

# Bus Átha Cliath Annual Report and Financial Statements 2021



*Driving Change for a Sustainable Future*





## Contents

Our Purpose	2	Directors' Report	26
Directors' Statement	3	Statement Of Internal Control	36
Chief Executive's Review	6	Directors' Responsibility Statement	39
A Culture Of Safety	9	Independent Auditor's Report	40
Our Environment	10	Profit And Loss Account	43
Delivering High Quality Bus Services For The People Of Dublin	12	Statement Of Total Comprehensive Income	44
Our Direct Award Contract	14	Balance Sheet	45
Our Community	15	Statement Of Changes In Equity	46
Our Performance	17	Cashflow Statement	47
Our People	19	Notes To The Financial Statements	48
Senior Leadership Team Biographies	21		
Directors' Biographies	23		
Directors And Other Information	25		

# Our Purpose

## What we do

Bus Átha Cliath is the largest public transport provider in Ireland. Over the last five years we have delivered over 550 million customer journeys across Dublin's bus network. We have a fleet of over 1,000 buses which follow 125 routes, including 19 high frequency routes and 24-hour services. We employ 3,642 people, 2,500 of which are bus drivers. Our employees represent 74 different countries. As Ireland's largest public transport provider, our purpose is to deliver high quality public transport services which meet the needs of customers, support the economic growth of our city and also meet our social and environmental aspirations which are representative of a progressive European capital city.

## Our vision

To provide a transport service where people feel safe, connected and part of sustainable community life in the Greater Dublin Area.

## Our mission

To continuously improve our customers' experience and increase passenger numbers by ensuring that every journey matters and to increase the number of services offered to our customers.

## Our values

Safety is at the core of all that we do. Every experience our customers and employees have is built on our commitment to safe practices.

By thinking like a customer, we continually strive to enhance our customers' experience.

We embrace and respect diversity among our employees and are committed to providing a fulfilling employment experience.

We cherish our ability to connect communities and help people to fully participate in society. Our employees and customers are embedded in the community and our values reflect this.



# Directors' Statement

As we look back on 2021 and how Bus Átha Cliath responded to the COVID-19 pandemic, we are proud to be on the board of Ireland's largest public transport provider. While the last year was a uniquely challenging one, it was also a time in which we discovered the full measure of our strength and resilience as a company, and our capacity to adapt and improve. At all times we prioritised protecting the wellbeing of our people, we supported our customers and we provided essential services to communities across the Greater Dublin Area (GDA).

In 2021, public transport continued to be one of the most affected industries, putting many of our operations and services under severe pressure. Despite this, the company has been able to rise to the many challenges. While protecting our people, we have maintained services for our customers, protected the financial stability of our business and continued to make progress on our strategic objectives.

This was in large part due to the extraordinary efforts of the 3,642 strong Bus Átha Cliath team. We want to express our heartfelt thanks to all our employees, and special thanks to our frontline teams who have continued to work daily in our depots and other locations throughout the COVID-19 pandemic. And on behalf of the Board of Bus Átha Cliath, we would also like to thank all front-line workers who have been helping us in countless ways, as well as the scientists and healthcare workers who have developed and rolled out the vaccines that are saving lives and have enabled our city to reopen. Their dedication and ingenuity are an inspiration to us all.

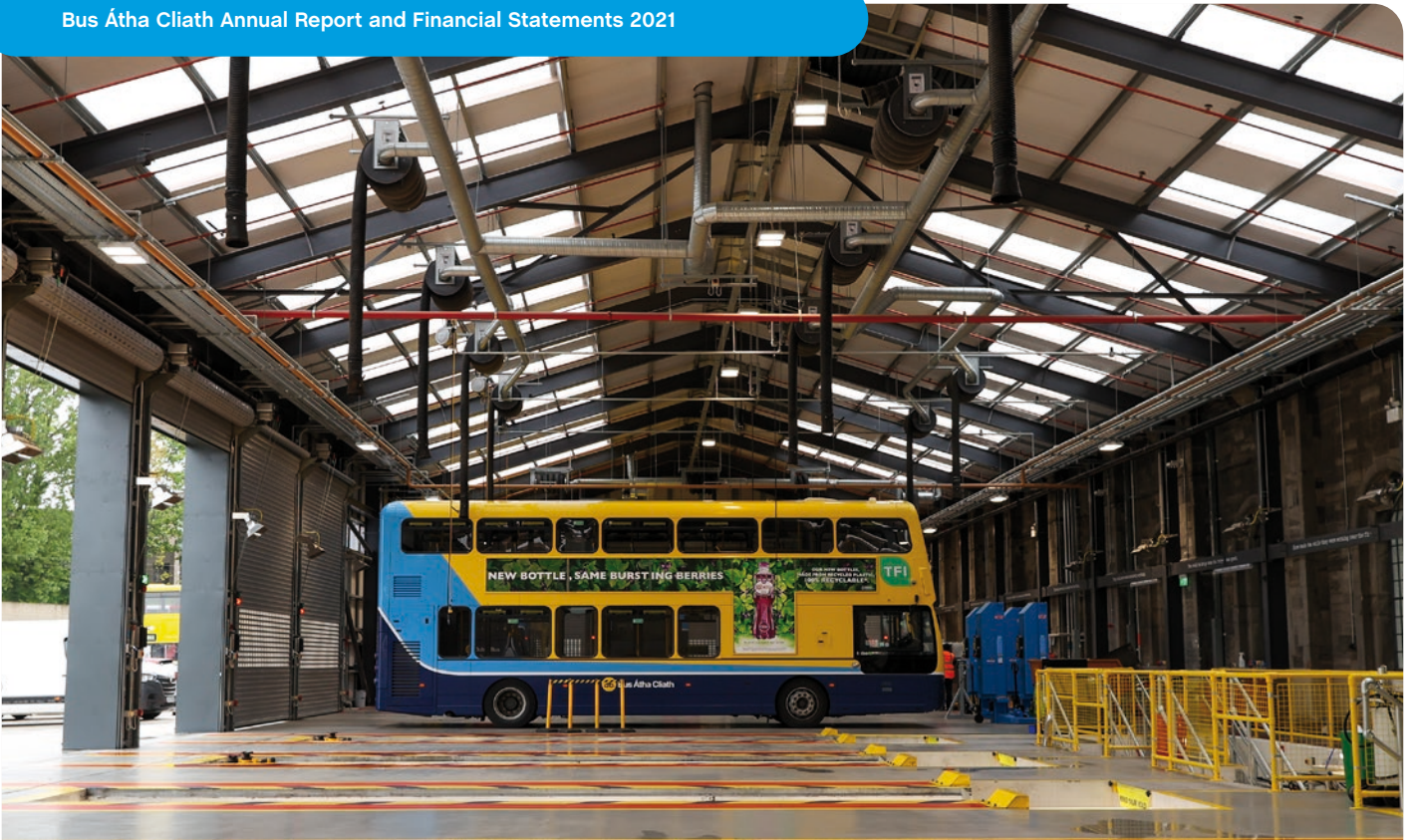


## Keeping Dublin moving

Last year, across 70 million journeys, we helped customers to get to and from their destinations safely. When compared with the last pre-pandemic year, COVID-19 impacts have reduced customer journeys by 51%.

Despite the challenging operating environment, we are pleased to see the company make significant progress in improving and expanding the services. The introduction of additional 24-hour routes in north Kildare and west Dublin is very welcome and will significantly increase service provision for people in these communities. All day and all-night services are also vital to businesses across the capital. The relationship between public transport and the economy is mutual and necessary. Ireland has one of the most open economies in the world, meaning if Dublin is to get a head start on the post-pandemic recovery then we must continue increasing the provision of high-quality bus services.

Key to delivering high quality bus services is the delivery of the BusConnects Network Redesigned project. Bus Átha Cliath was central to the delivery of the first two phases of the BusConnects project. BusConnects is radically innovative while at the same time acting as an engine for economic renewal and action on climate change. It also offers the opportunity of increasing reliability, reducing journey times, and further enhancing the customer experience. The company looks forward to helping the National Transport Authority (NTA) in delivering this project in full.



## A truly sustainable company

Throughout a challenging year, providing a service to those who depend on public transport whilst protecting the health and safety of customers and employees has been our urgent and abiding consideration. It remains so today. But that does not mark the full extent of what we can do as a company and it does not mark the full extent of what Bus Átha Cliath intends to do.

As one of Ireland's largest businesses, we recognise that we have a responsibility and an opportunity to act on some of the most pressing social and environmental challenges in the world today. With our unparalleled reach across the capital, in thousands of communities, we are acutely aware that we have a real opportunity to create change.

We were delighted to see the company's continued progress across a range of environmental matters, and endeavours to improve our long-term sustainability and resiliency, which ultimately benefits Bus Átha Cliath and the communities we serve. They include:

- Our 3,642 employees have adopted a range of waste reduction and recycling measures including ending single-use plastics
- LED lighting has been installed to save energy across our facilities
- Further hybrid buses have been introduced

On behalf of the Board, we would also like to congratulate the Chief Executive and his team for the successful development and delivery of the company's industry leading Sustainability Report. This report highlights how environmental sustainability is embedded within the organisation and the emphasis we place on empowering the public to act with the environment in mind by using our services. It is aligned with Government and European policy and will be vital to building a truly sustainable Dublin.

## Technology

Over many years we have seen the benefits of embracing technology in our lives and in business. At its purest form technology makes things easier to use and by design, better. We have seen the benefits of technology in the transport industry over many years leading to greater accessibility of our buses (access ramps, induction loops, audio announcements, colour contrasting interiors), zero tailpipe emissions on order, traffic light priority for public transport and timely information for customers. We are now at a time where the technology and transport industries are significantly integrating. If we plan together and capture the benefits that technology and transport can offer, we can facilitate modal shift and achieve our climate change targets.

Short-term initiatives include the use of account-based ticketing (i.e. using a “token” to pay your fare. For example, your token could be a smart phone, smart watch, debit card, QR code), which in March the Government have agreed funding to progress under the Next Generation Ticketing project of BusConnects. Account based ticketing can provide faster boarding times, allows for dynamic pricing to manage demand, provides a single payment system for the whole transport system, and can provide the cheapest fare given the journeys and modes taken, in real time. Account Based Ticketing is also part of an eco-system that is emerging called MaaS – Mobility as a Service. MaaS is next level integration where a single payment system (for example, an app on a smart phone/debit card) can allow multiple transport options to be selected “on demand by use” (this would include bike share, car share, taxi, e-bike, micro mobility and public and private operators).

Technology will also provide a platform for enhanced reliability and efficiency of service provision through greater use of data, analytics and artificial intelligence (AI). Historically, traditional companies have not been imaginative enough with their assets and the benefits technology can bring. There is an opportunity for the company to further build on its reputation through the early adoption of new technology to create and capture value for our customers and the state. Examples include the use of predictive maintenance to increase reliability, real time capacity deployment, demand responsive transport (DRT) and flexible route network designs to meet customer needs.

Technology is also an enabler for the sustainable development of our city by assisting with increased movements by way of an integrated multi-modal transport system. Many public transport users are also car users and there will always be a need for public and private modes. We must ensure priority is given to high-capacity transport modes but that it works in harmony. We need to achieve modal shift in an appropriately managed fashion.

This will require a consensus on the introduction of demand management principles in our city, which technology can facilitate. Examples include fixed automatic number plate recognition (ANPR), bus only roads (time bound/congestion dependent as needed), dynamic (lower) road speeds for all vehicles, end to end priority for public transport modes, congestion charging and an increase of street allocation to sustainable modes of transport. The technology and innovations are there to deliver if consensus can be reached.

## Governance

At Bus Átha Cliath, we have a long-standing reputation for trust that is built on the solid foundations of strong leadership and good governance. Robust governance underpins a healthy culture and good corporate behaviour, which the company has demonstrated in our response to the COVID-19 pandemic and business as usual work. The ongoing challenges for our people, our company and its stakeholders have been immense so we would like to thank the dedication and diligence of all Board Directors throughout the last year. We would like to commend the Chief Executive Officer and his Senior Leadership Team, who over the last year have driven Bus Átha Cliath's response to COVID-19 and delivered on our commitment to safety, quality, reliability, sustainability, and protecting the communities we serve. The Board would also like to thank the National Transport Authority and the Minister for Transport, Eamon Ryan and his officials for their support in 2021.

## Moving forward with optimism

2021 highlighted once again that Bus Átha Cliath is a well-positioned and resilient business with a clear vision and purpose. The last year has also forced each of us to ask ourselves what we need to change and further improve to ensure we remain relevant and successful. Bus Átha Cliath will continue to take a disciplined approach to strengthening our capabilities, including innovation, as we consider additional opportunities to improve the services we provide to our customers. Although we know that the recovery from the COVID-19 pandemic will not be simple or straightforward, the board's greatest source of confidence that we will emerge even stronger and smarter is the strength, adaptability, speed, and passion for learning of the Bus Átha Cliath team. Finally, on behalf of the Board, we would again like to thank all employees for their extraordinary efforts during the year. Together, we move forward with confidence and resolve that we can continue to serve the people of Dublin.

# Chief Executive's Review



At the heart of Bus Átha Cliath is our 3,642 strong team and the service we provide to all of people across the capital. During this unprecedented year, the dedication of employees has shone through as they have continued to provide a vital service in the face of significant headwinds. The COVID-19 pandemic changed our business in many ways, highlighting the extraordinary resilience, creativity and determination of our people to meet and manage uncertainty and the challenges of change, while still providing essential services and engineering work. In doing all this, we helped to support essential workers in getting to work at the same time as keeping our employees safe and helping to control the spread of COVID-19. I want to put on record my sincere thanks to all employees for going above and beyond to keep our city moving and contributing to the national effort.

At all times our focus is on providing customers with safe, comfortable and efficient journeys, putting the customer at the centre of everything we do and informing all of our work

## Delivering high-quality bus services

At all times, our focus is on providing customers with safe, comfortable and efficient journeys, putting the customer at the centre of everything we do and informing all of our work. With this in mind, in 2021 we bolstered our operational excellence and network resilience by introducing two new 24/7 routes which will provide all day and all-night services to customers in West Dublin and North Kildare. 2021 also saw the company begin implementation of the NTA's BusConnects Network Redesign project with the successful rollout of Phase 2 completed in November. The successful delivery of BusConnects is vital to the future of Bus Átha Cliath and is also critical to achieving the company's goal of being the delivery partner of choice for the NTA.

The challenges posed by the pandemic also prompted important innovations which we designed to be able to outlast the pandemic, providing better services and customer experience into the future. 2021 saw the company work with Transport for Ireland (TFI) on the rollout of a new 90-minute fare. This is a significant enhancement to the customer offering. The new 90-minute fare will incentivise the use of our services and help deliver on our ambitious modal shift targets.





## Building a better Dublin

I am pleased to report that when it comes to environmental sustainability, we are well on our way to achieving our long-term goal of zero emissions by 2050. We have big ambitions, because we deeply understand our part in creating meaningful and positive change in our city's environment.

As Chief Executive, I want to see significant modal shift from private car to bus because I know it is vital to building a truly sustainable Dublin. Every time one of our customers chooses the bus, rather than taking the same journey by car, they are reducing their own carbon footprint and making a positive contribution to the environment. Every full Bus Átha Cliath bus means a 92% reduction in carbon emissions for every kilometre travelled by our customers compared to the same journey taken by car.

Sustainable public transport is the backbone of urban mobility. We envisage a low-cost, frequent and zero emission service which is fully integrated with a suite of flexible transport solutions that make door-to-door journeys for all our customers easy and enjoyable. We believe this can make a significant contribution towards making Dublin one of Europe's most sustainable cities and one of the best both to live in and to visit. As the largest public transport company in the state, we know it is our responsibility to embed sustainable practices in every aspect of our business from the vehicles which carry our customers to the energy and materials we use throughout the organisation.

I am under no illusion of the enormity of the task ahead of us all in fighting climate change. It will take hard work, dedication and commitment to achieve. However, we are doing this because it is the right thing to do for our company, our communities, our city and our future. Looking to the future I know with the right, longer-term investment, Bus Átha Cliath can lead the way on the sustainability agenda, and ensure we have a sustainable recovery as well as an economically robust one.

## A resilient company

Our 2021 performance demonstrates how far we have come in building operational agility and lasting financial resilience into the business and the actions we took were fully in line with the strategic growth pillars set out in the company's Strategy 2021 plan. Prior to the COVID-19 outbreak, we had made huge progress putting Bus Átha Cliath's finances on a stronger footing. However, and as in 2020, last year saw the pandemic have a continued impact on our finances as people followed Government advice to stay home to protect our fellow citizens.

I am grateful to the Government and the National Transport Authority for their continued support. I would also like to thank the board for their support and assistance during this challenging time for the company. It is against this backdrop that I would like to place on record my gratitude to our outgoing Chairman, Mr Ultan Courtney, for his commitment and support since he took up the position in 2014.

## Our focus is on delivery

The last year has highlighted how critical an affordable and accessible bus service is to Dublin. This time last year, Dublin was a very different place. The streets were deserted, gatherings in homes were banned and the public mood was low. Today, we can look forward to the future with optimism. I am determined to make sure that the progress we have made – including that outlined in this report – towards a better, greener, safer and more sustainable transport system is not lost, but continued in the year ahead. As I look to the challenges and opportunities that lie ahead, 2022 promises to be a significant year in overcoming those challenges and grasping the opportunities. I know that the success of Bus Átha Cliath is achieved by the individual efforts of every one of our people. I am pleased to highlight our progress and show how we contribute to making Dublin a better place to live, work and visit.



# A Culture Of Safety

Bus Átha Cliath is fully committed to complying with the provisions of the Safety, Health and Welfare at Work Act, 2005, and all other national and EU Regulations. The Bus Átha Cliath's Safety Management System (SMS) is certified to the latest ISO 45001 standard.

As part of compliance, an external NSAI surveillance audit took place in 2021 to ensure all requirements outlined in the SMS were in place and working effectively. Overall accident trends in Bus Átha Cliath have continued to reduce in 2021. Essential safety training has continued despite the pandemic with safety remaining at the forefront of all work practices within Bus Átha Cliath.

The global COVID-19 pandemic has continued to have a severe impact on every part of our business, employees' lives, society and our economy. Bus Átha Cliath has continued to work closely with several government bodies ensuring that both our workplace and our services are operated in the safest way possible. The measures and controls introduced at the beginning of the pandemic have been refined and updated to align with emerging guidance on COVID-19 management.

The COVID-19 Response Plan was updated throughout 2021 in line with government guidance and best practice. The COVID-19 Response Plan details the policies, practices, and information necessary for the employer to meet the Government's revised 'Working Safely Protocol' and to prevent the spread of COVID-19 in the workplace. The plan gives an overview of key areas that employers must assess to ensure compliance with the protocol and to minimise the risk to employees and others.

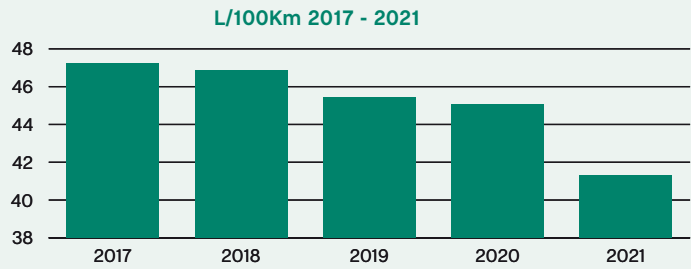
Bus Átha Cliath continues to be an essential service and has operated throughout the pandemic, ensuring healthcare and other essential workers could travel safely and keep performing their vital roles. Furthermore, transport has been noted as a key economic enabler for people and businesses in the city centre and across the Greater Dublin Area. As part of the ongoing COVID-19 response in Bus Átha Cliath:

- Increased emphasis on face-covering use across all Bus Átha Cliath locations.
- New reusable face coverings were procured, and long-term contracts were established for ongoing supply to all employees.
- A disposable option for Engineering employees was also acquired.
- Employee protocols have been updated to include additional requirements based on lessons learned from several scenarios experienced.
- Existing control measures have proven effective in this regard to mitigate against outbreaks.
- Working with the HSE contact tracing unit has allowed specific scenarios to be discussed.
- "Working from Home" policy was developed and implemented, with IT equipment distributed so remote working could be used to its full potential.
- Working from home assessment issued to all employees working from home.
- Social distancing and staggered working hours implemented in buildings and depots.
- Canteens screen dividers put in place, reduced seating/tables and signage put on tables. Dedicated 'break' bus placed on the quays for drivers' breaks.
- Meetings continued to be carried out online and any physical meetings were held in locations where social distancing could be adhered to (including off-site meeting rooms).
- Contact tracing facilities are in place at all locations.
- Bus Átha Cliath has also continued to explore new technology in the fight against COVID-19. Trials were carried out on new surface disinfection techniques using Ozone.
- Onboard hand sanitisers have been installed on buses utilising a non-alcoholic foam product. A customer video was issued to inform passengers.
- Enhanced cleaning regimes and surface disinfection in both premises and onboard all Bus Átha Cliath fleet have continued.
- Communication plans have been developed to reinforce safety messaging regarding COVID-19 signs and symptoms to reduce close contacts occurrence.

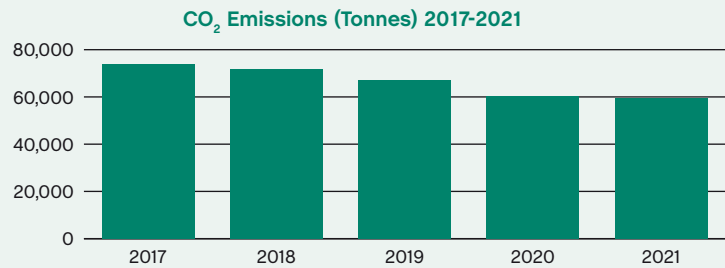
# Our Environment

## Our Footprint

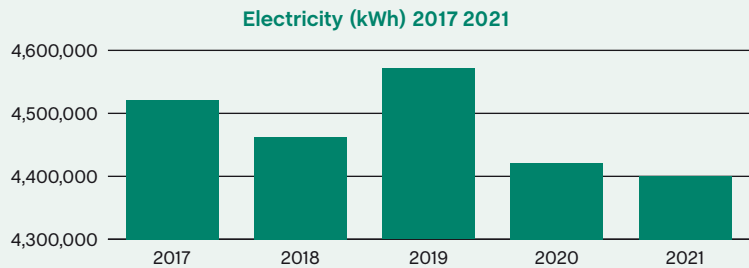
Full Fleet	
Year	L/100Km 2017-2021
2017	47.21
2018	46.89
2019	45.41
2020	45.05
2021	41.32



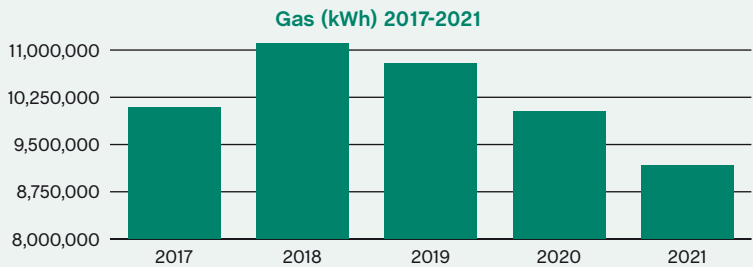
Emissions from Fleet only	
Year	CO <sub>2</sub> Emissions (Tonnes) 2017-2021
2017	73,982
2018	71,715
2019	67,077
2020	60,138
2021	59,446



Facilities only	
Year	Electricity (kWh) 2017-2021
2017	4,521,016
2018	4,462,532
2019	4,571,434
2020	4,420,875
2021	4,400,513



Facilities only	
Year	Gas (kWh) 2017-2021
2017	10,084,202
2018	11,111,298
2019	10,785,221
2020	10,019,336
2021	9,162,729



Bus Átha Cliath is an integral part of the solution in helping to create a more sustainable Ireland through modal shift and also being a responsible business across all of our operations in a cleaner, greener, and zero emissions organisation.

Our environmental strategy and ISO-certified energy management system underpin our commitment to reducing our environmental impact across our network, 8 depots, and support offices. They also ensure we measure and report our progress in a transparent and meaningful way. To further improve our overall footprint, Bus Átha Cliath is currently developing a formal sustainability strategy.

As a precursor to the strategy, a significant reorganisation of the Environmental, Health and Safety (EHS) department took place in 2021 to ensure that adequate resources are in place to facilitate the development and implementation of the strategy. The reorganisation, which is now complete, has seen an increased blend of Bus Átha Cliath in house expertise and external experience within the department to support all functions within Bus Átha Cliath. This will be of benefit to us as we bring a broader approach to the area of sustainability in Bus Átha Cliath.

Progress in 2021 includes:

- 87,354 cars off the road each day.
- 24% improvement in fuel efficiency since 2008 baseline.
- 39% less CO<sub>2</sub> emissions since 2008 baseline.
- 60% of our fleet now utilises Euro 6 engines.
- 58% cheaper to travel by bus than car meaning public transport is good for your pocket and our planet.
- ISO 50001 energy management certification.
- Signed Business in the Community Ireland (BITCI) Carbon Pledge and now reporting on scope 3 emissions.
- Introduction of the ban on single-use plastics.
- 63% recycling rate achieved for non-hazardous waste.
- Beekeeping initiative in Phibsboro depot.
- Achieved a B rating across the CIÉ Group for the Carbon Disclosure Project In 2021.
- 172 hybrid vehicles introduced into the fleet as of December 2021.
- Solar PV system fitted in Phibsboro depot.

We consumed 235,072 MWhs of energy in 2021 comprised of:

- Bus fleet diesel 221,482 MWh.
- Electricity 4,401 MWh.
- Natural gas 9,189 MWh.
- In line with new targets set out under the Programme for Government and the 2021 Climate Action Plan, Bus Átha Cliath has committed to reducing our greenhouse gas emissions by 51% by 2030 and achieving net-zero by 2050. The EU's Clean Vehicle Directive sets out targets on public-sector heavy-duty fleets and means we are working to achieve a 45% low or zero-emissions fleet by 2026 and 65% by 2030. The NTA plan to have the urban bus fleet 100% electrified by 2035 to help meet targets.

To meet these targets and build on our progress, our plans for 2022 include:

- Ongoing future planning with NTA and ESB Networks for charging infrastructure for full battery electric vehicles in all depots.
- Align priorities and projects to access the CIÉ Sustainability Fund.
- Deliver charging infrastructure for full-electric buses at two locations.
- Rainwater harvesting in Summerhill depot which will be rolled out to other depots.
- Progression of energy awareness campaigns.
- Gain ISO 14001 environmental management certification.
- Implementation of our nine core UN Sustainable Development Goals (SDG).
- Wildflower planting on the embankment in Broadstone depot.
- Beekeeping initiative at Broadstone depot.
- Feasibility study to assess buildings at all locations for energy efficiency and meet 2030 targets.
- Reduce food waste and raise awareness for employees by partnering with Foodtalks programme and CIÉ Group.
- Implement a company-wide Environmental Social Governance strategy.
- Update sustainable procurement policy to align with SDG's and Green Public Procurement (GPP) guidelines.

# Delivering High Quality Bus Services For The People Of Dublin

The impact of COVID-19 has been particularly hard for transport companies like Bus Átha Cliath, with national and local lockdowns in every market necessitating significant travel restrictions – and even when lockdowns were lifted, the guidance from many governments was for people not to travel and to stay at home wherever possible.

The evolving COVID-19 situation played a major role in shaping the timing, scale and content of many of our key projects and outcomes for the 2021 financial year. Getting our customers and essential workers to where they needed to go and providing a safe, positive experience even in times of unprecedented challenges, was a key focus in 2021.

At the heart of prioritising public transport, and delivering a more sustainable Dublin, is the delivery of several major transport projects. The key operational challenge for 2021 was assisting the NTA with the delivery of the over €2 billion BusConnects project. It is a key part of the Government's policy to improve public transport and address climate change in Dublin and other cities across Ireland. BusConnects includes a suite of 9 interrelated projects with the two primary ones being the Network Redesign (the bus routes) and the Core Bus Corridor (the on-the-ground infrastructure).

BusConnects is included within the following Government policy strategies:

- the National Development Plan 2018-2027
- the Climate Action Plan 2021
- Our Shared Future – The 2020-2025 Programme for Government

There is a commitment to invest over €2 billion in the urban bus system and this investment is welcome. The urban bus is, and will continue to be, by far the largest mode of public transport in our fast-growing city for decades to come. BusConnects offers the opportunity of increasing reliability, reducing journey times and further enhancing the customer experience.

Phase 1 (H-spine) of BusConnects was launched on 27<sup>th</sup> June 2021 in Clontarf Depot, with routes 6, H1, H2, H3 and H9, replacing routes 29a, 31, 31a, 31b and 32. This resulted in an increase in services and frequency overall, especially off peak and at weekends, in Dublin Northeast area. This phase resulted in:

- 609 extra trips every week,
- 11,000 extra kilometres,
- 32% increase in Monday to Friday trips,
- 49% increase in Saturday trips, and
- 71% increase in Sunday trips.





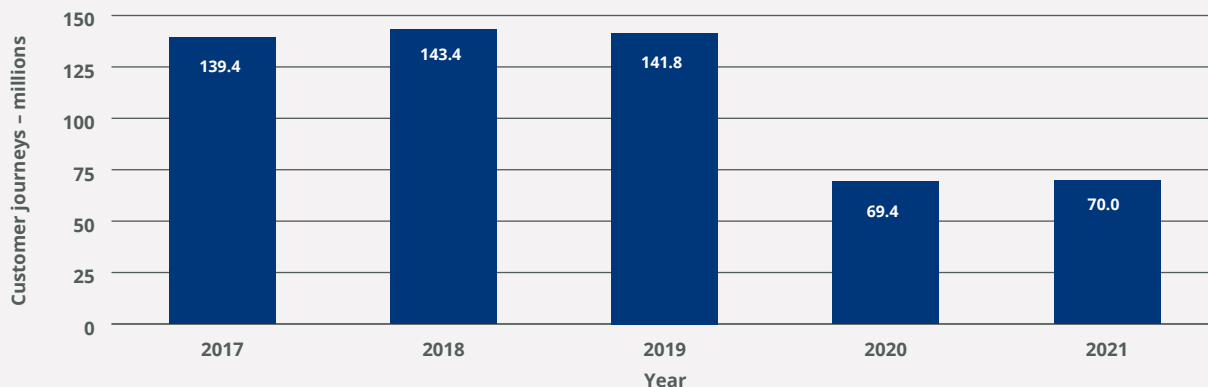
Phase 2 (C-spine) of BusConnects was launched on the 29 November 2021, with routes C1, C2, C3, C4, C5 and C6, replacing routes 25a/b/d/x, 66/e/x and 67/x. The number of weekly trips increased by 19% (+400 trips weekly), running an additional 7,000 km every week and it required a 48% increase in the number of fleet requirements.

Also, four new (local link) routes, L53, L54, L58 and L59, were launched, and they serve Adamstown to Liffey Valley and River Forest to Red Cow (LUAS) and Hazelhatch, requiring a fleet of 30 buses in total. All routes on the C-spine are operating from Phibsboro, Ringsend, Conyngham Road and Broadstone depots.

In addition to this, we also added two new routes to our 24/7 customer offering. 24-hour bus services are a key step in helping everyone travel quickly and safely at night, and another boost to unlocking the full potential of our night-time economy in Dublin. The new C5 and C6 services will enable customers in North Kildare and West Dublin to make the most of the city at night and will in turn help to harness the potential of Dublin's vibrant and growing night-time economy.

BusConnects, when delivered in full, will be radically innovative while at the same time acting as a catalyst for economic renewal and action on climate change. Public transport has always played a key role in social mobility and in these unprecedented times it is ever more important in enabling economic recovery by providing safe access to work, education, retail and leisure. Where restrictions have been removed, we have seen a rapid recovery in demand. We came into the COVID-19 pandemic in a strong position, we have acted decisively through this crisis and with our relentless focus on operational excellence we are well positioned to emerge strongly as the leading operator of public transport services in Ireland.

Customer journeys 2017 to 2021



# Our Direct Award Contract

Bus Átha Cliath was awarded a direct award contract by the NTA in accordance with European and National legislation. This contract comprises the operation of routes across the Greater Dublin Area (GDA) and is the primary source of income for Bus Átha Cliath. It came into operation on 1<sup>st</sup> December 2019, operating for 5 years.

The contract performance is defined primarily by way of a number of KPI's set by the authority, these measures consider all aspects of service operation and delivery and include mechanisms for both penalties and incentives depending on performance against target.

In brief, the key targets include punctuality, reliability, kilometres operated compared to schedule, as well as a range of customer focused mystery shopper and data requirements. The current contract is an evolution of previous contracts with more stringent performance requirements and increased focus on quality-of-service delivery.

The COVID-19 pandemic did impact the delivery of the contract in terms of reduced services and very different operating conditions, which varied greatly according to the level of restrictions in place at any particular time. Variations to the contract were agreed with the authority reflecting the extraordinary circumstances in place and were revised as soon as practicable once the impact lessened.

Recognising the need for the continuous improvement required for contract delivery Bus Átha Cliath revised internal structures and reporting to allow a flexible approach to the delivery and management of services and ultimately the delivery of the contract. This flexibility involved change and cooperation across the organisation, and whilst many elements were interrupted by the COVID-19 pandemic, the service delivery during that time shows staff performance and flexibility at its best.

Despite COVID-19 restrictions, Bus Átha Cliath continued to deliver on key contract requirements. In addition to management of services in difficult circumstances, in partnership with the NTA, Bus Átha Cliath delivered on the introduction of BusConnects initial phases and the introduction of hybrid buses despite a challenging year with many changes to baseline conditions.

Bus Átha Cliath transitioned to a gross cost contract in 2021, whereby the company's PSO revenue stream is from the NTA, through the operation of the scheduled services on a cost-plus basis. The movement to a gross cost contract from a net cost contract represents a significant movement for the company, where the passenger revenue is now recorded as the revenue of the NTA and is fully administered by the Authority.

BusConnects involved a changed approach to the measurement and delivery of services which involved changed KPI's and method of operation and performance which were introduced during times of restrictions in 2021.

Critical points to note in relation to performance include:

- Bus Átha Cliath managed operations throughout the year and despite significant COVID-19 related absences and industry wide staffing challenges, operated 98.4% of contracted kilometres in 2021.
- Bus Átha Cliath has developed structured processes to match the demands of BusConnects service changes to ensure customer information is up to date and accurate.
- Changes to the KPI regime were introduced to reflect variation in operating conditions and environment.





# Our Community

## Community Engagement

Bus Átha Cliath is committed to having a positive social impact on the communities we proudly serve. This is reflected in our Community Spirit Initiative (CSI) which aims to support, improve and enhance the lives of the people in the communities in which our services operate.

The CSI encompasses the following areas:

- Community Spirit Awards
- Schools Education Programme
- Support of local and cultural events

Unfortunately, some of the programmes under the CSI were impacted by COVID-19. Our 2021 Community Spirit Awards were cancelled and our Schools Education Programme, which helps to keep communities safe by educating younger citizens on the importance of respecting public transport, remained suspended. However, our 2020 Community Spirit Awards winners were announced in May 2021. 65 grassroots, voluntary and community groups operating around the Capital and Greater Dublin Area were awarded a grant of €1,000, €2,000, or €5,000. The awards provide groups with much-needed funds so that they can continue to offer vital services and raise community spirit.

The ethos of the CSI is to support our customers, colleagues, and stakeholders and to develop strategic partnerships in the communities we operate in.

Pride and GCN – We undertook a new community engagement partnership with Gay Community News (GCN) for Pride 2021, as part of our continued support of the LGBTQI+ community and our employees. GCN is Ireland's only dedicated national LGBTQI+ press. It has been a vital, free-of-charge information service for Ireland's LGBTQI+ community since 1988.

Bus Átha Cliath DoDublin and GCN worked together to create the 'Coming Out With ...' outdoor advertising campaign across 100 buses and 70 six large-format posters at stops across the Capital. The campaign saw a special group of people who call Dublin their home, revealing their true selves on the advertisements, and their personal stories were featured on GCN.ie. To capture the reveal, a special video was posted across Bus Átha Cliath's social channels.





Culture Night – We are proud to support cultural initiatives and events throughout the city. It is an opportunity for us to assist and partner with initiatives that benefit our communities. In September 2021, Bus Átha Cliath provided free Culture Night buses, along three tailored bus routes, as part of our role as official transport partner. Culture Night Dublin connects people to cultural activities locally with 300 free in-person and online events taking place at 240 venues across the city and county. To keep visitors entertained, Bus Átha Cliath hosted a number of pop-up performances of ‘The Commitments’ on the upper deck of one of the city’s famous DoDublin tour buses. The performances featured music from the iconic Dublin film by original members of the West End cast.

Bus Átha Cliath is a member of Business in the Community Ireland (BITCI), a movement for sustainable change in business. BITCI’s purpose is to inspire and enable businesses to bring about a sustainable, low-carbon economy and a more inclusive society where everyone thrives. They are currently facilitating a review of our community engagement initiatives. This is with a view to refreshing the approach to ensure that all initiatives maintain the desired social impact and support our core business strategy. The review will be completed in 2022.

## Accessibility

Bus Átha Cliath works to provide a secure and sustainable form of transport mobilising and connecting people and communities across Dublin, enabling people to fulfil their lives. Bus Átha Cliath has a commitment to improving the journey experience for our customers with disabilities and mobility impairments.

Our fleet is 100% fully accessible with one wheelchair space on all buses and both a wheelchair and buggy space on 79% of our buses. All our buses have audio and visual stop information available on board.

The Bus Átha Cliath travel assistance scheme restarted at the end of June 2021 having been suspended due to COVID-19. In the second half of the year our travel assistants completed the following:

- 879 travel assists
- 53 safety talks to older people’s groups on keeping safe while travelling on public transport
- 11 on-bus demonstrations including onboard familiarisation

Bus Átha Cliath employed two new travel assistants in 2021 bringing our total to four, the increase is mainly due to increased demand from the BusConnects project.

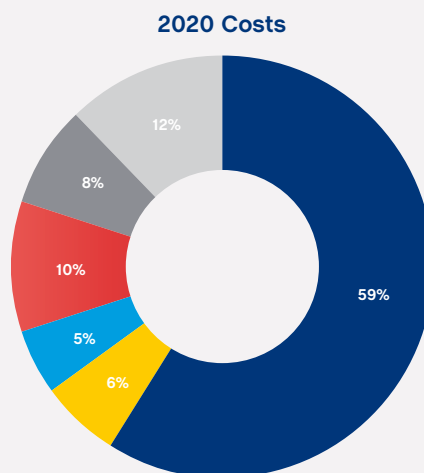
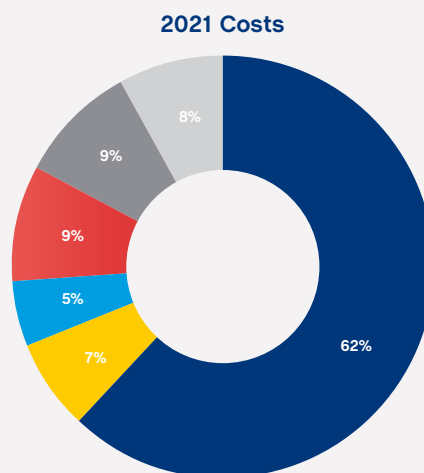
# Our Performance

The company reported a surplus of €5.8 million, after exceptional item, which includes a profit of €2.3 million on PSO Services and €3.5 million on other activities. This resulted in a positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of €1.9 million compared to a negative EBITDA of €2.1 million in 2020.

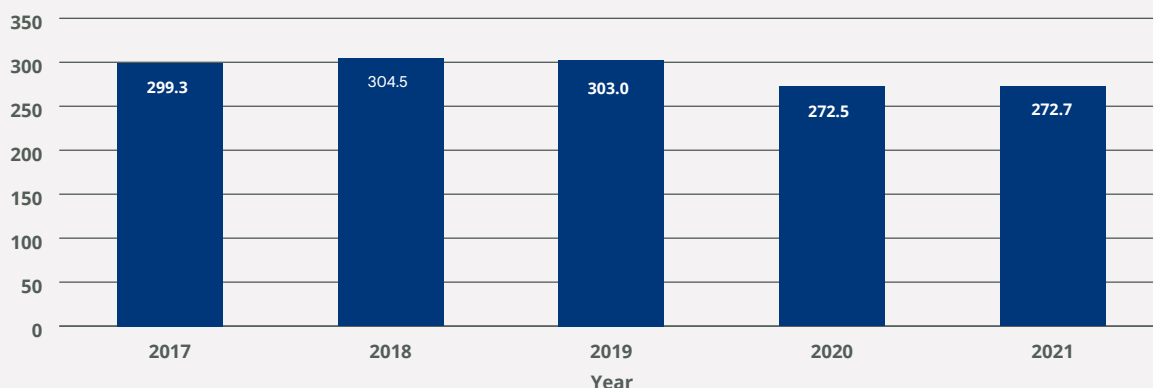
This was a positive outcome in a challenging year and reflects the company's continued strong performance in the operation of the Direct Award Contract, and its management of Commercial Services during an exceptionally challenging period for the business.

This result also positions the company to manage both the opportunities and key challenges that lie ahead.

Total direct costs have decreased from €274.6 million in 2020 to €270.8 million in 2021, a net decrease of €3.8 million. Certain costs increased in line with the introduction of BusConnects routes, which delivered additional services, and an increased provision of the PSO network services, compared to 2020, in line with Government guidelines. These measures resulted in increased expenditure, particularly in drivers' costs, fuel and maintenance costs. Expenditure also reflects savings achieved from other service amendments as well as other cost efficiencies delivered by the company across several areas in 2021.



- Wages & Salaries
- Social Insurance Costs
- Other Retirement Benefit Costs
- Directors' Remuneration & Enoluments
- Fuel & Lubricants
- Materials
- Other Costs



## PSO Operating Result and Financial Position

Bus Átha Cliath has continued to operate PSO services in line with the Direct Award Contract during 2021. In 2021 the company operated under a gross cost contract and was fully funded under the PSO contract. The directors would like to acknowledge the support from the NTA and the Exchequer during 2021 which has enabled the continued operation of essential public transport services.

The company achieved a modest €2.3 million surplus for the operation of PSO services. It is recognised by all stakeholders that a reasonable surplus on the PSO contract is critical if the company is to continue its progress towards financial stability which in turn will generate funding for essential investment and provide greater security around provision of transport services. The company continued to engage in detailed discussions with all stakeholders throughout 2021 regarding an appropriate return for PSO services.

The board is mindful of the need to ensure that the company remains in a stable financial position and remains well positioned to meet the transport needs of the community. The company also remains committed to enhancing our value for money proposition and to delivering cost efficiencies across all expenditure categories.

The cost of operating PSO services decreased from €268.5 million in 2020 to €267.5 million in 2021, a decrease of €1 million. The 2021 result for PSO services reflects the impact of the COVID-19 restrictions, however the company continued to operate a comprehensive schedule of services throughout the year. Bus Átha Cliath, in co-operation with the NTA, launched additional services under the BusConnects project. Bus Átha Cliath continues to work closely with the NTA to deliver an enhanced network of services and to further improve the quality of our service offering to customers. The cost for these additional services were largely offset by savings in claims, fuel and work programmes delayed by COVID-19.

The NTA has continued to engage with the company to ensure that capital investments in PSO fleet and customer enhancements are continuing as part of the joint NTA and Bus Átha Cliath commitment to improved PSO services.

## Commercial Operating Result and Financial Position

COVID-19 had a significant impact on our Commercial Services that focused on the tourism industry. Swift management was taken to restrict losses to €7 million over 2020 and 2021. As part of this action, our Airlink Services, having been suspended for the majority of 2020, ceased operation in 2021.

Our DoDublin brand activities recommenced on a pilot basis in 2021, and operated a limited service from September, having been suspended since April 2020. Customer numbers were encouraging, albeit on a significantly reduced service offering.

The company also explored other commercial activities including services provided to the NTA in relation to the BusConnects Network Redesign project.

However, in total, commercial revenue is less than 20% of pre-COVID-19 levels.

Management continues to review all options which may facilitate the continued operation of commercial activities on a financially sustainable basis. A team is actively engaged in exploring new commercial projects, to support the future viability of the business.

<b>Commercial Services surplus/(deficit)</b>	<b>2021 €'000</b>	<b>2020 €'000</b>
Total revenue	2,341	2,919
Costs before exceptional items	(2,853)	(8,032)
<b>Operating deficit before exceptional items</b>	<b>(512)</b>	<b>(5,113)</b>
Exceptional items	4,501	(5,878)
<b>Commercial Services surplus/(deficit)</b>	<b>3,989</b>	<b>(10,991)</b>

# Our People

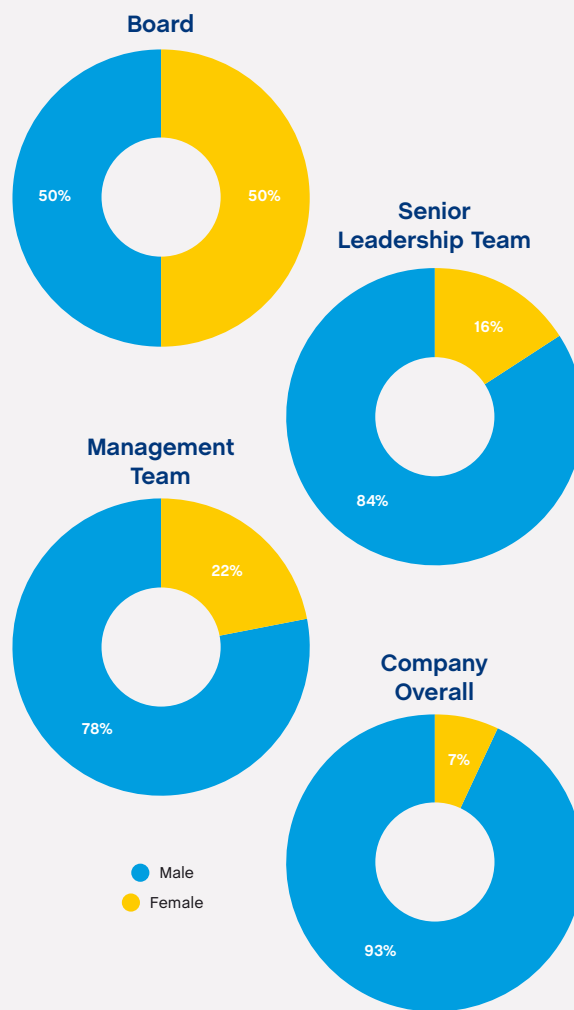
## A Good Employer

Our goal is to become an Employer of Choice by supporting the health and wellbeing of all our diverse and talented employees and empowering them to reach their full potential in an environment of inclusion, non-discrimination, respect and dignity. Our focus is to nurture and continuously improve our workplace culture. Our work in this area was recognised in 2021 with the company awarded the leading Irish indigenous employer by the Sunday Independent and Statista.

Looking to the future, internal communications and employee engagement are a priority focus for Bus Átha Cliath. By collaborating across departments and developing our processes we can solve challenges more efficiently and effectively. Since COVID-19 internal communications have become critical and resources were invested in communicating with all employees and was driven by our senior leadership team. It is important for all aspects of work but strong internal communications are a necessity to ensure engagement across the company and inform and disseminate organisational culture and values, business progress, positive company initiatives and overall operations.

We have a range of resources in place as part of our employee development plans. We provide a mentoring programme and Education Support Scheme for employees. Our bus drivers are trained to the highest standard, in our world class training centre in Phibsboro. In 2021, 12 new apprentices started their first-year training and 7 graduated as fourth year apprentices. We also offer an Earn as you Learn scheme to encourage young people to apply to become heavy vehicle mechanics with the company. These applications are open to anyone aged sixteen or over who fulfil certain educational criteria.

## Diversity and Inclusion



Bus Átha Cliath is one of the country's leading employers with 3,642 employees. We reflect contemporary Dublin and society with a diverse and inclusive workforce made up of multiple ethnicities, religions, ages, and abilities. Our Diversity and Inclusion Policy reflects Bus Átha Cliath's continuing commitment to equality, diversity, and non-discrimination for employees, customers, and the wider community.

Our workforce represents 74 different countries and is reflective of the diversity of the communities we serve. We strive to develop policies that are inclusive, such as our award-winning Gender Transition Policy, and provide diversity and inclusion training for employees.

In 2021, we commissioned EY to undertake a Gender Pay Gap analysis. The results showed that female employees are under-represented in Bus Átha Cliath, accounting for 7% of total employees and 3.5% of bus drivers. Bus Átha Cliath is committed to addressing this imbalance in the company. As part of our action plan in 2019 we ran a series of open days which invited interested women to attend our Training Centre, drive a bus, and meet with other female bus drivers and inspectors with the long-term goal of increasing the number of female drivers by 100% over a two-year period.

Although these open days had to be suspended due to the COVID-19 pandemic, between August 2019 and December 2021 the number of female drivers in Bus Átha Cliath increased by 57%, with over 70% of these new starters having attended an open day. This will continue to be a focus of our 2022 action plan.

Pride 2021 was again different for Bus Átha Cliath and Dublin city. The large-scale event did not take place this year. However, we focused on our community engagement objectives and partnered with Gay Community News (GCN). The theme for 2021 was Community with a focus on promoting the vital work of LGBTQI+ organisations and services. Our campaign featured members of the LGBTQI+ community who could not 'come out to Pride' but 'came out' publicly on bus T-sides to show they are the Pride of Dublin.

In 2021, Bus Átha Cliath was awarded the Investors in Diversity Bronze Award which is the first of the three stages in the Investors in Diversity EDI Mark. Gaining the Silver Award will be a focus of our 2022 action plan.

## Employee Wellness

As a result of COVID-19, there has been an increased focus on caring for our physical and mental health. Bus Átha Cliath recognises this and supports the importance of valuing each of our employees. This includes their mental health, physical health, nutrition health, safety, and overall wellbeing in the workplace and at home.

DBWellbeing, our interactive wellbeing website, provides our employees with support, education, and information on a wide range of topics to help their overall health and wellbeing. The topics include:

- mental health,
- physical health,
- nutrition,
- lifestyle,
- social health and work.

It is facilitated by an external team of qualified and experienced professionals within the health and wellbeing industry, including mental health, physical health, and nutrition. In addition to this, we also include information on different internal wellbeing initiatives and campaigns.

We run 'Wellbeing Wednesday' each week to highlight different wellbeing topics, promote engagement, and increase communication of important issues.

We will also continue to enhance our already well-established Employee Assistance Programme (EAP) which is an independent counselling service, designed to help employees resolve personal and work-related problems which may affect wellbeing and performance at work.

In 2021, Bus Átha Cliath achieved the IBEC KeepWell Mark which provides us with a framework to further build on our commitment to wellbeing.

# Senior Leadership Team Biographies



## Ray Coyne

Ray Coyne joined Bus Átha Cliath in 1991 and has detailed knowledge of the operations of the business and transport industry having held a number of senior roles in the areas of Operations, Business Development and Human Resources. He has led significant changes in the transport network over the past decade requiring the implementation of complex change management programmes within both the business and the industry. A continued focus on cost management and service quality has delivered year on year improvements in revenue, customer performance and efficiency.

Ray is a member of the UITP EU Committee, has a diploma in Company Direction from the Institute of Directors and is an alumnus of both UCD Smurfit School (MBA) and Harvard Business School (PLDA).

Ray was appointed Chief Executive Officer in July 2015.



## Andrea Keane

Andrea Keane is Chief Financial Officer and Company Secretary of Bus Átha Cliath. She joined the company in September 2016. Andrea previously worked as Chief Financial Officer and Company Secretary for Bus Éireann.

In her current position she is responsible for all financial matters within the company and as Company Secretary is responsible for advising the Board, through the Chairperson, on governance issues. Andrea is a member of the Chartered Institute of Management Accountants and was listed on the Business and Finance top 100 CFOs operating in the Irish market in 2021. She previously worked in Iannród Éireann as Manager of Management Accounts and has also worked in the private sector in a number of Financial and Management Accounting roles.



## Phil Donohue

Phil Donohue was appointed Head of Human Resources and Development in 2010. Prior to this appointment he was Employee Relations Manager. In his current position he is responsible for leading and managing the Human Resources function and for creating, implementing and nurturing the overall HR strategy which is central to ensuring the continued success of Bus Átha Cliath.

Phil joined Bus Átha Cliath in 1984 and has worked in a variety of operational roles including Divisional Manager in area west, area northwest and area south.

## Senior Leadership Team Biographies (continued)



### Sorin Costica

Sorin Costica was appointed Head of Operations in August 2020. He is responsible for leading, managing and developing the Operations function and creating and implementing overall strategy for road passenger operations. He joined Bus Átha Cliath in 2001 and has worked in a variety of operational roles including Depot Administrator in Ringsend Depot and Area Operations Manager in Central Control, Broadstone.

Sorin holds a Transport Management Diploma from Dublin Institute of Technology and an Information Technology Diploma from Dublin City University.



### James McHugh

James McHugh was appointed Chief Engineer of Bus Átha Cliath in January 2022. In his current position he is responsible for leading, managing and developing the Engineering function and creating, implementing and managing the overall Engineering strategy.

He joined the company in March 2008 and has worked in a number of roles including Engineering Manager for the Clontarf Depot, Environmental Health and Safety Manager, and most recently Senior Engineer. He has also worked in the private sector in a number of engineering and management roles.

James holds a Degree in Mechanical Engineering from University College Dublin and a Master's Degree in Occupational Safety and Health from Dublin City University.



### Ciarán Rogan

Ciarán Rogan joined Bus Átha Cliath in 2017 as Head of Commercial and Business Development. In his current position he is responsible for quality and customer experience, commercial performance and business development, marketing, communications and public affairs, regulatory affairs, customer information and digital activity.

Ciarán has extensive experience in public transport with Translink in Northern Ireland and through the International Association of Public Transport. He has also worked in the higher education, tourism, agri-food and consultancy sectors.

Ciarán is a graduate of University College Dublin and holds postgraduate qualifications from Université Catholique de Louvain and Ulster University.



# Directors' Biographies



## Lynda Carroll

Lynda Carroll was appointed to the board on 5 April 2019. Lynda has over 30 years' experience in financial services at Board and Senior Executive level in the private and public sector. She has been Managing Director of De Lage Landen Ireland and Vice President of Global Structured Finance Europe, Lead Central Bank of Ireland prudential supervisor of one of Ireland's pillar banks and Head of Capital Allocation and Risk Based Pricing at Allied Irish Banks plc. She holds a Master of Arts degree from University College Dublin and is a Chartered Accountant and Chartered Tax Advisor. She also holds a Chartered Accountants Ireland Diploma in International Financial Reporting Standards and the UCD Michael Smurfit Graduate Business School Professional Diploma in Corporate Governance. She is a member of the Board of Governors and Guardians of the National Gallery of Ireland, and of the following boards; Diversified Notes plc, UniCredit Bank Ireland plc, National Bank of Canada Global Finance Limited, The Ark, Children's Cultural Centre Company and European Movement Ireland. Lynda now works as an Independent Non-Executive Director in the financial services, state and voluntary sector. Lynda was reappointed to the board for a further five-year term in April 2022.



## Stephen Hannan

Stephen Hannan was appointed to the board in December 2017 following his election to the CIÉ Board under the Worker Participation (State Enterprises) Acts 1977 to 2001. He works as a bus driver in Ringsend depot. He is a member of SIPTU and has held a wide variety of positions within the trade union for almost 30 years. Stephen is President of the Bus Drivers Committee, Vice-Chairperson of the Transport Sector Committee, a member of the Divisional Committee and a depot representative.



## Elaine Howley

Elaine Howley was appointed to the board in August 2018. Elaine has many years of experience advocating for the rights and full participation of people with disabilities. She has a particular interest in public transport and access to services, information and public places. She has led services for people who live with disability for over 25 years. Elaine was the first Liaison Officer for students with disabilities and was a founding member of the Association for Higher Education Access and Disability. She was Director of Advocacy and Policy in National Council for the Blind Ireland (NCBI) and CEO of NCBI Services. Elaine is the coordinator of the European Blind Union's Low Vision Network. Elaine's advocacy work has included international campaigns such as the campaign for ratification of the Marrakesh Treaty and the UN Convention on the Rights of Persons with Disabilities. Elaine holds a Master's Degree in Social Work, a National Qualification in Social Work and Higher Diploma in Systemic Family Therapy. Elaine is a member of the Institute of Directors with a Professional Diploma in Company Direction, Human Rights and Equality. Elaine was reappointed to the board for a further five-year term in August 2021.

## Directors' Biographies (continued)



### Dermot Healy

Dermot Healy was appointed to the board in December 2021. He is employed as a bus driver with Bus Éireann based at Roxboro Depot in Limerick. He joined CIÉ in 1983 as a junior dining car attendant before moving to the Road Passenger Section the following year taking up such roles as Office Assistant and Bus Conductor prior to his current position as a driver since 1991. He has been active in his union, the NBRU, since 1997 when he was first elected to his local branch committee. He served as both Vice-chairman and Chairman of the Limerick Branch prior to being elected to the National Executive Council in 1999. He is a member of the NBRU National Negotiating Team. He has extensive experience in Industrial Relations issues including several WRC negotiations and Labour Court hearings.



### Keith Wallace

Keith Wallace was appointed to the board on 5 April 2019. Keith has a wide range of experience in the public transport field and a passion for good corporate governance. He is the Director of his own consultancy business and has previously held senior executive positions in Caledonian Sleeper, Govia Thameslink Railway and Scott Wilson. He has also served in a non-executive capacity on a number of boards. Keith is currently a non-executive Director of Scottish Autism and non-executive chairperson of Crossrail International. Keith holds a Degree in Civil Engineering from Heriot-Watt University Edinburgh and is a Chartered Engineer and a Chartered Director. Keith was reappointed to the board for a further three-year term in April 2022.



### Rachel Widdis

Dr Rachel Widdis was appointed to the board in April 2019. Rachel is Director EMEA at Article One, a specialised consultancy in business and human rights, responsible innovation and sustainability. She is an adjunct Assistant Professor teaching Business and Human Rights in the Law School in Trinity College. Rachel previously held positions in Structured Finance in ABN-AMRO Luxembourg, EMEA Business Development in Paris and as a Financial Analyst in Citigroup in London. She holds Master's degrees in Business and in Law. Her PhD (2021) concerns the responsibilities of business to respect human rights and development of ESG litigation. Rachel's expert area includes new regulation requiring companies to conduct human rights and environmental due diligence. She has worked on a number of voluntary boards and committees in education, culture, and sport. Rachel was reappointed to the board for a further four-year term in April 2022.

# Directors And Other Information

## Directors at 6 April 2022

Ms L. Carroll

Mr S. Hannan

Ms E. Howley

Mr D. Healy

Mr K. Wallace

Dr R. Widdis

## Chief Executive

Mr R. Coyne

## Company Secretary

Ms A. Keane

## Registered Office

Bus Átha Cliath  
59 Upper O'Connell Street  
Dublin 1

Telephone: +353 1 872 0000

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

**Registered No:** 119569

Company limited by shares and registered as a Designated Activity Company under the Companies Act 2014

## Independent Auditors

Mazars  
Audit and Assurance Services  
Block 3 Harcourt Centre  
Harcourt Road  
Dublin 2

# Directors' Report

The directors present their annual report in accordance with their obligations under the Irish Companies Act 2014, the Transport Act 1950 and the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 for the year ended 31 December 2021.

## Directors' Compliance Statement

For the purposes of Section 225 of the Companies Act 2014 (the "Act"), we, the directors:

1. Acknowledge that we are responsible for securing the company's compliance with its relevant obligations as defined in Section 225 (1) of the Act (the "relevant obligations"); and
2. Confirm that each of the following has been done:
  - (i) a compliance statement (as defined in Section 225 (3) (a) of the Act) setting out the company's policies (that in our opinion, are appropriate to the company) respecting compliance by the company with its relevant obligations has been drawn-up;
  - (ii) appropriate arrangements or structures, that are, in our opinion, designed to secure material compliance with the company's relevant obligations, have been put in place; and
  - (iii) during the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (ii) above has been conducted.

A detailed process was undertaken by both Bus Átha Cliath and other CIÉ Group companies to comply in full with the requirements of the Companies Act 2014 in relation to Directors' Compliance Statements. In order to provide assurance, a review was carried out. This review was commissioned by the CIÉ Group for all CIÉ Group operating companies and carried out by CIÉ Group Internal Audit Department. A comprehensive report was issued to and reviewed in detail by the Bus Átha Cliath Audit, Finance & Risk Committee. The report confirmed that Bus Átha Cliath was in full compliance with the requirements relating to Directors' Compliance Statements.

## Accounting Records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records in accordance with Section 281 to 285 of Companies Act 2014 are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Bus Átha Cliath, 59 Upper O'Connell Street, Dublin 1.

## Share Capital

Details of the company share capital are set out in Note 18. There were no movements in share capital during the year.

The company has no subsidiaries and no investments in other companies and this is consistent with the prior year.

## Shareholders' Meetings

An annual general meeting of the company is held once every calendar year at such time (not being more than fifteen months after the holding of the last preceding annual general meeting) and place as may be prescribed by the directors. The directors may either whenever they think fit or on requisition of Córas Iompair Éireann convene an extraordinary general meeting of the company.

## Going Concern

The Irish economy continues to adopt to the Governments "Living with COVID" plans. The primary impact on Bus Átha Cliath relates to a continued reduction in passenger journeys, compared to pre-COVID-19 levels. The directors have also considered the challenging economic conditions associated with the war in Ukraine, and the impact of the sanctions imposed on Russia. The primary impact on the company relates to the potential for increased costs as well as supply side challenges for materials.

The directors have given careful consideration to the going concern basis of preparation and are satisfied that it is appropriate for the 2021 financial statements to be prepared on this basis.

Key factors considered in arriving at this decision include;

- the trading position of PSO Services;
- the trading position of Commercial Services; and
- the liquidity position of the company and CIÉ Group.

The going concern basis assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

### PSO Services

During 2021 the company operated under a gross cost contract from 1 January 2021. Under the gross cost contract PSO fare box and other passenger revenue responsibility transfers to the NTA. The company will operate under a gross cost contract for the remainder of the current Direct Award Contract, up to November 2024. The operation of a gross cost contract results in revenue being generated solely from the NTA for the operation of the scheduled services.

Bus Átha Cliath continued to operate PSO services in line with the Direct Award Contract during 2021. The company was fully funded in 2021 under the contract and the directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2021 which has enabled the continued operation of essential public transport services.

The NTA has confirmed its intention to continue to provide PSO funding in line with the contract in 2022 and all monies due to the company to date have been received in line with the contract.

The directors considered the quantum of funding likely to be required for 2022 and 2023. Consideration of the assumption that appropriate levels of PSO funding could be provided in 2022 and 2023 was an essential element in the directors' assessment of the financial position of the company. The directors are satisfied that:

- it remains the intention of the NTA to fund Bus Átha Cliath to operate PSO services in line with the Direct Award Contract;
- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required be provided;
- the 2022 Exchequer budget included adequate provision to fund the contract in 2022; and
- the NTA will receive sufficient funding from the Exchequer in order to fund the Bus Átha Cliath PSO Contract in 2022 and 2023.

### Commercial Services

Commercial Services were suspended in April 2020 due to the COVID-19 Pandemic. However, swift action by the board and management in 2020 minimised the overall losses on Commercial Services.

The business has resumed operations, on a smaller scale, in the second half of 2021 on a pilot basis.

The board has approved the continuation of a small team to develop future opportunities for Commercial Services as the environment improves. Having considered detailed scenarios and projections, the directors are satisfied that the quantum of losses projected for 2022 are sustainable and the company has sufficient resources to fund these losses.

### CIÉ Group Liquidity

CIÉ Group operates a pooled treasury system and Bus Átha Cliath relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan.

The company had an intercompany debtor balance of €165 million at 31 December 2021.

The Group currently holds a cash balance of €235 million as at 31 December 2021 and has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2021 was €16 million. This loan amortises over a four-year period. The undrawn amount available to the Group under the Group's committed revolving credit facility is €80 million.

The directors expect that the Group will continue to meet its obligations under the agreement for the period of at least 12 months from the date of approval of these financial statements.

The ongoing support of CIÉ Group for Bus Átha Cliath is evidenced in the Letter of Support from CIÉ to Bus Átha Cliath dated 6 April 2022.

Further details are set out in Note 2 to the financial statements.

## Principal Activities and Financial Review

The principal activity of the company is the provision of a comprehensive bus service for the city of Dublin and its hinterland.

Córas Iompair Éireann (CIÉ), a statutory body wholly owned by the Government of Ireland and reporting to the Minister for Transport holds 100% of the issued share capital of the company.

Total revenue was €272.7 million in 2021 compared to €272.5 million in the previous year. Bus Átha Cliath operated under a gross cost contract in 2021 for the first time, whereby the fare box and other passenger revenue was remitted to the NTA and the company invoiced the authority based on quantum of services supplied under the terms of the Direct Award Contract.

Bus Átha Cliath continued to operate PSO services in line with the Direct Award Contract during 2021. The directors would like to acknowledge the management of this contract from the NTA and the Exchequer during 2021 given the financial challenges that existed due to the significant decline in passenger numbers arising from the COVID-19 pandemic.

The company achieved a surplus of €2.3 million for the operation of PSO services under the Direct Award Contract. The company continued to engage in detailed discussions with all stakeholders throughout 2021 regarding an appropriate return for PSO services. Through collaboration with the NTA, the company introduced a significant number of additional services under the BusConnects Network Design project in 2021.

The board is mindful of the need to ensure that the company remains in a stable financial position and remains well positioned to meet the transport needs of the community. The company also remains committed to enhancing our value for money proposition and to delivering cost efficiencies across all expenditure categories.

Commercial Services were suspended in April 2020 due to the COVID-19 pandemic. Difficult decisions taken in 2020 allowed for a leaner Commercial division to re-emerge in a significantly reduced capacity in the second half of 2021. While the Airlink services did not operate in 2021, City Tours returned in a limited fashion towards the latter half of the year and the customer response was encouraging notwithstanding the continuation of restrictions due to the COVID-19 pandemic.

The business incurred a loss in 2021 of €0.5 million before exceptional items and is projected to increase its service offering significantly in 2022 subject to public health advice and travel restrictions in relation to the COVID-19 pandemic. The company continues to review all options which may facilitate an increase in commercial activities on a financially sustainable basis; this is dependent on the continued reopening of tourism and leisure markets.

The company's net assets increased from €38.8 million in 2020 to €44.5 million in 2021, an increase of 15%. Bus Átha Cliath's liquidity remains in a positive position with a current asset to current liability ratio of 2.6 times.

The directors review the periodic management accounts, financial accounts, financial and non-financial KPIs and budgets at the scheduled Bus Átha Cliath board meetings.

The company is reliant upon funding from the NTA for the provision of socially desirable but economically unviable public transport services.

## Dividends

There were no dividends paid or declared in 2021 or 2020.

## Principal risks and risk management

The company is committed to managing risk in a systematic and disciplined manner. The key risks facing the company are identified through a company-wide risk management process. Risk Management Framework and a Risk Management Information System allows for the real time reporting of risks which are evaluated and reviewed on a monthly basis by management and on a quarterly basis by the board. An objectives driven risk prioritisation system was in place throughout the year which focuses the board on the identified risks.

CIÉ enters into fuel and currency forward purchasing arrangements on behalf Dublin Bus where it deems there is value and reduced risk to the group. CIÉ is the counter party in respect of these transactions.

Liquidity is carefully managed on a CIÉ Group basis by a dedicated professional team which coordinates day to day cash and treasury management together with annual and multi-annual planning and the securing of sufficient corporate bank funding to allow the CIÉ Group to continue to operate.

## Capital Investment

Investment in improving services continued with the assistance of the NTA. During 2021 fleet investment also continued and Bus Átha Cliath took delivery of 172 new hybrid buses to replace older, diesel vehicles and to increase capacity to meet the requirements of the BusConnects Network Redesign project. Other significant expenditure included fleet refurbishment programmes to maintain quality and reliability for the benefit of the customer.

## Consultancy Expenditure

The 2016 Code of Practice for the Governance of State Bodies requires disclosure in the Annual Report of details of expenditure on external consultants/advisors in the financial year. The company adopted the following definition of consultancy expenditure:

*"Consultancy is where a person, organisation or group is engaged to provide intellectual or knowledge-based services (e.g. expert analysis and advice) through delivering reports, studies, assessments, recommendations, proposals, etc. that contribute to decision-making or policy-making in a contracting authority. The engagement should be for a limited time period to carry out a specific finite task or set of tasks involving expert skills or capabilities that would not normally be expected to reside within the contracting authority. The information sought by this disclosure is to reflect the level of consultancy expenditure incurred by the State body in the financial year. It is not intended to include expenditure on processes which have been outsourced under 'business as usual'."*

In line with the 2016 Code of Practice for the Governance of State Bodies, consultancy costs incurred in 2021 by the company included in materials and services (Note 6) are set out in the table below:

Category	2021 €000
Industrial relations	8
Legal	24
Organisational strategy	334
Public relations and marketing	141
Regulatory and safety	71
Tax and financial advisory	47

## The Board

The company is controlled through its board of directors. The board met ten times during 2021 (twelve times in 2020) and has a schedule of matters reserved for its approval.

## Directors

The directors of the company are appointed by the Minister for Transport. The names of persons who were directors during the year ended 31 December 2021 or who have since been appointed are set out below. Except where indicated they served as directors for the entire period up to the date of the approval of these financial statements.

Mr U. Courtney	<i>retired on 5 December 2021</i>
Ms L. Carroll	
Mr S. Hannan	
Mr D. Healy	<i>appointed on 1 December 2021</i>
Ms E. Howley	
Ms S. Madden	<i>retired on 10 June 2021</i>
Mr T. O'Connor	<i>retired on 30 November 2021</i>
Mr J. Quinn	<i>retired on 10 June 2021</i>
Mr K. Wallace	
Dr R. Widdis	

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.

There were no contracts or arrangements entered into during the year in which a director was materially interested in relation to the company's business.

## Audit, Finance and Risk Committee

At 6 April 2022, the Audit, Finance and Risk Committee (AFRC) comprises the following non-executive members of the Board: Ms L. Carroll (Chairperson) and Mr K. Wallace. Mr C. Maybury and Mr K. Kelly are external members of the AFRC. Mr J. Quinn and Ms S. Madden both retired from the board and the committee on 10 June 2021.

While all directors have a duty to act in the interests of the company, the AFRC has a particular role, acting independently from the executive, to ensure that the interests of the shareholders are properly protected in relation to the financial reporting oversight, internal control, internal and external audit, risk management and corporate governance.

During the year ended 31 December 2021, the committee monitored the budgetary process, and kept under review the effectiveness of the company's internal controls and risk management systems. In particular, the committee:

- played a very active role in steering the company through the challenges associated with the COVID-19 pandemic through the provision of both guidance and a constructive challenge in areas such as COVID-19 related risk for risk register and the appropriateness of going concern assumptions for both 2020 and 2021,
- engaged with the Risk Manager on a regular basis regarding the major risks and uncertainties impacting on the company, including the risks presented by COVID-19 pandemic and cyber risk, and monitored the Risk Management System,
- engaged with the Chief Executive Officer, Business Systems Manager and Information Security Officer on a regular basis regarding information security, including cyber risk,
- engaged with the external auditor to ask such questions as to satisfy itself as to their independence,
- engaged with the Chief Financial Officer and the external auditor to assure itself as to the accounting judgements applied to the financial statements, including the appropriateness of applying the going concern principle and the financial impact of the COVID-19 pandemic,
- held a private discussion, without management, with the external auditors to ensure that there were no issues of concern and to receive matters arising from their audit,
- communicated clearly to the external auditors that they may request a meeting with the committee at any time if they consider that one is necessary to discuss a specific item or items,
- engaged with the internal auditor to assess the committee's reliance on his team's work output and conclusions, and held a private discussion, without management, with the internal auditor to ensure that there were no issues of concern and to receive matters arising from their audits,
- met with the Chief Procurement Officer to satisfy itself as to the rigour of the policies and procedures for procurement and contract management,
- conducted regular reviews of the 2021 operating results and satisfied itself with regard to the reasonableness of the 2022 Budget,
- monitored implementation of recommendations arising from Internal Audit reports,
- engaged with the CFO, at least twice yearly, to receive a statement of assurance that no matters relating to fraud have come to her attention which have not, in the ordinary course of reporting to the AFRC, been drawn to the committee's attention,
- dedicated significant time and attention to the requirements of the Companies Act, 2014 and the Companies (Statutory Audits) Act 2018 and in particular provided oversight for the board in relation to the Directors' Compliance Assurance Process,
- monitored the application of the company's Protected Disclosure Policy where complaints were received,
- facilitated an external review of our performance as required under the 2016 Code of Practice for the Governance of State Bodies and implemented the recommendations arising,
- monitored the company's transition to and operation of the Direct Award Contract December 2019 to November 2024 (DAC) and engaged with senior management on all financial, operational and commercial aspects of the new DAC through presentations from and discussions with the company, its legal advisors and other external experts,
- engaged with the CFO and the external auditors on the application of critical accounting estimates and assumptions, including the accounting treatment adopted by the company in relation to PSO buses provided by the NTA under a lease agreement and the valuation of the provisions for third party/employer liability claims,
- monitored and reviewed the company's compliance with the requirements of the General Data Protection Regulations (GDPR),
- reviewed the ISAE 3402 report prepared by the NTA's Auditors and ISAE 3000 report produced by our own auditors,
- monitored and reviewed the company's assessment of the impact of Brexit,



- monitored and reviewed the company's compliance with the requirements of the 2016 Code of Practice for the Governance of State Bodies, and
- engaged with management in relation to the ongoing promotion and strengthening of the company's Code of Ethics.

The Terms of Reference of the AFRC have been approved by the board and are reviewed on an annual basis and amended as appropriate. The Chairperson of the committee met with the Chairperson of the company to discuss matters arising from the conduct of the AFRC's business. The Committee met six times in 2021 (ten times in 2020). The AFRC performs the role of the Audit Committee required to be established under Section 167 of the Companies Act 2014.

There were no material non-audit services provided by the auditors during the year under review. Therefore, the AFRC, 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 Safety Committee

At 6 April 2022, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the board: Mr K. Wallace (Chairperson), Mr S. Hannan and Ms E. Howley. Mr T. O'Connor retired from the board and the committee on 30 November 2021.

Ensuring the safety of employees and customers is Bus Átha Cliath's core value. The company embraces this value by providing a transport service where people feel safe and where the experiences of customers and employees are built on a continuous commitment to safe practices.

In this context, BSC is central to ensuring that safety remains at the core of the business, and that key safety objectives and priorities are effectively managed and delivered.

The Terms of Reference of the BSC are as follows:

- preparation and annual update of Safety Plans by management
- annual report from management on Safety Management Systems Review
- liaison and co-operation by management as appropriate with the relevant statutory safety authorities including the Department of Transport, the Road Safety Authority and the Health & Safety Authority

- key safety performance indicators as prepared and reported on by management
- any other environmental, health and safety matters as referred to the committee by the board or management of Bus Átha Cliath

The committee is authorised, by the Bus Átha Cliath board, to investigate any activity within its terms of reference, to obtain the resources it needs to do so and to gain full access to information.

It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the committee.

The committee is authorised by the board to obtain outside professional advice and, if necessary, to invite external consultants with relevant experience to attend meetings.

The committee's Terms of Reference were subsequently approved by the board and are reviewed on an annual basis and amended as appropriate. The committee met on a total of four times during 2021 (four times in 2020) in accordance with the planned schedule for BSC meetings. Some of the key items reviewed during the year included the following;

- employee health and wellbeing programme 'Waist Management' to promote employee health and awareness in areas of physical and mental health
- COVID-19 planning and emergency response, to the global pandemic
- ongoing review of COVID-19 restrictions and effectiveness of measures taken
- adoption of the Government's 'Return to Work Protocols and fulfilment of requirements
- re-certification of the Environmental Health Safety Department to ISO 45001
- propose proactive customer engagement by Bus Átha Cliath with specific safety related communications
- adoption of key safety initiatives for 2022, to include the following;
  - Implementation of a drug and alcohol testing process
  - Establish and define a sustainable safety culture within Bus Átha Cliath
  - Further enhancement of safety processes throughout Bus Átha Cliath using a standardised Data Driven Decision Making (DDDM) approach

- Implement a number of safety awareness campaigns and implement a health and wellbeing strategy
- Investigate fleet improvements, considering new and expected fleet technology combined with changes in customer expectation

### Board Remuneration and Succession Committee

At 6 April 2022, the Remuneration and Succession Committee comprises the following non-executive members of the Board; Dr R. Widdis (Chairperson), Ms L. Carroll, and Ms E. Howley. Mr U. Courtney retired from the board and the committee on 5 December 2021.

Recognising the position of Bus Átha Cliath as determined by Section 14(1) of the Transport Act, 1986 the functions of the Committee are:

- ensure implementation of government policy in relation to the remuneration of the Chief Executive Officer (CEO) and managers who report directly to him, and to ensure that the arrangements put in place by the Department of Finance, Department of Public Expenditure and Reform and the Department of Transport for determining and approving the remuneration of the CEO, are implemented and adhered to
  - ensure that any government guidelines and Bus Átha Cliath/CIÉ Group policies regarding the remuneration of senior managers are adhered to
  - approve the remuneration package and the appointment/re-appointment of the CEO and all senior managers who report directly to the CEO
  - determine performance criteria against which the performance of the CEO will be measured, which are consistent with the corporate plan approved by the board
  - in line with government policy, to approve any performance-related policy in respect of the CEO and managers who report directly to him. The CEO's review shall be undertaken by the Chairperson of the board
  - approve and regularly update succession plans covering the CEO and to also consider any proposals from the CEO regarding skills, succession planning or headcount issues
- where special arrangements are proposed in relation to specific appointments, to approve such arrangements and to ensure the approval of such arrangements by the Department of Finance, Department of Public Expenditure and Reform and the Department of Transport
  - review and approve the section of the Chairperson's annual letter to be sent to the Minister for Transport relating to the affirmation that the government guidelines in relation to the payment of fees to the directors of the board are being complied with (which is required to be delivered pursuant to the 2016 Code of Practice for the Governance of State Bodies)
  - review and approve the sections of the Annual Report and Financial Statements to be published by the company which relate to details of fees to be paid to each board director, the expenses paid to the directors and the salary of the CEO
  - ensure adequate plans are in place to take account of an unforeseen absence of the CEO
  - perform any other functions appropriate to a Remuneration and Succession Committee or assigned to it by the board from time to time

The Remuneration and Succession Committee was formally established by a decision of the Bus Átha Cliath board in 2014. The committee's Terms of Reference were subsequently approved by the board and are reviewed on an annual basis and amended as appropriate. In line with its agreed work programme the Committee met four times during 2021 (twice in 2020).

During 2021, the committee, on behalf of the board, again devoted considerable attention to board succession planning in order to ensure the board continues to have the requisite skills and experience to both discharge its statutory responsibilities and fully address the key strategic issues facing Bus Átha Cliath.

The committee also engaged with the Chairperson of Bus Átha Cliath in relation to Senior Management Succession Planning. The committee also engaged with management in relation to Talent Management Development within the organisation and in supporting other developments to support diversity and inclusion in all sections of the company.

## Board Strategy and Sustainability Review Group

The Board Strategy and Sustainability Review Group (BSSRG) was renamed in 2021 from the Board Strategy Review Group as the committee's terms of reference were expanded to incorporate the key business area of sustainability.

At 6 April 2022, the BSSRG comprises the following non-executive members of the Board; Mr K. Wallace (Chairperson), Ms L. Carroll, Ms E. Howley and Dr R. Widdis. Ms S. Madden and Mr J. Quinn retired from the board and the committee on 10 June 2021. Mr U. Courtney retired from the board and the committee on 5 December 2021.

The mandate from the board for the BSSRG is:

- Review the medium and long-term strategy of the company including consideration of outputs and recommendations from any strategic planning initiatives of the CIÉ Group relevant to Bus Átha Cliath
- Ensure Bus Átha Cliath is an integral part of the solution in helping to create a more sustainable Ireland through the adoption of Sustainable Governance, Sustainability Reporting and Sustainable Finance processes in an efficient manner

- Ensure that business objectives reflect approved strategy
- Review the main strategic assumptions which guide the rolling five-year Business Plans

During the year ended 31 December 2021, the BSSRG undertook a detailed review of the company's strategic plan as well as conducting a review of the key strategic issues facing the company in the coming years including the impact of the new 2019 Direct Award Contract; the roll out of the BusConnects Network Redesign project; emerging mobility solutions; and COVID-19. The BSSRG continues to monitor key strategic performance indicators.

The Terms of Reference of the BSSRG have been approved by the board and amended as appropriate. The committee met twice in 2021 (twice in 2020).

## Attendance at Board and Committee meetings

Listed below is the attendance of board directors at board and committee meetings during 2021.

Director	Board	Audit Finance & Risk Committee	Safety Committee	Remuneration & Succession Committee	Board Strategy & Sustainability Review Group
Ultan Courtney (Chairperson)	10/10			4/4	2/2
Lynda Carroll	10/10	6/6		4/4	2/2
Stephen Hannan	10/10		4/4		
Elaine Howley	8/10		4/4	4/4	2/2
Siobhán Madden	4/4	2/2	2/2		1/1
Thomas O'Connor	9/10		3/4		
Joe Quinn	4/4	2/2			0/1
Keith Wallace	10/10	6/6	2/2		2/2
Rachel Widdis	9/10			4/4	2/2

## Employee Development

Bus Átha Cliath is committed to ensuring that the necessary skills and knowledge are identified and developed so that all employees have the opportunity to develop and make a positive contribution. A competency framework is used to identify the behaviours, skills, and abilities essential to the successful performance of the various roles of employees in delivering a quality service to the required standard.

The Bus Átha Cliath Training Centre provides a number of training programmes to ensure that bus drivers are given the highest standard of training to enable them to deliver a safe, efficient, and reliable bus service to our customers. All bus drivers participate in one day's training each year to qualify them for the Certificate of Professional Competence (CPC) in accordance with EU Directive 2003/59/EC and Road Safety Authority approval.

In addition to CPC, a driving skills competence development programme is delivered to all drivers. This programme uses a video training system (Vigil Vanguard) to facilitate reflective learning and behavioural change. The Training Centre also provides induction programmes for new bus drivers.

## Health and Safety

Bus Átha Cliath is fully committed to complying with the provisions of the Safety, Health, and Welfare at Work Act, 2005, and all other national and EU Regulations. Bus Átha Cliath Safety Management System (SMS) is certified to the latest ISO 45001 standard.

As part of compliance, an external NSAI surveillance audit took place in 2021 to ensure all requirements outlined in the SMS were in place and working effectively. Overall accident trends in Bus Átha Cliath have continued to reduce in 2021. Essential safety training has continued despite the pandemic with safety remaining at the forefront of all work practices within Bus Átha Cliath.

## Diversity and Inclusion

Bus Átha Cliath has a Diversity and Inclusion Policy which is kept under regular review. Our strategy is designed to ensure an efficient and fulfilling work environment for our employees, to meet the changing needs of our customers and underpin the quality of their experience of our services, and to deepen our connection to the diversity of the communities that we serve.

We have a track record that we are proud of. We have developed recruitment and promotion systems based on equality, diversity and non-discrimination. We are developing supports for our LGBTQI+ employees. The number of women at executive level throughout the organisation has increased.

We have ensured access for people with disabilities to our services, including a travel assistance scheme for older people and people with disabilities who require additional assistance in accessing our services.

We prize our management culture which is open, listening and responsive to our employees and customers. We employ an Equality and Diversity Officer and provide equality and diversity training for employees. We collaborate with other public sector organisations in our pursuit of good practice. We are one of the founding Irish signatories of the Irish Diversity Charter. Our achievements have been recognised internationally as best practice by the European Commission.

## Diversity and Inclusion – Our Board

Bus Átha Cliath fully co-operates with the Department of Transport (DoT) in ensuring that the board remains fully reflective of the community we serve, and we believe that a diverse and balanced board contributes significantly to the strength of the board's overall ability to carry out its challenging remit.

As at 31 December 2021, the board had 50% male and 50% female members, with 3 positions vacant. The board composition therefore meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are planned to maintain and support gender balance on our board:

- the Minister for Transport will continue to be advised upon vacancies of any potential implication for gender balance arising from the vacancies to be filled; and
- the Bus Átha Cliath Diversity and Inclusion Policy will continue to be regularly reviewed and updated in line with best practice in this area.

## Diversity and Inclusion – Our Employees and Customers

We are committed to promoting equality, accommodating diversity, and ensuring non-discrimination for both our employees and our customers. We also promote these values in the different sectors we do business with, and in the various communities that we serve. We seek to fulfil and go beyond our obligations under the Employment Equality Acts as an employer and under the Equal Status Acts as a service provider.

## 2016 Code of Practice for the Governance of State Bodies

Details of the policies and procedures implemented by the company following publication of the 2016 Code of Practice for the Governance of State Bodies are provided in the C oras Iompair  ireann Annual Report. The code provides minimum standards and the board endeavours to ensure compliance with best practice in Corporate Governance in the conduct of its business. The requirements of the 2016 Code of Practice for the Governance of State Bodies and subsequent annexes have been fully reflected in the 2021 financial statements and the Statement of Internal Control is set out below.

## Public Spending Code

Bus  atha Cliath acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the Public Spending Code. All Irish public bodies are obliged to treat public funds with care, and to ensure that the best possible value for money is obtained whenever public money is being spent or invested. The board endeavours to ensure compliance with best practice in Corporate Governance in the conduct of its business.

## Payment Practices

Bus  atha Cliath acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the EC (Late Payment in Commercial Transactions) Amendment Regulation 2013. The company payment policy is to comply with the requirements of the Regulation.

## Post Balance Sheet Events

On the 24 February 2022 war broke out in Ukraine. The resulting economic consequences have increased a number of business risks, most of which were evident prior to February, but some are now more uncertain in their likelihood and impact. These risks include:

- Potential disruption to energy supply, raw material shortages, and sharp increase in prices
- Further increases in cost of living and potential reduction in consumer spending and economic activity
- Financial market volatility
- Increased threat of cyber-attack

The company will continue to assess the financial impact and manage the extent of the associated business risks.

There have been no other significant post balance sheet events which require adjustment to the financial statements.

## Auditors

The auditors, Mazars, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

## Disclosure of Information to Auditors

So far as each of the directors in office at the date of approval of the financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Statement Of Internal Control

## Scope of responsibility

Bus Átha Cliath acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the 2016 Code of Practice for the Governance of State Bodies (the Code).

## Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in Bus Átha Cliath for the year ended 31 December 2021 and up to the date of approval of the financial statements.

## Capacity to handle risk

Bus Átha Cliath has an Audit, Finance and Risk Committee (AFRC). The Charter and Terms of Reference of the AFRC provides for a number of directors to be appointed to the committee, one of whom is the Chairperson. The AFRC met six times in 2021.

Bus Átha Cliath, as part of the CIÉ Group, has also established an internal audit function which is appropriately resourced and conducts a programme of work agreed with the AFRC.

Bus Átha Cliath, as part of the CIÉ Group, has developed a Risk Management Policy (the Policy) which delegates responsibility for risk management to the company's Chief Risk Officer, and a reporting structure has been established. The board has responsibility for and approves the Risk Management Frameworks, tailored to address the specific strategic objectives, and to manage the specific risk exposures efficiently and effectively, within the context of the Policy.

The Policy is designed to ensure that appropriate procedures are in place within Bus Átha Cliath to identify, assess and manage the key risks facing all areas of the business. The key risks are those that can damage its reputation, operational and/or financial capability or cause hazards or prevent it from achieving its objectives in a risk averse manner.

## Risk and control framework

Risk assurance is provided by way of the three lines of defence. The key differentiating factor between these three lines of defence is their levels of independence.

The three lines of defence governance model distinguishes between risk ownership, supervision and oversight as follows:

- Risk Ownership i.e. functions owning and managing risks as part of their day-to-day activities (first line of defence);
- Risk Supervision i.e. functions overseeing risks and providing robust challenge to the management teams (second line of defence); and
- Risk Oversight i.e. functions providing independent assurance (third line of defence).

Risk Ownership is aligned with business ownership. As the heads of the departments are responsible for achieving business objectives, they are ultimately responsible, as Risk Owners, for identifying and managing risks associated within their areas of responsibility. They exercise this responsibility by ensuring that risk identification is fully incorporated into the day-to-day activities of those working within their departments.

Newly identified risks are assigned to a Risk Owner, that is, Head of the Department. This individual may delegate the management of the risk to an Action Owner who will be responsible for the further analysis, evaluation and treatment of the risk in question.

Bus Átha Cliath has implemented a risk management system via an auditable risk software system, OpRiskControl, which has been designed to ensure that Risk Owners and other department resources, adopt a consistent, robust approach at every stage of the risk management process, from risk identification through to escalation. In accordance with ISO 31000 Risk Management, it is policy that risks be defined at a level that can be managed, that is, they are sufficiently articulated so that the possible extent and likelihood of the event can be appraised and mitigating actions put in place.

Risks are evaluated by the responsible Risk Owner using risk criteria tables which have been developed so that risks which are outside of risk appetite, are assigned the appropriate risk rating, and are escalated to the appropriate level of oversight.

## Ongoing monitoring and review

All newly identified risks and principal risks and decisions and details of any emerging risks are subject to peer review by the executive team.

Periodic reports will incorporate the following as standard:

- Principal risks
- Changes to principal and non-principal risk ratings
- Newly identified risks
- Emerging risks
- Updates from the Bus Átha Cliath IT risk register
- Overview of risk universe
- Risks in breach of risk appetite and mitigating actions

A report of all risks, status as against risk appetite and performance as against KPIs is thereafter escalated to the AFRC, quarterly, with supporting risk detail reports.

In addition to the above, all top group principal risks and risks outside of risk appetite are escalated for assessment by the CIÉ executive board on a group-wide basis. A report of top group principal risks, status as against risk appetite and performance as against KPIs with supporting risk detail reports is escalated to each sitting of the AFRC and to the CIÉ Board quarterly.

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the board, where relevant, in a timely way. Bus Átha Cliath confirms that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

## Procurement

Bus Átha Cliath confirms it has procedures in place to ensure compliance with current procurement rules and guidelines. CIÉ Group previously advised the Department of Transport that it is applying a threshold of €50,000 for procurement non-compliances due to the volume of purchases within the CIÉ Group and the additional cost of supplying information at the lower limit.

A small number of instances of non-compliances with procurement procedures were noted for 2021. The non-compliances primarily related to the timely and accurate submission of derogations and an incorrect receipt against an invalid contract. The total value of the non-compliant transactions amounted to €229,000 from a total spend of €69 million (0.33%). The root cause of the non-compliant expenditure has been identified with a remedial action plan implemented.

## Review of effectiveness

The 2016 Code of Practice for the Governance of State Bodies published by the Department of Public Expenditure and Reform requires an external review of effectiveness of risk management framework of each State Body be completed “on a periodic basis”. External consultant, Mazars, completed its review of the Company Risk Management Framework in 2021 to ensure the framework appropriately reflects the requirements of the Code.

The Company was found to be compliant with the Code.

Furthermore, Bus Átha Cliath confirms that it has procedures to monitor the effectiveness of its risk management and control procedures. The Company's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the AFRC which oversees their work, and the senior management within Bus Átha Cliath responsible for the development and maintenance of the internal control framework.

Bus Átha Cliath confirms that the board conducted an annual review of the effectiveness of the internal controls for 2021.

## Internal control issues

No weaknesses in internal control were identified in relation to 2021 that require disclosure in the financial statements.



# Directors' Responsibility Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:


- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

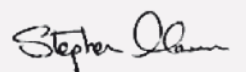
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for ensuring the company's compliance with the 2016 Code of Practice for the Governance of State Bodies.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

On behalf of the board



**Ms E. Howley**  
Director



**Mr S. Hannan**  
Director

6 April 2022

# Independent Auditor's Report

to the members of Bus Átha Cliath

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Bus Átha Cliath ('the Company'), which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement, and notes to the Company financial statements, including the summary of significant accounting policies set out in Note 1. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council (FRS 102).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2021, and of its surplus for the year then ended;
- have been properly prepared in accordance FRS 102; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Directors' Report does not reflect the companies compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements.

We have nothing to report in this respect.

## Respective responsibilities

### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement out on page 42, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tommy Doherty  
for and on behalf of Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2

Date: 6 April 2022

# Profit And Loss Account

For the Financial Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Revenues</b>			
Operating revenue		1,541	125,077
Public Service Obligation payment		269,715	125,104
Revenue grants		1,481	22,331
<b>Total revenue</b>	4	<b>272,737</b>	<b>272,512</b>
<b>Costs</b>			
Payroll and related costs	5	(200,975)	(195,358)
Materials and services	6	(69,855)	(79,220)
<b>Total direct costs</b>		<b>(270,830)</b>	<b>(274,578)</b>
<b>EBITDA before exceptional costs</b>		<b>1,907</b>	<b>(2,066)</b>
Exceptional operating income/(costs)	7	4,033	(6,038)
Depreciation and amortisation (net)	8	(4)	(1,709)
Gain on disposal of tangible assets		-	35
<b>Surplus/(deficit) before interest and tax</b>		<b>5,936</b>	<b>(9,778)</b>
Interest payable and similar charges	9	(167)	(87)
<b>Surplus/(deficit) before tax</b>		<b>5,769</b>	<b>(9,865)</b>
Tax on surplus	10	-	-
<b>Surplus/(deficit) for the year</b>		<b>5,769</b>	<b>(9,865)</b>

# Statement Of Total Comprehensive Income

For the Financial Year Ended 31 December 2021

	2021 €'000	2020 €'000
Surplus/(deficit) for the year	5,769	(9,865)
<b>Total comprehensive income for the year</b>	<b>5,769</b>	<b>(9,865)</b>

All results derive from continuing activities.

# Balance Sheet

As at 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Fixed assets</b>			
Intangible assets	11	1,007	597
Tangible assets	12	65,600	79,696
		<b>66,607</b>	<b>80,293</b>
<b>Current assets</b>			
Stocks	13	3,755	3,448
Debtors	14	166,771	182,450
Cash at bank and in hand		178	295
		<b>170,704</b>	<b>186,193</b>
<b>Creditors (amounts falling due within one year)</b>	15	<b>(65,850)</b>	<b>(74,751)</b>
<b>Net current assets</b>		<b>104,854</b>	<b>111,442</b>
<b>Total assets less current liabilities</b>		<b>171,461</b>	<b>191,735</b>
Provision for liabilities	16	(75,550)	(88,344)
Deferred income	17	(51,372)	(64,621)
<b>Net assets</b>		<b>44,539</b>	<b>38,770</b>
<b>Capital and reserves</b>			
Called up share capital	18	69,836	69,836
Profit and loss account		(25,297)	(31,066)
<b>Equity</b>		<b>44,539</b>	<b>38,770</b>

On behalf of the board

*Elaine Howley. Stephen Hannan.*

**Ms E. Howley**  
Director

**Mr S. Hannan**  
Director

Date: 6 April 2022

# Statement Of Changes In Equity

For the Financial Year Ended 31 December 2021

	Called up share capital €'000	Profit and loss account €'000	Total €'000
<b>Balance at 1 January 2020</b>	69,836	(21,201)	48,635
Total comprehensive income for the year	-	(9,865)	(9,865)
<b>Balance at 31 December 2020</b>	<b>69,836</b>	<b>(31,066)</b>	<b>38,770</b>
<b>Balance at 1 January 2021</b>	69,836	(31,066)	38,770
Total comprehensive income for the year	-	5,769	5,769
<b>Balance at 31 December 2021</b>	<b>69,836</b>	<b>(25,297)</b>	<b>44,539</b>



# Cashflow Statement

For the Financial Year Ended 31 December 2021

	Notes	2021 €'000	2020 €'000
<b>Net cash utilised from operating activities</b>	19	(10,563)	(14,624)
<b>Cash flow from investing activities</b>			
Purchase of intangible fixed assets		(1,089)	(357)
Purchase of tangible fixed assets		(3,258)	(4,320)
Proceeds from disposal of tangible fixed assets		335	35
Capital grants received	17 (c)	4,638	17,503
Capital grants repaid	17 (c)	(1,058)	-
Decrease in receivable balance with parent company		11,046	1,071
Tax paid		(1)	(1)
Interest paid	9	(167)	(87)
<b>Net cash provided from investing activities</b>		<b>10,446</b>	<b>13,844</b>
<b>Cash flow from financing activities</b>			
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year		295	1,075
<b>Cash and cash equivalents at end of year</b>		<b>178</b>	<b>295</b>

# Notes To The Financial Statements

## 1. Significant Accounting Policies

### Statement of compliance

The financial statements of Bus Átha Cliath have been prepared on a going concern basis in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2014.

### Activities and ownership

Córas Iompair Éireann (CIÉ), of which Bus Átha Cliath is a wholly owned subsidiary, is Ireland's national statutory authority providing land public transport within Ireland. CIÉ is wholly owned by the Government of Ireland and reports to the Minister for Transport.

Bus Átha Cliath is Dublin's leading provider of public transport.

Bus Átha Cliath, the company, is a Commercial State Company and is part of the CIÉ Group of companies. The company was re-registered as a Designated Activity Company effective from 1 February 2016, under the Companies Act 2014. The company is registered in Dublin. The company registration number is 119569 and the registered office is located at 59 Upper O'Connell Street, Dublin 1.

The financial statements of the company relate solely to the activities of Bus Átha Cliath.

### Summary of significant accounting policies

The significant accounting policies used in the preparation of these financial statements are set out on the following pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

As permitted by the Companies Act 2014, 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. EBITDA is company earnings before adjustment for interest and taxation charged, depreciation of fixed assets and amortisation of capital grants received.

#### (a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimating uncertainty at the reporting date. It also requires directors to exercise their judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are set out at (u) below, "Critical accounting estimates and assumptions".

FRS 102 allows a qualifying entity certain disclosure exemptions. Bus Átha Cliath has not taken advantage of any available exemption for qualifying entities for the year ended 31 December 2021.

**(b) Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The confirmation is made after having reviewed future trading performance, capital expenditure plans and liquidity availability. The directors also considered risks and uncertainties in the business along with available public information.

Therefore, these entity financial statements have been prepared on a going concern basis. Further information is set out in Note 2.

**(c) Foreign currency****(i) Functional and presentation currency**

The functional currency and presentational currency of the company is the Euro, denominated by the symbol “€” and unless otherwise stated, the financial statements have been presented in thousands (€'000).

**(ii) Transactions and balances**

Transactions denominated in a foreign currency are translated into the functional currency using the spot exchange rates at the date of the transactions.

At the end of each financial year, foreign currency monetary items are translated to Euro using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within ‘interest receivable and similar income’ or ‘interest payable and similar charges’ as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within ‘materials and services costs’.

**(d) Turnover**

Turnover comprises the gross value of services provided. Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered. Bus Átha Cliath recognises turnover in the period in which the service is provided.

Bus Átha Cliath recognises revenue through its different revenue streams as follows:

**On-bus cash**

On-bus cash revenue is recognised at point of sale which is the day the service is provided. On-bus cash is no longer recognised as turnover on PSO services from 1 January 2021.

**Integrated Ticketing System (ITS) e-purse revenue**

On bus ITS e-purse revenue is recognised on the day in which the service is provided. ITS revenue is no longer recognised as turnover on PSO services from 1 January 2021.

## Notes to the Financial Statements (continued)

### **Taxsaver**

Taxsaver annual tickets are recognised evenly over the periods in the year to which the product relates. Any concessions or complimentary schemes are recognised in accordance with the terms of the concessionary scheme. Revenue generated from Tax saver tickets is no longer recognised as turnover on PSO services from 1 January 2021.

### **Department of Social Protection (DSP) revenue**

DSP revenue is received monthly and is recognised in the month to which it relates. The revenue receipts are received in arrears. DSP revenue is no longer recognised as turnover on PSO services from 1 January 2021.

### **Online sales**

Revenue generated from online sales is recognised in the period to which it relates. The revenue receipts are received in advance.

### **Other revenue**

Other revenue is recognised in line with the delivery of service. The revenue receipts are received in arrears.

### **Gross Cost Contract**

From 1 January 2021, Bus Átha Cliath records revenue generated under the Direct Award Contract with the NTA on a gross cost basis. The company is paid based on the quantum of the services provided. All fare box and other passenger revenue (such as Tax saver and DSP revenue) received from the public transport passenger is remitted to the NTA and is no longer recognised in the profit and loss account of Bus Átha Cliath. Bus Átha Cliath submits an invoice on a periodic basis for the provision of services under the Direct Award Contract which is paid to the company one period in arrears. Further details on the accounting policy for PSO payments under the Direct Award Contract are set out in policy (e) Grant income – European Union and public service obligations and other Exchequer grants.

### **(e) Grant income – European Union and public service obligations and other Exchequer grants**

Bus Átha Cliath recognise government grants in line with the accruals model under FRS 102.

#### **Grants for capital expenditure**

Grants for capital expenditure are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated.

#### **Public Service Obligation (PSO) payments**

PSO payments received and receivable under the Direct Award Contract with the NTA during the year are recognised in the profit and loss account in the period they become receivable.

#### **Revenue grants & subsidies**

Grants in respect of expenditure are recognised in the profit and loss at the same time as the related expenditure and for which the grant is intended to compensate is incurred. Subsidies and grants received and receivable resulting from the impact of the COVID-19 pandemic are recognised in the profit and loss at the same time as the related expenditure and for which the grant is intended to compensate is incurred.

**(f) Materials and services costs**

Materials and services costs, otherwise referred to as operating costs, constitute all costs associated with the day-to-day running of the operations of Bus Átha Cliath, excluding depreciation, amortisation and payroll costs which are disclosed separately in the profit and loss account, and set out in more detail in Note 6 of the financial statements.

**(g) Interest receivable/interest payable**

Interest income or expense is recognised using the effective interest method.

**(h) Exceptional costs**

The Bus Átha Cliath profit and loss account separately identifies results before specific items. Specific items are those that in our judgement need to be disclosed separately by virtue of their size, nature or incidence. Bus Átha Cliath believes that this presentation provides additional analysis as it highlights exceptional items. Such items include significant business restructuring costs.

In this regard the determination of 'significant' as included in our definition, both qualitative and quantitative judgement is used by the company in assessing the particular items, which by virtue of their scale and nature, are disclosed in the profit and loss account and related notes as exceptional items.

**(i) Taxation**

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

**(ii) Deferred tax**

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**(j) Related parties**

Bus Átha Cliath is a subsidiary of CIÉ Group. Bus Átha Cliath discloses transactions with related parties which are not wholly owned within the group. It does not disclose transactions with members of the same group that are wholly owned.

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, the National Transport Authority and the Dublin Airport Authority. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

## Notes to the Financial Statements (continued)

### (k) Intangible fixed assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight-line basis. Software is not considered to have a residual value. Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances.

Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

### (l) Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use and applicable decommissioning costs.

#### (i) *The bases of calculation of depreciation are as follows:*

##### **Road passenger vehicles**

Road passenger vehicles are depreciated on the basis of the historical cost of vehicles in the fleet, spread over their expected useful lives, on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The expected useful life of assets in this category is between 3 and 12 years.

##### **Bus stops and shelters**

Bus stops and shelters are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. The expected useful life of assets in this category is between 3 and 15 years.

##### **Plant and machinery**

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives. The expected useful life of assets in this category is between 3 and 10 years.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

#### (ii) *Subsequent additions*

Subsequent costs, including in respect of replaced components, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs and maintenance costs are expensed as incurred.

#### (iii) *Derecognition*

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

### (m) Impairment of non-financial assets

At the end of each financial year non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash-generating unit) is estimated.

The recoverable amount of the asset (or cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from continuing use of the asset (or cash-generating unit) and from its ultimate disposal. In measuring value-in-use, pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is less than the carrying amount of the asset (or cash-generating unit) the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss reverses (i.e. the reasons for the impairment loss have ceased to apply), the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior financial years. A reversal of an impairment loss is recognised in the profit and loss account.

### (n) Leased assets

Operating leases do not transfer substantially the risk and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the period of the lease. Operating leases include road passenger vehicles received under the bus leasing agreement with the National Transport Authority.

### (o) Stocks

Stocks consist of maintenance materials, spare parts and fuel and other sundry stock items. Stocks of materials and spare parts are valued at the lower of weighted average cost and net realisable value. Cost comprises the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition.

At the end of each financial year, stocks are assessed for impairment and provision is made for stocks considered to be impaired.

### (p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

## Notes to the Financial Statements (continued)

### (q) Financial instruments

The company has chosen to adopt the provisions of Section 11 and 12 of FRS 102 in respect of financial instruments.

#### (i) Financial assets

The company has a number of basic financial assets which include trade and other debtors, amounts owed from group companies and cash and cash equivalents and which are recorded in current assets as due in less than one year.

Basic financial assets are initially recognised at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction.

Where the arrangement constitutes a financing transaction, the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in the profit and loss account. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

#### (ii) Financial liabilities

Similarly, the company has a number of basic financial liabilities, including trade and other creditors, bank loans and overdrafts and loans from group companies, which are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors, bank loans and overdrafts, loans from fellow group companies and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



**(r) Provisions and contingencies****(i) Provisions**

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when Bus Átha Cliath has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Restructuring provisions are recognised when Bus Átha Cliath has a legal or constructive obligation at the end of the financial year to carry out the restructuring. Bus Átha Cliath has a constructive obligation to carry out a restructuring when there is a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected.

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

Other provisions consist of provisions related to the operation of bus services, pay related provisions, environmental provisions, legal claims and pension related provisions.

Provisions are not made for future operating losses.

**(ii) Contingencies**

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that Bus Átha Cliath will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

**(s) Employee benefits**

The company provides a number of employee benefits to staff depending on their grade, seniority and statutory obligations. Benefits include the payment of salary or wages and the payment of premia for additional work undertaken. In addition, employer contributions in respect of pension are made for eligible staff to the respective pension schemes.

**Post-employment benefits**

The CIÉ Group operates two defined benefit plans (the CIÉ Pension Scheme for Regular Wages Staff and the CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan) for employees of the CIÉ group.

## Notes to the Financial Statements (continued)

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a post-employment benefit other than a defined contribution plan.

These schemes have been accounted for in the CIÉ Group financial statements. The defined benefit pension scheme assets are measured at fair value.

Defined benefit pension schemes 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 as a liability.

All of the subsidiaries, as well as CIÉ itself, participate in the CIÉ Pension Scheme for Regular Wages Staff and the CIÉ Superannuation Scheme 1951 (Amendment) Scheme 2000 defined benefit plan. The scheme rules do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit costs for the schemes, as a whole, are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is the entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath recognise a cost equal to their contribution for the period. Further details of these schemes are set out in Note 20.

### **(t) Equity**

Bus Átha Cliath equity shares are wholly owned by CIÉ. Ordinary called up share capital and revenue reserves are classified as equity and set out in Note 18 of the financial statements.

### **(u) Critical accounting estimates and assumptions**

Estimates and judgements made in the process of preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors make estimates and assumptions concerning the future in the process of preparing the financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgement and complexity and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **(i) Useful economic lives of intangible and tangible assets**

The annual amortisation charge for intangible assets and the depreciation charge for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reviewed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The useful economic lives for each class of intangible and tangible assets are set out at (k) and (l) above. The carrying amount of intangible and tangible assets are set out in Notes 11 and 12.

#### **(ii) Defined benefit pension scheme**

The CIÉ Group, of which the company is a member has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including assumptions in respect of life expectancy, salary increases and the discount rate on corporate bonds. Further details are set out in Note 20.

**(iii) 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 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.

Further details are set out in Note 16 to the financial statements.

**(iv) Road passenger vehicles received under the bus leasing agreement with the NTA**

Road passenger vehicles received under the bus leasing agreement with the NTA are recognised in line with (n) Leased Assets above.

Changes to the rights and obligations of the company and the NTA, as prescribed in the Direct Award Contract December 2019 – November 2024, took effect in 2020 and, as a result, the company has determined that road passenger vehicles recognised in line with (l) Tangible Fixed Assets in financial years 2017 to 2019 were derecognised in 2020 and are now recognised in line with (n) Leased Assets.

In 2021, an annual rental charge, as prescribed in the NTA bus leasing agreement, has been recognised for road passenger vehicles received under this agreement.

## Notes to the Financial Statements (continued)

### 2. Going concern

The 2021 financial statements have been prepared on a going concern basis. This assumes that the company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

The directors have given very careful consideration to the going concern basis of preparation at this time and are satisfied that it is appropriate for the 2021 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

#### Financial position as at 31 December 2021

At 31 December 2021 the company had net assets of €45 million (2020: €39 million) and net current assets of €105 million (2020: €111 million).

Net current assets include a non-cash liability of €16 million (2020: €17 million) relating to deferred income in respect of capital grants. Capital grants do not involve a cash commitment and are amortised in line with the depreciation of the asset. Therefore, excluding this non-cash item the company has net current assets of €121 million (2020: €128 million).

Net assets of the company include a non-cash liability of €68 million (2020: €82 million) relating to deferred income in respect of capital grants. Therefore, excluding this item the company has net assets of €113 million (2020: €121 million).

#### Impact of COVID-19 pandemic

After the shock of the onset of the pandemic in 2020, the company adapted to living alongside COVID-19 in 2021. While passenger journeys rose and fell during different periods of 2021 reflecting Government travel advice, in overall terms there was a positive upward trend.

The board acknowledges the additional funding support received during 2021 which has enabled the continued operation of essential public transport services and the positive engagement with the Department of Transport and the NTA in developing and implementing enhanced service plans for 2021.

#### Global Economic Uncertainties and War in Ukraine

The war in Ukraine, which commenced on 24<sup>th</sup> February 2022, has increased a number of general business risks. Some of these risks were evident prior to February but some of them are now more uncertain in their likelihood and impact.

These include potential disruptions to energy supplies alongside a sharp increase in prices, the possibility of supply chain disturbances and the potential for further increases in price levels, as well as a reduction in economic activity and the level of consumer spending.

#### PSO Direct Award Contract

The company was awarded a Direct Award Contract (DAC) at the end of 2019 and transitioned to a gross cost contract from 1 January 2021. The company continues to operate under a gross cost contract for the remainder of the current Direct Award Contract. Under a gross cost contract responsibility for recognising PSO fare box and other passenger revenue transfers to the NTA.

Bus Átha Cliath continued to operate PSO services in line with the DAC during 2021. The company was fully funded in 2021 under the contract and the directors would like to acknowledge the additional exchequer funding support received from the NTA and the Exchequer during 2021 which has enabled the continued operation of essential public transport services.

In 2022 the company continues to operate under a DAC and responsibility for PSO fare box and other passenger revenue remains with the NTA. The NTA has confirmed its intention to continue to provide PSO funding in line with the DAC in 2022.

The directors considered the quantum of funding likely to be required for 2022 and 2023. Consideration of the assumption that appropriate levels of PSO funding could be provided in 2022 and 2023 was an essential element in the directors' assessment of the financial position of the company.

The directors are satisfied that:

- it remains the intention of the NTA to fund Bus Átha Cliath to operate PSO Services in line with the DAC;
- detailed scenario planning has allowed reasonable assessments of the level of funding likely to be required be provided;
- the 2022 Exchequer Budget included adequate provision to fund the Bus Átha Cliath PSO Contract in 2022;
- the NTA will receive sufficient funding from the Exchequer in order to fund the Bus Átha Cliath DAC in 2022 and 2023.

The directors considered all relevant information in forming a view as to the reasonableness of their conclusions in relation to the provision of such funding and detailed documentation was provided to the directors to assist them in their deliberations. This included consideration of management engagement with key stakeholders, detailed modelling and scenario planning, Exchequer Budget 2022, as well as all relevant publicly available information.

### Commercial activities

Commercial Services were suspended in April 2020 due to the COVID-19 pandemic. However swift action by the board and management have minimised the overall losses on Commercial Services. The business has resumed operations, on a smaller scale, in the second half of 2021 on a pilot basis. Measures such as staff redeployment and other cost reduction measures minimised the ongoing costs to be incurred in these activities.

The board has approved the continuation of a small team to develop future opportunities for Commercial Services as the operating environment improves. Having considered detailed scenarios and projections, the directors are satisfied that the quantum of losses projected for 2022 are sustainable and the company has sufficient resources to fund these losses.

### On-going management actions

Bus Átha Cliath management is continuing to take a number of actions, including:

- continuous engagement with the NTA on appropriate funding in support of the continued operation of the DAC;
- close monitoring of economic trends and the impact of global economic uncertainties, including the war in Ukraine, on the company's business activities;
- close monitoring of all issues impacting on Commercial Services;
- close monitoring by management of the daily, weekly and monthly cash position across the company;
- continued implementation and rigorous monitoring of cost saving initiatives;
- detailed assessments of all Capital Expenditure proposals and their impact on liquidity; and
- continuous review of risks and opportunities affecting the company's operations.

## Notes to the Financial Statements (continued)

### CIÉ Group

CIÉ Group (the Group) operates a pooled treasury system and Bus Átha Cliath relies on the Group's banking facilities to enable it to manage its operations in accordance with its approved business plan. The ongoing support of CIÉ Group for Bus Átha Cliath is evidenced in the Letter of Support from CIÉ to Bus Átha Cliath dated 6 April 2022. The letter states; "It remains CIÉ policy that the Company is at all times in a position to meet its liabilities. CIÉ shall continue to exercise its shareholder rights and statutory obligations with a view to ensuring that the Company manages its operations, in accordance with its approved business plans, and in a manner which will enable it to meet all its obligations in a timely manner. CIÉ will provide the financial support necessary to permit the Company to continue operating and liquidating its liabilities in the normal course of business for at least a period of twelve months after the date of signing the financial statements".

### Consolidated CIÉ Group Budget

The CIÉ Board approved a consolidated group budget for 2022 in December 2021. Although passenger volumes are forecast to remain below 2019 levels in 2021 and in 2022, based on the continued operation of the direct award contracts on the agreed basis, the consolidated group budget for 2022 shows that the Group has sufficient resources to continue in operation for at least 12 months from the date of approval of these financial statements.

### Conclusion

The directors of Bus Átha Cliath, having regard to the factors outlined above, have a reasonable expectation that 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.

### 3. Net surplus/(deficit) by activity

	Social Activities – Direct Award Contract		Other Social Activities		Commercial Activities	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Operating revenue	–	122,158	–	–	1,541	2,919
Public Service Obligation payment	269,715	125,104	–	–	–	–
Revenue grants (Note 17(a))	101	22,331	580	–	800	–
<b>Total revenue</b>	<b>269,816</b>	<b>269,593</b>	<b>580</b>	<b>–</b>	<b>2,341</b>	<b>2,919</b>
Costs before exceptional charges & credits	(267,425)	(268,307)	(723)	–	(2,853)	(8,032)
<b>Operating surplus/(deficit) before exceptional charges</b>	<b>2,391</b>	<b>1,286</b>	<b>(143)</b>	<b>–</b>	<b>(512)</b>	<b>(5,113)</b>
Exceptional operating charges & credits	(67)	(160)	(401)	–	4,501	(5,878)
<b>Operating surplus/(deficit)</b>	<b>2,324</b>	<b>1,126</b>	<b>(544)</b>	<b>–</b>	<b>3,989</b>	<b>(10,991)</b>

Social Activities – Direct Award Contract relates to activities carried out under the Direct Award Contract with the NTA. Bus Átha Cliath recognised a total of €269.7 million in operating subvention, after performance deductions, from the NTA relating to 2021.

From 1 January 2021, Bus Átha Cliath records revenue generated under the Direct Award Contract on a gross cost basis. Bus Átha Cliath is paid based on the quantum of the services provided. All fare box and other passenger revenue received from the public transport passenger is remitted to the NTA and is no longer recognised in the profit and loss account of Bus Átha Cliath.

Other Social Activities relate to activities carried out in support of the Direct Award Contract which are not funded by the NTA under the Direct Award Contract.

Commercial Activities relate to other activities. These include services provided to the NTA in relation to the BusConnects Network Redesign project and commercial activities operated under the DoDublin brand. DoDublin services recommenced in the second half of 2021, after being suspended for the majority of 2020 due to the impact of the COVID-19 pandemic on the Irish tourism and travel market.

## Notes to the Financial Statements (continued)

### 4. Revenue

#### (a) Total revenue

This comprises operating revenue, net of recoverable VAT, receipts under the Direct Award Contract and revenue grants. The company is a transport service provider and provides services throughout Dublin and is regulated by the NTA. Fare box and passenger revenues generated under the Direct Award Contract from passenger services are no longer recognised by the company following the transition to a gross cost basis from 1 January 2021. All fare box and other passenger revenue collected from public transport passengers is remitted to the NTA and is no longer recognised in the profit and loss account of Bus Átha Cliath.

#### (b) Public service obligation (PSO)

The PSO payment payable to Bus Átha Cliath – through its holding company, Córas Iompair Éireann, amounted to €269.7 million for the year ended 31 December 2021 (2020: €125.1 million).

#### (c) Revenue grants

Revenue grants are brought to profit and loss account in full in the relevant year received/receivable. Revenue grants includes €0.6 million (2020: nil) received under the BusConnects Network Redesign project, €0.8 million (2020: nil) received under the Strategic Tourism Transport Business Continuity Scheme and €0.1 million (2020: €0.1 million) received under the Travel Assistance Scheme. Further details are set out in Note 17 (a), in accordance with Department of Public Expenditure and Reform Circular Reference 13/2014.

### 5. Payroll and related costs

	2021 €'000	2020 €'000
<b>Staff costs comprise:</b>		
Wages and salaries	168,465	164,352
Social insurance costs	17,530	17,000
Other retirement benefit costs (Note 20)	14,779	13,784
<b>Total staff costs (excluding directors' remuneration)</b>	<b>200,774</b>	<b>195,136</b>
<b>Directors' remuneration</b>		
Emoluments		
for services as directors	87	98
for other services	110	118
	<b>197</b>	<b>216</b>
Contributions paid to defined benefit scheme	4	6
<b>Total directors' remuneration and emoluments</b>	<b>201</b>	<b>222</b>
<b>Total payroll and related costs</b>	<b>200,975</b>	<b>195,358</b>



Retirement benefits are accruing to 2 directors during the year (2020: 2 directors) under a defined benefit pension scheme.

No costs were incurred in respect of loss of office for any directors during 2021 or 2020 or after the balance sheet date.

	Number of Employees	
	2021	2020
The average number of employees during the year were:		
Wages grade	3,186	3,135
Executive/clerical	418	398
Temporary/contract	38	40
<b>Total</b>	<b>3,642</b>	<b>3,573</b>

### Key management compensation

Key management includes the directors and members of senior management. Wages and salaries costs include the following remuneration payable to the Chief Executive Officer.

#### Chief Executive Officer compensation

	2021	2020
	€'000	€'000
Basic salary	200	200
Social insurance costs	5	5
Post-retirement benefit costs	52	52
<b>Total</b>	<b>257</b>	<b>257</b>

The Chief Executive's salary is in line with the Department of Public Expenditure and Reform guidelines for Chief Executives.

The compensation paid or payable to key management for employee services (including the Chief Executive Officer) is shown below:

#### Key management compensation

	2021	2020
	€'000	€'000
Salary	1,177	1,150
Social insurance costs	51	43
Post-retirement benefit costs	257	281
<b>Total</b>	<b>1,485</b>	<b>1,474</b>

## Notes to the Financial Statements (continued)

The directors of the company were paid directors' fees for services as directors during 2021 as follows:

Mr U. Courtney	€20,048
Ms L. Carroll	€12,600
Ms E. Howley	€12,600
Ms S. Madden	€7,736
Mr J. Quinn	€7,736
Mr K. Wallace	€12,600
Dr R. Widdis	€12,600

Mr S. Hannan, Mr D. Healy and Mr T. O'Connor did not receive any directors' fees from the company.

All payments comply in full with government guidelines for directors' fees.

The expenses paid for directors in 2021 amounted to nil (2020: €345).

### 5(a) Payroll and related costs: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

#### Included in wages and salaries:

	2021 €'000	2020 €'000
Salary	110,329	108,374
Overtime	10,595	9,568
Allowances	47,541	46,410
<b>Total</b>	<b>168,465</b>	<b>164,352</b>

Number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €25,000 from €50,000 upwards.

	Number of Employees	
	2021	2020
€50,000 to €75,000	973	945
€75,001 to €100,000	116	133
€100,001 to €125,000	15	19
€125,001 to €150,000	4	4
€150,001 and above	3	3

### 5(b) Payroll and related costs: additional disclosure requirements under the Department of Public Expenditure and Reform Circular Reference 13/2014

Number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €10,000 from €60,000 upwards.

	Number of Employees	
	2021	2020
€60,000 to €70,000	162	133
€70,001 to €80,000	98	79
€80,001 to €90,000	49	62
€90,001 to €100,000	20	26
€100,001 to €110,000	10	11
€110,001 to €120,000	5	6
€120,001 to €130,000	1	4
€130,001 to €140,000	1	1
€140,001 to €150,000	2	1
Over €150,001	3	3

## 6. Materials and services costs

	2021 €'000	2020 €'000
Fuel and lubricants	23,975	26,864
Materials	24,076	22,347
Road tax and licences	870	808
Rent and rates	792	368
Foreign exchange losses	25	12
Charge for movement in provision for impairment of stocks	345	248
Charge for movement in provision for impairment of debtors	9	9
Operating lease rentals	453	470
Third party and employer's liability claims	(1,618)	3,500
Other services	20,928	24,594
<b>Total</b>	<b>69,855</b>	<b>79,220</b>

## Notes to the Financial Statements (continued)

### 6(a) Materials and services costs: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

	2021 €'000	2020 €'000
<b>Travel and subsistence</b>		
National travel and subsistence	-	-
International travel and subsistence	2	7
Hospitality	19	23
<b>Total</b>	<b>21</b>	<b>30</b>

### 7. Exceptional operating costs

	2021 €'000	2020 €'000
Legal & related matters (Note 16)	(4,501)	4,608
Restructuring & other employee matters	468	160
Intangible fixed asset impairment loss	-	45
Tangible fixed asset impairment loss	-	1,225
<b>Total</b>	<b>(4,033)</b>	<b>6,038</b>

### 7(a) Termination/severance: additional disclosure requirements under the 2016 Code of Practice for the Governance of State Bodies:

Termination or severance payments made in the reporting period amounted to nil (2020: €10,000).

### 8. Depreciation and amortisation of tangible and intangible assets

	2021 €'000	2020 €'000
Amortisation of intangible fixed assets (Note 11)	679	548
Depreciation of tangible fixed assets (Note 12)	17,267	22,009
Amortisation of EU/Exchequer capital grants (Note 17)	(17,942)	(20,848)
<b>Total</b>	<b>4</b>	<b>1,709</b>

## 9. Interest payable and similar charges

	2021 €'000	2020 €'000
On balances with holding company	164	86
Other interest payments	3	1
<b>Total</b>	<b>167</b>	<b>87</b>

## 10. Taxation

	2021 €'000	2020 €'000
<b>Tax expense included in profit or loss</b>		
Current tax:		
Irish corporation tax on surplus for the financial year	-	-
Adjustments in respect of prior financial years	-	-
Current tax expense for the financial year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Deferred tax expense for the financial year	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements (continued)

### Factors affecting tax charge for the year

Tax assessed for the financial year differs than that determined by applying the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 December 2021 of 12.5% (2020: 12.5%) to the surplus for the year. The differences are explained below:

	2021 €'000	2020 €'000
Surplus/(deficit) on ordinary activities before tax	5,769	(9,865)
Surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2020: 12.5%)	721	(1,233)
<i>Effects of:</i>		
Depreciation in excess of capital allowances for year	1,889	2,414
Non-taxable income	(2,243)	(2,607)
Non-deductible expenditure	(264)	5
Surrender of loss relief to group company	-	1,420
Carry back of loss claim to prior year	-	1
Loss utilised in year	(103)	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

A potential deferred tax asset of €193 million (2020: €193 million) has not been recognised, as the future recovery against taxable profits is uncertain. Bus Átha Cliath is in compliance with the requirements of Department of Public Expenditure and Reform Circular Reference 44/2006: Tax Clearance Procedures Grants, Subsidies and Similar Payments.

## 11. Intangible fixed assets

	Software €'000	Total €'000
<b>Cost</b>		
At 1 January 2021	13,423	13,423
Additions	1,089	1,089
Disposals	(176)	(176)
<b>At 31 December 2021</b>	<b>14,336</b>	<b>14,336</b>
<b>Amortisation</b>		
At 1 January 2021	(12,826)	(12,826)
Charge for the year (Note 8)	(679)	(679)
Disposals	176	176
<b>At 31 December 2021</b>	<b>(13,329)</b>	<b>(13,329)</b>
<b>Net book amounts</b>		
<b>At 31 December 2021</b>	<b>1,007</b>	<b>1,007</b>
At 31 December 2020	597	597

The expected useful lives of the intangible assets for amortisation purpose is as follows:

Software                    3-5 years

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets

	Road passenger vehicles €'000	Bus stops and shelters €'000	Plant and machinery €'000	Total €'000
<b>Cost</b>				
At 1 January 2021	277,062	32,906	43,615	353,583
Additions	2,263	1	994	3,258
Disposals	(8,428)	-	(388)	(8,816)
Transfers	516	-	-	516
<b>At 31 December 2021</b>	<b>271,413</b>	<b>32,907</b>	<b>44,221</b>	<b>348,541</b>
<b>Depreciation</b>				
At 1 January 2021	(210,943)	(24,501)	(38,443)	(273,887)
Charge for the year (Note 8)	(14,618)	(1,933)	(716)	(17,267)
Disposals	7,825	-	388	8,213
Transfers	516	-	(516)	-
<b>At 31 December 2021</b>	<b>(217,220)</b>	<b>(26,434)</b>	<b>(39,287)</b>	<b>(282,941)</b>
<b>Net book amounts</b>				
<b>At 31 December 2021</b>	<b>54,193</b>	<b>6,473</b>	<b>4,934</b>	<b>65,600</b>
At 31 December 2020	66,119	8,405	5,172	79,696

- (i) Road passenger vehicles at a cost of €112.1 million (2020: €118.6 million) were fully depreciated but still in use at the balance sheet date.
- (ii) There are no additions in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service (2020: Nil).
- (iii) The company does not own the land and buildings in use; this is owned by the CIÉ Holding Company and is included in the financial statements of CIÉ.
- (iv) Assets with a cost of €9.0 million were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets and a profit of €335,000 was obtained. The profit on disposal of assets was not retained by the company and transferred to the NTA in line with the clauses of the Direct Award Contract.



### 13. Stocks

	2021 €'000	2020 €'000
Maintenance materials and spare parts	2,367	1,851
Fuel, lubricants and other sundry stocks	1,388	1,597
	<b>3,755</b>	<b>3,448</b>

The stock above is stated net of a stock obsolescence provision of €730,000 (2020: €772,000).

There is no significant difference between the replacement cost of stock and their carrying amounts.

### 14. Debtors

	2021 €'000	2020 €'000
Trade debtors	798	2,619
Amounts owed by holding company	165,163	176,209
Prepayments	317	394
Other debtors and accrued income	493	3,228
	<b>166,771</b>	<b>182,450</b>

Amounts owed by the holding company are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The debtors above are stated net of provision for bad debts of €24,000 (2020: €11,000).

## Notes to the Financial Statements (continued)

### 15. Creditors (amounts falling due within one year)

	2021 €'000	2020 €'000
Trade creditors	4,053	5,264
Corporation tax	1,039	1,040
Income tax/levy deducted under PAYE	3,818	3,479
Pay related social insurance	2,931	2,787
Value added tax	258	27
Withholding tax	38	15
Other creditors	26,777	25,230
Deferred revenue	28	8,148
Deferred income (Note 17)	16,255	17,455
Accruals	10,653	11,306
	<b>65,850</b>	<b>74,751</b>
Creditors for pay related taxation and social insurance included above	7,045	6,308

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with the creditors' usual and customary credit terms.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

Deferred revenue relates to revenue from short-term tickets.

## 16. Provision for liabilities

	Environment matters €'000	Legal, and related matters €'000	Restructuring & other employee matters €'000	Third party & employer's liability claims €'000	Total €'000
As at 1 January 2020	2,324	200	3,841	80,230	86,595
Charge to profit and loss account	150	4,708	160	3,427	8,445
Utilised during year	(414)	-	(362)	(5,920)	(6,696)
<b>As at 31 December 2020</b>	<b>2,060</b>	<b>4,908</b>	<b>3,639</b>	<b>77,737</b>	<b>88,344</b>
As at 1 January 2021	2,060	4,908	3,639	77,737	88,344
(Credit)/charge to profit and loss account	(660)	(4,501)	20	(1,618)	(6,759)
Utilised during year	(679)	(107)	-	(5,249)	(6,035)
<b>As at 31 December 2021</b>	<b>721</b>	<b>300</b>	<b>3,659</b>	<b>70,870</b>	<b>75,550</b>

### Environment matters

The land and buildings occupied by Bus Átha Cliath are of varying age. The environmental provision relates to substantial building works that are currently required to be performed to meet the company's obligations under Environment and Health and Safety legislation.

### Legal and related matters

The provision relates to third party and employee legal and other contractual disputes. A contractual dispute provided for in 2020 was settled and the unutilised provision credited back through the profit and loss account. The remaining provisions at 31 December 2021 relate to disputes that are currently on-going. The provision represents the estimated cost of settling these matters. Further information is not provided in relation to these on-going disputes as this could seriously prejudice the company's position.

### Restructuring and other employee matters

The restructuring provision relates to changed business processes and payments for staff who are impacted by such changes. The provision relates to non-routine payroll expenditure. The provision is expected to be utilised during year ended 31 December 2022.

Other employee matters relate to post-retirement benefit costs provided for at 31 December 2021 of €2.1 million (2020: €1.9 million).

### 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. 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.

## Notes to the Financial Statements (continued)

CIÉ as a self-regulated body operates a self-insurance model whereby the operating companies bear the financial risk associated with the cost of claims, subject to certain “one-off” incidents and annual caps in the case of third-party claims. 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, including 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 claims 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 in 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.

## 17. Deferred income

This represents EU/Exchequer and other grants which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated:

	2021 €'000	2020 €'000
<b>Capital grants</b>		
Balance at 1 January	82,076	197,667
Received and receivable (Note 17(c))	4,638	2,903
Repaid (Note 17(c))	(1,058)	-
Derecognised under bus leasing agreement	-	(97,646)
Amortisation of capital grants (Note 8)	(17,942)	(20,848)
Asset disposals	(87)	-
<b>Balance at 31 December</b>	<b>67,627</b>	<b>82,076</b>
<b>Apportioned:</b>		
Current liability (Note 15)	16,255	17,455
Amounts falling due after more than one year	51,372	64,621
	<b>67,627</b>	<b>82,076</b>

### 17(a) Disclosure in accordance with Department of Public Expenditure and Reform Circular Reference 13/2014

	2021 €'000	2020 €'000
<b>Capital grants</b>		
Vehicles and plant (net)	3,580	2,903
<b>Total capital grants received (net)</b>	<b>3,580</b>	<b>2,903</b>

Capital grants are amortised over the useful lives of the assets. The relevant agency and programme are the NTA and the 2021 Capital Funding Programme and the sponsoring government department is the Department of Transport. Grants are restricted to PSO activities.

## Notes to the Financial Statements (continued)

	2021 €'000	2020 €'000
<b>Revenue grants (Note 3 &amp; Note 4 (c))</b>		
Travel Assistance Scheme – NTA	75	67
BusConnects Network Redesign – NTA	580	–
Strategic Tourism Transport Business Continuity Scheme – Fáilte Ireland	800	–
Apprenticeship Incentivisation Scheme – Solas	26	–
Wage Subsidy Schemes – Revenue Commissioners/Department of Social Protection	–	22,264
<b>Total revenue grants received</b>	<b>1,481</b>	<b>22,331</b>

Revenue grants are brought to profit and loss account in full in the relevant year received/receivable. The relevant agency and programme are set out above. The sponsoring government department for the Travel Assistance Scheme and the BusConnects Network Redesign is the Department of Transport and these grants are restricted to PSO activities.

The sponsoring government department for the Strategic Tourism Transport Business Continuity Scheme is the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media and these grants are unrestricted. The sponsoring government department for the Apprenticeship Incentivisation Scheme is the Department of Further and Higher Education, Research, Innovation and Science and these grants are unrestricted. The sponsoring government department for the Wage Subsidy Schemes is the Department of Finance and these grants are unrestricted.

**17(b)** Total capital grants recognised in 2021 were €3.6 million (2020: €2.9 million). Grants recognised in 2021 related to €3.1 million (2020: €2.8 million) received from the NTA under the Capital Funding Programme and €0.5 million (2020: €0.1 million) received from the NTA under the Direct Award Contract.

### 17(c) Capital grants received and receivable

	2021 €'000	2020 €'000
Capital grants received and allocated	4,638	2,903
Capital grants repaid	(1,058)	–
<b>Capital grants received and receivable (Note 17)</b>	<b>3,580</b>	<b>2,903</b>
Capital grants allocation from 2019 to 2020	–	14,600
<b>Capital grants received cash flow</b>	<b>3,580</b>	<b>17,503</b>

## 18. Share capital

	2021 €'000	2020 €'000
<b>Authorised:</b>		
100,000,000 Ordinary shares of €1.27 each	126,974	126,974
<b>Allotted, called up and presented as equity:</b>		
55,000,000 Ordinary shares of €1.27 each	69,836	69,836

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

## 19. Cash flow statement

	2021 €'000	2020 €'000
<b>Reconciliation of operating cash flows</b>		
Surplus/(deficit) before interest and tax	5,936	(9,778)
Depreciation of tangible fixed assets	17,267	22,009
Amortisation of intangible fixed assets	679	548
Amortisation of capital grants	(17,942)	(20,848)
Impairment of tangible and intangible fixed assets	-	1,270
Gain on disposal of tangible fixed assets	-	(35)
(Increase)/decrease in stocks	(307)	144
Decrease in debtors	4,633	4,640
Decrease in creditors and provisions	(20,829)	(12,574)
<b>Net cash utilised from operating activities</b>	<b>(10,563)</b>	<b>(14,624)</b>

## Notes to the Financial Statements (continued)

### 20. Pensions

The CIÉ Group operates two defined benefit plans, the CIÉ Pension Scheme for Regular Wages Staff and CIÉ Superannuation Scheme 1951 Amendment Scheme 2000 defined benefit plan, for employees of the CIÉ Group. The employees of Bus Átha Cliath are members of CIÉ Group pension schemes. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method.

The rules of the schemes do not specify how any surplus or deficit should be allocated among participating employers and there is no contractual agreement or stated policy for allocating the net defined benefit cost to the individual group entities. Accordingly, the net defined benefit cost for the schemes as a whole are recognised in the separate financial statements of CIÉ, as in the absence of a formal contractual arrangement the directors believe that this is the entity that is legally responsible for the schemes. The other participating entities, including Bus Átha Cliath, recognise a cost equal to their contribution for the period.

The valuations of the schemes under FRS 102 as at 31 December 2021 showed a deficit of €847 million, (2020: €975 million). The disclosures required under FRS 102 in respect of the group's defined benefit plans, in which the company participates, are set out in the financial statements of CIÉ for the year ended 31 December 2021 which are publicly available from CIÉ, Heuston Station, Dublin 8, Ireland.

The company's pension cost for the year under the defined benefit schemes was €14.8 million (2020: €13.8 million) and these costs are included as post-retirement benefits in Note 5. The company's cost comprises of contributions payable for the year.

### 21. Capital commitments

	2021 €'000	2020 €'000
Contracted for:	2,662	2,122

Capital commitments represent capital expenditure projects that have been approved whereby work has commenced on these projects but are not fully completed at the end of the period. All PSO capital commitments above are funded by the NTA.

### 22. Operating leases

	2021 €'000	2020 €'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	194	149
Between one and five years	161	212
	<b>355</b>	<b>361</b>

Operating leases include (i) non-bus vehicles under operating leases and (ii) the operating lease charge payable to the NTA relating to a bus leasing agreement which commenced in 2017.



## 23. Guarantees and contingent liabilities

The CIÉ Group has borrowings of €16 million (2020: €20 million) at the balance sheet date.

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 Group's 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.

Bus Átha Cliath's capital expenditure in respect of pre-2017 PSO fleet is funded through capital grants from the NTA. This funding is provided in line with the provisions of the Direct Award Contract, effective from 1 December 2019. Certain contingent liabilities arise under these agreements.

The Direct Award Contract also has established provisions to avoid overcompensation for public transport services under PSO contracts. The directors believe that the risk of the NTA exercising their rights under the related agreements is remote.

## 24. Related party transactions

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, the National Transport Authority and the Dublin Airport Authority. The NTA is a significant related party whereby Bus Átha Cliath have entered into a 5-year contract for 100% of the public service trading activity of the company through a Direct Award Contract for passenger transport in the Greater Dublin Area. The contract is from 1 December 2019 to 30 November 2024. The directors are of the opinion that the quantum of these purchases outside of the Direct Award Contract is not material in relation to the company's business.

The company is exempt from the disclosure requirements of paragraph 33.9 of FRS 102 in relation to transactions with those entities that is a related party because the same State has control, joint control or significant influence over both the reporting entity and the other entities.

## 25. Membership of Córas Iompair Éireann Group

Bus Átha Cliath is a wholly owned subsidiary of CIÉ and the financial statements reflect the effects of Group membership.

Some group wide functions such as Treasury, Legal, Property and Pensions are carried out by the holding company on a shared services basis for which the company and other subsidiary companies are charged on an agreed apportionment basis. Copies of the CIÉ consolidated financial statements can be obtained from the Company Secretary at Heuston Station, Dublin 8, Ireland.

## Notes to the Financial Statements (continued)

### 26. Post balance sheet events

On the 24 February 2022 war broke out in Ukraine. The resulting economic consequences have increased a number of business risks, most of which were evident prior to February, but some are now more uncertain in their likelihood and impact. These risks include:

- Potential disruption to energy supply, raw material shortages, and sharp increase in prices
- Further increases in cost of living and potential reduction in consumer spending and economic activity
- Financial market volatility
- Increased threat of cyber-attack

The company will continue to assess the financial impact and manage the extent of the associated business risks.

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

### 27. Approval of financial statements

The directors approved the financial statements on 30 March 2022 subject to the receipt of a letter of support from CIÉ, which was duly received on 6 April 2022.





59 Upper O'Connell Street,  
Dublin 1  
[www.dublinbus.ie](http://www.dublinbus.ie)