



Bus Éireann



2014

Annual Report

Making Better Connections

Financial and Operating Highlights 2014



Operating Revenue

€297.9m 2014
€289.9m 2013



Total Revenue

€332.3m 2014
€324.3m 2013



EBITDA

€13.1m 2014
€6.9m 2013



Number of Customer Journeys

81.1m 2014
76.8m 2013



Number of Employees

2,456 2014
2,486 2013



Other contractors

2014 €124.2m
2013 €120.5m



Surplus/(Deficit) before exceptional costs

€7.2m 2014
€0.4m 2013



Payroll and Related Costs

€123.9m 2014
€124.9m 2013



Contribution to Exchequer in Taxes

€61.0m 2014
€52.0m 2013



Schools Served Nationally in 2014

Approx 3,000



Children Carried Daily on Schools Services in 2014

112,500



Special Needs Children Carried Daily in 2014

9,000

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

Where We Operate

Our National Footprint of 17 depots



Chairman's Statement



Aidan Murphy *Chairman*

Bus Éireann's strength as a public transport provider in Ireland has continued through more than 27 years of economic change and industry transformation. It's a remarkable record, based on our ability to consistently deliver for our customers, the commitment and service culture of our staff and the strong governance by our Board of Directors.

This enables Bus Éireann to deliver value for money to the State through the provision of Schools Transport services for the Department of Education and Skills, Public Service Obligation routes under contract to the National Transport Authority of Ireland (NTA) and our fully commercial Expressway service which provides an essential link across our entire network.

2014 was a milestone year and I have been proud to assume the role of Chairman from Paul Mallee, who guided the business through a difficult period of economic recovery. As a Board we seek to utilise our diverse perspectives and experiences to provide the support and foundation for our management team, as they refine our business strategy to the changing customer and stakeholder needs. In this respect, I am very assured that Bus Éireann will continue to be at the heart of public transport in Ireland.

The staff of Bus Éireann share a culture and belief in doing what is best for both our customers and communities and endeavour to deliver the highest quality service every day. The future will bring a lot of change as the economic recovery and the regulatory environment will require us to serve customers in new and more challenging ways.

Our customers continue to search for value, reliability and comfort and in response we have, as a Board, sought to deliver a program of sustained investment in order to provide our customers with even higher service standards into the future. This includes investment in fleet, e-commerce technologies and customer service standards.

Bus Éireann is well positioned for growth and we will continue to leverage our extensive infrastructural network of 17 depots, which provide services daily to a complex mix of Schools, Commercial and Public Service routes. Our uniquely integrated network provides the connectivity required to link communities throughout the country. In 2014 these combined services, including contractors, had over 81 million passenger journeys with Bus Éireann vehicles travelling over 79 million kilometres. No other transport provider possesses such an extensive footprint and in 2014 we did more to leverage these resources with delivery of substantial efficiencies and benefits for customers in new and innovative ways.

In School Transport, we pioneered the introduction of a new online booking system, which will make it easier for customers to book tickets for children who are eligible for this service while helping us to better plan and procure the 3,500 vehicles that are used to transport 112,500 children to their schools safely every day. Any funding provided by the Department of Education and Skills is utilised only in the provision of School Transport Services.

Under our contract with the NTA we continued to develop and innovate our city services in Cork, Limerick, Galway and Waterford while ensuring that the interconnecting town and city routes and commuter corridor routes are providing the highest level of service to our customers.



Bus Éireann continues to be at the heart of public transport in Ireland

No other transport provider in Ireland possesses such an extensive footprint



In December 2014, we welcomed a new five year Direct Award contract for the provision of public bus services from the NTA. These serve the provincial cities, towns and villages across Ireland, together with the commuter corridors serving Dublin every day. The award is a tremendous recognition of the high standards of public transport provision we have delivered with the NTA over the past five years

We have re-launched Expressway, our intercity commercial service with new livery, new vehicles and a new marketing campaign to improve our positioning in a very competitive market. Expressway does not receive any state funding whatsoever, either capital or revenue, but is an essential link in the inter-connected network of Bus Éireann. In 2014, our passenger journeys increased seven per cent year-on-year, which assisted in returning Expressway to profitability following a period of sustained deficits during the recession. A continued commercial focus is crucial for Expressway as we seek to fund essential investment and create a sustainable business platform.

Our focus on safety, is as ever, paramount and during 2014 we continued to operate to the highest safety standards and achieved all internal safety performance targets. We believe that continuing emphasis on defensive driving, and the ongoing Certificate of Professional Competence (CPC) for drivers, will ensure that safety remains a top priority in 2015.

We now look forward to continuously improving the delivery of our services for Irish customers, to a world class

standard, while also delivering the best economic value to the State over the next five years.

The most important way to deliver against this objective is to increase revenues, and to achieve that by increasing the quality of service. Careful management of our cost base is also essential, and all staff have contributed to this over the past year. Our operation and maintenance teams have made great progress in lowering the cost of delivering our services, over the past five years. We have delivered an 11% growth in passenger revenues compared to 2010 levels while significantly reducing our cost base.

I'm proud of the value we add to the communities we serve, and I know we will find new ways to contribute to these. We are deeply committed to compliance standards across the organisation as well as social, environmental and local responsibilities. We will also continue to positively contribute on key issues such as; a vision for public transport, just cause supports and eco-friendly technologies.

Finally, I look to the future confident that Bus Éireann has all the ingredients necessary to contribute positively to growing public transport usage in Ireland. In the year ahead, we will make any necessary changes to serve the travelling public better than ever.

Chief Executive Introduction and Operations Review



Martin Nolan CEO

To our Stakeholders and Customers

I am pleased to report that 2014 has been a year that Bus Éireann really built on our success in 2013 of turning several years of losses – during a very difficult recession.

The company continued on an upward trajectory in 2014 and we are very pleased to report that operating revenue has increased 2.7% year-on-year. This includes growth of over 5% on key road passenger revenue. We anticipate that this level of growth will continue to during 2015.

Passenger journeys were also up by an average 5.6% in regional cities, which are an achievement we are very proud of, given the prolonged and difficult downturn across Irish society since 2008. This is a result of network improvements, investments in Wi-Fi and other technology, along with an increasing number of people using public transport.

I am optimistic about the future, but I would not like to underestimate the challenges that lie ahead. The re-instatement in January 2015 of the pre-June 2013 salary and wages terms and conditions, although welcome by our employees, will increase our cost base and place renewed pressure on our services in a competitive market.

Values

The conversation about the future of public transport should continue to prioritise the maintenance of the integrated national network that links all communities – both urban and rural – and which fosters balanced regional economic development.

Bus Éireann has been at the heart of this since 1987, and is committed to this vital role. Balanced regional development must include public transport investment both within Dublin and its surrounds, and all of the regions outside of this. In pursuing this critical balance, transport strategy should place a priority on lower cost alternatives like bus and coach networks, in a small island economy.

Our Vision

Our vision is to be recognised as a community focused bus company of choice that provides innovative and customer centred transport management solutions to world class standards in Ireland and internationally.

Our Objectives

- Develop a sustainable financial structure through capital investment, network optimisation and product development
- Build trusted and recognised brands with the customer as the central focus
- Maintain a competitive cost base through increased operational efficiencies
- Ensure we have a fully engaged and committed workforce with the right skills and competencies
- Develop strong relationships with our customers, business partners and public transport stakeholders

Our Achievements & Our Commitment to the Customer

The safety of our customers and staff is of paramount importance to Bus Éireann. Each year, we set ourselves challenging targets for reductions in third party accidents. I am pleased to report that we achieved reductions under all four of these target headings, and surpassed two of these in our Safety Plan 2014. We believe that continuing emphasis on defensive driving and the ongoing Certificate of Professional Competence (CPC) Training will help to further reduce third party accidents in 2015.

Bus Éireann – Vision

Our vision is to be recognised as a community focused bus company of choice that provides innovative and customer centred transport management solutions to world class standards in Ireland and internationally.

The ongoing economic recovery in most of our cities, helped by the best tourist season since the recession, together with new investment in Expressway – has resulted in increased passenger and revenue growth.

This year makes it now 40 years since we launched Expressway as an inter-city service and we are pleased to add to this rich heritage with an investment in our brand of just over €9 million for 20 new vehicles, with a further 40 to follow.

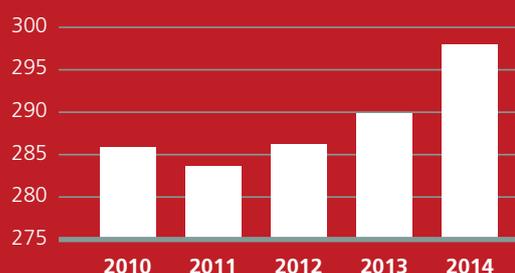
We operate a significant undertaking in Schools Transport services on behalf of the Department of Education and Skills, and we are proud to carry over 112,500 children to schools across Ireland every day.

Financial Highlights

The environment in which Bus Éireann operates remained challenging in 2014 but the company made significant progress towards its stated objective of returning the company to a more sustainable financial position on a sustainable basis. Revenue growth and further cost efficiencies generated improved financial results for both PSO and Commercial products while further efficiencies in the provision of school transport services provided savings for the Department of Education and Skills. Any surplus arising in respect of the operation of the School Transport Scheme may only be used for future School Transport requirements.

Overall the company is reporting a surplus of €5.1m for 2014 compared to a surplus of €0.4m in 2013. The result for 2014 before exceptional items was a surplus of €7.2m, a result which, while encouraging, illustrates that the company must drive further revenue and expenditure improvements in order to provide funds for commercial investment. Net assets amounted to €22.3m or 76% of called up share capital at 31 December 2014.

Operating Revenue



The operating result before exceptional operating costs for each product for 2014 is set out below:

| | Operating Result €m |
|-----------------------|------------------------|
| PSO Services | 4.1 |
| Commercial Expressway | 0.6 |
| Schools Transport | 2.3 |
| Commercial other | 0.2 |
| Total | 7.2 |

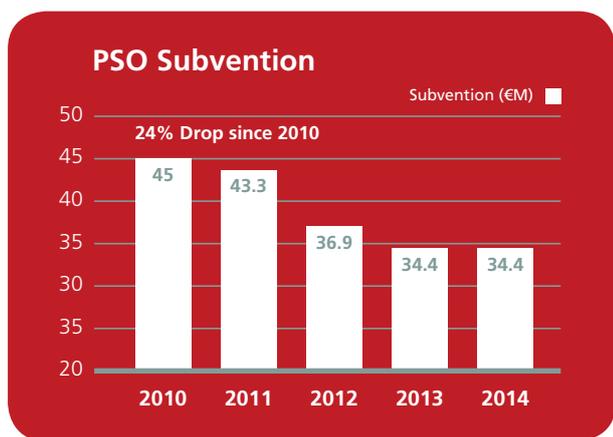


Public Service Obligation

PSO revenue showed strong growth in 2014, particularly in our regional cities with growth of 10.8% or €2.8m achieved. Stage Carriage services also generated revenue improvements of 2.1%. This revenue growth was influenced by the improving economy but was generated from a combination of fares policy, network reviews and brand development and route promotions.

The PSO cost base reflects the benefit of the June 2013 agreement to reduce existing terms and conditions for a 19 month period as a result of the financial challenges facing the company. The cost base also reflects additional maintenance expenditure associated with an aging fleet along with higher than anticipated levels of bus hire in order to cater for increased demand during peak periods.

The PSO subvention for 2014 amounted to €34.4m, a figure which is in line with the 2013 level. The company also received a significant revenue grant of some €4.8m in maintenance support which significantly improved the PSO results within the year. This grant, while greatly welcomed, is not sustainable by the Exchequer in future years and the introduction of new PSO fleet in 2015 is an essential element of the company's objective to eliminate operating deficits on PSO services by 2016.



Commercial Expressway

Expressway continued to face key challenges during 2014. The "Path to Profitability" plan for Expressway, which commenced in 2012, 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 almost €3m in revenue for 2014 and the company also benefited from lower payroll costs. The inability to invest in fleet in recent years however has resulted in higher maintenance costs in 2014 and the welcome introduction of 20 new vehicles early in 2015 will result in a significant enhancement of the fleet profile.

Despite revenue and expenditure improvements the financial return on Expressway is still below the level required to provide a stable financial future and generate the funds required for the significant investment and customer enhancements to enable Expressway remain competitive. The company's focus must remain on driving a commercial return from Expressway.

School Transport

The company continued to deliver school transport services on behalf of the Department of Education and Skills during 2014. This service is provided by a combination of in house and externally provided services. Bus Éireann seeks to deliver value for money at all times and further efficiencies were provided to the Department of Education and Skills during 2014. A surplus of €2.3m was generated within the School Transport business in 2014, a figure which is not available for Bus Éireann but ring fenced exclusively for use by School Transport. Bus Éireann has recently invested in a new IT system for School Transport and will invest in new fleet for School Transport during 2015.

Commercial – Other Services

Bus Éireann also operates other commercial services such as private hire, day tours, Eurolines and other ancillary events. These activities generate a gross margin for the company. They also absorb a portion of total company overheads thereby reducing the overhead allocation to other activities within the company.

Capital Investment

Bus Éireann continued to invest in facilities, IT systems and plant and machinery to remain competitive and to improve our customer offering during the year. The company also



Attitudes to Bus Éireann are exceptionally positive

received delivery of new fleet for both PSO and Expressway services at the end of 2014. This fleet will be introduced into service in 2015 and provides a significantly improved service offering for our customers.

Capital expenditure in total amounted to €26.7m in 2014 with €25.2m in capital grant funding being provided by the NTA.

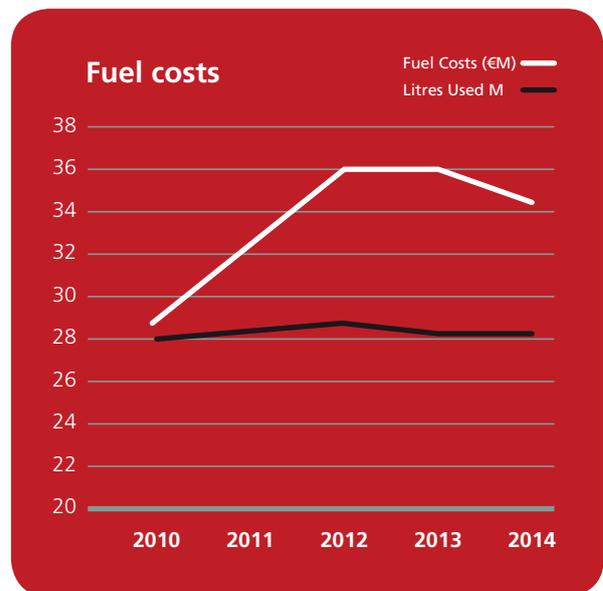
Fuel Costs

Fuel costs were as follows for years 2014 and 2013.

€34.4m
2014

€36.0m
2013

4% savings on fuel costs are primarily due to falling fuel prices coupled with the full year impact of the fuel rebate, introduced in July 2013 for 2014.



Overall Performance

The economic recovery helped by the best tourist season since the recession, together with new investment in Expressway has resulted in increased passenger and revenue growth.

Other highlights for 2014 are set out below:

- Bus Éireann carried over 1.5 million extra passengers in 2014, compared to the previous 12 months on its road passenger services, and passenger journey numbers increased by almost 5.6% in the regional cities;
- Bus Éireann recently signed a new five year Public Service Obligation (PSO) contract with the National Transport Authority (NTA) in December 2014, which will see the development of further customer service standards and increased reliability and punctuality targets;
- On board Wi-Fi for customers is now a feature of all Bus Éireann fleet including Expressway, city buses, and rural stage carriage and is now 4G standard on all of these. All principal Bus Éireann bus stations have been fitted with Wi-Fi in customer waiting areas to facilitate access to the internet, and this improves communications connections for all of our customers;
- Auto Vehicle Location system (AVL) facilities were introduced to Bus Éireann operations in Limerick city with the opening of a regional control facility in Colbert Station, meaning customers can now avail of RTPI (Real Time Passenger Information);
- Bus Éireann continues to work proactively with our colleagues in the National Transport Authority (NTA) to roll out ever increasing numbers of Real Time Passenger Information (RTPI) signs at key locations on the Bus Éireann network;
- Bus Éireann were winners in the Road Safety Awards "Leading Lights" campaign in the category of "Best CPC (Certificate of Professional Competence) Training Organisation", for the second year in a row;
- Targets for reducing third party accidents were all met in 2014 and some were surpassed;
- Network reviews were completed and implemented on ten PSO routes;
- New online registration system for school transport pupils was introduced; and



On board free 4G Wi-Fi for customers is now a feature across the fleet

- Energy awareness campaigns and energy saving programmes continued, driving down energy bills and reducing the company's energy consumption

The Market in 2014

After a prolonged period of recession, the Irish economy posted a strong recovery with improvements on most economic indicators, not least being employment, where the Government have indicated up to 80,000 jobs were created. Tourism, boosted by a weak Euro together with the success of the The Wild Atlantic Way marketing campaign brought over 7.6 million people into Ireland while in the retail sector, the CSO continued to record modest growth of (2%).

The combination of these factors helped to increase travel journeys and consideration of travel options and this disposition fed into passenger journey growth across our cities (+5.6%), Stage Carriage routes (+0.5%) and our commercial Expressway routes (+6.9%).

Key Trends

Bus Éireann Travel Monitor which is a survey of a nationally representative sample of 1,000 people in Ireland found some key trends with respect to Bus Éireann services as follows:

- Attitudes to Bus Éireann are exceptionally strong;
- Satisfaction with Bus Éireann remains high, albeit with a slight decline and the likelihood to recommend remains high;
- Interest in loyalty scheme increases, as does awareness of BÉClub and awareness and usage of on-board Wi-Fi;
- Spontaneous awareness of the brand is exceptionally high, and brand image measures, both among the general public and Bus Éireann users, outperform other "transport" providers.
- People expressing a distinct preference for value in both long distance and shorter commutes;
- Core frequent travellers remain stable for Bus Éireann for commuter journeys and likelihood to consider using the bus improves; Cheaper fares are still the biggest driver of future usage among non-users;



40 years since we launched Expressway service

Contributor to Local Economies and Local Business

2,456 own staff
17 locations



Schools Transport
1,400 local private operators



€61 Million
to Exchequer



10,000 People
providing services across
the country



Largest Provider
local and rural services

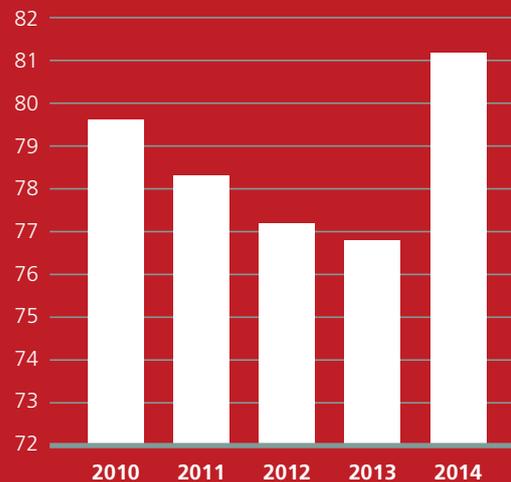


Passenger Growth

- Dublin commuter journeys were up 2.5% and overall, total road passenger journeys increased to 37.2 million – up from 35.7 million – which was 4.2% increase and a strong performance;
- In Galway city, passenger journey numbers grew by 7.1%, while in Limerick the numbers were up by 3.1%;
- In Cork city, passenger journey figures grew by 6.5%;
- In Waterford journeys were down by just 0.2%.

| | 31 December 2014 Thousands | 31 December 2013 Thousands |
|--------------------------|----------------------------------|----------------------------------|
| Customer journeys | | |
| Provincial city services | 18,641 | 17,651 |
| Other scheduled services | 18,547 | 18,076 |
| Sub total | 37,188 | 35,727 |
| School Transport scheme | 43,940 | 41,116 |
| | 81,128 | 76,843 |

Overall Customer Journeys (millions)



Contribution to the Exchequer

The company is a significant contributor to the Exchequer and contributed almost €61 million during 2014 through a combination of payroll taxes, Customs and Excise, VAT and other taxes collected and paid over to the tax office.

PSO

State-Funded Services

Under contract to the National Transport Authority (NTA), Bus Éireann operates over 300 State-funded routes providing vital services that connect communities, particularly 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 services to our customers.

The current Public Service Contract between the National Transport Authority and Bus Éireann, which was signed in December 2014 and lasts up until 2019, outlines standards of operational performance and customer service that

The new five year Public Service Contract with the National Transport Authority was signed in December 2014

Bus Éireann must maintain. In 2014, Bus Éireann met all performance targets set out in the contract. The company received a subvention from the State as payment for its PSO of €34.4 million in 2014 (2013 €34.4million) a reduction of €15 million from 2009 levels.

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



Bus Éireann – Network and Customer Service Improvements

- PSO network improvement plan is on schedule
- Commercial Expressway licences are being negotiated with NTA in line with the Expressway Turnaround Programme
- Customer Service Improvement project has been initiated



Service Improvements

There were service improvements on the following routes during 2014.

| | |
|--------------------|--|
| Route S1/S2 | Sligo Town Network |
| Route 160 | Dundalk – Newry |
| Route 161 | Dundalk – Carlingford – Newry |
| Route 207A | Merchant’s Quay to Glenthorn |
| Route 216 | Cork University Hospital – Mount Oval |
| Route 220 | Ballincollig – city centre – Carrigaline |
| Route 221 | Glanmire – city centre |
| Route 343 | Ennis – Shannon Airport – Limerick |
| Route 350 | Galway – Doolin – Ennis |
| Route 424 | Galway – Spiddal – Carraroe – Lettermullen |

Improved Usage of Bus services

A range of promotions were undertaken to encourage usage of public transport and to publicise the service 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 business 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 were carried out for the enhanced city networks, and promotional fares were also put in place, to encourage travel at key periods such as Christmas.



Congestion

The Greater Dublin Area (GDA) 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 to improve journey times across the network. In addition to improving bus priority measures, on-bus GPS technology and real-time data from our vehicles will assist in this regard.

Modal Shift

Bus Éireann is fully committed to enabling the move from private car journeys to more suitable 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.

Focus on Innovation

Working with the National Transport Authority (NTA), Bus Éireann continued to innovate to provide an enhanced customer experience. Initiatives undertaken in 2014 included:

- During 2014 Bus Éireann continued the Roll-out of Real Time Passenger Information (RTPI) displays at stops in the Greater Dublin Area (GDA) 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 Bus Éireann buses. This updates the RTPI displays during the day. Real Time Passenger Information (RTPI) was also introduced at all stops in the Bus Éireann network via the Transport for Ireland Real Time App.

Bus Éireann – Technology and Innovation

Customer facing technology projects RTPi, on-board 4G Wi-Fi, Leap Card roll out, online and Smartphone enhancements and BÉClub all introduced in the past 5 years

- The Leap Card was introduced in the Greater Dublin Area (GDA) in 2013, and is now available on all Bus Éireann and commuter routes there. Travel products are available to purchase on board or at over 500 Payzone agents in the GDA. Leap Card was rolled out to Cork Limerick and Galway city services during 2014 and will be introduced to Waterford during 2015.
- 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, operation decisions and structured diversions – and have resulted in improved service delivery and reliability. Wi-Fi is now available on all buses in the Bus Éireann PSO fleet in 2014.



Expressway's 23 routes carried over 4.5 million passengers during 2014



An Roinn Iompair
Turasoireachta agus Spóirt

Department of Transport,
Tourism and Sport

Commercial Services

Expressway

Our commercial services include Expressway, which operate across over 23 routes nationally and in 2014 the service carried just over 4.5m passenger journeys. In addition, GoBe, a joint venture on the Cork to Dublin route between Bus Éireann and GoBé drove additional growth, with passenger growth in a very competitive market.

Service Improvements

As part of its Expressway network review, the company introduced 12 new timetables during 2014. These include:

- **X12**
A new limited stop service was introduced on our Limerick/Dublin/Dublin Airport route, formally 12X12, now simplified to X12. This service now operates between Limerick, Nenagh, Roscrea, Portlaoise and Dublin and Dublin Airport.

Operations Review continued

- **20 & X20**

A new timetable was introduced on our Galway to Dublin/Dublin Airport Route. The 20 portion of this service now connects to Dublin Airport, offering connections from Moate, Kilbeggan, Tyrellspass, Kinnegad, Clonard and Enfield.

- **Gobe**

A new timetable was introduced on Gobé, our direct motorway service between Cork and Dublin/Dublin Airport. This new timetable offers increased departures on Fridays and Sunday to cater for increasing demand at these times.

Fare Promotions

There were two "Try Expressway" seat sales during 2014 and both campaigns proved very popular with the travelling public, rewarding loyal customers while also attracting new customers to our services.

New Expressway Livery

A new coach livery was designed and introduced for Expressway. The new innovative design allows Expressway to pursue its own unique identity remaining within the wider Bus Éireann family.



Like the Car, Only better – TV Advert

A new TV advert was created for Expressway during 2014. This ad was conceived in Broadstone and filmed on location in Mondello Park. The TV ad was directed by Irish filmmaker John Moore and was very well received by both customers and the wider transport industry. During 2014, the advertisement ran for 2 campaigns on TV, including a Christmas campaign wishing all customers "Happy Holidays from Expressway."

Expressway – The official carrier of the Dublin Senior Football Team

Expressway became the official carriers of the Dublin GAA Senior Football team for the 2014 Championship. Aligning the Expressway brand to the prime GAA team brand was an important marketing initiative for improving Expressway's customer profile in Dublin city and environs during the year.



Expressway business from Dublin Airport continues to go from strength to strength. As a “thank you” to our customers, a special customer welcome home campaign was implemented over the Christmas period.



Schools

School Transport

Every school day some 112,500 schoolchildren are transported by Bus Éireann on the school transport network using some 4,000 vehicles on services coordinated to provide 6,000 separate routes, serving some 3,000 schools across the country under the Department of Education & Skills School Transport Scheme consisting of the Primary School Transport Scheme, the Post Primary School Transport Scheme, and the School Transport Scheme for Children with Special Educational Needs.

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

Bus Éireann continued to work closely with the Department of Education & Skills throughout 2014 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

Since the requirement to deliver savings of €17m in the School Transport Budget by 2014 was announced under the National Recovery Plan 2011 to 2014, Bus Éireann has delivered over €21m in cost saving measures.

The School Transport Scheme is a demand led service. Newly introduced services and improvements particularly for children with special educational needs continue to be a very significant factor driving up the cost of the scheme. Our ongoing commitment to maximise efficiencies in order to offset the additional cost of new services and other improvements – without compromising safety and quality of service – is contributing significantly to achieving such improvements, without compromising the school transport budget.



In 2014 the Department of Education & Skills approved and Bus Éireann introduced 250 new school transport services under the School Transport Scheme. The majority of these services were introduced to cater for children with special educational needs. In addition, some 500 service improvements involving the extension of routes, upgrading of vehicles, and extra trips were also implemented.

Between 2009 and 2013 Bus Éireann introduced almost 800 new school transport services on behalf of the Department of Education & Skills, as well as over 2,000 other service improvements involving additional cost. Even so, the cost of the School Transport Scheme managed by Bus Éireann was reduced four years in a row over this period and through service delivery, effective network planning and in the administration of the scheme.

Bus Éireann introduced phase one of a comprehensive new School Transport IT system in 2014 which has improved the customer experience by enabling families to apply for school transport, have their eligibility established, and pay for their school bus tickets in a convenient and straightforward fashion online. Further enhancements to this system are planned during 2015.

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 continue to receive particular attention during 2014. The Bus Éireann School Bus Safety Roadshow visited schools and participated in a number of multi-agency events promoting safety around the country.

We continue to work closely with the Garda Central Vetting Unit to ensure that background checks are conducted on personnel involved in the provision of some 6,000 school transport services under the School Transport Scheme, including Bus Éireann, contractors' drivers and taxi 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.



Environment/Energy Consumption

Energy Consumption

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 2014 was 28.2 million litres. Other sources of energy consumed are from electricity and gas.

The breakdown of energy consumption for 2014 at Bus Éireann premises was:

- Fuel used by fleet 96.2%
- Electricity 1.9%
- Gas 1.7%
- Heating Oil 0.2%

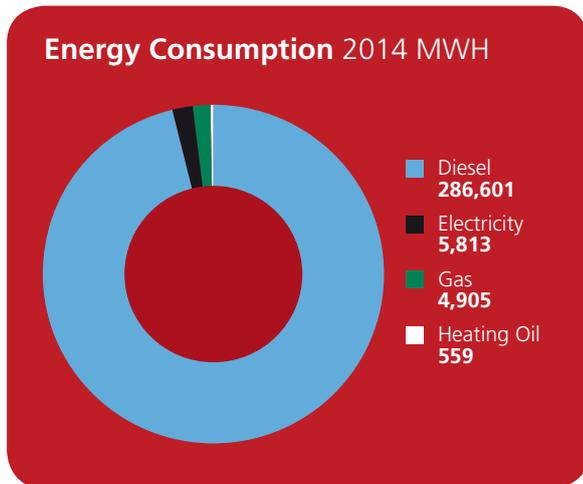
Electricity consumption is primarily used for lighting and operating garages and offices whilst gas and oil is used for heating. In 2014, Bus Éireann consumed 297,878 MWh of energy. This consisted of:

- 286,601 MWh of diesel fuel for running of the bus fleet
- 5,813 MWh of electricity
- 4,905 MWh of natural gas and
- 559 MWh of heating oil





Energy Consumption



Bus Éireann Energy Saving Programmes for 2014 and 2015

During 2014, Bus Éireann implemented the following programmes in order to reduce the Company's energy consumption:

- Energy Awareness Campaigns, with a special emphasis on reducing the fuel consumption associated with unnecessary engine idling
- Programmes to minimise heat loss from garages through ensuring large vehicle entry/exit doors are closed except when absolutely necessary
- Continued investigation of viability of compressed Natural gas powered city buses
- Introduction of a dry break anti-spill fuelling system at Cork's Capwell depot and conversion of 150 vehicles to anti-spill fuelling

In addition to the existing initiatives in place, during 2015 Bus Éireann will;

- Introduce a further 77 vehicles to our fleet which are fitted with telematics fuel consumption optimising equipment and have automatic engine idle cut-off systems fitted
- Improve the management of fleet fuel consumption through use of electronic fuel management systems

- Replacement of single-deck buses of 7 litre engine size and seating capacity for 41 persons, with 25 new double-deck buses of 5 litre engine size, and each with a seating capacity for 75 passengers
- Extend the implementation of the vehicle dry break anti-spill fuelling system to other large depots
- To continue lighting efficiency upgrade programmes through replacement of outdated technology with modern low-energy lighting systems
- The implementation of further energy awareness programmes in conjunction with developing industry recommendations and best practice

Garage Operations

Training

In 2014 the continuous professional development of all garage operations staff continued with the re-launch of the three-year fleet specific staff training programmes. These programmes allow our technical staff develop their skills and keep up to date with advances in our modern fleet such as the introduction of Euro 6 which is coming on stream in 2015.

2014 also saw the completion of the Institute of Vehicle Recovery (IVR) best practice training on roadside working, vehicle recovery and vehicle towing. All garage operations staff are now trained & certified to industry leading IVR standard.

Improved fuel consumption system





Garage/Depot enhancements

The national electrical services upgrade programme continued with Broadstone garage undergoing a complete electrical installation replacement. Vehicle inspection facilities were further improved with the installation of a dedicated vehicle test lane in Thurles garage and with the installation of a roller brake tester in Athlone garage. Overall depot facility improvements continued with renewal & improvement works on garage roofs, inspection pits, vehicle wash installations and Ad-blue & fuel storage.

Luas development on site at Broadstone depot

2014 also saw the commencement of the LUAS Cross city project. The BXD line will run to the North of the Broadstone site linking Broombridge with Dublin city centre. The scope and funding of this work was agreed with all stakeholders in late 2013. Work commenced in late 2014. Considerable efforts are ongoing to maintain site operations while heavy construction activities are underway.

New fleet

As noted earlier new fleet for Expressway was manufactured throughout 2014, and delivery began in early 2015.

Expressway's strong fleet of intercity coaches is comprised of a mix of 12m two axle coaches with 51-53 seats, 14m tri-axles coaches with 59-63 seats and 14m double deck coaches with 82 seats. With the latest fleet investment of 20 new state of the art tri-axle coaches – to come into service in early 2015 – the average age of the fleet is reduced to 6.8 years.

Further fleet investment is planned through 2015 and 2016 to further reduce the average age and develop the fleet into a modern, reliable and environmentally friendly intercity Expressway fleet progressively over the next ten years.



Engine technology and innovation

New fleet engines meet the very latest Euro 6 emissions standards using only SCR (Selective Catalytic Reduction) technology. The stringent limits on harmful environmental exhaust gases are achieved using Ad Blue to reduce the engine exhaust emissions. The transition from the first phase of Euro emissions standards back in 1993 to the very latest Euro 6 standards has resulted in an overall reduction in harmful NOx gases and PM (Particulate Matter) by at least 95% and 97% respectively.

Comfort and safety on board new fleet

The reclining full leather seats feature extra cushioning and stitched panels to optimise passenger comfort on long intercity routes. Each row of seats has access to both three pin and USB power sockets. For passenger safety each seat is also fitted out with an all age three point inertia reel seatbelt. The all age belt automatically adjusts to the correct cross shoulder position for adults and children, once fitted. Additionally a number of window seats are fitted with ISOFIX child seat mounting points to allow parents securely and safely fix their ISOFIX compatible child seats in place.

Accessibility

We assisted Bifida Hydrocephalus Ireland (SBHI) Association with the making of an educational video which they will use as part of their training programme for members using public transport. As part of the filming, we demonstrated how the hydraulic lift and the clamping and restraint mechanisms operate on our vehicles. All new Expressway coaches are wheelchair accessible, and the company continues to engage with our Disability Users Group on a variety of transport related issues.

New coaches with reclining full leather seats and access to three pin and USB sockets



PR

Bus Éireann continued to engage actively with the media on a national, local and regional level throughout 2014. This is aligned to a strong public relations function, in terms of providing our customers and stakeholders with information about services, new products, network reviews, timetable changes and our involvement in community initiatives and events – including the operation of dozens of special services throughout the year.

The company's strong relationship with the media is key in raising awareness about changes to the network – which are carried out in conjunction with the National Transport Authority (NTA) – or any service disruption due to severe weather, public protests, or other unforeseen events. Bus Éireann also operate social media platforms including Twitter and Facebook – where we responded to customer comments and complaints – and the company website is regularly updated with news items and timetable changes which is featured on our homepage.

In 2014, there was a press trip to the Fleadh Cheoil Na hÉireann in Sligo where journalists were briefed on business plans for Expressway and met and interviewed the organisers, which led to positive coverage through a number of national and regional media channels.

Corporate Social Responsibility (CSR)

In 2014, we became a proud sponsor of Fleadh Cheoil Na hÉireann

Bus Éireann is the chief sponsor of Féile na nGael and Féile na nÓg, which are sporting competitions for young boys and girls, held annually across Ireland. 2014 marked the third year of our sponsorship of this event which is held on national, regional and provincial levels across the country, and are part of a hugely important competition for the Gaelic Athletic Association (GAA).

The GAA's aim of increasing participation while maximising playing standards is to the fore in Féile, where almost 500 clubs, 1,500 coaches and 12,000 children participated across two weekends last June. The competitions are a fantastic opportunity for people to participate in teamwork, represent their local community and enjoy playing sport in a fun and respectful environment.

In 2014, Bus Éireann became a proud sponsor of Fleadh Cheoil na hÉireann. The Fleadh is the largest single festival of Irish music in the world which was held in Sligo in 2014. Over 15,000 musicians were involved throughout the week-long event, which featured competitions, classes, seminars and street performances. The festival drew over 300,000 visitors to Sligo and its surrounds, and it will be held there again in 2015.

Sponsorship of the Fleadh allows us to live up to our brand identity to be "at the heart of the community." The Fleadh has deep roots in the Irish community that stretch back over two generations, and the event is a central element in the preservation of Irish traditional music and culture. Involvement and sponsorship of such events is part of our community ethos and corporate social responsibility policy.

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. This initiative encourages greater public transport use at a national and local level. In 2014, and the previous two years, we have worked with Green Schools Ireland and Limerick Smarter Travel on a transport education project. This involved children attending 1st class being taken on the bus on 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 for the environment of public transport.

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 last November.

Our People

Apprentice Training

The training of apprentices continued with 14 new apprentices hired in 2014. The apprentices undertake a four year training programme, which is provided by Bus Éireann in conjunction with SOLAS. The apprentice training programme is completed as on-the-job training across our network of 17 garages in combination with training phases in SOLAS 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.

Our apprentices are trained to the highest possible technical standards and acquire, amongst many other skills, the ability to maintain the many systems associated with modern public service vehicles. These include electronic control and monitoring systems, computerised engine management systems and advanced vehicle diagnostics. Bus Éireann apprentices also receive driver training to D licence standard during their apprenticeship.

Over the years, we have also had much success in the National Skills Competition coming first overall in the trade of Heavy Vehicle Mechanic in 2014.

An Duaisc im

Through An Duaisc im, a scheme open to all staff, a variety of courses were provided to staff to assist them in developing their skills in the workplace. In addition to CPC and ECDL, a number of staff are being sponsored to undertake third level programmes such as Business Studies, Business Management and Computer Systems.

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 2014.

Management Staff

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

A number of IT executive staff were awarded a Foundation Certificate in Project Management.

Bus  ireann have sponsored 68 employees since the introduction of the programme in Management Studies for the Transport Sector course which is HETAC accredited. The course is provided by Carlow Institute of Technology (CIT) and involves practical development as well as academic learning. Eight staff successfully completed the programme in 2014.

Procurement training for Schools Transport management and staff was carried out in 2014 with the objective of reviewing the current process and providing further support for staff involved in School Transport procurement.





A nationwide Employee Engagement Survey was carried out in December 2014

Business Recovery Plan

The Labour Relations Agreement introduced in June 2013 as part of the Company's Business Recovery Plan expired at end of December 2014 and all terms and conditions were restored to staff at the beginning of 2015.

Employee Engagement Survey

The first Company-wide Employee Engagement Survey was carried out in December 2014 and results will be available in early 2015. The results will be shared with all staff.

Training

- Driver CPC (Certificate of Professional Competence) Training, completing all the required CPC courses in a timely and professional manner, throughout the year our training facilities and instructors were assessed with all positive results.
- Bus Éireann were winners in the Road Safety Awards "Leading Lights" campaign in the category of "Best CPC Training Organisation" this was the second time that Bus Éireann was successful in this category.
- All craftworkers and engineering operatives (as required), throughout the company were trained to the Institute of Vehicle Recovery Standards, (IVR) Training. This is a standard which is also independently monitored and accepted by various agencies throughout the world.
- Statutory Health & Safety training for all staff was completed for 2014
- New vehicle familiarisation training preparation and briefings commenced in 2014, all in place for the vehicle rollout programme in 2015.
- FTA accreditation and certification was achieved in reaching the required standards of compliance and having active systems in place demonstrating our commitment in this area.
- Manufacturers training partnership with the company commenced for the second phase of the 3 year training programme, this includes all craftworkers across three main fleet types.



Údarás Um Shábháilteacht Ar Bhóithre
Road Safety Authority

Senior management team

The senior management team is based at Broadstone Dublin 7 under the leadership and direction of our Chief Executive Martin Nolan.

Our experienced senior management team covers roles across all the key functions of our business in areas such as operations, finance, human resources, business development, engineering and strategy.



Chief Executive Officer

Martin Nolan was appointed Chief Executive Officer of Bus Éireann in early 2011. Martin previously worked as Chief Operating Officer of Bus Éireann from 2006 to 2011 with responsibility for all operations and information systems and previous to that as Chief Financial Officer from 1999 to 2006. Prior to that, Martin worked in the private sector in the role of Finance Manager and Company Secretary. Martin is a Fellow of the Institute of Chartered Accountants in Ireland and an Associate of the Chartered Institute of Logistics and Transport (CILT) Ireland. He also holds a Certificate of Professional Competence in Road Transport Operations Management.



Chief Operating Officer

Sam Simpson joined Bus Éireann in July 2014. Previously he worked in the Middle East responsible for Serco's Bus Operations in Asia, Middle East, and Americas for which he had P&L accountability.

Sam has over 30 year's bus industry experience; including nearly 25 years' experience at General Manager and Director Level Prior to joining Bus Éireann, Sam managed large bus operations in London, Manchester, Birmingham, Reading and West Yorkshire.

In 2006 Sam was awarded the accolade of UK Bus Manager of the Year by leading Trade Publication "Route One"

An Engineer by training and educated to Higher Degree level his seminal PhD work was commercially published in October 2008.



Chief Finance Officer and Company Secretary

Andrea Keane is Chief Financial Officer and Company Secretary of Bus Éireann, a role that she has held since 2006. Andrea has responsibility for all financial matters within the company and as Company Secretary is responsible for advising the Board, through the Chairman, on Governance issues.

Andrea is an associate member of the Chartered Institute of Management Accountants. Andrea also worked in Iarnród Éireann as Manager Management Accounts between 1997 and 2006 and has also worked in the private sector in a number of Financial and Management Accounting roles.



Chief Officer Engineering – Chief Mechanical Engineer

Joe Neiland was appointed as Chief Officer Engineering in Bus Éireann in early 2000. His role includes responsibility for the technical, safety, purchase, maintenance and performance of the fleet. Joe is also Head of Procurement as well as managing any special facilities projects throughout the company. Prior to joining Bus Éireann Joe was a mechanical engineer with Irish Rail for over 20 years in a number of technical and managerial roles. He also played a key role in the design and implementation of the SAP IT system throughout the CIÉ Group. He is a member of The Engineers Institute and holds a Bachelor of Mechanical Engineering Degree from UCD as well as a Diploma in Manufacturing Management from the Irish Management Institute.



Chief Commercial Officer

Stephen Kent was appointed Chief Commercial Officer in November 2013. Stephen held a number of marketing and commercial positions in Waterford Crystal, Dwans, Glanbia and Bank of Ireland before leaving to join Bus Éireann from C&C where he was Sales and Marketing Director in Irish and International roles. Stephen is a graduate of the Marketing Institute, and holds a BBS from the University of Limerick and a MBA from Heriot Watt, Edinburgh.



Chief Human Resources Officer

Joe Kenny has worked in the public transport sector for over 32 years in a variety of roles within Human Resources and Operations Management. He holds both BBS and MBA degrees from University College Dublin. He previously worked with Dublin Bus before joining Bus Éireann in 2007 as Regional Manager East. He was appointed to the post of Chief Human Resources Officer in 2010. Mr Kenny is currently the Chairperson of the UITP (International Association of Public Transport) Business and Human Resources Commission. He is a Chartered member of the Chartered Institute of Personnel Development (CIPD) and is also a Chartered member of the Institute of Logistics and Transport (CILT).



Head of Strategy

Vincent Sheehan is Head of Strategy in Bus Éireann, responsible for strategic planning and regulatory affairs. Vincent has held a number of senior management roles within Bus Éireann. He joined the Bus Éireann team in 2006 and prior to that Vincent worked for 15 years for a wide range of public and private sector enterprises in the areas of business strategy, marketing consulting and management development. Vincent is a graduate of the MBS and BComm in UCD and is a Chartered member of the Institute of Logistics and Transport (CILT).

Acknowledgement

Bus Éireann, its directors and senior management team would like to gratefully acknowledge the State funding and assistance provided to the company during the year.

A special thanks to is due to the Minister, Ministers of State and their teams at the Department of Transport Tourism and Sport, Department of Education and Skills and the National Transport Authority.



Directors and Other Information

Board of Directors

Aidan Murphy, Chairman (*appointed Chairman 9 July 2014*)

Paul Mallee, Chairman (*retired 28 June 2014*)

John Moloney

Bill McCamley

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

Henry Minogue (*retired 9 October 2014 and re appointed 29 January 2015*)

Kieran Fay (*retired 6 November 2014*)

Deirdre Ashe (*appointed 10 July 2014*)

Gerard Ryan

Denis Mackin (*appointed 10 July 2014*)

Chief Executive

Martin Nolan

Secretary and Registered Office

Andrea Keane

Broadstone

Dublin 7

Telephone: 00 353 1 703 3484

Website: www.buseireann.ie

Registered Number: 119570

Company Limited by Shares

Auditors

PricewaterhouseCoopers

Chartered Accountants and Statutory Audit Firm

One Spencer Dock

North Wall Quay

Dublin 1

Biographies of Directors



Aidan Murphy

Aidan Murphy was appointed to the board in April 2013 and as Chairman of Bus Éireann on 9 July 2014 following the retirement of Paul Mallee on 28 June 2014.

Aidan has extensive experience as a supply chain professional having held positions as 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.

Aidan is a member of the board Commercial and Innovation Committee and served on the Audit Review Group up to the time of his appointment as Bus Éireann Chairman.



Paul Mallee

Paul Mallee was appointed as Chairman of Bus Éireann and as a Board Member of Córas Iompair Éireann in June 2011.

Paul 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 organisation Booz & Company. Paul is a Fellow and a past President of the Chartered Institute of Logistics and Transport Ireland. He is a graduate of University College Dublin and UCD Michael Smurfit Graduate Business School. Paul holds a Masters Degree in Strategic Management and Planning, a Bachelor of Commerce Degree and a Certificate of Professional Competence in Road Transport Operations Management.

Paul retired as Chairman and as a director on 28 June 2014. Paul served as a member of the board Commercial and Innovation Committee.



John Moloney

John Moloney was first 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.

John is a member of the board Safety and Maintenance Committee.



Micheál Ó'Faoláin

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

A former director of Bord Gáis Éireann, Micheál served on their Audit and PR sub committees as well as a director of the CHP joint venture company CM Power.

As a former secondary school principal, Micheál has practical experience of the school transport system. Other business experience comes from his directorships of Telcotec, a mobile phone back office system provider, Three Rock Media, an online training company in the photography/hand held camera area and Athgal a business/educational consultancy. An Arts and Law graduate from NUIG, Micheál also holds an Industrial Relations Diploma from the NCIR, Micheál retired as a director on 21 February 2014. Micheál served on the board Maintenance Committee during his period in office.



Bill McCamley

Bill McCamley was first appointed to the board in December 1997 under the Worker Participation (State Enterprises) Acts, 1977 to 2001.

Bill joined Bus Átha Cliath in 1974 and works in Phibsboro depot 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.



Henry Minogue

Henry Minogue was first appointed to the board in October 2011.

Henry has been the IT Director for UPC in Ireland since 2006 having previously served as Programme Manager for Strategy and Planning. He has worked 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.

Henry 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 Chairman of the Bus Éireann Audit Review Group during 2012 and also serves as a member of the Commercial and Innovation Committee. Henry retired as a director on 9 October 2014 and was re-appointed as a director on 29 January 2015.



Kieran Fay

Kieran Fay was appointed to the board in November 2011.

A graduate of Trinity College Dublin, Kieran holds an Honours Science Degree and Diploma in Environmental Engineering, and a Masters of Science from Napier University Edinburgh. He is a Chartered Scientist (MCIWEM 2008) and Chartered Water and Environmental Manager (CWEM 2009) and has over 14 years of business experience in the Environmental Engineering and Health & Safety Sectors in Ireland and the UK, including the Office of Environmental Assessment at the Environmental Protection Agency (EPA) in Ireland.

Kieran retired as a director on 6 November 2014. Kieran served on both the board Safety and Maintenance Committee during his term of office.



Gerard Ryan

Gerard Ryan was appointed to the board in July 2012.

Gerard 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 Masters in Business Administration from the UCD Michael Smurfit Graduate Business School and is also a BSc in Computer Science graduate of Trinity College, Dublin. Gerard is a member of both the Audit Review Group and the board Commercial and Innovation Committee.



Deirdre Ashe

Deirdre Ashe was appointed to the board of Bus Éireann in July 2014. Deirdre is a member of the Commercial & Innovation Committee.

Deirdre is a Management Consultant working locally and internationally specialising in Marketing, Product and Business Strategy. She is a former Director of Aviva Health Insurance Limited and has held the positions of Marketing Director, Product Director and Commercial Director where she has successfully led the formulation and delivery of company launches, integration and international alignment.

Deirdre holds a Bachelor of Arts in Economics from NUIG, an MBA and a Diploma in Company Direction (IOD).



Denis Mackin

Denis Mackin was appointed to the board in July 2014.

Denis has thirty three years' service with the Public Service in Post & Telegraph, Telecom Éireann, Eircom, OPW and presently OGP; Denis served on South Dublin County Council and its committees. Denis was a member of Tallaght Community School for 22 years, is currently Chairman of Old Bawn Community School and board member of the Kilnamanagh Community Centre. Denis is a member of the board Safety Committee.

Directors' Report

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 €5.1 million (2013: €0.4 million) after the Public Service Obligation payment of €34.4 million (2013: €34.4 million).

The surplus was achieved in very challenging conditions and was delivered through revenue growth, continued costs efficiencies and additional PSO support.

Road passenger journeys increased by 1.46 million journeys and school journeys increased by 2.82 million journeys in 2014.

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 management and directors of the company.

A detailed review of the company's activity for the year is contained in the Chief Executive Introduction & Operations Review on pages 5 to 31.

Results and Reserves

The financial statements for the year ended 31 December 2014 are set out in detail on pages 39 to 60. The results for the year ended 31 December 2014 show a surplus of €5.1 million (2013: Surplus €0.4 million).

The accumulated losses have fallen significantly and are €6.9 million at 31 December 2014 (€12.0 million in 2013)

The Board

The company is controlled through its board of directors. The board met on ten occasions during 2014 (ten in 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 is in place to review safety matters, maintenance matters and procedures and they report to the Bus Éireann board.

Capital Investment

Capital expenditure amounted to €26.7 million in 2014 (2013: €3.4 million). The company received capital funding for PSO services from the National Transport Authority (NTA) in 2014 of €25.2 million (2013: €1.8 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 2014.

| | BE Board | Safety | Maintenance | Commercial & Innovation |
|-----------------------|----------|--------|-------------|-------------------------|
| Mr. Paul Mallee | 6/6 | | | 7/7 |
| Mr. Henry Minogue | 7/8 | | | 7/9 |
| Mr. Aidan Murphy | 10/10 | | | 9/10 |
| Ms. Deirdre Ashe | 4/4 | | | 2/2 |
| Mr. Kieran Fay | 7/9 | 4/5 | 4/4 | |
| Mr. John Moloney | 10/10 | 5/5 | 4/4 | |
| Mr. Bill McCamley | 10/10 | | | |
| Mr. Denis Mackin | 3/4 | 1/1 | | |
| Mr. Micheál Ó'Faoláin | 2/2 | | 1/1 | |
| Mr. Gerard Ryan | 10/10 | | | 10/10 |

Audit Review Group

The Audit Review Group, (ARG), during 2014 comprises the following non-executive directors:

| | |
|----------------|--|
| Mr. H. Minogue | (retired as a director on 9 October 2014) (re-appointed on 29 January 2015) |
| Mr. G. Ryan | |
| Mr. A. Murphy | (retired from ARG on 9 July 2014) |
| Ms. D. Ashe | (appointed on 10 July 2014) |

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 ARG 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 on fourteen occasions in 2014 (ten in 2013). The external auditors,

PricewaterhouseCoopers, were appointed during the year ended 31 December 2014 for a three year period. There were no contractual obligations that acted to restrict the ARG in making this recommendation.

There were no non-audit services provided by the audit team 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.

Board Maintenance Committee

This committee met on four occasions during 2014 (five in 2013) and was stood down following the August 2014 meeting. Issues previously dealt with by the Maintenance Committee are now dealt with by the Safety Committee.

Board Safety Committee

The Bus Éireann Board Safety Committee, which was established at sub board level in 2004, met on five (five in 2013) 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.

Commercial and Innovation Committee

In late 2012 a new Commercial and Innovation Committee 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 ten occasions during 2014 (eleven in 2013) and is chaired by Mr G Ryan and is also composed of the following non-executive directors Mr H Minogue, (until 9 October 2014) Mr P Mallee (until 28 June 2014) Mr A Murphy and Ms D Ashe (from 19 September 2014).

Employee Participation

In 2014 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.

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 2014. There has been an 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 is a member of Diversity Charter Ireland since 2013, publicly acknowledging its commitment to diversity and inclusion. The purpose of the charter is to showcase the work in diversity and good practices being undertaken 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 2014. Bus Éireann further supported International Woman's Day by sponsoring and leading CIÉ's International Woman's Day Conference which was held on 7th March, 2014. Over 150 women from throughout CIÉ attended the conference which focussed on the theme of "Inspiring Change".

In May 2014 Bus Éireann continued its involvement in Green Ribbon Month and "See Change" which is a 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.

FRS102

FRS 102 is effective for the year ended 31 December 2015. The comparative amounts in the 2015 financial statements, prepared in accordance with FRS102 will require restatement. Management are working with CIÉ group and with PwC to assess the impact of adopting FRS 102 and an appropriate action plan is being put in place.

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 2014 or who have since been appointed are set out below. Except where indicated they served as directors for the entire year.

| | |
|-----------------------|--|
| Mr. Paul Mallee | (retired as Chairman 28 June 2014) |
| Mr. Aidan Murphy | (appointed as Chairman 9 July 2014) |
| Mr. Henry Minogue | (retired 9 October 2014, re-appointed 29 January 2015) |
| Mr. John Moloney | |
| Mr. Bill McCamley | |
| Mr. Micheál Ó'Faoláin | (retired 21 February 2014) |
| Mr. Kieran Fay | (retired 6 November 2014) |
| Ms. Deirdre Ashe | (appointed 10 July 2014) |
| Mr. Denis Mackin | (appointed 10 July 2014) |
| 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 Córás 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 financial statements. Further details are set out in Note 1 of the financial statements.

Auditors

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

On behalf of the board

A. Murphy, Chairman

H. Minogue, Director

23 March 2015

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the Company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements have been properly prepared in accordance with the requirements of the 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 2014 which comprises of the Principal Accounting Policies, Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, 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 39, 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 director's 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 2014 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 2014 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.
- 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.
- Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

1 April 2015

Principal Accounting Policies

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

(A) Basis of accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 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. As permitted by the Companies (Amendment) Act, 1986, the directors have adapted the prescribed format of the profit and loss account in a manner appropriate to the nature of the company's business.

(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. Grants in respect of revenue expenditure are released to profit and loss as the expenditure is incurred.

(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

Bus Éireann participates in a defined benefit scheme as part of CIÉ Group. This scheme has been accounted for in accordance with FRS 17 in the CIÉ Group financial statements. Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet of CIÉ Group as a liability. The defined benefit pension charge to operating profit in CIÉ Group comprises the current service cost and past service costs. The excess of the expected return on scheme assets over the interest cost on the scheme liabilities is presented in the profit and loss account of CIÉ Group as other finance income. Actuarial gains and losses arising from changes in actuarial assumptions and from experience of surpluses and deficits are recognised in the statement of total recognised gains and losses of CIÉ Group for the year in which they occur. Bus Éireann is unable to identify its share of the underlying assets and liabilities in the CIÉ Group scheme on a consistent and reasonable basis. In accordance with FRS 17 Bus Éireann accounts for the contributions to the CIÉ Group scheme as if it were a defined contribution scheme. The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

(H) Intercompany Balances

Transactions between Group companies are valued at historical cost based on a mutual agreement 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.

(I) Taxation

Corporation tax is calculated on the taxable profits or losses for the year as adjusted for group relief. Tax losses utilised for group relief are transferred between group members. Charges for group relief are determined on a case by case basis.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits or losses as computed for tax purposes and as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted. Deferred tax assets are only recognised where it is more likely than not that sufficient taxable profit will arise in the future to utilise tax losses carried forward.

There was no Corporation tax payable in respect of the year ended 31 December 2014 as the company has unutilised tax losses carried forward.

Profit and Loss Account

| Year ended 31 December 2014 | Notes | 2014 €000 | 2013 €000 |
|--|-------|-----------------|-----------------|
| Revenue | | | |
| Operating Revenue | | 297,899 | 289,935 |
| Receipts from Public Service Obligation Contract | 20 | 34,387 | 34,364 |
| Total Revenue | | 332,286 | 324,299 |
| Costs | | | |
| Payroll and related costs | 2 | (123,940) | (124,916) |
| Materials and services | 3(a) | (195,288) | (192,441) |
| EBITDA before exceptional operating costs | | 13,058 | 6,942 |
| Depreciation and amortisation (net) | 4 | (6,665) | (7,435) |
| Exceptional costs | 3(b) | (2,090) | – |
| Operating profit/(loss) | | 4,303 | (493) |
| (Loss)/Profit on disposal | | (6) | 54 |
| Interest receivable from parent company | | 825 | 836 |
| Surplus for the year | | 5,122 | 397 |
| Accumulated deficit at start of the year | | (12,034) | (12,431) |
| Accumulated deficit at end of the year | | (6,912) | (12,034) |

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

A. Murphy, *Chairman*

H. Minogue, *Director*

23 March 2015

Balance Sheet

As at 31 December 2014

| | Notes | 2014 €000 | 2013 €000 |
|--|-------|-----------------|-----------------|
| Fixed assets | | | |
| Tangible fixed assets | 5 | 93,987 | 84,761 |
| Financial assets | 8(b) | 102,215 | 107,609 |
| | | 196,202 | 192,370 |
| Current assets | | | |
| Stocks | 6 | 3,700 | 3,362 |
| Debtors | 7 | 14,827 | 12,538 |
| Cash at bank and in hand | | 1,062 | 1,147 |
| | | 19,589 | 17,047 |
| Creditors (amounts falling due within one year) | 8(a) | (78,689) | (84,375) |
| Net current liabilities | | (59,100) | (67,328) |
| Total assets less current liabilities | | 137,102 | 125,042 |
| Long-term Liabilities | | | |
| Provision for liabilities and charges | 9 | (35,039) | (38,496) |
| Amounts due to Parent Company | 8(b) | (26,439) | (27,261) |
| Deferred Income | 10(a) | (53,332) | (42,115) |
| | | 22,292 | 17,170 |
| Financed by: | | | |
| Capital and reserves | | | |
| Called up share capital | 11 | 29,204 | 29,204 |
| Profit and loss account | | (6,912) | (12,034) |
| Shareholders' funds | 12 | 22,292 | 17,170 |

The notes on pages 47 to 60 form part of these financial statements.

On behalf of the board

A. Murphy, *Chairman*

H. Minogue, *Director*

23 March 2015

Cash Flow Statement

| Year ended 31 December 2014 | | 2014 €000 | 2013 €000 |
|---|-------|-----------------|----------------|
| | Notes | | |
| Cash flow from Operating Activities | | | |
| Net cash (outflow) from operating activities | 13(a) | (3,963) | (7,532) |
| Returns on investment and servicing of finance | | | |
| Interest receivable from Parent Company | | 825 | 836 |
| Net Cash Flow from Return on Investment and servicing of finance | | 825 | 836 |
| Capital expenditure and financial investment | | | |
| Additions to tangible assets | 5 | (26,671) | (3,378) |
| Sale proceeds on disposal of tangible fixed assets | | 17 | 100 |
| Net Cash Flow from capital expenditure and financial investment | | (26,654) | (3,278) |
| Cash Flow from Financing Activities | | | |
| Capital grants received | 10(a) | 24,313 | 1,779 |
| Movement in financial assets | 8(b) | 5,394 | 8,280 |
| | | 29,707 | 10,059 |
| Net movement on cash | 13(b) | (85) | 85 |

Reconciliation of Net Cash Flow to Movement in Net Funds

| | 2014 €000 | 2013 €000 |
|---|--------------|--------------|
| (Decrease)/Increase in cash in the year | (85) | 85 |
| Net funds at 1 January | 1,147 | 1,062 |
| Net funds at 31 December | 1,062 | 1,147 |

Notes to the Financial Statements

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 €160million have been secured up to July 2018.

These facilities contain a number of financial covenants, all of which have been met by the CIÉ Group in 2014. The budget for 2015 indicates that management expect that the CIÉ Group will continue to meet the covenant targets set out in the facility agreement for the period of at least 12 months from the date of signing these financial statements.

While trading performance improved during 2014 the CIÉ Group continues to face a challenging business environment which gives rise to uncertainties facing the Group. The Group has had regard to these uncertainties in assessing the Group's capacity to continue as a going concern.

Nature of Uncertainties Facing Group

While management are confident that overall financial covenant targets will continue to be met in the forthcoming year, the Group's future performance is based on a number of challenging targets and assumptions which will require constant monitoring and oversight by management. The Group's draft 5 year business plan assumes that the Group will incur a deficit in 2015 and that the resolution of the uncertainties currently facing the Group will dictate when the group will return to profitability.

The principal uncertainties affecting the future outlook can be summarised under the following headings:

1. Revenue

The achievement of the revenue growth targets set out in the Group's draft 5-year business plans is based on a combination of assumptions related to increases in nominal fares and increases in passenger journeys. The capacity of the Group to secure the fare increases assumed in the plans is principally dependent on fare determinations by the National Transport Authority (NTA) and increases in passenger journeys is dependent on sustained economic recovery.

2. Operating Costs

Maintaining operating costs at appropriate levels as set out in the Group's business plans remains critical. Assumptions used in preparing the business plan are by their nature subjective and it is imperative that performance against each subsidiary's plan is monitored closely, so that mitigating actions, which have already been identified by management can be put in place if necessary.

3. Investment Costs

Achieving the appropriate level of investment in the maintenance, renewal and enhancement of public transport infrastructure is critical to underpinning the provision of effective, reliable and safe public transport services. Ensuring that necessary investment is appropriately funded is a continuing challenge for management so that the investment demand of the Group's operations does not undermine the financial sustainability of the Group.

The Group's plans for 2015 are subject to capital expenditure funding support from the Exchequer and the National Transport Authority and also envisage funding investment from operating cash flows. The Group's sustainability in the longer term is dependent on an appropriate level of government funding being in place to fund the public transport services that are required under the Groups' Public Service Obligation contracts.

Iarnród Éireann's (a fellow subsidiary in the CIÉ Group) financial sustainability is particularly sensitive to uncertainty associated with funding future investment. During 2014 Iarnród Éireann and the National Transport Authority undertook a process to review and evaluate possible solutions to the rail company's financial requirements. The supplementary estimate which was approved in December 2014 enhances the capacity to fund from cash flow the investment requirements of Iarnród Éireann in 2015.

Funding of investment requirements in the longer term remains a significant challenge for all stakeholders. Should there be a shortfall in levels of funding; the risk that the Group may not generate sufficient returns to protect its financial stability during the life of the current 5-year business plan arises. In that event, working capital will become constrained requiring constant monitoring. Mitigating actions will require to be taken to ensure that the overall financial covenant targets, to which the Group is committed, are not breached and that sufficient cash-flow is generated after investment to meet obligations as they fall due.

4. Pensions

The Group's pension schemes are in deficit as set out in Note 15 to the financial statements. As explained in Note 15, these schemes are included in the consolidated financial statements of CIÉ and not at the individual operating company level. The net liability position of the pension schemes has increased significantly in the year. The increases arise mainly as a result of the low interest rate environment prevailing in Ireland and Internationally. CIÉ has commenced a review of the Group's pension schemes to identify measures to address the financial position of the schemes in light of the level of the deficit. The triennial valuations of the schemes are due to be performed in 2015.

Managements Actions

Group and Company 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 Iarnród Éireann, Bus Éireann and Bus Átha Cliath
- Continued implementation and rigorous monitoring of cost saving initiatives
- Continuous review of risks and opportunities affecting the Group's business plan
- Implementation of revenue protection initiatives and seeking new revenue generating activities
- Review of pension schemes to identify measures to address the financial position of Group's pension funds

Letter of Support

The on-going support of the Department of Transport, Tourism and Sport has been evidenced in the letter of support dated 31st March 2015.

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 understands 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 5-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 for the period of at least 12 months from the date of signing these financial statements. 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. The directors, having regard to above, have a reasonable expectation that the CIÉ group and therefore the company will have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

2 Payroll and Related Costs

| | 2014 €000 | 2013 €000 |
|--|----------------|----------------|
| Staff Costs | | |
| Wages and salaries | 105,364 | 106,879 |
| Social welfare costs | 9,980 | 9,697 |
| Other pension costs | 8,535 | 8,236 |
| | 123,879 | 124,812 |
| Engineering work for group companies | (54) | (38) |
| Net staff costs | 123,825 | 124,774 |
| Directors' remuneration | | |
| – for services as directors | 55 | 84 |
| – for other services | 60 | 58 |
| Total directors' remuneration and emoluments | 115 | 142 |
| Payroll and related costs | 123,940 | 124,916 |

The average numbers of employees during the year were

| | Staff Numbers | |
|------------------------------|---------------|--------------|
| | 2014 | 2013 |
| Full-time | 2,039 | 2,044 |
| Part-time school bus drivers | 417 | 442 |
| Total | 2,456 | 2,486 |

Notes to the Financial Statements 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.

| | 2014 €000 | 2013 €000 |
|---|--------------|--------------|
| Basic Salary | 184 | 187 |
| Salary arrears from prior years | – | – |
| Taxable allowances and BIK | 16 | 15 |
| Taxable allowances and BIK from Prior years | – | 3 |
| Employer PRSI | 22 | 22 |
| Employer Pension | 44 | 45 |

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

Mr. P. Mallee €8,545; Mr. H. Minogue €7,807; Mr. K. Fay €8,573; Ms. D. Ashe €4,766;
Mr. M. Ó'Faoláin €2,221; Mr. G. Ryan €10,080; and Mr. A. Murphy €13,476

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

3(a) Materials and Services

| | 2014 €000 | 2013 €000 |
|---|----------------|----------------|
| Fuels and lubricants | 34,380 | 35,983 |
| Other contractors | 124,167 | 120,528 |
| Road tax and licences | 573 | 548 |
| Operating lease rental of vehicles | 538 | 518 |
| Expenses paid to directors | – | – |
| Rates | 759 | 934 |
| Third Party and Employers Liability Claims (note 9) | 1,500 | – |
| Other materials and services | 38,636 | 35,474 |
| Revenue grants (note 10c) | (5,265) | (1,544) |
| | 195,288 | 192,441 |

3(b) Exceptional costs

| | 2014 | 2013 |
|-------------------------------------|-------|------|
| Restructuring paid and provided for | 2,090 | – |

During 2014 the company provided for costs associated with restructuring.

4 Depreciation and amortisation

| | 2014 | 2013 |
|--|--------------|--------------|
| | €000 | €000 |
| Depreciation of tangible fixed assets (note 5) | 17,422 | 20,001 |
| Grant amortisation (note 10a) | (10,757) | (12,566) |
| | 6,665 | 7,435 |

5 Tangible Fixed Assets

| | Road Passenger Vehicles €000 | Plant and Machinery €000 | Total €000 |
|-----------------------------|---------------------------------------|-----------------------------------|----------------|
| Cost | | | |
| At 1 January, 2014 | 273,023 | 27,480 | 300,503 |
| Additions | 22,923 | 3,748 | 26,671 |
| Disposals | (1,830) | (69) | (1,899) |
| At 31 December, 2014 | 294,116 | 31,159 | 325,275 |
| Depreciation | | | |
| At 1 January, 2014 | 198,337 | 17,405 | 215,742 |
| Charge for the year | 15,138 | 2,284 | 17,422 |
| Disposals | (1,807) | (69) | (1,876) |
| At 31 December, 2014 | 211,668 | 19,620 | 231,288 |
| Net book amounts | | | |
| At 31 December, 2014 | 82,448 | 11,539 | 93,987 |
| At 31 December, 2013 | 74,686 | 10,075 | 84,761 |

Notes to the Financial Statements continued

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

| | Lives (Years) |
|-------------------------|----------------------|
| Road passenger vehicles | 8-14 |
| Plant and machinery | 3-10 |

- (b) Road passenger vehicles at a cost of €68,842,621 (2013; €41,926,719) were fully depreciated but still in use at the balance sheet date.
- (c) Tangible fixed assets at 31 December 2014 include €22,576,154 (2013; €647,345) in respect of tangible fixed assets not yet in service.
- (d) The company does not own the property in use; this is owned by the CIÉ Holding Company and is included in its financial statements.

6 Stocks

| | 2014 | 2013 |
|---------------------------------------|--------------|--------------|
| | €000 | €000 |
| Maintenance materials and spare parts | 2,572 | 2,227 |
| Fuels, lubricants and sundry stocks | 1,128 | 1,135 |
| | 3,700 | 3,362 |

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

| | 2014 | 2013 |
|------------------------------------|---------------|---------------|
| | €000 | €000 |
| Trade debtors | 3,310 | 3,125 |
| Department of Education and Skills | 9,743 | 7,781 |
| Other debtors and accrued income | 1,774 | 1,632 |
| | 14,827 | 12,538 |

8(a) Creditors

| | 2014 | 2013 |
|--|---------------|---------------|
| | €000 | €000 |
| Amounts falling due within one year | | |
| Trade creditors | 13,150 | 13,836 |
| Income tax deducted under PAYE and USC | 1,805 | 1,888 |
| Pay-related social insurance | 1,274 | 1,285 |
| Value added tax and other taxes | 280 | 217 |
| Other creditors | (4) | 1,102 |
| Accruals and other provision | 30,965 | 27,004 |
| Third party and employer's liability claims (note 9) | 9,500 | 10,000 |
| Deferred Income (note 10) | 13,000 | 10,661 |
| Amounts due to parent company (note 8b) | 8,719 | 18,382 |
| | 78,689 | 84,375 |
| Creditors for taxation and social welfare included above | 3,359 | 3,390 |

8(b) Intercompany short-term and long-term

In 2013, 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.

| | 2014 | 2013 |
|--|---------------|---------------|
| | €000 | €000 |
| Long-term financial assets | | |
| Amounts due from Holding Company | | |
| Opening balance 1 January | 107,609 | 115,889 |
| (Decrease) in financial year | (5,394) | (8,280) |
| Closing balance 31 December | 102,215 | 107,609 |
| Short-term trading account | | |
| Amounts owed to Holding Company (note 8 (a)) | (8,719) | (18,382) |
| Long-term financial liability | | |
| Amounts owed to Holding Company | (26,439) | (27,261) |
| Net intercompany balance receivable | 67,057 | 61,966 |

9 Provisions for Liabilities and Charges

| | 2014 | 2013 |
|---|---------------|---------------|
| | €000 | €000 |
| Third party and Employers Liability Claims | | |
| Balance at 1 January, 2014 | 48,496 | 52,204 |
| Utilised during the year | (5,457) | (3,708) |
| Profit and loss account charge (note 3a) | 1,500 | – |
| Balance carried forward at 31 December, 2014 | 44,539 | 48,496 |
| Apportioned: | | |
| Current liabilities (note 8) | 9,500 | 10,000 |
| Amounts falling due after one year | 35,039 | 38,496 |
| | 44,539 | 48,496 |

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 €2,000,000, Road transport liabilities in excess of a self-insured retention of €11,000,000 in aggregate in the twelve month period, April 2014 to March 2015, 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.
- (iii) Group Combined Liability Insurance which does not include Terrorism liability, overall indemnity is €200,000,000 for the twelve month period, April 2014 to March 2015, for rail and road transport Third Party and Other Risks Liabilities.
- (iv) 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.
- (v) 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).

(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 outstanding, the company has regard to the accident circumstances as established by investigations, any information available from legal or other experts and information on court precedents on liabilities with similar characteristics in previous periods. Exceptionally serious accidents are assessed separately from the averages indicated by actuarial modelling.

The estimation of IBNR claims is subject to a greater degree of uncertainty than the estimated liability for claims already notified to the company, because of the lack of any information about the claim event except in those cases where investigators have been called to the scenes of accidents. Claim types which have a longer development tail and where the IBNR proportion of the total reserve is, therefore, high will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Provisions for claims are calculated gross of any reinsurance recoveries. Reinsurance recoveries are recognised 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

| | 2014 | 2013 |
|---|---------------|---------------|
| | €000 | €000 |
| Balance at 1 January | 52,776 | 63,563 |
| Received and receivable | 24,313 | 1,779 |
| Amortisation charge (note 4) | (10,757) | (12,566) |
| Balance carried forward | 66,332 | 52,776 |
| Less transfer to current liabilities (note 8) | (13,000) | (10,661) |
| Balance at 31 December | 53,332 | 42,115 |

Disclosure in accordance with Department of Finance Circular Number 17/2010

(b) Capital Grants

| | 2014 | 2013 |
|---|---------------|--------------|
| | €000 | €000 |
| Capital Grants were used to fund the following additions: | | |
| Plant | 1,528 | 1,779 |
| Buses | 22,785 | – |
| Property | 844 | 398 |
| Asset addition prior year paid | | 96 |
| Sub total | 25,157 | 2,273 |
| Less transfer to books of CIÉ (Property) | (746) | (398) |
| Total | 24,411 | 1,875 |

(c) Revenue Grants Receivable

| | 2014 | 2013 |
|-----------------------------------|-------|-------|
| Maintenance and other (note 3(a)) | 5,265 | 1,544 |

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 2014 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

| | 2014 | 2013 |
|---|--------|--------|
| | €000 | €000 |
| Authorised | | |
| Ordinary shares of €1.27 each | 40,632 | 40,632 |
| Allotted, called up and fully paid | | |
| Ordinary shares of €1.27 each | 29,204 | 29,204 |

12 Reconciliation of Movement in Shareholders' Funds

| | 2014 | 2013 |
|---|---------------|---------------|
| | €000 | €000 |
| Surplus for the year | 5,122 | 397 |
| Opening equity shareholders' funds | 17,170 | 16,773 |
| Closing equity shareholders' funds | 22,292 | 17,170 |

13 Cash Flow Statement

(a) Reconciliation of operating surplus/(deficit) to net cash (outflow) from operating activities

| | 2014 | 2013 |
|---|----------------|----------------|
| | €000 | €000 |
| Operating deficit before PSO payment | (30,090) | (34,803) |
| PSO payment | 34,387 | 34,364 |
| Operating Surplus/(Deficit) | 4,297 | (439) |
| Depreciation | 17,422 | 20,001 |
| (Profit)/loss on disposal of tangible fixed assets | 6 | (54) |
| Capital grants amortised | (10,757) | (12,566) |
| (Increase)/decrease in stocks | (338) | 646 |
| (Increase) in debtors | (2,289) | (324) |
| (Decrease) in creditors | (12,304) | (14,796) |
| Net cash (outflow) from operating activities | (3,963) | (7,532) |

(b) Analysis of change in net funds

| | 1 Jan 2014 €000 | Cash Flows €000 | 31 Dec 2014 €000 |
|--------------------------|--------------------|--------------------|---------------------|
| Cash at bank and in hand | 1,147 | (85) | 1,062 |
| | 1,147 | (85) | 1,062 |

14 Operating Lease Obligations

| Commitments under non-cancellable operating leases payable as follows: | 2014 €000 | 2013 €000 |
|--|--------------|--------------|
| Within one year | 220 | 357 |
| Between one and five years | 220 | 137 |
| | 440 | 494 |

15 Pensions

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

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

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

The most recent actuarial valuations of the schemes for the provision of FRS 17 showed that at 31 December 2014 that there was a deficit €701.8 million, (2013: €417.75 million), on the schemes.

The company's pension cost for the year on the defined benefit schemes was €8.54 million (2013: €8.24 million) and these costs are included in note 2.

16 Capital Commitments

| | 2014 | 2013 |
|--|---------------|--------------|
| | €000 | €000 |
| Contracted for | 15,178 | 3,669 |
| Authorised by Directors but not contracted for | 1,006 | 681 |
| | 16,184 | 4,350 |
| Funded | 3,173 | 493 |

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. The CIÉ Group has borrowings of €66.52 million at the balance sheet date. These borrowings are cross guaranteed by Bus Éireann and the other subsidiaries in the CIÉ Group.

18 Net Surplus/(Deficit) by Activity

| | Public Services | | | | Total |
|---|----------------------------------|-----------------|----------------|-----------------|-----------------|
| | Commercial and schools transport | Stage Carriage | City | Sub Total | |
| | €000 | €000 | €000 | €000 | €000 |
| 2014 | | | | | |
| Revenue | 222,770 | 46,128 | 29,001 | 75,129 | 297,899 |
| Costs (net) | (219,698) | (70,169) | (35,207) | (105,376) | (325,074) |
| Result before PSO payment | 3,072 | (24,041) | (6,206) | (30,247) | (27,175) |
| PSO payment | | | | 34,387 | 34,387 |
| Result after PSO | 3,072 | | | 4,140 | 7,212 |
| Exceptional costs | (1,459) | | | (631) | (2,090) |
| Result after Exceptional operating costs | 1,613 | | | 3,509 | 5,122 |
| 2013 | | | | | |
| Result after PSO | 2,062 | | | (1,665) | 397 |

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

The School Transport Scheme is operated under "contract", more correctly described as an administrative arrangement, with the Department of Education and Skills.

The remaining principal activities are Stage Carriage and City Services for which the company receives PSO payments in respect of these public service activities costs for Expressway, Stage Carriage and City Services are allocated on the basis of metrics derived from prior period data, independent studies of Bus Éireann operations, numbers of buses and kilometres. The cost of PSO operations amounted to €30.3m before exceptional items while the compensation received amounted to €34.4m.

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, Córás Iompair Éireann.

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being An Post, Eriva, (formally known as Bord Gáis Éireann), Bank of Ireland and National Transport Authority. 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 Córás 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, Córás Iompair Éireann, amounted to €34.4m for the year ended 31 December 2014,(2013; €34.4m).

21 Membership of Córás Iompair Éireann Group

Bus Éireann-Irish Bus is a wholly owned subsidiary of Córás 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 23 March 2015.

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