin's tramworkers.



## Micheál Ó Faoláin

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



## 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.

## Board of Directors (Continued)



### **Kieran Fay**

Kieran 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).

An Arts and Law graduate from N.U.I.G, Micheál also holds an Industrial Relations Diploma from the N.C.I.R.



### **Gerard Ryan**

Gerard was appointed a director on 30th July 2012. 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. He 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.



### **Aidan Murphy**

Aidan Murphy was appointed to the Board in April 2013.

He has extensive experience as a Supply Chain professional and is currently CEO of Pulse Logistics. Prior to that he held positions as Managing Director Supply C&C Group, General Manager Wincanton Ireland and Logistics Director Allegro Ltd. He has been a keynote speaker to several European Supply Chain events including Logicon and the European Supply Chain Summit and is a Fellow and Past President of the Chartered Institute of Logistics and Transport Ireland.

# Report of the 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 deficit of €6.23m after the Public Service Obligation payment of €36.88m. Although the company achieved savings across a range of headings during 2012, the reduction in subvention of €6.5m coupled with increased fuel costs of €3.6m resulted in an overall deficit for the year.

Road passenger journeys increased by 0.273 million journeys while school journeys decreased by 1.42 million journeys in 2012.

The company succeeded in increasing core passenger revenue in a difficult economic environment. Core passenger revenue increased by €3.5m while School Transport revenue reduced in line with savings achieved for the Department of Education and Skills.

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 3 to 15.

## Results and Reserves

The financial statements for the year ended 31 December 2012 are set out in detail on pages 26 to 43. The results for the year ended 31 December, 2012 show a Deficit of € 6.23m (2011 – Surplus € 0.45 m).

## Internal Control 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

Capital expenditure amounted to €2.4m in 2012. The company also received capital funding for PSO services from the National Transport Authority (NTA) in 2012 of €1.1m, which enabled the company to invest in improved services for its customers.

## Attendance at Board and Committee Meetings

Listed below are details of directors' attendance at board and committee meetings held during 2012.

	BE Board	Safety	Maintenance
Mr. Paul Mallee	10/10	-	-
Mr. Henry Minogue	9/10	-	-
Mr. John Griffin	3/4	-	2/2
Mr. Tom Hussey	10/10	6/6	-
Mr. Kieran Fay	9/10	6/6	2/2
Mr. John Moloney	6/10	5/6	4/5
Mr. Bill McCamley	9/10	-	-
Ms. Susan Donohoe	9/10	-	-
Mr. Micheál Ó' Faoláin	9/10	-	5/5
Mr. Gerard Ryan	4/4		-

John Moloney attended board on one occasion during the year via a video link in addition to the above.

## Audit Review Group

The Audit Review Group at 19th April 2013 comprises the following non-executive members of the Board: Henry Minogue and Gerard Ryan, (Susan Donohoe up to date of retirement as a director on 14th March 2013).

The main duties of the Audit Review Group are to oversee the relationship with the external auditor, including consideration of the appointment of the external auditor, audit fees, and any question of independence, resignation or dismissal. The Audit Review Group discusses with the external auditor the nature and scope of the audit and the findings and results. The Group also monitors the integrity of the financial statements prepared by the Company.

The Group keeps under review the effectiveness of the Company's internal controls and risk management systems through regular direct updates from the Group Internal Audit Department and from senior management.

The Terms of Reference of the Audit Review Group have been approved by the Board and are reviewed on an annual basis and amended as appropriate. The Group met five times in 2012 (four in 2011). The External Auditors, PricewaterhouseCoopers, were appointed during the year ended 31st December 2010 for a three year period. Therefore, the Audit Review Group recommends to Board that they be formally reappointed for the year ended 31st December 2012. There were no contractual obligations that acted to restrict the Audit Review Group in making this recommendation.

There were no material services provided by the auditors during the year under review. Therefore the Audit Review Group, having considered all relationships between the Company and the external audit firm, does not consider that those relationships impair the auditor's judgement or independence.

## Employee Participation

In 2012 quarterly meetings of the local councils continued 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 on six occasions 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.

Bus Éireann also became involved with the Blanchardstown Centre for Independent Living (BCIL), which is part of an international and national movement within the disability sector whose purpose is to empower and enable people with disabilities to achieve independent living.

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 2012 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  
Mr. Henry Minogue  
Mr. John Moloney  
Mr. John Griffin (Retired 17th May 2012)  
Mr. Bill McCamley  
Mr. Tom Hussey  
Ms. Susan Donohoe (Retired 14th March 2013)  
Mr. Micheál Ó’ Faoláin  
Mr. Kieran Fay  
Mr. Aidan Murphy (Appointed 16th April 2013)  
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 have a reasonable expectation 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. Please refer to Note 1 of the accounts also for 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.

19 April 2013

On behalf of the board

**P. Mallee**, Chairman  
**H. Minogue**, Director

## 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 Auditors' Report to the Members of Bus Éireann – Irish Bus

We have audited the financial statements of Bus Éireann for the year ended 31 December 2012 which comprises of the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

## Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 24, the directors are responsible for the preparation of the annual report and the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, 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 these opinions, 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.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2012 and of its deficit and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

## Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which 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.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the company, as stated in the Balance Sheet, 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 2012 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.

## Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

### Teresa Harrington

for and on behalf of PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm

Dublin  
26th April 2013

# 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.

Year ended 31st December	Notes	2012	2011
		€000	€000
<b>Revenue</b>		<b>286,328</b>	283,685
<b>Costs</b>			
Payroll and related costs	2	(131,793)	(130,722)
Materials and services	3(a)	(191,644)	(190,831)
Depreciation less amortisation of grants	4	(8,638)	(7,863)
<b>Total operating costs</b>		<b>(332,075)</b>	(329,416)
<b>Deficit before loss on disposal, interest , Public Service Obligation Payment and before exceptional items</b>		<b>(45,747)</b>	(45,731)
Loss on disposal of tangible assets		(57)	(91)
<b>Deficit before, Public Service Obligation Payment, Interest and before exceptional items</b>		<b>(45,804)</b>	(45,822)
Interest receivable		294	574
<b>Deficit before Public Service Obligation payment and before exceptional items</b>		<b>(45,510)</b>	(45,248)
Public Service Obligation payment	20	36,883	43,403
<b>Deficit for the year after Public Service Obligation payment and before exceptional items</b>		<b>(8,627)</b>	(1,845)
Exceptional items	3(b)	2,400	2,300
<b>(Deficit)/Surplus for the year after Public Service Obligation and after exceptional items</b>		<b>(6,227)</b>	455
<b>Accumulated deficit at start of the year</b>		<b>(6,204)</b>	(6,659)
<b>Accumulated deficit at end of the year</b>		<b>(12,431)</b>	(6,204)

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

Year ended 31st December	Notes	2012	2011
		€000	€000
<b>Fixed assets</b>			
Tangible fixed assets	5	101,430	121,791
<b>Current assets</b>			
Stocks	6	4,008	4,728
Debtors	7	75,057	78,079
Cash at bank and in hand		1,062	1,016
		<b>80,127</b>	<b>83,823</b>
<b>Creditors</b> (amounts falling due within one year)	8	<b>(70,699)</b>	(72,497)
<b>Net current assets</b>		<b>9,428</b>	11,326
<b>Total assets less current liabilities</b>		<b>110,858</b>	<b>133,117</b>
Provision for liabilities and charges	9	(43,204)	(47,829)
Deferred Income	10	(50,881)	(62,288)
		<b>16,773</b>	<b>23,000</b>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	11	29,204	29,204
Profit and loss account		(12,431)	(6,204)
<b>Shareholders' funds</b>	12	<b>16,773</b>	<b>23,000</b>

On behalf of the board

**P. Mallee**, Chairman

**H. Minogue**, Director

Year ended 31st December	Notes	2012	2011
		€000	€000
<b>Net cash (outflow) from operating activities</b>	13(a)	<b>(1,030)</b>	<b>(6,208)</b>
<b>Returns on investment and servicing of finance</b>			
Interest receivable		294	574
		(736)	(5,634)
<b>Capital expenditure</b>			
Additions to tangible assets	5	(2,419)	(33,500)
Disposal of tangible assets		12	35
Capital grants received	10	1,197	19,191
<b>(Outflow) before use of liquid resources and financing</b>		<b>(1,946)</b>	<b>(19,908)</b>
<b>Management of liquid resources</b>			
Movement in amounts owed by holding company	13(b)	1,992	20,836
<b>Increase in cash</b>	13(b)	<b>46</b>	<b>928</b>

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.

	2012	2011
	€000	€000
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the year	46	928
Cash from change in liquid resources	(1,992)	(20,836)
<b>Movement in net funds</b>	<b>(1,946)</b>	<b>(19,908)</b>
Net funds at 1st January	65,851	85,759
<b>Net funds at 31st December</b>	<b>63,905</b>	<b>65,851</b>



## 1. Going Concern

The Company incurred a net loss of €6.2 million during the year ended 31 December 2012 and, at that date; the Company had net assets of €16.8 million and net current assets of €9.4m. Management's current projections show that the Company will return to profitability in 2013. When capital expenditure is factored in, the projections for Bus Éireann indicate that the company will incur a net cash outflow in each of the 5 years from 2013 to 2017. The resultant cash deficits will result in a requirement for additional funding from the CIE Group. 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.

At the time of signing the 2011 financial statements in November 2012, there were a number of risks and uncertainties facing the Group. The Group had exceeded its available borrowing facilities in the early part of 2012, and the excess was met by advance payments of the Public Service Obligation. Since that date, the Group have remained within their existing borrowing facilities. While the boards overall conclusion was that it was appropriate to prepare the 2011 financial statements on a going concern basis, they were cognisant that a number of uncertainties existed, including in particular uncertainties around the funding status of the Group, which led them to conclude that a material uncertainty existed at that time.

At the time of signing the 2011 financial statements, the Department of Transport, Tourism and Sport (DTTAs) had indicated that additional funding in a form to be determined would be made available to the Group to fund ongoing activities of the Group to 31 December 2012. The format and extent of this funding had not been finalised, however the Minister for Transport, Tourism and Sport provided a letter of support to the Group dated 30 August 2012. Subsequently the Department made additional subvention funding of €36 million available to the Group in late 2012 as part of that support.

A number of significant developments have occurred which have alleviated some of the uncertainties which surrounded the group previously. These are set out below:-

- The DTTAs made available the €36 million in additional subvention in late 2012;

- The Group sold its interest in the ground lease in Spencer Dock generating cash of €20 million in December 2012;
- IarnródÉireann's significant 2012 Voluntary Severance programme was completed in December 2012 (an important contributor to the overall cost savings plan);
- After a prolonged period of decline due to the underlying economy revenue and passenger numbers have begun to stabilise over the past number of months;
- The Group applied for and was granted a fare increase by the National Transport Authority across its services;
- The Group's five year plan and cash forecasts were revised to take account of management initiatives to reduce costs and manage cash flows. This included revisions to take account of changes in the pattern of cash flows following negotiations with the NTA and the Department of Transport, Tourism and Sport in relation to capital grant funding. In addition a number of mitigating actions have also been identified that will be implemented if the cash flows envisaged by the 5 year plan are not achieved;
- The negotiations with the Group's banks in relation to re-financing and increasing the facilities available to the Group have progressed significantly and a successful outcome is anticipated shortly;
- Existing facilities of €57 million have been renewed to 6th October 2013 and €20 million has been renewed to 31st May 2013 to enable the group to fund activities pending finalisation of the re-financing.

Nonetheless uncertainties remain, and these are detailed below:

1. The existing Group bank borrowing facilities (of €107 million) were due to expire on various dates between January and October 2013. The Board has recently approved a Facility Letter from one of its banks for the extension of the existing committed facilities to 6th October 2013, pending the finalisation of the overall re-financing of the Group borrowings. The second facility is also being extended on a month by month basis pending finalisation of the overall borrowing facilities. As

## 1. Going Concern (Continued)

part of CIÉ's five year plan the Group have identified a need to increase its overall facilities by €53m to bring the current borrowing facilities from €107 million to €160 million. Group management are currently in discussions with its funders in respect this re-financing. A draft term sheet has been provided by the Lead Arranger, setting out acceptable indicative terms for the overall €160m facility. This term sheet is indicative only and does not constitute an offer to arrange or finance the facility. The provision of the facility will be subject to credit committee approval and satisfactory documentation. Management are confident that the negotiations with the banks can be finalised by June 2013. The timing of finalisation of the re-financing of new and existing borrowing facilities is critical to managements overall assessment of going concern.

2. The achievement of the savings, particularly payroll savings, set out in the Group's 5 year business plan is critical. Assumptions used in preparing the business plan are by their nature subjective and it is imperative that performance against plan is monitored closely, so that mitigating actions, which have already been identified by management can be put in place if necessary. Management have stress tested these cash flow forecasts and continue to monitor cash on a daily and weekly basis.
3. The deterioration of the Irish economy over the past number of years 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 CIÉ.

Management's current projections indicate that while the Group implements it's restructuring plans the Group will incur further cash deficits in the period 2013 and 2014, with a return to profitability expected in 2015 and beyond.

Following a comprehensive review of the Group's business plan and the underlying assumptions for the period 2013 to 2017 and its budget for the year 2013, and having considered the actions which have been taken by management over the past number of months, the Board Members have a reasonable expectation that planned actions, together with the re-financing of the Group, the continued support of

the Department of Transport, Tourism and Sport, the additional revenue generated by fare increases, 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.

While there can be no certainty that financing discussions with the banks will be successfully concluded, the Group's banks remain supportive as evidenced by the extension to the existing facilities and ongoing constructive discussions taking place, including the provision of the draft term sheet and preparation of the information memorandum for the re-financing. The ongoing support of the Department of Transport, Tourism and Sport has also been evidenced in the letter of support dated 10th April 2013.

The letter states that the Department "continues to monitor the financial position of CIÉ and is engaging with the company in relation to measures necessary to safeguard CIÉ's financial sustainability." Whilst the letter stated that nothing contained in the letter can be construed as a guarantee of the obligations or liabilities of CIÉ, it also states that "It remains Government policy that the business of CIÉ is at all times in a position to meet its liabilities. The State is CIÉ's sole shareholder and CIÉ can confirm that the State will continue to exercise its shareholder rights with a view to ensuring that CIÉ 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".

Having made due enquiries and considering the uncertainties described above, the Board Members have a reasonable expectation that renewed and extended facilities will be made available to the Group and that Government will support measures to ensure financial stability. For these reasons, the Board Members have concluded that the risks described above do not represent a material uncertainty that casts significant doubt about the Group's ability to continue as a going concern, and on that basis they will continue to adopt the going concern basis in preparing the financial statements."

## 2. Payroll and Related Costs

	2012	2011
	€000	€000
<b>Staff Costs</b>		
Wages and salaries	112,135	111,956
Social welfare costs	10,052	9,874
Other pension costs	9,501	8,826
	<b>131,688</b>	<b>130,656</b>
Engineering work for group companies	(49)	(58)
<b>Net staff costs</b>	<b>131,639</b>	<b>130,598</b>
<b>Directors' remuneration</b>		
- for services as directors	95	66
- for other services	59	58
<b>Total directors' remuneration and emoluments</b>	<b>154</b>	<b>124</b>
<b>Payroll and related costs</b>	<b>131,793</b>	<b>130,722</b>

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

Mr P. Mallee €21,600; Mr. J. Griffin €4,771; Mr. H. Minogue €12,600; Mr. K. Fay €12,600; Ms .S. Donohoe €12,600; Mr. T. Hussey €12,600; Mr. M. Ó'Faoláin €12,600 and Mr.G .Ryan €5,324;

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 € 201,788 for salary of the Chief Executive, Mr M.Nolan for executive services which includes arrears paid during the year of € 11,884 in respect of the prior year 2011.

The average numbers of employees during the year were	Staff Numbers	
	2012	2011
Full-time	2,077	2,103
Part-time school bus drivers	474	502
<b>Total</b>	<b>2,551</b>	<b>2,605</b>

### 3A. Materials and Services

	2012	2011
	€000	€000
Fuels and lubricants	35,903	32,293
Other contractors	117,394	117,249
Road tax and licences	569	534
Operating lease rental of vehicles	512	546
Third party and employer's liability claims (note 9)	-	5,000
Rates	919	851
Expenses paid to directors	-	1
Other materials and services	36,347	34,357
	<b>191,644</b>	<b>190,831</b>
Included in expenses reimbursed to directors are Subsistence/accommodation	-	1
Other	-	-
	-	1

### 3B. Exceptional items

	2012	2011
	€000	€000
Restructuring credit	-	2,300
Release of provision for liabilities and charges	2,400	-

Release of provisions for liabilities and charges have resulted in a credit of €2.4m to the profit and loss account.

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

	2012	2011
	€000	€000
Depreciation of tangible fixed assets (note 5)	22,712	20,946
Grant amortisation (note 10)	(14,074)	(13,083)
	8,638	7,863

#### 5. Tangible Fixed Assets

	Road Passenger Vehicles	Plant and Machinery	Total
	€000	€000	€000
<b>Cost</b>			
At 1st January 2012	285,304	21,701	307,005
Additions	–	2,419	2,419
Disposals	(4,757)	(13)	(4,770)
<b>At 31st December, 2012</b>	<b>280,547</b>	<b>24,107</b>	<b>304,654</b>
<b>Depreciation</b>			
At 1st January, 2012	171,937	13,277	185,214
Charge for the year	20,372	2,340	22,712
Disposals	(4,689)	(13)	(4,702)
<b>At 31st December 2012</b>	<b>187,620</b>	<b>15,604</b>	<b>203,224</b>
<b>Net book amounts</b>			
<b>At 31st December, 2012</b>	<b>92,927</b>	<b>8,503</b>	<b>101,430</b>
At 31st December, 2011	113,367	8,424	121,791

(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 €38,444,403 (2011; €35,111,791) were fully depreciated but still in use at the balance sheet date.
- (c) Tangible fixed assets at 31st December, 2012 include € 915,366 (2011; € 30,311,794) in respect of tangible fixed assets not yet in service.

## 6. Stocks

	2012	2011
	€000	€000
Maintenance materials and spare parts	2,754	3,649
Fuels, lubricants and sundry stocks	1,254	1,079
	<b>4,008</b>	<b>4,728</b>

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

	2012	2011
	€000	€000
Trade debtors	3,097	2,776
Department of Education and Skills	8,522	9,407
Amounts owed by holding company ( <i>note 13(b)</i> )	62,843	64,835
Other debtors and accrued income	595	1,061
	<b>75,057</b>	<b>78,079</b>

## 8. Creditors

	2012	2011
	€000	€000
<b>Amounts falling due within one year</b>		
Trade creditors	13,286	14,086
Income tax deducted under PAYE and USC	1,768	1,649
Pay-related social insurance	1,061	1,001
Value added tax and other taxes	121	197
Other creditors	1,182	1,204
Accruals	24,669	22,182
Third party and employer's liability claims (note 9)	9,000	10,000
Deferred Income (note 10)	12,682	14,152
Restructuring provision	6,930	8,026
	<b>70,699</b>	<b>72,497</b>
Creditors for taxation and social welfare included above	<b>2,950</b>	<b>2,847</b>

## 9. Provisions for Liabilities and Charges

	2012	2011
	€000	€000
<b>Third party &amp; Employers Liability Claims</b>		
Balance at 1 January	57,829	57,394
Utilised during the year	(3,225)	(4,565)
Transfer from profit and loss account (note 3b)	(2,400)	5,000
<b>Balance carried forward at 31 Dec, 2012</b>	<b>52,204</b>	<b>57,829</b>
<b>Apportioned:</b>		
Current liabilities (note 8)	9,000	10,000
Amounts falling due after one year	43,204	47,829
	<b>52,204</b>	<b>57,829</b>

## 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) Third party liability for the Group in excess of €250,000 on any one occurrence or series of occurrences arising out of Other Risk events, except;
  - (a) Flood damage where the excess is €2,000,000
  - (b) any claim subject to United States of America jurisdiction where the excess is US\$ 150,000 .
- (iii) Road transport liabilities in excess of a self-insured retention of €11,000,000 in aggregate in the twelve month period, April 2012 to March 2013, 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.
- (iv) Group Combined Liability Insurance which does not include Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2012 to March 2013, for rail and road transport Third Party and Other Risks Liabilities.
- (v) 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.
- (vi) 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.

## 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).

	2012	2011
	€000	€000
<b>Capital Grants</b>		
Balance at 1st January	76,440	70,332
Received and receivable	1,197	19,191
Transfer to profit and loss account (note 4)	(14,074)	(13,083)
Balance carried forward	63,563	<b>76,440</b>
Less transfer to current liabilities (note 8)	(12,682)	(14,152)
<b>Balance at 31st December</b>	<b>50,881</b>	<b>62,288</b>

## 11. Share Capital

	2012	2011
	€000	€000
<b>Authorised</b>		
Ordinary shares of €1.27 each	<b>40,632</b>	40,632
<b>Allotted, called up and fully paid</b>		
Ordinary shares of €1.27 each	<b>29,204</b>	29,204

## 12. Reconciliation of Movement in Shareholders' Funds

	2012	2011
	€000	€000
(Deficit)/Surplus for the year	(6,227)	455
Opening equity shareholders' funds	23,000	22,545
<b>Closing equity shareholders' funds</b>	<b>16,773</b>	<b>23,000</b>

## 13. Cash Flow Statement

	2012	2011
	€000	€000
<b>(a) Reconciliation of operating deficit to net cash (outflow)/inflow from operating activities</b>		
Operating deficit before PSO payment	(45,804)	(45,822)
PSO payment	36,883	43,403
	<b>(8,921)</b>	<b>(2,419)</b>
Depreciation and loss on disposal of tangible fixed assets	22,769	21,037
Capital grants amortised	(14,074)	(13,083)
Exceptional items	2,400	2,300
Decrease/(Increase) in stocks	720	(211)
Decrease/(Increase) in debtors	1,030	(6,997)
Increase/(Decrease) in creditors	1,767	(1,909)
(Decrease)/Increase in provisions for liabilities and charges	(5,625)	435
(Decrease) in restructuring provision	(1,096)	(5,361)
<b>Net cash (outflow) from operating activities</b>	<b>(1,030)</b>	<b>(6,208)</b>

### 13. Cash Flow Statement (Continued)

	1st Jan 2012	Flows	31st Dec 2012
	€000	€000	€000
<b>(b) Analysis of change in net funds</b>			
Cash at bank and in hand	1,016	46	1,062
Amounts owed by holding company (note 7)	64,835	(1,992)	62,843
	65,851	(1,946)	63,905

### 14. Operating Lease Obligations

	2012	2011
	€000	€000
Commitments under non-cancellable operating leases payable as follows:		
Within one year	416	397
Between one and five years	493	830
	909	1,227

### 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 31 December 2012 that there was a deficit €491.85m on the schemes.

The pension cost for the year on the defined benefit schemes was € 9.5m these costs are included in note 2.

## 16. Capital Commitments

	2012	2011
	€000	€000
Contracted for	3,134	2,300
Funded	284	383

## 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	Public Services			Total
		Stage Carriage	City	Sub Total	
2012	€000	€000	€000	€000	€000
Revenue	218,148	44,258	23,922	68,180	286,328
Costs	(221,728)	(72,020)	(35,690)	(107,710)	(329,438)
Deficit before PSO payment	<b>(3,580)</b>	<b>(27,762)</b>	<b>(11,768)</b>	<b>(39,530)</b>	<b>(43,110)</b>
PSO payment	-	-	-	36,883	36,883
Result after PSO	<b>(3,580)</b>	-	-	<b>(2,647)</b>	<b>(6,227)</b>
2011					
Result after PSO	<b>(3,067)</b>	-	-	<b>3,522</b>	<b>455</b>

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

The School Transport Scheme is operated under "contract", more correctly described as an administrative arrangement, with the Department of Education 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 €39.5m while the compensation received amounted to € 36.9m. The loss should be viewed in the context of the reduced PSO compared to the previous year and the higher cost of fuel.

## 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 and An Post. 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 €36.9m for the year ended 31 December, 2012. (2011; €43.4m).

## 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 April 2013.



***Bus Éireann***