



*Annual Report*  
**2013**



# At the Heart of Your Community

## Financial and Operating Highlights 2013

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### Operating Revenue

**€289.93m 2013**  
€286.33m 2012



### Total Revenue

**€324.30m 2013**  
€323.21m 2012



### EBITDA

**€6.9m 2013**  
(€0.22m) 2012



### Number of Customer Journeys

**78.27m 2013**  
77.17m 2012



### Number of Employees

**2,486 2013**  
2,551 2012



### Payroll and Related Costs

**€124.92m 2013**  
€131.79m 2012



### Vehicle Kilometres including Contractors

**169.43m 2013**  
172.45m 2012



### Surplus/(Deficit) for the Year

**€0.4m 2013**  
(€6.2m) 2012



### Contribution to Exchequer in Taxes

**€51.96m 2013**  
€53.70m 2012



### Schools Served Nationally

**Approx 3,000**



### Children Carried Daily on Schools Services

**114,000**



### Special Need Children Carried

**9,000+**



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



providing the  
best public  
transport bus  
service



## Our Mission

- Bus Éireann is fully committed to meeting the needs of our customers by providing excellent bus services through a committed and hard-working team.

## Our Values

- We value the safety of our customers, employees and fellow road users.
- The safety of our customers, employees and other road users is of paramount importance to Bus Éireann and in relation to every transport activity and decision we undertake, we ensure that safety comes first.
- Our customers deserve an outstanding service and we strive to continuously improve the experience of our customers to ensure it can be as positive, efficient and courteous as possible, treating everyone with due care and equal consideration.
- As a truly Irish company, operating across a broad network of towns, villages and cities across Ireland, we value our vital social role within communities and since our foundation in 1987, we take pride in helping thousands of people to get to work, school, shops or just simply to meet their family and friends every day.
- Our employees are intrinsic to becoming the best we can be and we are committed to continuously improving the knowledge, abilities and skills of our people to enable them to both achieve their potential and deliver the best service possible, to all of our customers.

## Our Objectives

- To provide the best public transport bus service for our customers and the State, ensuring the safety of our customers and people remain our highest priority.

- To drive customer advocacy for our services by continuing to improve customer satisfaction levels for every experience we deliver.
- To maintain our market-leading position in a changing market through a strong focus on innovation through technology and investment in our fleet.
- To continue to build a competitive cost base, ensuring we can compete to retain and grow future opportunities which will arise.
- To ensure that we continue to equip and train our people with the skills and competencies to best deliver against the needs of our customers, the business and its stakeholders.

## Our Services

Bus Éireann provides three main services:

- Over 300 State-funded routes;
- 25 Expressway inter-commercial routes; and
- The School Transport Scheme on behalf of the Department of Education & Skills.

## Commitment to Safety

The safety of our customers and staff is of paramount importance to Bus Éireann. The company is committed to ensuring the well-being of its employees. This is achieved by maintaining a safe place of work and by complying with relevant employment legislation including the Safety, Health and Welfare at Work Act, 1989.

value convenience,  
comfort and reliability  
delivered on a  
sustainable basis

The management team continues to reinforce a safety culture throughout the company. As part of this, we 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 2013.

Bus Éireann continues to be a leading light in the area of safety and quality. In 2013, the Freight Transport Association (FTA) carried out a detailed audit of our competence as a safe and sustainable passenger transport operator.

The company regularly reviews and updates its safety management systems. The Bus Éireann Safety Statement is reviewed and updated regularly and communicated to all staff members. Our Safety Statement is comprehensive to ensure that we comply with both the spirit and detail of all Safety, Health and Welfare legislation which includes for example, a full vetting procedure for any driver in our School Transport division.

## Introduction

After a number of difficult economic years in Ireland, the 2013 performance for Bus Éireann may prove to be our strategic inflection point. Our cost base is now better aligned to the needs of our business, and our relentless focus on product innovation and customer satisfaction measures is beginning to bear fruit. It is now clear that significant network changes and service improvements we introduced to take advantage of new roadways and new centres of retail, leisure and employment which have emerged since the recession began and which is helping to increase patronage and revenues. Investment in our fleet and customer information technology and the provision of on-board facilities has moved our brands into the 21st century as customers re-appraise or discover the advantages and convenience that we can now offer versus the alternative of other transport. In our marketing, we have become bolder and much less passive in our proposition to our customers, providing incentives to experience the changes we have made for them. A new strategy brings a new era in Bus Éireann, and while this is a business still in



transition, the long-term prospects for the Irish customer now look decidedly more favourable and attractive in terms of value, convenience, comfort and reliability all of which can be delivered on a sustainable basis.

## 2013 Highlights

### Greater Financial Stability Achieved across all Business Units

- Revenue increases of €4 million (4.2%) on core road passenger business.
- Payroll reductions of €7 million (5%) following agreement with staff.
- Significant reduction in the loss incurred on Expressway in 2013 compared to 2012.
- Expressway is now positioned to return to profitability in 2014.
- Stabilisation of the Group Treasury position.
- Restoration of net assets to 59% of Called up Share Capital at year end following their decline to below 50% of Called up Share Capital in mid 2013.

### Increased Customer Demand

- Increases of 1 million in total customer journeys

### Enhanced Customer Experience

- 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.
- Bus Éireann is required to meet strict performance targets as set out in the Public Transport Contract by the National Transport Authority. This includes key deliverables in areas such as punctuality, customer service delivery and service reliability. In 2013 Bus Éireann succeeded in meeting all targets and exceeded the required performance target in areas such as punctuality and service reliability.

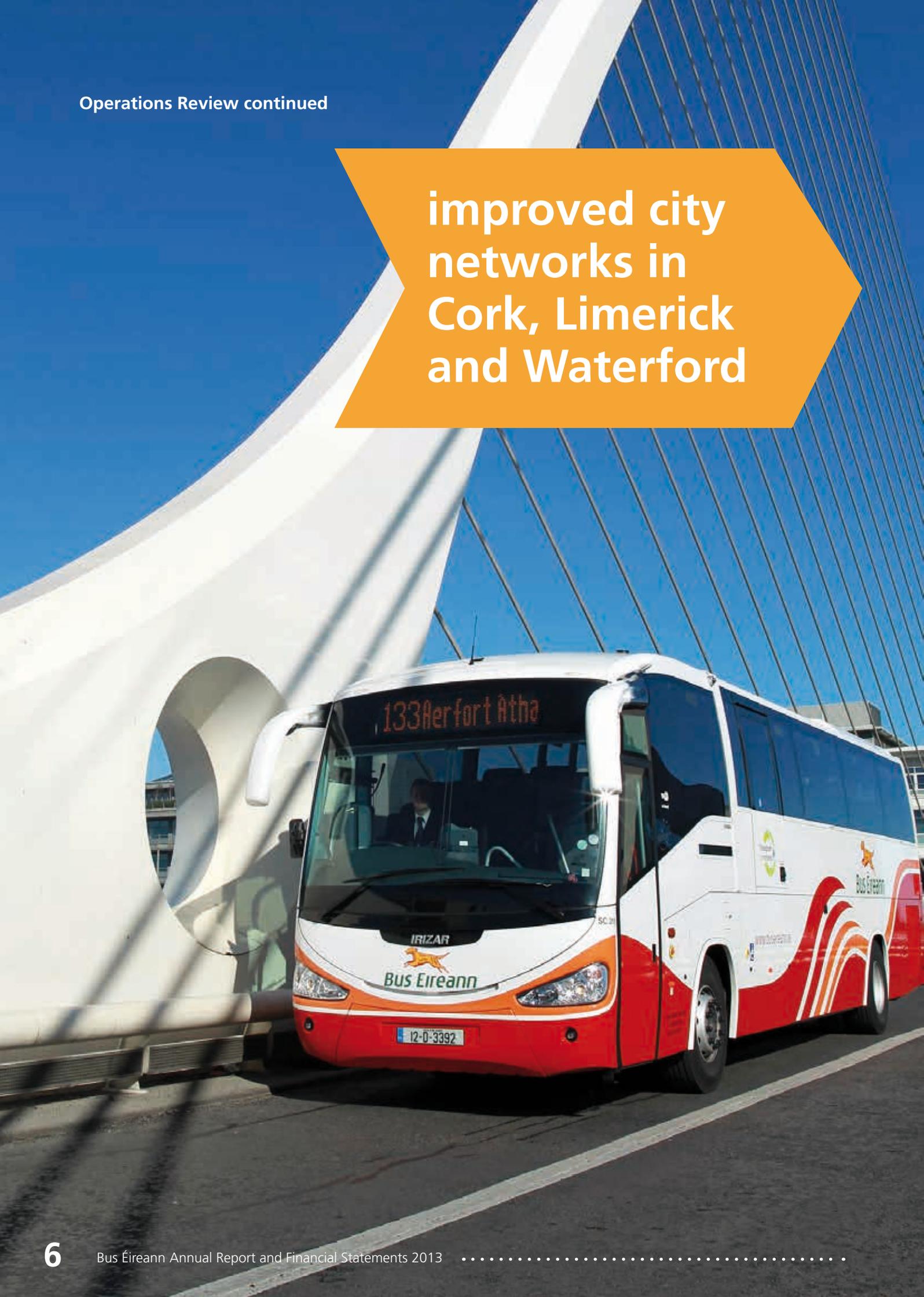
**over 90% of  
our customers  
say they would  
recommend  
us to a friend**

- Free Wi-Fi on board all buses and coaches excluding Schools fleet.
- Successfully rolling out free Wi-Fi at all of our bus stations.
- Revamp of Expressway network and city networks in Dublin, Limerick, Cork and Waterford to provide faster journey times with better connections.
- Delivered further cost savings in the provision of School Transport Services while at the same time expanding the numbers of services offered.

### Using Smart Technology to Deliver a Modern Public Transport System

- Introduction of the Leap Card in the Greater Dublin area in conjunction with the National Transport Authority.
- In conjunction with the National Transport Authority, we improved city networks including Limerick, Cork and Waterford.
- In conjunction with the National Transport Authority, Real Time Passenger Information introduced at stops across the Waterford City network.
- Fully launched the iPhone Mobile Travel App that allows customers to plan their journeys, see real-time departures and arrival times for their chosen stop and view timetable information while on the move.

improved city  
networks in  
Cork, Limerick  
and Waterford



**Surplus €0.4 million  
2013 – Deficit €6.2  
million 2012**

## Increased Environmental and Related Milestones Reached

- Continued to roll out 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.

## Financial Review

Bus Éireann faced significant challenges during 2013 but succeeded in implementing key elements of its plan to return the company to profitability on a sustainable basis. The company is reporting a surplus of €0.4 million for 2013 compared to a deficit of €6.2 million in 2012. The return

to profitability was a key milestone for the company and established the framework for delivering the financial results necessary in order to provide funds for future investment. This investment is essential if the company is to stabilise the financial base and provide security around provision of transport services and sustainability of employment.

The company also had to absorb further reductions in PSO subvention for 2013 resulting in a loss of €1.7 million on PSO services for the year. The PSO subvention is now significantly below the level required to deliver the quantum of services provided under the PSO contract. This leaves the company with an accumulated loss of over €4.3 million on PSO services in 2012 and 2013 rather than returning any reasonable profit for Bus Éireann as allowed for under the contract.



- Reduction of €15 million (30%) between 2009 and 2013
- Bus Éireann maintained PSO network through
  - route reviews
  - revenue generation
  - cost efficiencies



**€4m  
increase in  
core passenger  
revenue**

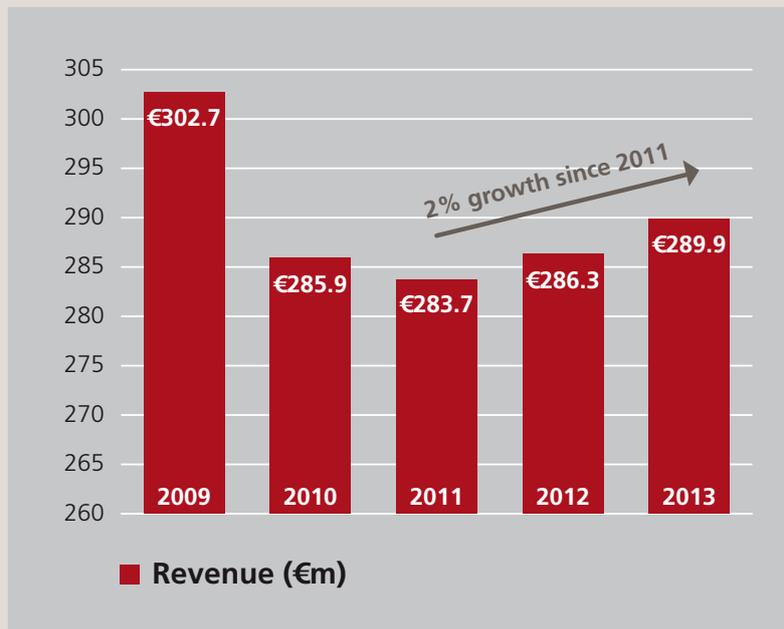
The company's financial plans for 2013 included the implementation of difficult but essential actions designed to address the critical financial position. The company had indicated that as a result of accumulated losses the net assets of the company were likely to fall below 50% of the called up share capital during 2013. The net assets fell to €14 million in mid-2013, a value which was below 50% of the called up share capital thus requiring the company to convene an Extraordinary General Meeting (EGM). The EGM of the company's shareholders was held in July 2013. A detailed and challenging plan was agreed to return the company to profitability by the end of the year and to restore the net assets to 57% of called up share capital. The company met and exceeded these targets and the net assets were restored to €17.2 million or 59% of Called up Share Capital by the end of the year.

The measures introduced to address the critical financial position in 2013 comprised:

- Revenue generation on both PSO and Expressway network through a combination of fares policy and growth in customer numbers;

- Continued review of the Expressway network to reduce the loss and position Expressway to return to profitability by 2014;
- Introduction of essential changes to terms and conditions to reduce payroll costs and realign the cost base to a more sustainable level; and
- Continued savings in non-payroll costs through a range of cost efficiency measures;

Revenue growth was a key deliverable for the company during 2013 with the company seeking to increase revenue on existing products through volume growth and fares increase. The "Path to Profitability" plan for Expressway, which commenced in 2012 also targeted radical improvements in profitability through a revised network model incorporating wide ranging cost reduction measures and challenging revenue generation plans. The company delivered an increase of €4 million (4.2%) in core passenger revenue for 2013 despite the negative impact of a two-day industrial dispute in May.



- Revenue declined during recession
- €4m increase 2013 versus 2012

## net assets were restored to 59% of Called up Share Capital

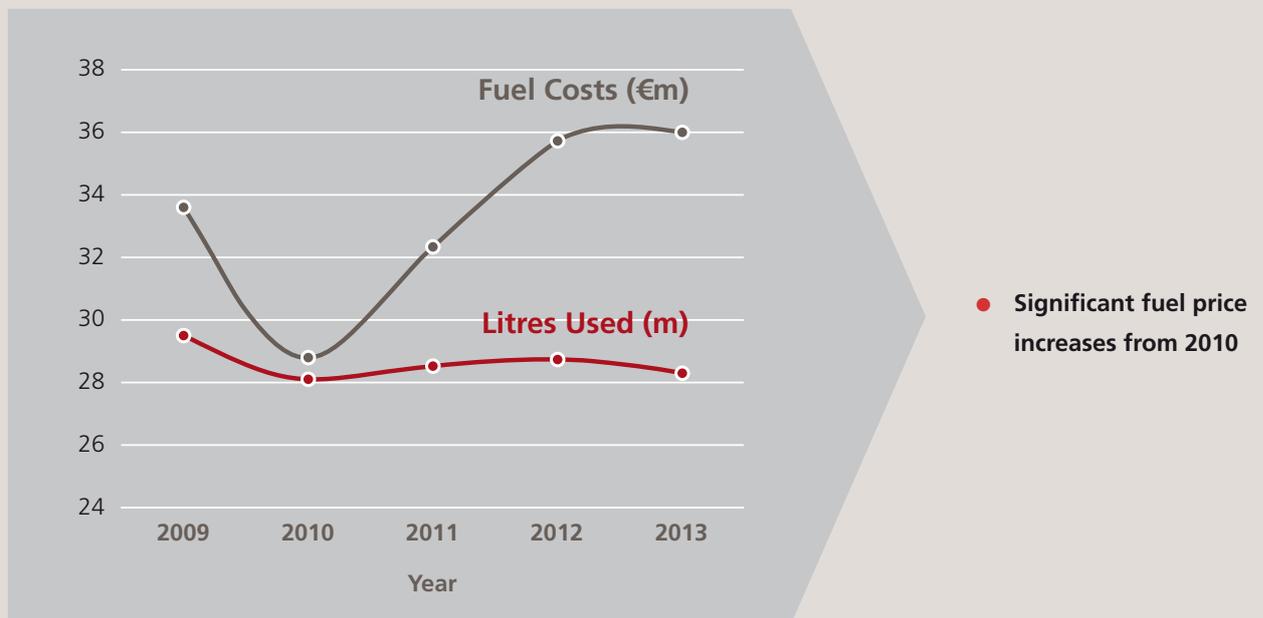
The most significant aspect of the cost saving measures delivered in 2013 was the agreement reached with staff representatives for essential payroll changes in order to address the financial position of the company. Following a period of detailed and protracted discussions with

staff representatives and all stakeholders, the company proceeded to implement the Labour Court recommendation of May 2013. This resulted in a cessation of the vast majority of our PSO and Expressway services causing significant disruption to our customers. The company very much regrets this disruption and did all in its power to lessen the impact on customers wherever possible. The dispute lasted for two days before agreement was reached to deliver the required payroll savings for the company. This agreement was introduced from June 2013 and the changes, once introduced, along with ongoing headcount reductions, saw payroll costs reduce from €131.8 million in 2012 to €124.9 million in 2013. Staff numbers continued to reduce across all grades during 2013 with average staff numbers amounting to 2,486 compared to 2,551 in 2012. The cost savings were delivered while maintaining the fabric of the national integrated transport network.

Fuel costs remain volatile on world markets and form a very significant element of the company's operating expenditure. Fuel costs amounted to €36.0 million for 2013 (2012: €35.9 million). The average price per litre increased in 2013 compared to 2012 levels but the welcome introduction of the diesel rebate scheme in July 2013 helped to offset the effect of this increase in costs.

Bus Éireann continued to invest in facilities, IT systems and plant and machinery to remain competitive and to maintain quality levels during the year, however, the company was not in a position to secure investment, either own funded or NTA funded for fleet replacement. This is a key priority for 2014. Capital expenditure amounted to €3.4 million in 2013 with €2.2 million in capital grant funding being provided by the NTA.

### Fuel Costs and Litres Consumed

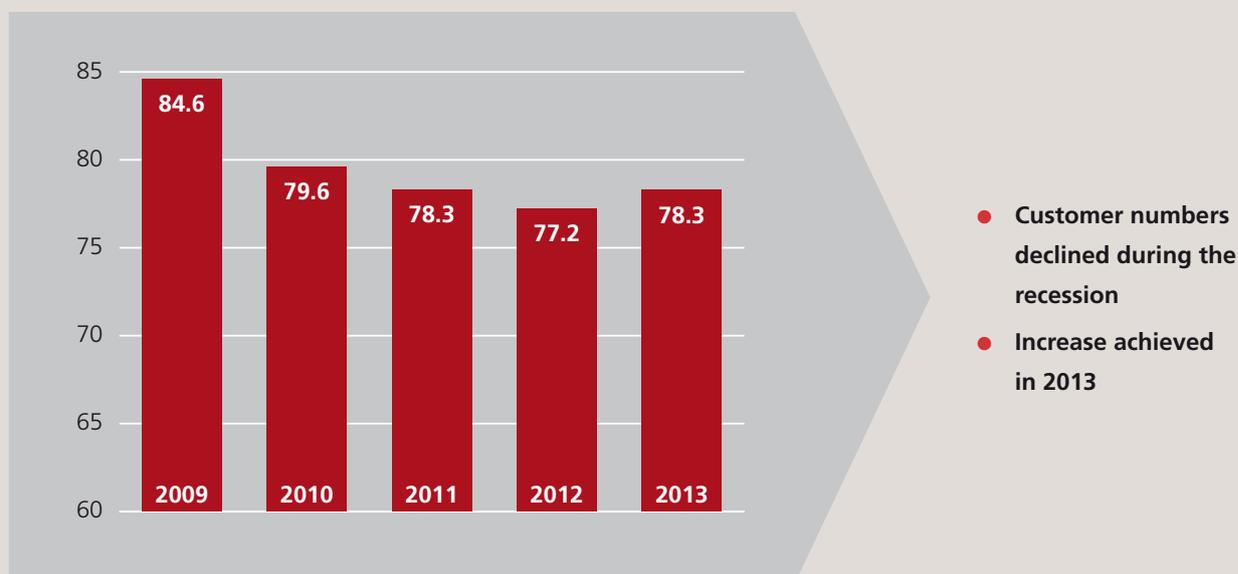


### Market Trends

In 2013, the Irish economy produced the first green shoots of recovery after five years of recession, resulting in increased levels of employment, a stronger retail market and increased tourism generated by the initiative of The Gathering. A small but steady growth during the year with

these three factors, increased road passenger journeys on Bus Éireann services from 36.8 million in 2012 to 37.1 million in 2013. On city services, customer numbers were up 1.1 million while Expressway services and rural services saw a 0.7 million decrease in customer usage in 2013.

## Overall Customer Journeys (millions)



## Customer Journeys and Vehicle Kilometres

	2013 Thousands	2012 Thousands
<b>Customer journeys</b>		
Provincial city services	17,848	16,728
Other scheduled services	19,303	20,046
School transport scheme	41,116	40,398
	<b>78,267</b>	<b>77,172</b>
<b>Vehicle kilometres</b>		
Provincial city services	7,432	7,805
Other services – own	78,464	82,633
Other services – sub contracted	83,536	82,014
	<b>169,432</b>	<b>172,452</b>

## Connecting Communities

Bus Éireann has changed significantly since it first began operation in 1987 but its role remains unchanged, providing 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 2,486 people at 17 locations throughout the country and a purchaser of goods and services from approximately 1,118 suppliers, the company is also a major economic contributor to local communities.

As a provider of an environmentally-friendly form of transport, the company helps benefit communities through reduced emissions and improved air quality.



Over the last 26 years, Bus Éireann has continuously focused on improving and putting customers at the centre of our business. In 2013, the company continued to innovate and enhance the delivery of our services by introducing a wide-range of measures across all of our products to ensure that we provide the best possible service to the customers and communities that we service. These are outlined in the following sections:

## Commercial Services

### Expressway

**Fly Expressway**  
[www.buseireann.ie](http://www.buseireann.ie)

#### Service Improvements

2013 saw the continuation of the redevelopment of the Expressway Network, more emphasis was placed on meeting customer demand for reduced journey times and increased connections to major airports.

Further enhancements were made to timetables across a number of routes to ensure limited-stop services, which also utilised the improved motorway network to cut the length of journeys for customers. The changes made in 2013 have been very well received by the travelling public.

Bus Éireann and private operator Gobus continue to improve the GoBé non-stop service from Cork City to Dublin City/ Dublin Airport. The service has a City to City journey time of just 3 hours and all coaches come fully fitted with free Wi-Fi and toilets on board.

#### Focus on Innovation

Free Wi-Fi is now available on all Expressway services and is proving to be a very positive customer offering.

Bus Éireann has also made it easier for customers to plan and buy their ticket online by further developing the e-ticketing system and also the iPhone Mobile Travel App. The latter gives customers the ability to view when exactly their next service 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, print and online was undertaken. The campaign resulted in more people who saw the campaign claiming they were likely to travel with Bus Éireann in the future.

The company also introduced a number of national seat sale initiatives under the promotion of 'Fly Expressway', during 2013. These promotions helped to drive sales and in particular, positively benefitted off-peak services where there was spare capacity available.

To further encourage travel on our services, Bus Éireann continued to grow the membership of BÉ Club our on-line loyalty scheme, which by the end of year had over 60,000 members who could avail of special offers on branded products and services, as well as discounted travel on our Bus Éireann routes.

The company also continued to use social media to promote our Expressway services and by year-end our Facebook site had over 32,000 "fans", an increase of 13,500 new fans during 2013.

### Eurolines

Our Eurolines services to the UK and Europe, which we operate in conjunction with Irish Ferries, continued to be popular in 2013 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 and Ride

Bus Éireann operates the Black Ash 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.

**GoBé –  
Non-stop service  
from Cork city  
to Dublin city/  
Dublin Airport  
and return**

# Bus Éireann provides employment to 2,486 people in 17 locations

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 at 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, Sligo and commuter and rural services outside of Dublin. Bus Éireann is supportive of measures which improve the attractiveness and efficiency of public transport in Ireland in line with available funding. Our core mission is to continue to provide the best possible service to our customers.

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 2013, 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 €34.3 million in 2013, a reduction of €15 million from 2009 levels.

From an efficient base, we have achieved a significant reduction in our cost base since 2009 and continued to deliver the vast majority of our services.

## Service Improvements

During 2013, Bus Éireann, in conjunction with the National Transport Authority, introduced enhancements to a number of PSO services in line with customer demand including:

## Improvements

- Waterford city network with improved frequencies
- Route 360/360A Tramore – Waterford timetable
- Route 115 Mullingar – Dublin timetable
- Route 175/175A Monaghan – Cootehill – Cavan timetable
- Route 182/182A Drogheda – Ardee – Monaghan timetable
- Route 190/190A Laytown – Drogheda – Navan – Trim timetable
- Route 202 timetable in Cork city
- Route 206 timetable in Cork city
- Route 207 timetable in Cork city
- Route 226/226A Cork – Cork Airport – Kinsale timetable

## Focus on Innovation

Working with the National Transport Authority, Bus Éireann continued to innovate to provide an enhanced customer experience. Initiatives undertaken in 2013 included:

- The 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 the Greater Dublin Area as well as in Cork, Limerick, Galway and Waterford cities. Information for the RTPI displays is sourced from the Bus Éireann Automatic Vehicle Location (AVL) System, which is installed on all Bus Éireann buses. This updates the RTPI displays throughout the day. Real Time Passenger Information was also introduced at all stops in the Bus Éireann network through the Transport for Ireland Real Time App.



- The Leap Card was introduced in the Greater Dublin Area during 2013 and is now available on all Bus Éireann Commuter and Local Routes. Travel products are available to purchase on board or at over 500 Payzone agents in the Greater Dublin Area. Leap Card will be rolled out to Cork and Galway cities during 2014.
- Further development of the AVL system has also enabled the company 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. Wi-Fi was also rolled out to all buses in the Bus Éireann fleet except Schools.



### Improved Usage of Bus services

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 and Real Time App; promotion of network improvements and a joint campaign with Irish Rail and Dublin Bus targeting businesses and employees to highlight the benefits of the Tax saver scheme. This 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 were also undertaken.

**Leap Card is available on all routes in the Greater Dublin Area**



### Congestion

The Greater Dublin Area in particular has seen worsening traffic congestion, resulting in slower journey times of between 3% and 6% on some routes, compared to 2012.

Bus Éireann continues to work with the relevant authorities to develop effective strategies to meet the challenges ahead and improve journey times across the Network.

In addition to improving bus priority measures, on-bus GPS technology and real-time geospatial data from our 633 vehicles will assist in this regard.

### Modal Shift

Bus Éireann is fully committed to enabling the move from private car journeys to more sustainable public transport options. Working with our stakeholders and with local communities, we are continuing to improve and invest in our services with a view to increasing passenger journeys and attracting new users to public transport.



## School Transport

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 9,000 children with special educational needs who are provided with services tailored to meet individual requirements operating on a door-to-door basis.



AN ROINN  
OIDEACHAIS  
AGUS SCILEANNA

DEPARTMENT OF  
EDUCATION  
AND SKILLS

In 2013, Bus Éireann continued to work closely with the Department of Education and 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 some €17 million worth of cost saving measures in school transport since 2011. This is consistent with the requirement to deliver savings of €17 million in the School Transport Budget by 2014 under the National Recovery Plan 2011 to 2014. The School Transport Scheme is a demand-led service, newly introduced services and improvements particularly for eligible children with special educational needs is a very significant factor putting pressure on costs of the scheme and this is therefore a key cost driver. Nonetheless the company is confident that the target of €17 million in savings to be achieved over this period will be surpassed in 2014.



**€17 million worth  
of cost savings  
measures in School  
Transport since 2011**

# At the heart of communities for 26 years

These savings have been achieved despite almost 230 new school transport services being approved by the Department of Education and Skills and introduced by Bus Éireann under the School Transport Schemes in 2013 alone, representing a 50% increase in the number of new services introduced in contrast with 2012.

The majority of these services were introduced to cater for children with special educational needs and included 29 more wheelchair accessible school transport services bringing the number of such vehicles in use every school day under the School Transport Scheme to 468.

In addition, some 500 service improvements involving the extension of routes, upgrading of vehicles, and extra trips were implemented in contrast to some 350 such measures in 2012.

During 2013 the first full school year without the involvement of Transport Liaison Officers in VEC Offices was completed successfully following the transition of responsibility for administering the Post Primary School Transport Scheme to Bus Éireann.

Bus Éireann also further developed the comprehensive new School Transport IT system in 2013. This will, amongst other things, enhance the ability to plan and monitor the delivery of school transport services and allow families to apply for school transport facilities and pay for their tickets in a convenient and straightforward manner online. Families with medical cards have welcomed the new facility to submit their details and have them verified online. This system will be introduced fully in 2014.

## 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 2013.

The Bus Éireann School Bus Safety Roadshow visited schools and participated in a number of multi-agency events promoting safety around the country.

The company continues 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 throughout Ireland, complementing statutory vehicle examinations.

This area is the subject of ongoing management attention as the company strives for continuous improvement in safety standards.

## General

### Commitment to Communities

Bus Éireann has been at the heart of communities for 26 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, shops and visit family and friends.

## Contributor to Local Economies and 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 and other cities across Ireland for both work and recreation. We are also a major economic contributor to these communities as an employer of 2,486 people at 17 locations throughout the country. A further 1,391 contractors, who supply approximately 3,461 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 1,118 suppliers nationwide.

Bus Éireann generates a significant economic benefit for the Exchequer. The company contributed €51.96 million in 2013 through PAYE/PRSI payments, VAT, Carbon Tax and Excise Duty. This contribution to the Exchequer is more than we received in State funding in 2013.

## Supporting Tourism

Tourism is a vital source of income and employment for communities across the island of Ireland and helped by the initiative of The Gathering. Fáilte Ireland estimate that more than 6.7 million overseas visitors arrived here in 2013. This was an increase of 7% on 2012. For our part, Bus Éireann continued to support the tourism sector through the provision of special services for festivals and events throughout the year, actively promoted in local regions and more nationally, through our website and social media.

## Festivals

Bus Éireann supported a wide-variety of festivals and events throughout the country carrying a total of nearly 10,000 passengers in 2013 to and from events such as Bon Jovi and Eminem in Slane, Electric Picnic, the Body and Soul Festival and Bruce Springsteen's concert in Kilkenny.

We joined up with promotional staff and ran joint promotions for the Galway Arts Festival, the Strandhill Warrior Festival, Westport Festival of Music and Food and the Sea Sessions Festival in Bundoran. All the above festivals had links to the company website on their own website promoting our Expressway services during the festival season.

## Day Tours

During 2013 Bus Éireann provided day tours throughout the country to some of the most historic and culturally celebrated parts of the country such as Glendalough and Newgrange. An open top bus tour is also run on a seasonable basis in Cork City/Blarney.

## Sporting Events

Bus Éireann were the official Transport Providers for All-Ireland Hurling, Football and Camogie teams during the 2013 Championship Season.

During summer 2013 Bus Éireann was the title sponsors of the Féile, held in Limerick. This event was an unprecedented success. Our staff, along with the representatives of the GAA visited 116 schools all over Limerick city and county and they distributed new GAA training equipment to all schools. This event was also a tremendous opportunity to highlight the vital role that Bus Éireann plays in many local communities around Ireland.

**carrying a total  
of nearly 10,000  
passengers in  
2013 to and  
from events**



Bus Éireann continues to be the official transport provider for the IRFU and FAI senior teams along with a transport provider for the Dublin County Board, Galway Hurling and Leinster Rugby.

Bus Éireann operated shuttle services to and from the Galway Races at Ballybrit, Limerick Races, as well as shuttle services from Limerick to Thomond Park Stadium for Munster rugby matches.

During August and September revenue received a boost as both Limerick and Clare excelled in the All Ireland Hurling Championships held in Croke Park. Bus Éireann ran special services from Ennis and Limerick stations directly for supporters who were attending the matches.

## Community Involvement



**An Roinn Iompair  
Turasoireachta agus Spóirt**

**Department of Transport,  
Tourism and Sport**

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

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 was an initiative to encourage greater public transport use at a national and local level. In September, a special Green Schools project took place in four Limerick city primary schools celebrating European Mobility Week. The project involved children in 1st class being brought on the bus through their local route, a talk in the classroom about safety and how to behave on board a bus and also general information about Bus Éireann and the advantages of Public Transport for the environment.

Bus Éireann was also one of the corporate sponsors for the Community and Voluntary Awards in County Waterford and sponsored the award category for Social Inclusion. The award ceremony took place in Dungarvan during November 2013.

World Champion race walker Rob Heffernan was welcomed home to his native Cork on board the Bus Éireann Open Top bus in August. Over 10,000 people were present in St. Patrick's Street to celebrate his magnificent achievement.

Bus Éireann continued its sponsorship of the GAA's Féile Peil na nÓg and Féile 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 Limerick and Derry. Bus Éireann was also the title sponsors of the FAI's Women's National League. The league contains 8 clubs: Castlebar Celtic FC, Cork Women's FC, Peamount United, Raheny United, Shamrock Rovers, DLR Waves, Wexford Youths Women's AFC and Galway WFC.

## Capwell Garage bus wash – overall water consumption reduced by 70%



Once again the national collection day for the Special Olympics was held in 2013. Bus Éireann staff at 13 stations across the country volunteered their time on behalf of Special Olympics Ireland.

### Taxsaver Scheme

The Tax saver scheme has proved to be a huge success with over 920 companies buying Bus Éireann Tax saver tickets in 2013 up from 840 in 2012.

The increased demand for this product has delivered growth of 12% (€1 million) in 2013. Total sales are now at approximately €5 million with Cork nearing the €1 million mark while the Greater Dublin Area remains the predominant region. All companies order their tickets through the Tax saver integrated online booking system. There was no change in the tax legislation during 2013 affecting the tax deductibility of tax saver tickets thereby allowing many customers to claim tax relief at the marginal rate. A successful joint marketing campaign was run by the three CIÉ companies in late 2013.



### 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 exercised 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,

with 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@busÉireann.ie](mailto:info@busÉireann.ie)

### Environmental Benefits

In 2013 Bus Éireann continued to implement Eco-Driving and Defensive Driving programmes for driving staff as part of the overall policy to improve driving technique, reduce vehicle idling, reduce vehicle wear and ultimately reduce fuel consumption. As part of the initiative to improve the green footprint of Bus Éireann's facilities, a waste water recycling system was also installed and commissioned in Capwell garage which will allow recycling of water used in the Cork bus wash facility. The waste water recycling plant provides a highly efficient and safe means for the recycling of waste water and reduces overall water consumption and waste water discharge to the public drainage. Activity through the Capwell Garage wash is up to one hundred and fifty buses per day with a water usage of 22,500 litres. This system will reduce overall water consumption by approximately 70%. Water loss has also been minimised and consequently the amount of overflow waste water to public sewers has been reduced to less than 5%.

The roll out of energy efficient lighting continued with the introduction of Induction lighting in Limerick and Thurles garages. Both facilities were also fitted with PIR (Passive Infra Red) occupancy technology which ensures lighting is automatically switched off on a zoned basis when work



areas become unoccupied. In conjunction with the revised lighting installations, Limerick and Thurles garages have also installed load matched variable speed screw type air compressors which will reduce energy consumption by more than 60%.

### Safety and Quality

Safety and quality are the number one priority for the Company. Bus Éireann continues to be a leader in this area. In 2013 the Freight Transport Association (FTA) carried out a detailed audit of our competence as a safe and sustainable passenger transport operator. They audited the key areas of our transport system including management of driver fatigue, vehicle roadworthiness, driver competence, road traffic rules, professional competence, good repute, sustainable operations, contractor and support services management. We successfully retained the award received for the first time in 2012.

The 'Leading Lights in Road Safety' Awards were introduced in 2008 to celebrate the outstanding efforts of people across Ireland to make roads safer for everyone. The awards provide a special opportunity for members of the public to honour the contribution of exceptional people who promote road safety in their communities.

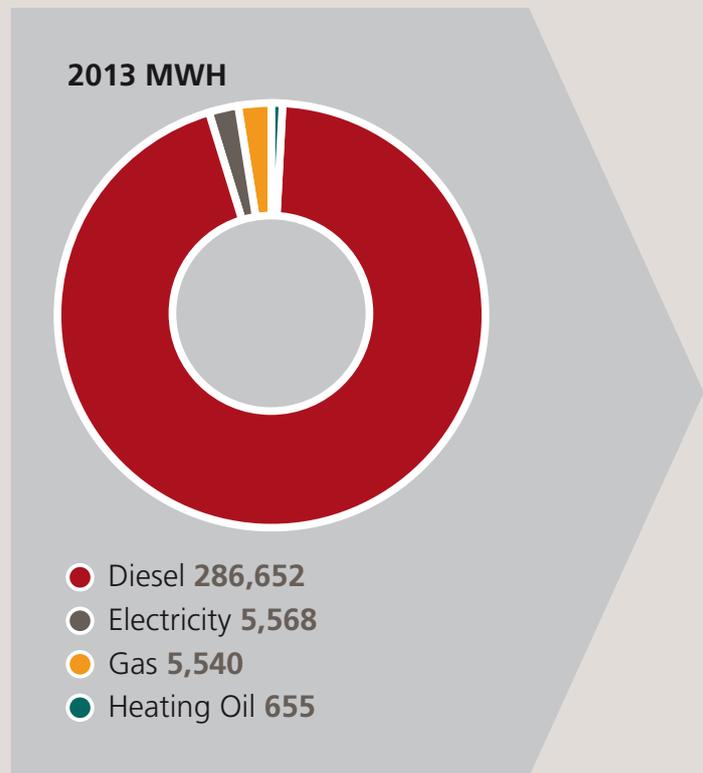
In 2013, a Bus Éireann Training Inspector, won the award of 'Contribution to Road Safety in Ireland' (Bus Category) for his excellence in training.

### Wi-Fi Progression



Bus Éireann continues to seek ways to increase the value for money of its service offerings by providing our customers with improved products such as complementary Wi-Fi. In 2013, the company completed a major retrofit program across the fleet and now all our vehicles except Schools have free on-board Wi-Fi. The company hope this will improve our customers travelling experience by giving them opportunities for greater productivity as well as enhanced onboard entertainment.

### Energy Consumption



A reduction in diesel fuel consumption for running buses of almost 2% from 2012 to 2013

The primary energy consumption for Bus Éireann is that associated with the use of diesel fuel in the bus fleet. The quantity of diesel fuel used in 2013 was 28.2 million litres. Other sources of energy consumed are from electricity and gas at premises.

The breakdown of energy consumption for 2013 was:

- Fuel used by fleet 96.1%
- Electricity 1.9%
- Gas 1.9%
- Heating Oil 0.1%

Electricity consumption is primarily used for lighting and operating garages and offices whilst gas and oil is used for heating. In 2013, Bus Éireann consumed 298,415 MWh of energy. This consisted of:

- 286,652 MWh of diesel fuel for running of the bus fleet
- 5,568 MWh of electricity
- 5,540 MWh of natural gas and
- 655 MWh of heating oil

### Energy Saving Actions in 2013

Over 96% of Bus Éireann's energy consumption is vehicle fuel and the following actions were taken in 2013

- Approximately 2,200 Bus Éireann Drivers completed the RSA's Driver CPC module 'Control of The Vehicle and Ecodriving Techniques'.
- Bus Éireann launched an 'Engine Idle Fuel Consumption Reduction' awareness campaign in July 2013.
- Expanded use of telematics systems to drive energy efficiencies.
- Promotion of energy efficiency awareness amongst employees.

### Energy Saving Actions for 2014

In 2014, the company intends to further improve our energy performance by undertaking the following initiatives:

- Continued trials of eco-driving using onboard driver feedback technology.
- Further installations of PIR (Passive Infra Red) sensors in workshops.
- Expansion of fleet fuel monitoring by route.
- Purchase of new vehicles fitted to Euro 6 emission standard engines.

- Renewable energy options for depots.
- Continue to identify further energy savings opportunities through local management teams.
- Continuing the programme of courses with The Institute of Advanced Motorist's 'Defensive and Ecodriving Course'.

### Funding and Accessibility

During 2013, 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.

Accessibility improvement works were carried out at Galway Bus Station in 2013, including improved bus bay layout, Kassel kerbing, LED signage, bicycle parks and set down stops. The company also carried out a full Accessibility Audit of all our facilities which is one of the first of many steps that can help to improve accessibility.

Due to reduced levels of funding, there were no new vehicles introduced to the fleet in 2013. Together with other stakeholders, we continued to examine how we could provide accessible coach services with wheelchair lift facilities on a route by route basis.

**Purchase of  
new vehicles fitted  
to Euro 6 emission  
standard engines**

# Ongoing investment in staff training and development in 2013

## Garage Operations

2013 saw the completion of the three-year fleet specific training programmes for maintenance staff. The programmes have improved the overall ability of garages to respond to fleet issues.

The roll out of the three-year programmes will resume in 2014 to maintain the approach of continuous professional development of all staff. 2013 also saw the roll out of Institute of Vehicle Recovery certification and training to augment our safety practices with regard to road side working for garage staff. As such we are one of the first companies in Ireland to set IVR certification as an essential requirement.

Capwell depot redevelopment works were successfully completed in mid 2013 with renewal of depot facilities including fuelling infrastructure, fuel storage, security hut, entrance including automated barriers, electrical services upgrade, CCTV system, upgrade of waste water and parking layout. Also in 2013 the roll out of the electrical installation improvement works began nationally. To date electrical installations have been successfully replaced in Waterford, Thurles, Athlone and Ballina. The next phase of electrical works is underway in Broadstone, completion of which is expected in mid 2014

## Investing in People

Bus Éireann continued its on-going investment in staff training and development in 2013.

## Driver Training



Údarás Um Shábháilteacht Ar Bhóithre  
Road Safety Authority

Bus Éireann completed the first five-year cycle of the Driver CPC training and commenced the second five-year cycle of the training in 2013. This module, the Professional Bus Driver, as approved by the Road Safety Authority, commenced in 2013 for completion during 2014. Training instructors have all been trained to deliver this module. 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 the best Approved Driving Instructor in Ireland for his contribution to Road Safety.

Vehicle familiarisation and training on the operation of wheelchair accessible vehicles continued during the year. The issue and distribution of a quarterly Driver Safety Bulletin to all drivers continued throughout 2013.

All training instructors were trained in the delivery of the Bus Éireann/Institute of Advanced Motorists (IAM) Defensive and Eco Driving Course which also included a module on vehicle telematics. Provision was also made for the IAM advanced driving test to be provided for drivers on a voluntary basis.

## Maintenance Staff

In 2013 the final year of a three-year training plan for garage technicians was completed. The focus of the three-year plan was training in new processes and procedures and the continued development of an understanding of general diagnostics and repair of vehicles.

## Operations Review continued

Garage technicians also completed a training course for vehicle inspection with an emphasis on the newly introduced Commercial Vehicle Roadworthiness Standards and Revised Inspection Procedures to be introduced in 2014.

Statutory training required for garage technicians such as working at heights, air conditioning maintenance and forklift truck training also continued in 2013. All garage technicians also completed a training course in wheel fitting and inspection.

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

An Institute of Occupational Safety and Health (IOSH) Managing Safety Course, which is FETAC accredited, was completed by a number of maintenance supervisors and regional engineers. All maintenance supervisors received training on vehicle lifting equipment.

A two-day course for regional engineers, CME engineers and maintenance supervisors was completed with each of the vehicle manufacturers, VDL, Scania and Volvo. This course was aligned to the training provided to garage technicians during the three-year plan.

**15 new  
apprentices  
hired in 2013**

### Apprentice Training

The training of apprentices continued with 15 new apprentices hired in 2013. The apprentices undertake a four-year training programme, which is provided by Bus Éireann in conjunction with SOLAS (formerly FÁS).

The apprentice training programme is completed as on the job training across our network of 17 garages in combination with training phases in SOLAS (formerly FÁS) and in Dublin and Athlone Institutes of Technology. On successful completion of the four-year programme apprentices gain a FETAC Level 6 Advanced Certificate as Heavy Vehicle Mechanics. Many apprentices then choose to further their career by undertaking the Bachelor of





**In 2013 the final year of a three-year training plan for garage technicians was completed**

Engineering Technology, Automotive Technology and Diagnostics at Dublin Institute of Technology. Following our success in the 2010 Ireland Skills National competition where a Bus Éireann apprentice was successful as outright winner, in 2013 Bus Éireann continued this success by achieving the accolade of second place overall. In the last year apprentices who trained with Bus Éireann have successfully moved to careers with the Irish Naval service, and also to the Freight Transport Association of Ireland, a trade association dedicated to improving safety and compliance in the transport industry.

**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 clerical staff focusing on developing more efficient ways of working, including enhancing computer skills, customer care, personal leadership and motivation. Other training on in-house IT systems such as CORE, SAP, Microbus and tachograph scanning also occurred throughout 2013.

**Management Staff**

Bus Éireann continued investment in its management staff during the year with a number of courses provided with a particular focus on developing effective and efficient management skills, including personal effectiveness and people management skills. A significant number of managers completed the management CPC. Other courses included data protection, psychometric training and procurement training.

There was continued involvement in the development of management skills with eight employees commencing the second year of a programme in Management Studies for the Transport Sector, which is HETAC accredited. This course is provided by Carlow Institute of Technology (CIT) and involves practical development as well as academic learning. Since its introduction Bus Éireann has sponsored 60 employees on this course.

## Board of Directors

Paul Mallee, Chairman

Susan Donohoe (*retired on 14 March 2013*)

Tom Hussey (*retired on 2 December 2013*)

John Moloney

Bill McCamley

Micheál Ó Faoláin (*retired on 21 February 2014*)

Henry Minogue

Kieran Fay

Aidan Murphy

Gerard Ryan

## Chief Executive

Martin Nolan

## Secretary and Registered Office

Andrea Keane

Broadstone

Dublin 7

Telephone: 00 353 1 703 3447

Website: [www.buseireann.ie](http://www.buseireann.ie)

Registered Number: 119570

## Auditors

PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

One Spencer Dock

Dublin 1

## Biographies of Directors



### Paul Mallee

Paul Mallee was appointed as Chairman of Bus Éireann and as a Board Member of Coras Iompair Éireann on 29 June 2011.

He is a management consultant specialising in the transport sector and 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 Master's 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 Fáilte Ireland. Susan retired as a director on 14 March 2013.



### 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. Tom retired as a director on 2 December 2013.



### 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 Átha 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.

## Directors and Other Information continued



### Micheál Ó Faoláin

Micheál Ó Faoláin was first appointed to the board in February 2011.

A former director of Bord Gáis Éireann, Micheál served on the Audit and P.R sub committees as well as a director of the C.H.P. joint venture company 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. An Arts and Law graduate from N.U.I.G, Micheál also holds an Industrial Relations Diploma from the N.C.I.R.

Micheál retired as a director on 21 February 2014.



### Henry Minogue

Henry Minogue was appointed to the board in October 2011.

He has been the IT Director for UPC in Ireland since 2006 having previously served as Programme Manager for Strategy and Planning. He has been working in the IT and Telecommunications sector in Ireland for 18 years. During this time he has gained extensive business experience in IT Strategic Planning, IT Operations Management, Delivery and Governance while also delivering Business Transformation through Innovation led programmes.

He has held numerous consulting and senior management positions in the Telecommunications industry in Ireland. His portfolio also covers consulting positions in both the retail and financial sectors. Henry is a member of the Irish Computer Society and the Institute of Directors in Ireland.

Henry was appointed Chairperson of the Bus Éireann Audit Review Group during 2012.



### Kieran Fay

Kieran Fay was appointed to the board in November 2011.

A graduate of Trinity College Dublin, Kieran holds an Honours Science Degree and Diploma in Environmental Engineering, and a Master 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 and Safety Sectors in Ireland and the UK, including the Office of Environmental Assessment at the Environmental Protection Agency (EPA) in Ireland.

Kieran is currently working full-time in implementing Health and Safety, Environment and Energy Management Systems in the Engineering Sector to ensure compliance with EU legislation.



### Gerard Ryan

Gerard Ryan was appointed to the board in 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 is a non-executive Director of Acorn Insurance Ltd., a general insurance brokerage which is part of the Acorn Group. 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 Master of Business Administration from the UCD Michael Smurfit Graduate Business School and is also a B.Sc. in Computer Science graduate of Trinity College, Dublin.



### Aidan Murphy

Aidan Murphy was appointed to the board in April 2013.

He has extensive experience as a Supply Chain professional having held positions of CEO Pulse Logistics, 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.

**The directors present their annual report in accordance with their obligations under the Irish Companies Acts 1963 to 2013 and the Transport (Re-organisation of Córas Iompar Éireann) Act 1986. The financial statements of the company and the related notes, which form part of the financial statements and are included in this report, have been prepared in accordance with accounting standards generally accepted in Ireland.**

## Principal Activities and Financial Review

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

The company recorded an overall surplus of €0.4 million after the Public Service Obligation payment of €34.4 million (2012 – €36.9 million).

The surplus was achieved in very challenging conditions and was delivered through growth in core revenue along with significant payroll savings and the continuation of a range of efficiency measures.

The surplus was delivered against a background of a reduction of €2.5 million (7%) in PSO Subvention between 2013 and 2012. Despite this reduction the company maintained the full network of PSO services during 2013.

Road passenger journeys increased by 0.38 million journeys and school journeys increased by 0.72 million journeys in 2013.

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 27.

## Results and Reserves

The financial statements for the year ended 31 December 2013 are set out in detail on pages 38 to 56. The results for the year ended 31 December 2013 show a surplus of €0.4 million (2012 – deficit €6.2 million).

## The Board

The Company is controlled through its board of Directors. The board met on ten occasions during 2013 and has a schedule of matters reserved for its approval.

## Control Environment

The company's controls are based on a common and process oriented management system. The objective is to ensure that the company's culture is characterised by integrity and that ethical values are not compromised. The control environment is characterised by the main business processes and the associated company policies and procedures, as well as local instructions.

## 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 €3.4 million in 2013 (2012: €2.4 million). The company also received capital funding in respect of plant for PSO services from the National Transport Authority (NTA) in 2013 of €1.8 million (2012: €1.2 million), which enabled the company to invest in improved services for its customers.

## Attendance at Board/Committee Meetings

Listed below are details of directors' attendance at board/committee meetings held during 2013.

	BÉ Board	Safety	Maintenance	Commercial and Innovation
Mr. Paul Mallee	9/10			9/11
Mr. Henry Minogue	9/10			9/11
Mr. Aidan Murphy	7/7			4/4
Mr. Tom Hussey	10/10	5/5		
Mr. Kieran Fay	8/10	4/5	4/5	
Mr. John Moloney	9/10	4/5	4/5	
Mr. Bill McCamley	9/10			
Ms. Susan Donohoe	2/2			
Mr. Micheál Ó Faoláin	9/10		4/5	
Mr. Gerard Ryan	9/10			9/11

## Audit Review Group

The Audit Review Group, (ARG), at 31 December 2013 comprises the following non-executive directors:

- Mr Minogue;
- Mr Ryan; and
- Mr Murphy.

The main duties of the ARG 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 ARG discusses with the external auditor the nature and scope of the audit 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 ARG have been approved by the board and are reviewed on an annual basis and amended as appropriate. The Group met ten

times in 2013 (five in 2012). The external auditors, PricewaterhouseCoopers, were appointed during the year ended 31 December 2013 for a three-year period. There were no contractual obligations that acted to restrict the ARG in making this recommendation.

There were no material services provided by the auditors during the year under review. Therefore the ARG, 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.

## Commercial and Innovation Committee of Board

In late 2012 a new Committee of board was established to address the needs of the company in terms of commercial and innovation opportunities. The terms of reference of the Committee are to address four specific areas namely enterprise development, technology innovation, marketing and research and policy and planning. The Committee met on eleven occasions during 2013 and is chaired by Mr Ryan and is also composed of the following non executive directors Mr Minogue, Mr Mallee and Mr Murphy.

## Employee Participation

In 2013 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 five 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 in Commercial Transactions) Amendment Regulations 2013

The directors acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Amendment Regulations 2013. 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

Bus Éireann's monitoring of the number of its employees with disabilities continued in 2013. There has been a slight but steady increase in the number of employees with disabilities since Bus Éireann commenced this monitoring process. This is a requirement of the Disability Act 2005.

Continuing its support for people with intellectual disabilities, Bus Éireann remained 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 facilitated two students with work placements which were spread over a six-week period.

Bus Éireann joined Diversity Charter Ireland, publicly acknowledging its commitment to diversity and inclusion. The purpose of the Charter is to showcase the work in diversity and good practices being engaged in by employers. It will also serve to build awareness nationally and at a European level of the value placed on a diverse workforce by Irish employers. A good example of this is the sponsorship of a forum to foster ideas and encourage debate on how to increase participation of women in our workforce which we held to coincide with International Women's Day in March 2013.

In May 2013 Bus Éireann was involved in Green Ribbon Month and "See Change" which is a new national partnership of more than 70 organisations which are working together to reduce stigma and challenge discrimination associated with mental health problems. Staff wore a green ribbon demonstrating their support for a social movement to change attitudes towards mental health problems.

Bus Éireann continued its involvement with the Equality Authority and with other transport companies in a program 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 31 December 2013 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 (*Re-appointed on 1 December 2013*)

Mr. Bill McCamley (*Re-appointed on 1 December 2013*)

Mr. Tom Hussey (*Retired on 2 December 2013*)

Mr. Micheál Ó Faoláin (*Retired on 21 February 2014*)

Mr. Kieran Fay

Ms. Susan Donohoe (*Retired on 14 March 2013*)

Mr. Aidan Murphy (*Appointed on 16 April 2013*)

Mr. Gerard Ryan

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 C6ras Iompair 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.

On behalf of the board

**P. Mallee**, *Chairman*

**H. Minogue**, *Director*

28 March 2014

# 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 2013.

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 2013 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 35, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 and of its surplus and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

## Matters on which we are Required to Report by the Companies Acts 1963 to 2013

- 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 2013 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 2013 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

3 April 2014

- A. The maintenance and integrity of the Bus Éireann website is the responsibility of the Board; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- B. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2013. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those promulgated by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

## (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 Received

PSO payments received during the year are dealt with in the profit and loss account as they become receivable.

### (ii) European Union and Exchequer Grants

European Union (EU) and Exchequer grants which relate to capital expenditure are credited to deferred income as they become receivable. 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.

## **(H) Intercompany Balances**

Transactions between Group companies are valued at historical cost and classified based on the substance of the transaction, as follows:

### **(i) Long-Term Financial Asset**

Represents the aggregate of:

- a. Cash flow generated from operations up to two years prior to the balance sheet date.
- b. Net investment in fixed assets from the date of incorporation to the balance sheet date.

### **(ii) Short-Term Trading Account**

Represents the aggregate of:

- a. Net surplus generated/deficit incurred in the two years to the balance sheet date.
- b. Increase/reduction in working capital in the two years to the balance sheet date.

### **(iii) Long-Term Financial Liability**

Represents the aggregate of the cash inflows and outflows from:

- a. Intergroup financing activities.
- b. The servicing of finance.

# Profit and Loss Account



Year ended 31 December 2013		2013	2012
	Notes	€000	€000
<b>Operating Revenue</b>		289,935	286,328
Receipts from Public Service Obligation Contract	20	34,364	36,883
<b>Total Revenue</b>		<b>324,299</b>	<b>323,211</b>
<b>Costs</b>			
Payroll and related costs	2	(124,916)	(131,793)
Materials and services	3(a)	(192,441)	(191,644)
<b>Total operating costs</b>		<b>(317,357)</b>	<b>(323,437)</b>
<b>EBITDA</b>		<b>6,942</b>	<b>(226)</b>
Depreciation and amortisation	4	(7,435)	(8,638)
Profit/(loss) on disposal		54	(57)
Exceptional items	3(b)	–	2,400
<b>Deficit before interest</b>		<b>(439)</b>	<b>(6,521)</b>
Interest receivable from parent company		836	294
<b>Surplus/(deficit) for the year after exceptional items</b>		<b>397</b>	<b>(6,227)</b>
<b>Accumulated deficit at start of the year</b>		<b>(12,431)</b>	<b>(6,204)</b>
<b>Accumulated deficit at end of the year</b>		<b>(12,034)</b>	<b>(12,431)</b>

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*

28 March 2014

# Balance Sheet



As at 31 December 2013	Notes	2013 €000	2012 €000
<b>Fixed assets</b>			
Tangible fixed assets	5	84,761	101,430
Financial assets	8(b)	107,609	115,889
		<b>192,370</b>	<b>217,319</b>
<b>Current assets</b>			
Stocks	6	3,362	4,008
Debtors	7	12,538	12,214
Cash at bank and in hand		1,147	1,062
		<b>17,047</b>	<b>17,284</b>
<b>Creditors</b> (amounts falling due within one year)	8(a)	<b>(84,375)</b>	<b>(95,648)</b>
<b>Net current liabilities</b>		<b>(67,328)</b>	<b>(78,364)</b>
<b>Total assets less current liabilities</b>		<b>125,042</b>	<b>138,955</b>
<b>Long-term Liabilities</b>			
Provision for liabilities and charges	9	(38,496)	(43,204)
Amounts due to Parent Company	8(b)	(27,261)	(28,097)
Deferred Income	10(a)	(42,115)	(50,881)
		<b>17,170</b>	<b>16,773</b>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	11	29,204	29,204
Profit and loss account		(12,034)	(12,431)
<b>Shareholders' funds</b>	12	<b>17,170</b>	<b>16,773</b>

The notes on pages 43 to 56 form part of these financial statements.

On behalf of the board

**P. Mallee**, *Chairman*

**H. Minogue**, *Director*

28 March 2014

# Cash Flow Statement



Year ended 31 December 2013		2013 €000	2012 €000
	Notes		
<b>Cash flow from Operating Activities</b>			
<b>Net cash (outflow)/inflow from operating activities</b>	13(a)	<b>(7,532)</b>	<b>19,494</b>
<b>Returns on investment and servicing of finance</b>			
Interest receivable for parent company		836	294
<b>Net Cash flow from Return on Investment and servicing of finance</b>		<b>836</b>	<b>294</b>
<b>Capital expenditure and financial investment</b>			
Additions to tangible assets	5	(3,378)	(2,419)
Sale proceeds on disposal of tangible fixed assets		100	12
<b>Net Cash Flow from capital expenditure and financial investment</b>		<b>(3,278)</b>	<b>(2,407)</b>
<b>Cash Flow From Financing Activities</b>			
Capital grants received	10(a)	1,779	1,197
Movement in financial assets	8(b)	8,280	(18,532)
		<b>10,059</b>	<b>(17,335)</b>
<b>Net movement on cash</b>	13(b)	<b>85</b>	<b>46</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.

## Reconciliation of Net Cash Flow to Movement in Net Funds

	2013 €000	2012 €000
Increase in cash in the year	85	46
Net funds at 1 January	1,062	1,016
<b>Net funds at 31 December</b>	<b>1,147</b>	<b>1,062</b>

## 1 Going Concern

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

### “Background

In July 2013 the CIÉ Group successfully completed negotiations with the Group’s banks in relation to re-financing and increasing the banking facilities available to the Group. Committed facilities of €160m have been secured up to July 2018.

The new facilities contain a number of financial covenants, all of which have been met by the CIÉ Group in 2013. The budget for 2014 and business plan for 2015 indicate that management expect that CIÉ Group will continue to meet the covenant targets set out in the facility agreements.

While 2013 was a challenging year for the CIÉ Group, the CIÉ Holding Company and each of the Operating Companies all met the budget targets which had been set out in their budget for 2013 and included in the Group five-year business plan which was provided to the banks in the course of the negotiation process in relation to the new banking facilities.

### Nature of Uncertainties Facing Group

While management are confident that overall covenant targets will continue to be met in 2014 and 2015, the 2014 budget and five-year plan contain a number of challenging targets and assumptions which will require constant monitoring and oversight by management. The plan assumes that the Group will incur further deficits in 2014 and 2015, with a return to profitability in 2016 and beyond. There are a number of uncertainties included in both the 2014 budget and five-year plan, including in particular:

- 1. Revenue** – The achievement of the revenue growth targets set out in the Group’s five-year business plan are based on a combination of assumptions related to increases in nominal fares and improvement in passenger journeys. The capacity of the Group to secure the fare increases required in the plan is principally dependent on fare determinations by the National Transport Authority (NTA) and increases in passenger journeys is dependent on sustained economic recovery.
- 2. Costs** – The achievement of cost containment measures, particularly payroll savings, set out in the Group’s business plan remains 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.
- 3. Capital Investment** – The Group’s business plan incorporates assumptions related to levels of capital investment that are necessary to deliver on obligations arising under its Multi-annual Contract (MAC) and Public Service Obligation Contracts. The Group capacity to fund the required capital investment is dependent on capital expenditure funding support from the Exchequer and the National Transport Authority. The Group’s long-term sustainability is dependent on an appropriate level of government funding being put in place. Failure to provide an appropriate level of capital investment impacts on the operational performance of the Group, has safety implications, impacts the Group’s ability to meet its banking covenants and affects the long-term growth potential of the group.

## 1 Going Concern continued

The Iarnród Éireann 2014 budget and five-year plan is particularly sensitive to the above uncertainties. If alternative measures cannot be implemented to counteract the impact of the identified sensitivities in Iarnród Éireann, there is a risk that Iarnród Éireann may not return to profitability during the life of the current five-year business plan. Working capital will be very tight and will require constant monitoring and mitigating actions will require to be taken to ensure that the overall EBITDA covenant targets are not breached and cashflow is available to meet obligations as they fall due.

### Managements Actions

Management have taken and are continuing to take a number of actions, including:

- Close monitoring by management of the daily, weekly and monthly cash position across the group
- Discussions with the NTA and Department of Transport Tourism and Sport on the appropriate funding structure/ Net financial effect for each Group subsidiary
- Implementation and rigorous monitoring of cost saving initiatives
- Implementation of revenue protection initiatives and seeking new revenue generating activities

### Letter of Support

The on-going support of the Department of Transport, Tourism and Sport has been evidenced in the letter of support committed.

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”.

### Conclusion

Having made due enquiries, and considering the uncertainties described above, the board members have a reasonable expectation that the CIÉ Group will deliver on its budget and five-year plan and related covenant targets, and that its existing banking facilities will be sufficient to fund the ongoing cash-flow needs of the group. They also have a reasonable expectation that the 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 on 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

	2013 €000	2012 €000
<b>Staff Costs</b>		
Wages and salaries	106,879	112,135
Social welfare costs	9,697	10,052
Other pension costs	8,236	9,501
	<b>124,812</b>	<b>131,688</b>
Engineering work for group companies	(38)	(49)
<b>Net staff costs</b>	<b>124,774</b>	<b>131,639</b>
<b>Directors' remuneration</b>		
– for services as directors	84	95
– for other services	58	59
Total directors' remuneration and emoluments	142	154
<b>Payroll and related costs</b>	<b>124,916</b>	<b>131,793</b>

The average numbers of employees during the year were	Staff Numbers	
	2013	2012
Full-time	2,044	2,077
Part-time school bus drivers	442	474
<b>Total</b>	<b>2,486</b>	<b>2,551</b>

## 2 Payroll and Related Costs continued

### CEO Remuneration

Included in wages and salaries costs are the following remuneration to the CEO Mr. Martin Nolan for executive services, these are in accordance with Department of Public Expenditure and Reform guidelines for Chief Executives.

	2013 €000	2012 €000
Basic Salary	187	190
Salary arrears from prior years	–	12
Taxable allowance and BIK	15	13
Taxable allowance and BIK from prior years	3	–
Employer PRSI	22	23
Employer Pension	45	40

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

Mr. P. Mallee €19,080;      Mr. H. Minogue €11,130;      Mr. K. Fay €11,130;  
 Ms. S. Donohoe €2,555;      Mr. T. Hussey €10,344;      Mr. M. Ó Faoláin €11,130;  
 Mr. G. Ryan €11,130; and      Mr. A. Murphy €7,420

Mr. B. McCamley and Mr. J. Moloney did not receive any director's fees for services as directors.

The directors agreed to a voluntary reduction in directors fees of 20% per annum from 1 June 2013 onwards.

## 3(a) Materials and Services

	2013 €000	2012 €000
Fuels and lubricants	35,983	35,903
Other contractors	120,528	117,394
Road tax and licences	548	569
Operating lease rental of vehicles	518	512
Expenses paid to directors	–	–
Rates	934	919
Other materials and services	33,930	36,347
	<b>192,441</b>	<b>191,644</b>

### 3(b) Exceptional Items

	2013 €000	2012 €000
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 (note 9).

### 4 Depreciation and Amortisation

	2013 €000	2012 €000
Depreciation of tangible fixed assets (note 5)	20,001	22,712
Grant amortisation (note 10)	(12,566)	(14,074)
	<b>7,435</b>	<b>8,638</b>

### 5 Tangible Fixed Assets

	Road Passenger Vehicles €000	Plant and Machinery €000	Total €000
<b>Cost</b>			
At 1 January, 2013	280,547	24,107	304,654
Additions	–	3,378	3,378
Disposals	(7,524)	(5)	(7,529)
<b>At 31 December, 2013</b>	<b>273,023</b>	<b>27,480</b>	<b>300,503</b>
<b>Depreciation</b>			
At 1 January, 2013	187,620	15,604	203,224
Charge for the year	18,194	1,807	20,001
Disposals	(7,477)	(6)	(7,483)
<b>At 31 December, 2013</b>	<b>198,337</b>	<b>17,405</b>	<b>215,742</b>
<b>Net book amounts</b>			
<b>At 31 December, 2013</b>	<b>74,686</b>	<b>10,075</b>	<b>84,761</b>
At 31 December, 2012	92,927	8,503	101,430

## 5 Tangible Fixed Assets continued

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

	<b>Lives (Years)</b>
Road passenger vehicles	8-14
Plant and machinery	5-10

(b) Road passenger vehicles at a cost of €41,926,719 (2012: €38,444,403) were fully depreciated but still in use at the balance sheet date.

(c) Tangible fixed assets at 31 December, 2013 include €647,345 (2012: €915,366) in respect of tangible fixed assets not yet in service.

(d) The company does not own the property in use; this is held on the financial statements of the CIÉ Holding Company.

## 6 Stocks

	2013 €000	2012 €000
Maintenance materials and spare parts	2,227	2,754
Fuels, lubricants and sundry stocks	1,135	1,254
	<b>3,362</b>	<b>4,008</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

	2013 €000	2012 €000
Trade debtors	3,125	3,097
Department of Education and Skills	7,781	8,522
Other debtors and accrued income	1,632	595
	<b>12,538</b>	<b>12,214</b>

## 8(a) Creditors

	2013 €000	2012 €000
<b>Amounts falling due within one year</b>		
Trade creditors	13,836	13,286
Income tax deducted under PAYE and USC	1,888	1,768
Pay-related social insurance	1,285	1,061
Value added tax and other taxes	217	121
Other creditors	1,102	1,182
Accruals and other provision	27,004	31,599
Third party and employer's liability claims (note 9)	10,000	9,000
Deferred Income (note 10)	10,661	12,682
Amounts due to parent company (note 8b)	18,382	24,949
	<b>84,375</b>	<b>95,648</b>
Creditors for taxation and social welfare included above	<b>3,390</b>	<b>2,950</b>

## 8(b) Intercompany Short-Term and Long-Term

During the year, management reviewed the components of the inter-company balance due to/from the CIÉ Group, and have made a number of re-classifications to more fairly present the repayment profile/perpetual funding nature of the relevant inter-company assets and liabilities. Comparative balances have also been re-stated. A new accounting policy on intercompany balances has been included on page 39 of the financial statements.

	2013 €000	2012 €000
<b>Long-term financial assets</b>		
<b>Amounts due from Holding Company</b>		
Opening balance 1 January	115,889	97,357
(Decrease)/increase in financial year	(8,280)	18,532
Closing balance 31 December	107,609	115,889
<b>Short-term trading account</b>		
Amounts owed to Holding Company (note 8 (a))	(18,382)	(24,949)
<b>Long-term financial liability</b>		
Amounts owed to Holding Company	(27,261)	(28,097)
<b>Net intercompany balance receivable</b>	<b>61,966</b>	<b>62,843</b>

## 9 Provisions for Liabilities and Charges

	2013	2012
	€000	€000
<b>Third party and Employers Liability Claims</b>		
Balance at 1 January, 2013	52,204	57,829
Utilised during the year	(3,708)	(3,225)
Transfer from profit and loss account (note 3b)	–	(2,400)
<b>Balance carried forward at 31 Dec, 2013</b>	<b>48,496</b>	<b>52,204</b>
<b>Apportioned:</b>		
Current liabilities (note 8)	10,000	9,000
Amounts falling due after one year	38,496	43,204
	<b>48,496</b>	<b>52,204</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 2013 to March 2014, 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 2013 to March 2014, 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 €10,000,000 each and every loss except for railway and road rolling stock whilst in transit where the excess is €500,000 each and every loss in Ireland/Northern Ireland and €250,000 each and every loss in the United Kingdom (excluding Northern Ireland).

## 9 Provisions for Liabilities and Charges continued

### (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 net 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).

### (A) Capital Grants

	2013 €000	2012 €000
Balance at 1 January	63,563	76,440
Received and receivable	1,779	1,197
Amortisation charge (note 4)	(12,566)	(14,074)
Balance carried forward	52,776	63,563
Less transfer to current liabilities (note 8)	(10,661)	(12,682)
<b>Balance at 31 December</b>	<b>42,115</b>	<b>50,881</b>

### Disclosure in Accordance with Department of Finance Circular Number 17/2010

### (B) Capital Grants

	2013 €000	2012 €000
Plant (Note 10a)	1,779	1,197
Property	398	1,260
Asset addition prior year paid	96	–
Asset addition prior year outstanding	–	(96)
Sub total	2,273	2,361
Less transfer to books of CIÉ	(398)	(1,260)
<b>Total</b>	<b>1,875</b>	<b>1,101</b>

### (C) Revenue Grant

	2013 €000	2012 €000
Maintenance and other	1,544	1,271

The amount and term of the Capital Grants are amortised over the useful lives of the assets. Revenue Grants are brought to Profit and Loss in full in the relevant year received. The relevant agency and programme is the NTA and the Capital Funding Programme 2013 and the sponsoring government department is the Department of Transport Tourism and Sport. Grants are restricted to Public Service Obligation (PSO) activities.

## 11 Share Capital

	2013 €000	2012 €000
<b>Authorised</b>		
Ordinary shares of €1.27 each	40,632	40,632
<b>Allotted, called up and fully paid</b>		
Ordinary shares of €1.27 each	29,204	29,204

## 12 Reconciliation of Movement in Shareholders' Funds

	2013 €000	2012 €000
Surplus/(deficit) for the year	397	(6,227)
Opening equity shareholders' funds	16,773	23,000
<b>Closing equity shareholders' funds</b>	<b>17,170</b>	<b>16,773</b>

## 13 Cash Flow Statement

### (a) Reconciliation of operating deficit to Net Cash (Outflow) from Operating Activities

	2013 €000	2012 €000
Operating deficit before PSO payment	(34,803)	(45,804)
PSO payment	34,364	36,883
	<b>(439)</b>	<b>(8,921)</b>
Depreciation	20,001	22,712
(Profit)/loss on disposal of tangible fixed assets	(54)	57
Capital grants amortised	(12,566)	(14,074)
Exceptional items	–	2,400
Decrease/(increase) in stocks	646	720
(Increase)/decrease in debtors	(324)	1,030
(Decrease)/increase in creditors	(13,960)	15,864
Interest received	(836)	(294)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(7,532)</b>	<b>19,494</b>

### 13 Cash Flow Statement continued

#### (b) Analysis of Change in Net Funds

	1 Jan 2013 €000	Cash Flows €000	31 Dec 2013 €000
Cash at bank and in hand	1,062	85	1,147
	<b>1,062</b>	<b>85</b>	<b>1,147</b>

### 14 Operating Lease Obligations

Commitments under non-cancellable operating leases payable as follows:	2013 €000	2012 €000
Within one year	357	416
Between one and five years	137	493
	<b>494</b>	<b>909</b>

### 15 Pensions

The employees of Bus Éireann are members of Córás Iompair Éireann Group pension schemes. The Córás 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 Córás 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 Córás Iompair Éireann Group companies.

The most recent actuarial valuations of the schemes for the provision of FRS 17 showed that at 31 December 2013 that there was a deficit €417.75 million on the schemes.

The company's pension cost for the year on the defined benefit schemes was €8.2 million (2012: €9.5 million) and these costs are included in note 2.

## 16 Capital Commitments

	2013 €000	2012 €000
Contracted for	3,669	3,134
Authorised by Directors but not contracted for	681	–
	<b>4,350</b>	<b>3,134</b>
Funded	<b>493</b>	<b>284</b>

## 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 CIÉ's group legal counsel on a regular basis. It is the opinion of the directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the financial statements.

## 18 Net Surplus/(Deficit) by Activity

	Public Services				Total €000
	Commercial and schools transport €000	Stage Carriage €000	City €000	Sub Total €000	
<b>2013</b>					
Revenue	218,587	45,182	26,166	71,348	289,935
Costs	(216,525)	(72,000)	(35,377)	(107,377)	(323,902)
<b>Result before PSO payment</b>	<b>2,062</b>	<b>(26,818)</b>	<b>(9,211)</b>	<b>(36,029)</b>	<b>(33,967)</b>
PSO payment	–			34,364	34,364
<b>Result after PSO</b>	<b>2,062</b>			<b>(1,665)</b>	<b>397</b>
<b>2012</b>					
Result after PSO	(3,580)			(2,647)	(6,227)

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.

## 18 Net Surplus/(Deficit) by Activity continued

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 kilometres. The cost of PSO operations amounted to €36.03m while the compensation received amounted to €34.36m.

## 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. Bus Éireann and the NTA entered into a direct award contract under the provisions of the Dublin Transport Authority Act, 2008 to provide specified public service obligation services.

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

## 20 Public Service Obligation Contract

The PSO payable to the company through the holding company, Córas Iompair Éireann, amounted to €34.4m for the year ended 31 December, 2013 (2012: €36.9m).

## 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 Comparative Amounts

Some prior year comparative amounts have been reclassified on a basis consistent with the current year.

## 23 Approval of Financial Statements

The directors approved the financial statements on 28 March 2014.



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***Bus Éireann***