

# Bus Átha Cliath Annual Report and Financial Statements 2022



*The Route to Sustainability*

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## What we do

We are the largest public transport provider in Ireland. Over the last five years we have delivered over 540 million customer journeys across Dublin’s bus network. We have a fleet of over 1,000 buses which follow 121 routes, including ten 24-hour routes and thirteen Nitelinks. We employed an average 3,771 people in 2022, 2,793 of which were bus drivers. Our employees represent 78 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 (GDA).



## 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.



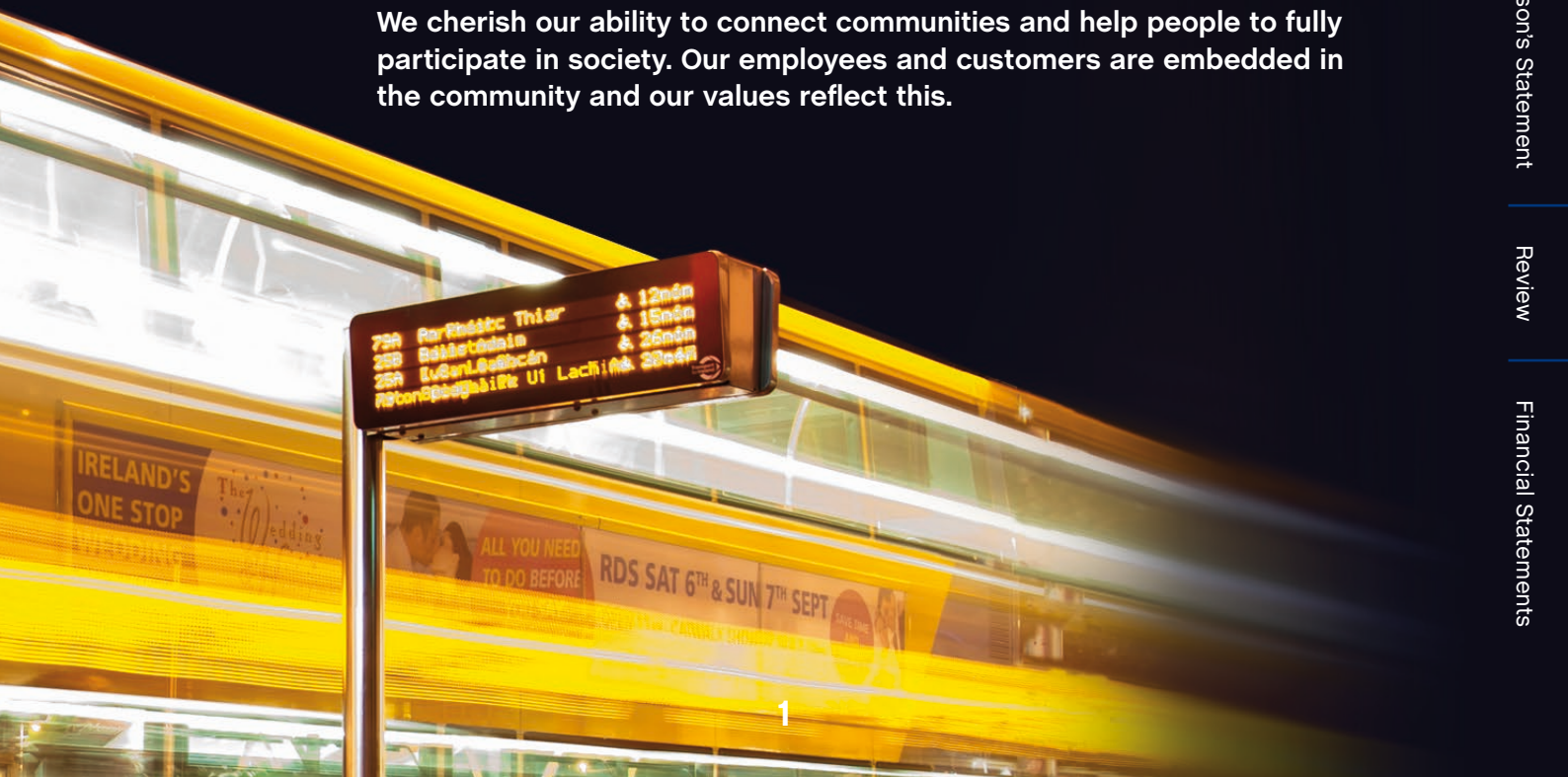
## Our values

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.



# Chairperson's Statement

“The Board, Executive and all our dedicated loyal staff are committed to delivering a top-quality service for our customers in a very fast changing world where public transport and Bus Átha Cliath have such an important role to play”

## Connecting communities across the Greater Dublin Area

I am pleased to present the Annual Report of Bus Átha Cliath, my first as Chairperson, for the year ended 31 December 2022 and to report on a year of good progress. This is a challenging but incredibly exciting time to join Bus Átha Cliath as Chairperson and I do so with a strong sense of purpose and the determination to realise the tremendous potential of our business.

The board and I would like to take this opportunity to thank my predecessor, Ultan Courtney, who acted for seven years as Chairperson of the board of directors of Bus Átha Cliath. We would also like to thank Ray Coyne, who served the company for seven years as Chief Executive Officer and Andrea Keane for stepping up as Acting Chief Executive Officer, while the process to recruit a permanent Chief Executive Officer was concluding. I am grateful for the professionalism, dedication, and total commitment you have devoted to Bus Átha Cliath. The board and I would also like to welcome our newly appointed Chief Executive Officer, Billy Hann. I look forward to working alongside you as Bus Átha Cliath continues in its journey toward a sustainable and enhanced public transport service.

During my first 10 months as Chairperson, I have visited some depots and met with colleagues from all levels, as well as numerous external stakeholders. What has struck me is the pride and passion of our people, their sense of purpose and desire not only to secure and protect the company but to see it flourish and thrive. There is a real commitment to delivering a service for

our customers in a fast-changing world where public transport and Bus Átha Cliath have such an important role to play.

The board and I approach our work with a strong commitment to realise the tremendous potential of our business and understand the significant role that we play in the overall exciting public transport strategy.

## Operational excellence is our goal

Bus Átha Cliath has a long history of supporting economic and social development across the GDA. The story of Bus Átha Cliath is a story of progress and resilience, always moving forward in the interest of our customers. We have operational excellence at our heart and an incredible focus on delivery, performance and reliability that creates opportunities for significant value creation.

Public transport is a key enabler of sustainable development in Ireland. With 121 million customer journeys in 2022, Bus Átha Cliath remains by far the largest provider of public transport in the country.

While the company faced some challenges in the areas of service performance and reliability, I am confident the improvements seen towards the end of last year will be maintained as we continue our vital work in 2023.

2022 also saw the company assist the National Transport Authority (NTA) with the delivery of a further two phases of the BusConnects Network, which added further 24-hour routes to our service offering. BusConnects is an ambitious and welcome investment of €2 billion in Dublin's bus system.



Bus Átha Cliath is firmly of the view that BusConnects is key to delivering a strong public transport response to the growing demand for high quality bus services. Through a laser like focus on performance and reliability, Bus Átha Cliath will continue to provide reliable services, high-quality customer experience and innovative developments to our customers while also demonstrating our status as a leader within the field of public transport delivery.

## Finance and governance

Strong financial results provide the company with robust foundations, allowing Bus Átha Cliath to invest in and contribute towards the development of a sustainable, high quality public transport system for Dublin. A profitable performance is essential to ensuring a viable future for Bus Átha Cliath. The company had a very strong performance in 2022, while meeting the needs of our customers and delivering cost efficiencies and value for money. These will be key to meeting future challenges.

The board remains committed to the highest standard of corporate governance to manage risks and drive both innovation and growth within Bus Átha Cliath. We continued to focus our attention during 2022 on ensuring that the company has appropriate measures in place to comply with the 2016 Code of Practice for the Governance of State Bodies.

## Delivering for Dublin

2023 will again present many challenges and significant opportunities for Bus Átha Cliath. These include:

- preparation for, and full engagement with, a new direct award contract process;
- continuing to engage with all stakeholders to further develop our reputation as a safe, reliable partner with the ability to deliver high quality cost competitive transport services;
- working with stakeholders to introduce measures to mitigate the increasing impact of congestion; and
- continuing to reduce emissions through the electrification of our fleet.

Through operating in a fully competitive environment, Bus Átha Cliath is positive in its future and its capacity to grow public and commercial services. While many challenges lie ahead, the company has the ability and capacity to tackle each one to ensure it remains an integral part of public transport provision in Dublin. The board and I have every confidence that the company will continue to grow and develop and that its culture and values, including our commitment to constantly improving the service and experience we give our customers every day, will ensure Bus Átha Cliath continues to deliver for the people of Dublin.

## A strong team

As we reflect on last year's achievements and the challenges, the outstanding contribution of our employees in working to deliver high quality bus services for the people of Dublin cannot be overestimated. I would again like to acknowledge all our employees for the professionalism, energy, and commitment with which they continue to serve our customers and ensure that Bus Átha Cliath remains part of the fabric of sustainable community life in Dublin. I would like to extend the board's heartfelt thanks to the Chief Executive and the Senior Leadership Team for their dedication and hard work throughout 2022.

On behalf of the board, I would like to acknowledge the continued positive partnership with the NTA, as we work towards the shared objectives of increasing public transport usage and enhancing public transport services. I would also like to note the support of the Minister for Transport, Eamon Ryan TD, and the officials of his department during 2022.

## Our customers

I would like to take the time to acknowledge and thank all of our customers who have travelled with us over the last year. The customer is at the heart of everything we do in Bus Átha Cliath. At all times, our focus is on providing customers with safe, comfortable, and efficient journeys. Last year, the company saw customer demand approach pre COVID-19 levels with 457,000 people using our services on the average weekday.

Bus Átha Cliath faced several challenges in 2022. The recent pace of network expansion placed significant pressure on the company as we worked hard to deliver additional services and also provide our network of contracted services. Furthermore, Bus Átha Cliath, like many companies, started to feel the impact of a highly competitive labour market. This resulted in some services failing to operate due to driver shortages. The company has taken several additional steps to boost driver numbers and our employees are working hard to minimise the effect of driver recruitment challenges. Despite the challenges faced by Bus Átha Cliath, we delivered 96% of our services for customers.

While we continue to face challenges, we must recognise the story of Bus Átha Cliath is largely successful. Over the last two years, Bus Átha Cliath has become the only all-day and all-night public transport operator in the GDA, with ten 24-hour routes now in operation. In 2022, we also expanded routes by delivering two further phases of the BusConnects project as part of our journey towards improving the services we offer to the people of the GDA. Our steadfast commitment to delivering for our customers will never waver as we confidently look forward to the future.



**Gary Owens**  
*Chairperson*

## Chief Executive's Review

“As a bus service provider, Bus Átha Cliath is a golden thread woven through the socioeconomic fabric of Dublin”

### Connecting communities and people through the delivery of high-quality bus services

I am pleased to present the Annual Report of Ireland's largest public transport provider, Bus Átha Cliath. Throughout our journey in 2022, we have set goals, measured outcomes and we now report on our progress. Though you will see some of the advancements we have made this past year, we know there's more to be done. We will continue to look for ways to improve service performance and reliability for customers across the GDA, whilst also delivering key State projects such as BusConnects and electrification of the city's bus fleet.

I joined Bus Átha Cliath in December 2022, attracted by the opportunity to make a difference and to be a part of the team that is at the heart of the journey towards a better, more sustainable capital city. I am excited by the journey ahead and encouraged by what we have achieved so far, while remaining very focused on the challenges ahead.

Since my appointment, I have visited all our major departments and operational facilities across the organisation and found teams of dedicated, highly skilled people serving our customers. I am fortunate to be supported by a strong Senior Leadership Team, comprising of longstanding employees as well as others who, like me, are new to the Bus Átha Cliath family. I am extremely grateful for their hard work and support. I would also like to thank the Chairperson and board directors for their dedication, skill, and careful stewardship of Bus Átha Cliath.

### 2022 – a year of challenges and delivery

Looking back at the year just gone is important because in trying to chart the future, we have to understand the past. There is no doubt that Bus Átha Cliath and all public transport operators faced challenges in the areas of service performance and reliability. These challenges largely arose from a highly competitive labour market that made recruitment a significant barrier to reliable service provision.

The good news is that these challenges have driven home an important message. If we are to solve the challenges, and harness the many opportunities, facing our capital city – from climate change to congestion – then we must have the fundamentals of service provision and reliability firmly in place. Our customers expect this and the economic and societal needs of the GDA require it.

Whilst acknowledging recent challenges, it is important to recognise that the story of Bus Átha Cliath is largely a successful one. The company has seen customer demand return strongly with customer journeys reaching 121 million in 2022. We are currently carrying an average of 457,000 customers per day, Monday-Friday, meaning customer demand is approaching pre-COVID years. In addition to this Bus Átha Cliath, with ten 24-hour routes, including two introduced in 2022, is the only all-day and all-night operator of public transport services in the GDA.

The company was also central to the delivery of a further two phases of the BusConnects Dublin Area Network Redesign in 2022. 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 State's delivery partner of choice. We look forward to helping the NTA in delivering this project in full.

## Sustainability is embedded in everything we do

Bus Átha Cliath's journey on climate action and sustainability started many years ago. This year we have worked to be even more ambitious and accelerate our progress. 2022 also saw 47 hybrid vehicles introduced to the fleet and we look forward to the roll out of electric buses throughout 2023.

Last year also saw the company's first ever sustainability strategy developed and approved by the board of Bus Átha Cliath. Our sustainability strategy is aligned with our purpose to enable us to build progress together for all of our stakeholders.

When businesses like Bus Átha Cliath show leadership in this area the impact is bigger than the action itself. It is felt in the message it sends. We all know that climate change will not be prevented by one or two actions, or even by one or two hundred. It requires millions of actions globally. Each one may only be a ripple, but combined they are a powerful force for a move towards a more sustainable world.

Bus Átha Cliath was established in 1987. We have been around a while, and with experience comes a perspective and vision beyond immediate concerns. We are in it for the long haul. We know that for a business to last, it must have a clear reason for being, which is found in the value it creates for all – customers, communities, colleagues and most importantly for the world around us.

## Prudent financial management

Of course, none of this progress would be possible without a prudent approach to financial management. Despite the lingering economic impact of COVID-19 and a highly changeable operating environment, we have made significant progress in protecting and enhancing the financial position of Bus Átha Cliath. I would like to take this opportunity to thank the NTA, Minister for Transport Eamon Ryan TD, and the Government for their continued support over the last 12 months.

## Looking forward

Change is inevitable but progress depends on what we do with that change. This is especially true for the world of public transport. This is a time of opportunity, both for Bus Átha Cliath and the wider public transport market. This means that in a world that is changing before our very eyes, it is right that we think about and plan for the long term.

While none of us have a clear line of sight into the future, the work we have done this year and the progress we have made gives me confidence that we are on the right path to achieve sustainable growth in the future. Together, we will build on our success over the past year, sustain our position, deliver against our strategic priorities and in doing so, accelerate our momentum throughout 2023. Above all, we will make the most of our unique strengths within the dedicated Bus Átha Cliath team who serve our customers and communities across the GDA.



**Billy Hann**  
Chief Executive





## 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 Safety Management System (SMS) is certified to the latest International Organisation of Standards (ISO) 45001 standard and underpins safety management within the company.

As part of the company's compliance management programme, an external National Standards Authority of Ireland (NSAI) audit was conducted to ensure all requirements outlined in the SMS were in place and working effectively. With the reopening of wider society post COVID-19, particular attention has been focused on safety management brought on by increased traffic congestion and higher customer numbers. Safety training continued throughout the pandemic with safety remaining at the forefront of all work practices within Bus Átha Cliath. New driver training has continued in the company's Road Safety Authority (RSA) certified training centre.

Bus Átha Cliath implemented a number of key safety initiatives in 2022.

### Random Drug and Alcohol Testing in 2022 for all employees and contractors

The implementation of this policy was to enhance employee and customer safety, to promote a positive and responsible attitude to alcohol and drug issues. As part of the implementation roadshows, it has also raised awareness of the risks associated with using alcohol or drugs and outlined the supports in place for employees that may develop problems with alcohol and drugs.

### Investigation of fleet improvements, considering new and expected fleet technology combined with customer expectation

A number of fleet improvements have been reviewed and implemented in order to further enhance employee and customer safety. This has been reviewed as part of the company's internal bus design committee forum. Exterior modifications have been carried out on vehicles to further protect vulnerable and other road users. Interior vehicle modifications have also been implemented to enhance both customer experience and safety of all customers. The introduction of low noise hybrid vehicles has also included an Acoustic Vehicle Alerting System (AVAS) on hybrid/electric vehicles so as to alert other road users and pedestrians of the presence of buses in the surrounding area.



### **Implement a number of focused safety awareness campaigns and a health and wellbeing strategy**

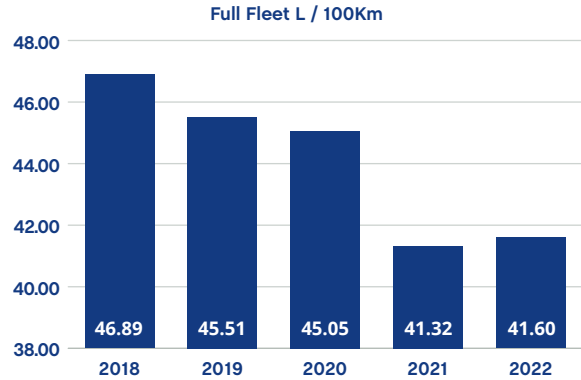
A sustained health and wellbeing strategy was developed which is focused on employee mental and physical health. This strategy aims to provide direction for workplace policies and initiatives which will enable employees to increase control over and improve their health and work in a safe and healthy environment. Through direct employee feedback, the company has identified a number of actions and opportunities that will support health and wellbeing which will be embedded into Bus Átha Cliath's culture. This strategy will be delivered over a three-year period from 2023 to 2025 to align and complement the overall strategic direction and vision of the company.

# Our Environment

## Our Footprint

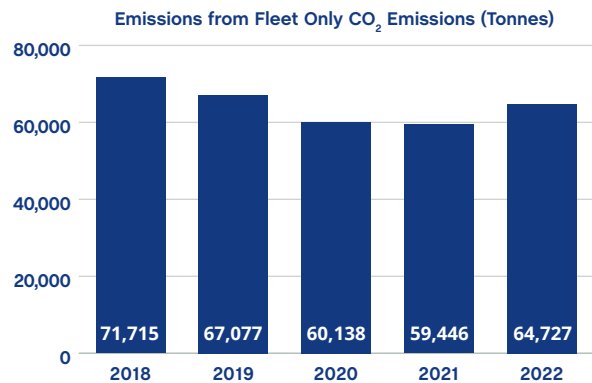
Full Fleet L/100Km

2018	46.89
2019	45.51
2020	45.05
2021	41.32
2022	41.60



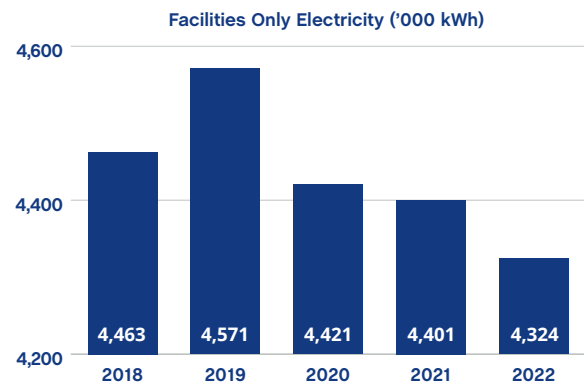
Emissions from Fleet only  
CO<sub>2</sub> Emissions (Tonnes)

2018	71,715
2019	67,077
2020	60,138
2021	59,446
2022	64,727



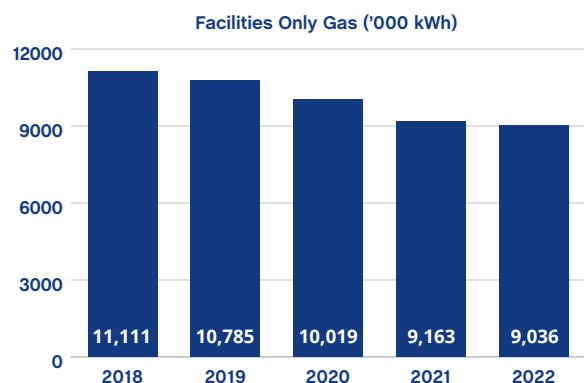
Facilities only  
Electricity (kWh)

2018	4,462,532
2019	4,571,434
2020	4,420,875
2021	4,400,531
2022	4,324,228



Facilities only  
Gas (kWh)

2018	11,111,298
2019	10,785,221
2020	10,019,336
2021	9,162,729
2022	9,036,314



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

Our ISO-certified energy and environmental management systems underpin our commitment to improving sustainability across our network, depots, and supporting 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 implementing 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 adequate resources are in place to facilitate the development and implementation of the strategy. The reorganisation, which is now complete, has enhanced the expertise level within the EHS department to support all functions within the company. This will be of benefit to us as we bring a broader approach to the area of sustainability in Bus Átha Cliath.

Progress in 2022 includes:

- 152,000 cars off the road each day;
- 23.5% improvement in fuel efficiency since 2008 baseline;
- 34.6% less CO<sub>2</sub> emissions since 2008 baseline;
- 60% of our fleet now utilises lower emission Euro 6 engines;

- introduction of 47 diesel-hybrid buses;
- 58% cheaper to travel by bus than car meaning public transport is good for your pocket and our planet;
- achieved ISO 14001 environmental management certification;
- Dublin Bus Sustainability strategy developed and approved;
- working with other CIÉ operating companies and CIÉ HC, procured consultant services in order to support reporting under the EU Taxonomy, with the plan being to voluntarily report under the EU Taxonomy for the first two criteria (climate change mitigation and climate change adaption);
- rainwater harvesting system implemented in Summerhill, supported by the CIÉ Sustainability Fund;
- wildflower embankment created in Broadstone depot, supported by the CIÉ Sustainability Fund; and
- rollout of biodiversity/wellbeing areas in depots, supported by the CIÉ Sustainability Fund.

We consumed 283,097 MWhs of energy in 2022 comprised of the following:

- bus fleet diesel 269,737 MWh;
- electricity 4,324 MWh; and
- natural gas 9,036 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, meaning we are working to achieve a 45% low or zero-emissions fleet by 2026 and 65% by 2030. The NTA plans 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 2023 include:

- delivery of battery electric vehicles commencing in Q3 of 2023;
- ongoing future planning with the NTA and ESB Networks for charging infrastructure for full battery electric vehicles in all depots;
- continuing to align priorities and projects to access the CIÉ Sustainability Fund;
- delivery of charging infrastructure for fully-electric buses at two locations;
- expansion of rainwater harvesting system to other depots;
- progression of energy awareness campaigns;
- implementation of our nine core UN Sustainable Development Goals (SDG);
- rollout of “Sustainability Pass” training, to support all employees of all levels in understanding how their sustainable actions will play a vital role in our collective response to climate change;
- expansion of biodiversity/wellbeing areas to other locations;
- feasibility study to assess buildings at all locations for energy efficiency and meet 2030 targets;
- continuing to work with contractors to reduce waste on site;
- implement a smart metering programme for electricity, gas, and water;
- carry out LED retrofit of older light fittings;
- implement a company-wide Environmental Social Governance strategy; and
- 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

2022 was a year of recovery for Bus Átha Cliath, following COVID-19 and the ending of national and local lockdowns and the associated travel restrictions.

Customer numbers recovered quickly as businesses and leisure activities returned and people started travelling again. Of particular note was a relative increase in weekend and off-peak travel, driven by increased services at these times.

The TFI 90-minute fare introduced during the year proved to be very attractive for our customers and allowed them to take subsequent journeys within 90 minutes for a single fare, even across other modes of transport.

The company faced significant challenges in 2022 as it sought to deliver an expanded network of services under the BusConnects project. While the company implemented a number of recruitment campaigns, and welcomed over 300 drivers into the company, the rate of recruitment did not match the rate of service expansion. The company will continue to address this issue in 2023 and is focused on the delivery of services, in line with our contract obligations, for our customers.

The delivery of a range of major projects, prioritising public transport, is at the heart of delivering a more sustainable Dublin. The largest operational challenge for 2022 was the delivery of BusConnects in partnership with the NTA. This €2 billion suite of projects is central to the Government's policy to improve public transport and address climate change in Dublin and other cities across Ireland. BusConnects includes a suite of nine interrelated projects, 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; and
- 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 greatly welcomed. 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 increased reliability, reduced journey times and further enhancing the customer experience.

After the very successful launch of Phases 1 and 2 in 2021, 2022 saw Phase 3 (Northern Orbital) of BusConnects launched in May 2022 in Harristown Depot, with new route N4 being introduced, linking Blanchardstown Shopping Centre in West Dublin to the Point Village (Docklands – O2 Arena) via Collins Avenue (DCU). This resulted in an increase in services and frequency overall, especially off peak and at weekends, in the Dublin Northeast area. This new route resulted in:

- high-frequency 10-minute service;
- 24 Hour Orbital route;
- 100% increase in operating kms;
- high-frequency interchange with seven other current and future BusConnects' spines; and
- connectivity – improved access to employment/education/medical/leisure facilities.

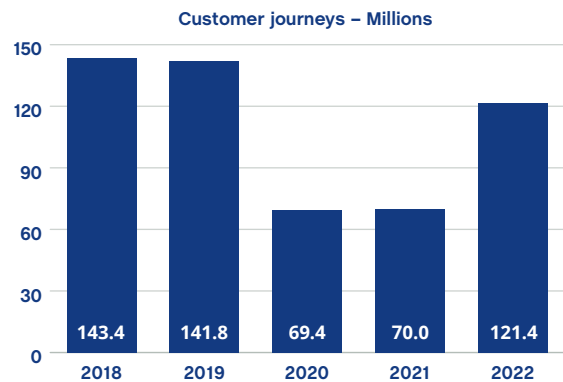
Phase 4 (G-spine) of BusConnects was launched in October 2022, with routes G1 (Luas Red Cow to Docklands), G2 (Liffey Valley Shopping Centre to Docklands) and route 60 replacing the 70/79a and western leg of route 40. Operating out of Conyngham Road Depot the number of weekly trips increased by 22%, running an additional 25% kms every week and it required a 25% increase in the number of duties/buses for operation.

The G-spine is also a 24-hour service offering a major increase in connectivity as the routes will intersect with seven other spines as well as five orbital services. The introduction of both phases saw a significant increase in resources for Bus Átha Cliath, both driving and engineering staff as well as fleet.



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 providing safe access to work, education, retail, and leisure. We have seen a rapid recovery in demand following the lifting of COVID-19 restrictions. We came into the COVID-19 pandemic in a strong position, and through this crisis, we have acted decisively. With our continued focus on operational excellence, we are well positioned to continue to serve our customers in 2023, as the leading operator of public transport services in Ireland.

**Customer journeys 2018 to 2022**





## Our Direct Award Contract

Bus Átha Cliath was awarded a Direct Award Contract (DAC) by the NTA in accordance with European and National legislation. This contract comprises the operation of routes across the GDA and is the primary source of income for Bus Átha Cliath. It came into operation on 1 December 2019, operating for five years.

The contract performance is defined primarily by way of a number of Key Performance Indicators (KPIs) set by the authority. These measures consider all aspects of service operation and delivery and include mechanisms for 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 an increased focus on quality-of-service delivery.

2022 saw recovery from many of the impacts of COVID-19, with customer journey numbers approaching pre-pandemic levels by the last quarter of 2022. Post COVID-19 travel patterns show changed behaviour associated with working from home and more weekend travel. This, associated with a return to high congestion levels resulted in large variations in the operating conditions for our services.

In addition to managing services in difficult circumstances, in partnership with the NTA, Bus Átha Cliath has successfully delivered further phases of the BusConnects project, including introducing further 24-hour services to help sustain the night-time economy across the city.

Bus Átha Cliath, along with other transport operators and industries has faced recruitment challenges during 2022. However, due to a large recruitment campaign, applications and interest have grown towards the end of 2022, with strong net recruitment expected in 2023.

Bus Átha Cliath continued to deliver on key contract requirements. However, the challenging and variable operating environment, as well as the recruitment challenges, have unfortunately impacted service provision across the network.

Penalty and performance management continue to be a key priority in delivering services for customers and meeting the contract's requirements.



# Our Community

## Community Engagement

Bus Átha Cliath is committed to creating positive social value in 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; and
- support of local and cultural events.

COVID-19 impacted our programmes under the CSI but both our Community Spirit Awards and our Schools Education Programme, which helps to keep communities safe by educating younger citizens on the importance of respecting public transport, resumed in 2022. Unfortunately, delayed due to the pandemic, our 2021 Community Spirit Awards winners were announced in November 2022. Sixty five grassroots, voluntary and community groups operating in the GDA 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 LGBT Ireland

We undertook a new community engagement partnership with LGBT Ireland for Pride 2022, as part of our continued support of the LGBTQI+ community and our employees. LGBT Ireland is a national organisation which provides support services to Lesbian, Gay, Bisexual, and Transgender people across the country, carrying out impactful work with all members of the LGBTQI+ community, especially those from minority groups, including LGBTQI+ Travellers, Refugees and Asylum Seekers.

Bus Átha Cliath and LGBT Ireland worked together for the 'By My Side This Pride' campaign, putting a spotlight on LGBTQI+ allies. The campaign featured a diverse group of four LGBTQI+ community members, including Bus Átha Cliath employees and LGBT Ireland service users.

## 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 2022, 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 more than 380 free in-person and online events taking place at over 300 venues across the city and county. To keep visitors entertained, Bus Átha Cliath hosted a number of pop-up performances on buses at cultural destinations across the city.

## 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 88% of our buses. All of our buses have audio and visual stop information available on board.

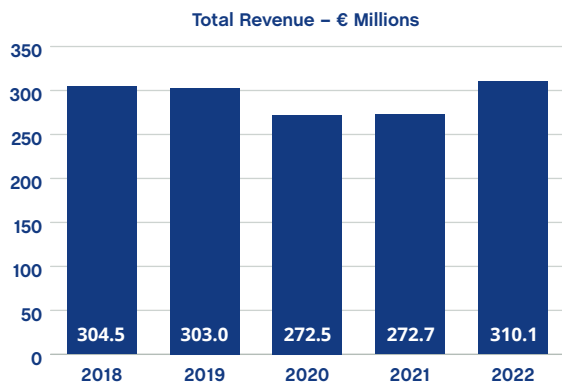
The Travel Assistance Scheme operated fully in 2022 and is of particular importance as part of the delivery of the BusConnects project to assist customers in learning new routes and understanding changes to existing routes. The scheme provided 1,782 assists in 2022, 311 to people with sensory problems, 942 to people with learning difficulties and 529 to people with mobility problems. We also gave 58 presentations on safe travel to disability organisations and older persons groups and brought a bus out to disability units and schools to allow their customers to learn how to use the bus and feel comfortable doing so in familiar surroundings.

## Our Performance

The company reported a surplus of €0.4 million, after exceptional items. This includes a profit of €0.2 million on the Public Service Obligation (PSO) DAC services and other PSO services. In addition, Commercial Services generated a profit of €0.2 million. Overall, the company reported an Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of (€0.2) million compared to an EBITDA of €1.9 million in 2021.

Total operating costs have increased from €270.8 million in 2021 to €310.3 million in 2022, a net increase of €39.5 million. Most of these additional costs are associated with the increase in services for customers as part of the implementation of the BusConnects project and the implementation of the recent pay agreement.

Additional services give rise to increased expenditure, particularly in drivers' costs, fuel, and maintenance costs. The rise in energy prices in 2022 also led to significant increases in the cost of electricity and gas in the year. Expenditure also reflects savings achieved from service amendments as well as other cost efficiencies delivered by the company across several areas in 2022.



## PSO Operating Result and Financial Position

Bus Átha Cliath has continued to operate PSO services in line with the DAC during 2022. The company operates under a gross cost contract and was fully funded under the PSO contract.

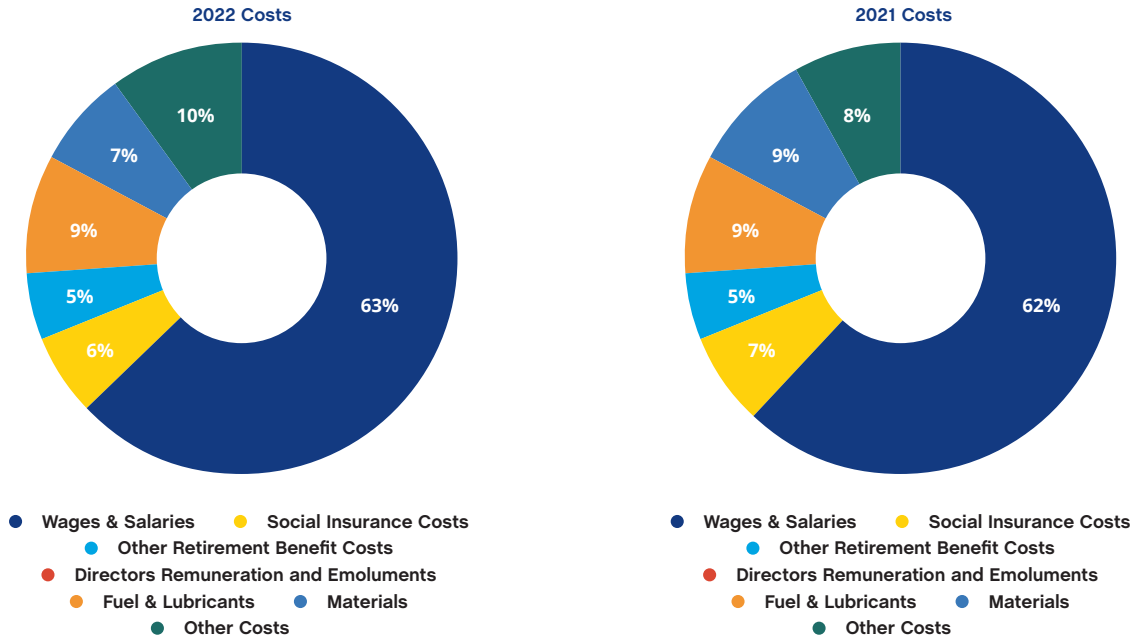
The company earned a reasonable profit on PSO services however this was reduced by performance related deductions under the DAC.

The contract performance deductions reflect the challenges faced by the company in the areas of service performance and reliability. In particular, challenges in driver recruitment, despite recruiting over 300 drivers and maintaining an intensive focus on driver recruitment throughout the year, have negatively impacted on the service levels delivered to customers in 2022.

Customer journeys increased significantly during the year with numbers approaching pre COVID-19 levels by the end of 2022. Bus Átha Cliath also introduced two further phases of the BusConnects Network which increased services for customers.

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 the provision of transport services.

The board is mindful of the need to ensure that the company remains in a stable financial position in order 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 before exceptional costs, increased from €268.1 million in 2021 to €303.9 million in 2022, an increase of €35.8 million. These costs reflect the expansion of services under the BusConnects project, the implementation of the new pay agreement, and increased fuel and energy costs. 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 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

Our DoDublin brand activities recommenced on a pilot basis in 2021, having been suspended since April 2020 due to COVID-19. This service offering was further expanded in 2022. City Tours services have performed well in a challenging year. The business delivered an encouraging rise in customer journeys and has reported a modest surplus for 2022.

While Commercial revenue remains well down on pre COVID-19 levels there are encouraging signs for the re-establishment of the City Tours business. The popular Ghostbus Tours also resumed in Quarter 3 of 2022 and returned a positive margin for the period.

Management continues to review all options to support the continued growth of commercial activities on a financially sustainable basis. A number of initiatives are planned for 2023 to further strengthen the commercial side of the business.

# 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 2022 with the company being listed as one of Ireland's best employers by the Sunday Independent and Statista.

Looking to the future, internal communication and employee engagement will remain a priority focus for Bus Átha Cliath. By collaborating across departments and developing our processes we can address challenges more efficiently and effectively. Although COVID-19 placed increased emphasis on the role of internal communication, its ongoing prioritisation is driven by our Senior Leadership Team. It recognises the importance of internal communication in ensuring employee engagement across the company and informing and disseminating 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 2022, 11 new apprentices started their first-year training and nine will graduate in April 2023. 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.

Bus Átha Cliath is one of the country's leading employers with an average of 3,771 employees in 2022. 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 78 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.

Our 2022 Gender Pay Gap Report showed that we had a gender pay gap of 2.4% in favour of women closing the gap from 2.3% in favour of males in 2018. We have increased the number of female bus drivers by 72% since 2019 and we are committed to increasing this further in 2023. We will also continue to focus on increasing the number of females in engineering with a special focus on greater gender balance in our apprentice heavy vehicle mechanic programme. Gender equality is a huge part of the ethos of Bus Átha Cliath, and our commitment to increasing the numbers of females in the company, particularly in the largely underrepresented areas of bus driving and engineering will continue in 2023. We will continue to work to attract females into these areas in the future, as well as to encourage female employees to progress through the company. This will continue to be a focus of our 2023 action plan.

In 2022, Bus Átha Cliath started the process to achieve the Investors in Diversity Silver Award which is the second of the three stages in the Investors in Diversity EDI Mark. We achieved the Bronze Award in 2021.

## Employee Wellness

As an organisation, Bus Átha Cliath is aware of, now more than ever, the importance of supporting the health and wellbeing of our employees. We understand that health and wellbeing should be incorporated across every component of the business, from policy, organisation, planning and implementation, to evaluation and action for improvement. Bus Átha Cliath recognises 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. 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, an information roadshow was launched at the beginning of Men’s Health Week. Over three weeks, our wellbeing bus went around to a number of locations providing information on men’s health, signposting available supports, and helping reduce the stigma associated with certain health conditions.

In 2023 we will officially launch our Health and Wellbeing Strategy which will provide direction for workplace policies and initiatives which will enable employees to increase control over and improve their health and work in a safe and healthy environment. The strategy has identified a collection of actions and opportunities that will support health and wellbeing to be embedded into Bus Átha Cliath’s culture. This strategy will be delivered over a 3-year period from 2023 to 2025. Plans for 2023 include a psychosocial risk assessment, a smoking cessation programme for employees and their families, health screening, health and wellbeing programme and mental health training. We will also continue to enhance our already well-established Employee Assistance Programme, which is an independent counselling service, designed to help employees resolve personal and work-related difficulties which may affect wellbeing and performance at work.



## Senior Leadership Team Biographies



### Billy Hann

Billy Hann was appointed Chief Executive Officer of Bus Átha Cliath in December 2022. He began his career with the Irish Aviation Authority (IAA) in 1994, providing engineering support services to Air Traffic Control. In his 28 years working for the IAA, he has held several senior management roles and was appointed as the Director of ATM Operations and Strategy. Billy was responsible for leading a highly professional multi-disciplined team in delivering a safe, secure, sustainable world-leading air traffic control service in national and international airspace.

A Dublin native, Billy graduated in 1993 with a primary degree in Electronic Engineering and went on to complete an MSc in Operations Management from Dublin City University. He also completed an MSc in Executive leadership from Ulster University and a Programme for Leadership Development from Harvard Business School.



### 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 Iarnród 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 his role 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.



### 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.



### Ray Cooke

Ray Cooke joined Bus Átha Cliath as Acting Chief Engineer in September 2022 and was subsequently appointed to the role in December 2022. He is responsible for leading, managing and developing the Engineering function for Bus Átha Cliath, as well as creating, implementing, and managing the overall engineering strategy.

Ray is a senior operations professional with diverse experience across multiple industries. Prior to joining Bus Átha Cliath, Ray was the Director of Supply Chain Transitions and Footprint at the automotive technology company Aptiv, where he led the transformation of supply chain management. Ray was also the Supply Chain Director for Honeywell and a Programme Manager for Shell.

Ray holds a Master of Business Administration (MBA) from Manchester University, as well as a Masters in Mechanical Engineering (M.Eng.Sc) and a Bachelor of Engineering (BE) from University College Dublin (UCD).



### Ciarán Rogan

Ciarán Rogan joined Bus Átha Cliath in 2017 as Head of Commercial and Business Development. In his current position as Chief Customer Officer 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.



### Clíodhna Ní Fhátharta

Clíodhna Ní Fhátharta was appointed Head of Strategic Communications and Engagement of Bus Átha Cliath in 2022.

Previously, the Media and Communications Manager, Clíodhna joined the company in December 2006 after serving six years as Media and PR Executive at Iarnród Éireann. A proven communicator and strategist with over two decades of experience in the public transport sector, Clíodhna leads the function responsible for providing strategic communications support through corporate and consumer activity, helping to deliver a stronger corporate reputation and deeper stakeholder engagement.

Clíodhna is a member of the Public Relations Institute of Ireland and holds an honours degree in English and Irish from the University of Galway. She also has a diploma in Public Relations from the Fitzwilliam Institute and a diploma in Management from the University of Limerick.



### Mary Ryan

Mary Ryan joined Bus Átha Cliath in 2004 and has over 18 years' experience developing customer centric strategies and plans in the areas of marketing, digital and brand communications, and business development. Mary is a member of The Marketing Institute and has delivered award winning marketing campaigns and digital innovations centred around our brand mantra 'Every Journey Matters.'

More recently, Mary has moved into senior Project Management roles most notably as business continuity lead during COVID-19. In June 2022, Mary was appointed to lead a significant programme of change for Bus Átha Cliath in strategy and culture transformation to position Bus Átha Cliath well for the future.

Mary holds a degree in Business Studies (Marketing Management) and Professional Diploma in Advertising from Technological University Dublin and a MSc in Business (Leadership & Management Practice) from UCD Michael Smurfit Graduate Business School.





**John Ryan**

John Ryan is Head of Strategic Projects – Mobilisation and Activations. In his current role, John heads up the mobilisation and coordination of strategic projects that are currently active. These include the electrification of garages in preparation for electric buses, network redesign (BusConnects), next generation AVL, ticketing systems and garage redevelopments.

John has held positions in various departments in Bus Átha Cliath including Engineering, Risk Management, Human Resources, Garage Management and Regulatory Affairs.

John holds a degree in Mechanical Engineering from Trinity College Dublin and a Masters in Business Administration from the UCD Smurfit School.



**Colin Ward**

Colin Ward is Head of Environment, Health and Safety and designated Chief Risk Officer for Bus Átha Cliath. In his current position, he is responsible for the development and ongoing implementation of the Safety, Environmental and Energy Management and Corporate risk. Ensuring Safety and Sustainability are embedded and at the forefront of all decision-making processes.

He joined Bus Átha Cliath as a project engineer in January 2016, working in the area of environmental and energy management, developing a number of key sustainability projects for Bus Átha Cliath. Prior to this Colin worked in a number of engineering companies with clients like Google, Intel and EirGrid, focusing on renewable energy developments and safe delivery of construction projects.

Colin holds a Masters degree in Energy Management as well as a Bachelors degree in Mechanical Engineering from Dublin Institute of Technology along with other professional qualifications in safety management and is a member of Engineers Ireland.

## Directors' Biographies



### Gary Owens

Gary Owens was appointed to the Board of CIÉ and as Chairperson of Bus Átha Cliath in May 2022. He has wide experience in financial services at board and senior Executive level and was Chief Executive Officer of both Hibernian Insurance and IFG Ireland. He also served as an Independent Director for both AIG Ireland and AIG International where he was a member of the Audit Committee and Chairperson of their Investment Committee. Gary is a Director in Leaseplan Insurances where he has chaired both the Audit and Risk Committees and is currently Chairperson of Diona DAC and ICare Capital Partners. He has fulfilled a number of roles in sport serving as Interim Chief Executive Officer for both the Football Association of Ireland and Athletics Ireland and also served as the Chief Executive Officer for Down Syndrome Ireland. Gary is a Chartered Insurer and a member of the Chartered Insurance Institute.



### Lynda Carroll

Lynda Carroll was appointed to the board in 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 Diversified Notes plc, the Board of the National Bank of Canada Global Finance Limited, the Board of Elkstone Private Advisors Limited, the Board of The Ark Children's Cultural Centre Company and the Board of 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 Masters 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.



### Cyril Maybury

Cyril was appointed to the board in May 2022. He had served on the Company's Audit, Finance and Risk Committee since February 2019. He is a Chartered Accountant and holds a Diploma in Corporate Governance and is a Qualified Pension Trustee. Cyril has over 40 years' experience of audit and financial advisory services to all sizes of companies. He was, at various stages of his career as a partner in the firm of EY, from 1970 to 2009, an audit partner, technical and training partner, in charge of the Dublin and Limerick audit practices, risk management partner, and leader of the Litigation and Fraud advisory services practice. He chaired a number of technical, Financial Reporting, Company and Business Law and Practising Standards Committees of the Institute of Chartered Accountants in Ireland. He has chaired a number of Companies and pension trustee boards and also Audit and Risk committees. In the past, he validated costings in the bus transportation industry. He is presently a member of the Audit committee of the Houses of the Oireachtas. He is a member of appeal panels in the resolution of tracker mortgage disputes of two banks. He is Chairperson of Payac Services clg, the developer of the system of current accounts and debit cards used by Credit Unions.



### 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-Chairperson and Chairperson 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, non-executive Director of the Scottish Rugby Union 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 5 April 2023

Mr G. Owens

Ms L. Carroll

Mr S. Hannan

Ms E. Howley

Mr D. Healy

Mr K. Wallace

Dr R. Widdis

Mr C. Maybury

## Chief Executive

Mr B. Hann

## 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 2022.

## 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 and 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

Bus Átha Cliath passenger numbers increased significantly in 2022 as customers returned to public transport in large numbers. This was particularly the case in the second half of 2022. In total, the company carried 121 million passengers in 2022, with passenger journeys in latter months recovering to pre-COVID levels. This positive development is a strong endorsement of public transport services.

The board acknowledges NTA funding received during 2022 for the operation of the Direct Award Contract (DAC). This has enabled the continued operation and expansion of essential public transport services. The board also notes the positive engagement with the Department of Transport and the NTA in developing and implementing enhanced service plans in 2022.

The directors have also considered the challenging economic conditions associated with the war in Ukraine, which has increased a number of general business risks. Some of these risks were evident prior to February 2022 but some of these risks 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. Monetary policies globally have moved to address increasing inflation by increasing interest rates which impacts spending ability for businesses and consumers. Equity and bond markets have seen significant volatility during the year, with a sharp increase in bond yields and reduction in bond values. This has led to challenges in the financial markets and a continuation of economic uncertainties and market volatility. The company managed these risks throughout 2022 within the funding parameters of the DAC.

The directors have considered the appropriateness of the application of the going concern basis to the preparation of the financial statements and are satisfied that it is appropriate for the 2022 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**

The company was awarded a DAC on a net cost contact basis at the end of 2019, which 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 DAC.

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 2022. The company was fully funded in 2022 under the contract.

In 2023 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 2023.

The directors considered the quantum of funding likely to be required for 2023 and 2024. Consideration of the assumption that appropriate levels of PSO funding could be provided in 2023 and 2024 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 2023 Exchequer Budget included adequate provision to fund the Bus Átha Cliath PSO Contract in 2023; and
- the NTA will receive sufficient funding from the Exchequer in order to fund the Bus Átha Cliath DAC in 2023 and 2024.

### **Commercial Services**

Commercial Services were suspended in April 2020 due to the COVID-19 pandemic. However swift action by the board and management minimised the overall losses and the business resumed operations, on a smaller scale, in the second half of 2021. Commercial Services continued to operate in 2022, at reduced levels, as the company assessed future commercial opportunities. Commercial Services earned a surplus in 2022 of €0.2 million.

The board has approved the continuation of a small team to develop future opportunities for Commercial Services in 2023 and beyond, as the operating environment improves. Having considered detailed scenarios and projections, the directors are satisfied that the company has sufficient resources to fund Commercial Services in 2023 and 2024.

### **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 €166 million at 31 December 2022.

The Group currently holds a cash balance of €318 million as at 31 December 2022. The Group has a committed banking facility agreement in place until January 2025. Under this facility agreement the Group's borrowing as at 31 December 2022 is €12 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 5 April 2023.

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 €310.1 million in 2022 compared to €272.7 million in the previous year. Bus Átha Cliath continued to operate PSO services in line with the DAC during 2023. The company generated a profit of €0.4 million in 2022 (€5.8 million in 2021).

The company earned a reasonable profit on PSO services but also incurred penalty deductions which reduced the total profit earned on PSO services. The contract performance penalties reflect the challenges faced by the company in the areas of service delivery and service performance during the year. The company faced significant challenges in driver recruitment in a very challenging market during the year. Despite these challenges the company recruited over 300 drivers in 2022, the highest level of new drivers introduced in any one year. The company implemented a number of recruitment campaigns in 2022 and remains focused on ensuring it has the appropriate level of resources to deliver services for our customers in 2023.

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 board is mindful of the need to ensure that the company remains in a stable financial position in order 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 directors would like to acknowledge the support of the NTA, who 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 Services performed in a challenging operating environment. The DoDublin brand activities recommenced on a pilot basis in 2021, having been suspended since April 2020. This service offering was further expanded in 2022. City Tours services have performed well in a challenging year. The business delivered an encouraging rise in customer journeys and has reported a modest surplus for 2022. The directors, in conjunction with management, continues to review all options to support the continued growth of commercial activities on a financially sustainable basis. A number of initiatives are planned for 2023 to further strengthen the commercial side of the business.

The company's net assets increased from €44.5 million in 2021 to €45.0 million in 2022, an increase of 1%. 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 2022 or 2021.

## 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 Bus Átha Cliath 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 2022 fleet investment continued and Bus Átha Cliath introduced 47 new hybrid buses into service 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 2022 by the company included in materials and services (note 6) are set out in the table below:

Category	2022 €000
Industrial relations	25
Legal	38
Organisational strategy	1,147
Public relations and marketing	192
Regulatory and safety	39
Tax and financial advisory	59
<b>Gross consultancy costs</b>	<b>1,500</b>
Capitalised costs	93
Current costs	1,407

## The board

The company is controlled through its board of directors. The board met eight times during 2022 (ten times in 2021) 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 2022 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 G. Owens	appointed on 18 May 2022
Ms L. Carroll	reappointed on 5 April 2022
Mr S. Hannan	
Mr D. Healy	
Ms E. Howley	
Mr C. Maybury	appointed on 19 May 2022
Mr K. Wallace	reappointed on 5 April 2022
Dr R. Widdis	reappointed on 5 April 2022



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 5 April 2023, the Audit, Finance and Risk Committee (AFRC) comprises the following non-executive members of the board: Ms L. Carroll (Chairperson), Mr C. Maybury and Mr K. Wallace. Mr K. Kelly is an external member of the AFRC. Mr C. Maybury retired as an external member of the AFRC and was appointed to the board on 19 May 2022. Mr C. Maybury was appointed to the committee on 24 August 2022.

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 2022, 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:

- 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, with a significant focus on cyber risk and business continuity planning;
- engaged with the External Auditor to ask such questions as to satisfy itself as to their independence;
- monitored the company's operation of the DAC December 2019 to December 2024 and engaged with senior management on all financial, operational, and commercial aspects of this contract through presentations from and discussions with the company, its legal advisors, and other external experts;

- engaged with the CFO 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;
- 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 her 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 2022 operating results and satisfied itself with regard to the reasonableness of the 2023 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;
- conducted an internal review of our performance under the 2016 Code of Practice for the Governance of State Bodies;

- played an active role in steering the company through the challenges associated with the global economic uncertainty arising from the COVID-19 pandemic and the outbreak of war in Ukraine in February 2022, including monitoring business risks and reviewing management's assessment of the financial and non-financial impact of the associated business risks;
- engaged with the CFO and the External Auditors on the application of critical accounting estimates and assumptions, including 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);
- engaged with the CFO to receive updates on the company's compliance with the tax acts and the company's communications with the Revenue Commissioners;
- 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 ongoing 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 2022 (six times in 2021). 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 5 April 2023, the Bus Átha Cliath Board Safety Committee (BSC) comprises the following members of the board: Mr K. Wallace (Chairperson), Mr S. Hannan, Mr D. Healy and Ms E. Howley. Mr Dermot Healy was appointed to the Committee on 24 August 2022.

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 and Safety Authority;
- key safety performance indicators as prepared and reported on by management; and
- 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 2022 (four times in 2021) in accordance with the planned schedule for BSC meetings. Some of the key items reviewed during the year included the following.

- bus stop infrastructure design;
- fleet improvement opportunities and modifications;
- review of COVID-19 restrictions and effectiveness of measures taken;
- legislative changes affecting the company;
- re-certification of the Environmental Health Safety Department to ISO 45001;
- customer safety communication campaigns;
- industry benchmark review of emerging technologies like micro mobility;
- network issues post COVID like increased congestion and antisocial behaviour; and
- adoption of key safety initiatives for 2022, to include the following.
  - implementation of a drug and alcohol testing process;
  - enhance the sustainable Health and Safety culture in the company. Further enhancement of safety processes throughout Bus Átha Cliath using a standardised Data Driven Decision Making (DDDM) approach;
  - investigate fleet improvements, considering new and expected fleet technology combined with changes in customer expectation; and
  - implement a number of focused safety awareness campaigns and develop a health and wellbeing strategy.

### Board Remuneration and Succession Committee

At 5 April 2023, the Remuneration and Succession Committee comprises the following non-executive members of the board; Dr R. Widdis (Chairperson), Ms L. Carroll. Mr G. Owens and Ms E. Howley. Mr G. Owens was appointed to the Committee on 24 August 2022.

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

- 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; and
- ensure that a Board Succession Plan is in place within the organisation and review and approve any amendments to the plan as required.

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 on four occasions during 2022 (four times in 2021).

During 2022 the Committee, on behalf of the board, devoted considerable attention to the recruitment of a new Chief Executive following the conclusion of the term of office of the Mr Ray Coyne. This included reviewing and approving arrangements for the appointment of an Acting Chief Executive for a five-month period prior to the new Chief Executive assuming office.

The Committee also continued its focus on 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 placed particular focus on Senior Management Succession Planning and Talent Management Development within the organisation.

The Committee also continued its support for, and development a range of measures to support diversity and inclusion in all sections of the company.

## Board Strategy and Sustainability Review Group

At 5 April 2023, the Board Strategy and Sustainability Review Group (BSSRG) comprises the following non-executive members of the board; Mr G. Owens (Chairperson), Mr K. Wallace, Ms L. Carroll, Mr C. Maybury, Ms E. Howley and Dr R. Widdis. Mr K. Wallace retired as Chairperson of the BSSRG on 24 August 2022. Mr G. Owens and Mr C. Maybury were appointed to the committee on 24 August 2022. Mr G. Owens was also appointed as Chairperson of the BSSRG on 24 August 2022.

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; and
- review the main strategic assumptions which guide the rolling five-year Business Plans.

During the year ended 31 December 2022, the BSSRG undertook a detailed review of the company's strategic plans as well as conducting a review of the key strategic issues facing the company in the coming years including the DAC performance; the roll out of the BusConnects Network Redesign project; the commencement of the electrification project, emerging mobility solutions and other key strategic projects. The BSSRG also approved the formal Sustainability Strategy in 2022 and also 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 five times in 2022 (twice in 2021).

## Attendance at board and committee meetings

Listed below is the attendance of board directors at board and committee meetings during 2022.

Director	Board	Audit Finance and Risk Committee	Safety Committee	Remuneration and Succession Committee	Board Strategy and Sustainability Review Group
Gary Owens (Chairperson)	6/6				2/2
Lynda Carroll	8/8	6/6		3/4	4/5
Stephen Hannan	8/8		4/4		
Dermot Healy	8/8		2/2		
Elaine Howley	6/8		4/4	4/4	3/5
Cyril Maybury	5/5	5/5			2/2
Keith Wallace	8/8	6/6	4/4		5/5
Rachel Widdis	7/8			4/4	5/5

### 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 the company's compliance management programme, an external National Standards Authority of Ireland (NSAI) audit was conducted to ensure all requirements outlined in the SMS were in place and working effectively. With the reopening of wider society post COVID-19, particular attention has been focused on safety management brought on by increased traffic congestion and higher customer numbers.

### 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 take pride in our management culture which is open, listening and responsive to our employees and customers. We employ an Equality and Diversity Officer and offer 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. We have achieved the Investors in Diversity Bronze Award.

### **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. There are nine director positions on the Bus Átha Cliath board, seven directors' positions are selected under the Public Appointments Service application process and appointed to the board by the Minister for Transport. The remaining two positions are filled under the provisions of the Worker Director Act.

As at 5 April 2023, there are eight directors on the board of Bus Átha Cliath, with one director vacancy. This position has been advertised and the time period for applications now closed. The board currently has 62% male and 38% female members.

The Government target is for the board to have a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are planned to advance 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 2022 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

There have been no 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 2022 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 2022.

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; and
- 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 on a quarterly basis.

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.

A small number of instances of non-compliances with procurement procedures were noted for 2022. The non-compliances primarily related to contract management issues around storage of vehicles off site and maintenance works undertaken outside of agreed contracts. The total value of the non-compliant transactions amounted to €250,000 from a total spend of €77.6 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 2022.

### **Internal control issues**

No weaknesses in internal control were identified in relation to 2022 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



**Mr G Owens**  
Chairperson



**Ms L. Carroll**  
Director

5 April 2023

# 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, 2022, 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 44, 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 and Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road,  
Dublin 2

11 April 2023

# Profit and Loss Account

For the Financial Year Ended 31 December 2022

	Notes	2022 €'000	2021 €'000
<b>Revenues</b>			
Operating revenue		5,383	1,541
Public Service Obligation payment		303,263	269,715
Revenue grants		1,474	1,481
<b>Total revenue</b>	4	<b>310,120</b>	<b>272,737</b>
<b>Costs</b>			
Payroll and related costs	5	(231,712)	(200,975)
Materials and services	6	(78,621)	(69,855)
<b>Total direct costs</b>		<b>(310,333)</b>	<b>(270,830)</b>
<b>EBITDA before exceptional (costs)/income</b>		<b>(213)</b>	<b>1,907</b>
Exceptional operating (costs)/income	7	(118)	4,033
Depreciation and amortisation (net)	8	(46)	(4)
<b>(Deficit)/surplus before interest and tax</b>		<b>(377)</b>	<b>5,936</b>
Interest payable and similar charges	9	(234)	(167)
<b>(Deficit)/surplus before tax</b>		<b>(611)</b>	<b>5,769</b>
Tax on (deficit)/surplus for the year	10	1,039	-
<b>Surplus for the year</b>		<b>428</b>	<b>5,769</b>

# Statement of Total Comprehensive Income

For the Financial Year Ended 31 December 2022

	2022 €'000	2021 €'000
Surplus for the year	428	5,769
<b>Total comprehensive income for the year</b>	<b>428</b>	<b>5,769</b>

All results derive from continuing activities.



# Balance Sheet

As at 31 December 2022

	Notes	2022 €'000	2021 €'000
<b>Fixed assets</b>			
Intangible assets	11	974	1,007
Tangible assets	12	54,016	65,600
		<b>54,990</b>	<b>66,607</b>
<b>Current assets</b>			
Stocks	13	4,455	3,755
Debtors	14	167,367	166,771
Cash and cash equivalents		316	178
		<b>172,138</b>	<b>170,704</b>
<b>Creditors (amounts falling due within one year)</b>	15	<b>(66,813)</b>	<b>(65,850)</b>
<b>Net current assets</b>		<b>105,325</b>	<b>104,854</b>
<b>Total assets less current liabilities</b>		<b>160,315</b>	<b>171,461</b>
Provision for liabilities	16	(74,968)	(75,550)
Deferred income	17	(40,380)	(51,372)
<b>Net assets</b>		<b>44,967</b>	<b>44,539</b>
<b>Capital and reserves</b>			
Called up share capital	18	69,836	69,836
Profit and loss account		(24,869)	(25,297)
<b>Equity</b>		<b>44,967</b>	<b>44,539</b>

On behalf of the board



**Mr G Owens**  
Chairperson



**Ms L. Carroll**  
Director

5 April 2023

# Statement of Changes in Equity

For the Financial Year Ended 31 December 2022

	Called up share capital €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2021	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>
Balance at 1 January 2022	69,836	(25,297)	44,539
Total comprehensive income for the year	-	428	428
<b>Balance at 31 December 2022</b>	<b>69,836</b>	<b>(24,869)</b>	<b>44,967</b>

# Cashflow Statement

For the Financial Year Ended 31 December 2022

	Notes	2022 €'000	2021 €'000
<b>Net cash generated/(utilised) from operating activities</b>	19	<b>1,937</b>	<b>(10,563)</b>
<b>Cash flow from investing activities</b>			
Purchase of intangible fixed assets		(660)	(1,089)
Purchase of tangible fixed assets		(4,821)	(3,258)
Proceeds from disposal of tangible fixed assets		-	335
Capital grants received	17	4,789	4,638
Capital grants repaid	17	-	(1,058)
(Increase)/decrease in receivable balance with parent company		(872)	11,046
Tax paid		(1)	(1)
Interest paid	9	(234)	(167)
<b>Net cash (used in)/provided from investing activities</b>		<b>(1,799)</b>	<b>10,446</b>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>138</b>	<b>(117)</b>
Cash and cash equivalents at beginning of year		178	295
<b>Cash and cash equivalents at end of year</b>		<b>316</b>	<b>178</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 2022.

**(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.

**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 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 and 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.

#### **(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/income**

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.

**(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 asset's 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 asset's 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 asset's cash-generating unit) is less than the carrying amount of the asset (or asset's 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 a 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.

#### **(q) Financial instruments**

The company has chosen to adopt the provisions of Sections 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.

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.

In July 2022, amended Statutory Instruments for the Regular Wages Scheme were approved by the Minister for Transport, bringing into effect changes agreed at a Workplace Relations Commission and approved by staff intended to secure the funding position for the scheme.

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 had 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.

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

## 2. Going concern

The 2022 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 2022 financial statements to be prepared on this basis.

The key factors considered in arriving at this determination include:

### Financial position as at 31 December 2022

At 31 December 2022 the company had net assets of €45.0 million (2021: €44.5 million) and net current assets of €105.3 million (2021: €104.9 million).

Net current assets include a non-cash liability of €15 million (2021: €16 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 €120 million (2021: €121 million).

Net assets of the company include a non-cash liability of €55 million (2021: €68 million) relating to deferred income in respect of capital grants. Therefore, excluding this item the company has net assets of €100 million (2021: €113 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 and 2022. Passenger numbers increased significantly, with customers returning to public transport in large numbers, particularly in the second half of 2022. The company carried 121 million passengers in 2022, with passenger journeys in latter months recovering to pre-COVID levels, which is a strong endorsement of public transport services.

The board acknowledges NTA funding received during 2022 for the operation of the Direct Award Contract (DAC). This has enabled the continued operation and expansion of essential public transport services. The board also notes the positive engagement with the Department of Transport and the NTA in developing and implementing enhanced service plans in 2022.

## Global Economic Uncertainties and War in Ukraine

The war in Ukraine, which commenced on 24th February 2022, has increased a number of general business risks. Some of these risks were evident prior to February 2022 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. Monetary policies globally have moved to address increasing inflation by increasing interest rates which impacts spending ability for businesses and consumers. Equity and bond markets have seen significant volatility during the year, with a sharp increase in bond yields and reduction in bond values. This has led to challenges in the financial markets and a continuation of economic uncertainties and market volatility. The company managed these risks throughout 2022 within the funding parameters of the Direct Award Contract.

## PSO DAC

The company was awarded a DAC on a net cost contract basis at the end of 2019, which 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 DAC.

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 2022. The company was fully funded in 2022 under the contract.

In 2023 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 2023.

The directors considered the quantum of funding likely to be required for 2023 and 2024. Consideration of the assumption that appropriate levels of PSO funding could be provided in 2023 and 2024 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 2023 Exchequer Budget included adequate provision to fund the Bus Átha Cliath PSO Contract in 2023
- the NTA will receive sufficient funding from the Exchequer to fund the Bus Átha Cliath DAC in 2023 and 2024

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 2023, 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 minimised the overall losses and the business resumed operations, on a smaller scale, in the second half of 2021. Commercial Services continued to operate in 2022, at reduced levels, as the company assessed future commercial opportunities. Commercial Services earned a surplus in 2022 of €0.2 million.

The board has approved the continuation of a small team to develop future opportunities for Commercial Services in 2023 and beyond, as the operating environment improves. Having considered detailed scenarios and projections, the directors are satisfied that the company has sufficient resources to fund Commercial Services in 2023 and 2024.

## 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 all 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
- close monitoring of the Group's treasury policy and facilities
- continued implementation and rigorous monitoring of cost saving initiatives
- detailed assessments of all Capital Expenditure proposals and their impact on liquidity
- continuous review of risks and opportunities affecting the company's operations

## 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 5 April 2023.

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".

The CIÉ Board approved a consolidated group budget for 2023 in December 2022. Based on the continued operation of the direct award contracts on the agreed basis, the consolidated group budget for 2023 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	
	2022 €'000	2021 €'000	2022 €'000	2021 €'000	2022 €'000	2021 €'000
Operating revenue	-	-	-	-	5,383	1,541
Public Service Obligation payment	303,263	269,715	-	-	-	-
Revenue grants	219	101	744	580	511	800
<b>Total revenue</b>	<b>303,482</b>	<b>269,816</b>	<b>744</b>	<b>580</b>	<b>5,894</b>	<b>2,341</b>
Costs before exceptional credits and (charges)	(303,114)	(267,425)	(784)	(723)	(5,676)	(2,853)
<b>Operating surplus/(deficit) before exceptional credits and (charges)</b>	<b>368</b>	<b>2,391</b>	<b>(40)</b>	<b>(143)</b>	<b>218</b>	<b>(512)</b>
Exceptional operating credits and (charges)	157	(67)	(275)	(401)	-	4,501
<b>Net surplus/(deficit)</b>	<b>525</b>	<b>2,324</b>	<b>(315)</b>	<b>(544)</b>	<b>218</b>	<b>3,989</b>

Social Activities – Direct Award Contract relates to activities carried out under the DAC with the NTA. Bus Átha Cliath recognised a total of €303.3 million in operating subvention, after performance deductions, from the NTA relating to 2022.

From 1 January 2021, Bus Átha Cliath records revenue generated under the DAC 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 DAC which are not funded by the NTA under the DAC.

Commercial Activities relate to other activities. These include commercial activities operated under the DoDublin brand and services provided to the NTA in relation to the BusConnects Network Redesign project.

## 4. Revenue

### (a) Total revenue

This comprises operating revenue, net of recoverable VAT, receipts under the DAC 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 DAC 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 €303.3 million for the year ended 31 December 2022 (2021: €269.7 million).

**(c) Revenue grants**

Revenue grants are brought to profit and loss account in full in the relevant year received/receivable. Further details on the granting agencies, programmes and sponsoring authorities 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**

	<b>2022</b>	<b>2021</b>
	<b>€'000</b>	<b>€'000</b>
<b>Staff costs comprise:</b>		
Wages and salaries	195,577	168,465
Social insurance costs	19,442	17,530
Other retirement benefit costs (note 20)	16,558	14,779
<b>Total staff costs (excluding directors' remuneration)</b>	<b>231,577</b>	<b>200,774</b>
<b>Directors' remuneration</b>		
Emoluments		
– for services as directors	72	87
– for other services	60	110
	<b>132</b>	<b>197</b>
Contributions paid to defined benefit scheme	3	4
<b>Total directors' remuneration and emoluments</b>	<b>135</b>	<b>201</b>
<b>Total payroll and related costs</b>	<b>231,712</b>	<b>200,975</b>

In 2022, the company reached agreement with employee representatives in relation to a new pay agreement covering the period 2019 to 2025. In 2022, a combination of once-off payments, backdated payments and current payments were all accounted for through the payroll system under the terms of the pay agreement. All such payments are reflected in the payroll for 2022.

Retirement benefits are accruing to 1 director during the year (2021: 2 directors) under a defined benefit pension scheme.

No costs were incurred in respect of loss of office for any directors during 2022 or 2021 or after the balance sheet date.



	Number of Employees	
	2022	2021
The average number of employees during the year were:		
Wages grade	3,278	3,186
Executive/clerical	423	418
Temporary/contract	70	38
<b>Total</b>	<b>3,771</b>	<b>3,642</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.

	2022	2021
	€'000	€'000
<b>Chief Executive Officer compensation</b>		
Salary	200	200
Social insurance costs	6	5
Post-retirement benefit costs	46	52
<b>Total</b>	<b>252</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 Chief Executive also availed of the use of a company car (2021: company car). An Acting Chief Executive was in place during the period July 2022 to November 2022 and compensation paid to the Acting Chief Executive is included above.

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

	2022	2021
	€'000	€'000
<b>Key management compensation</b>		
Salary	1,277	1,177
Social insurance costs	82	51
Post-retirement benefit costs	337	257
<b>Total</b>	<b>1,696</b>	<b>1,485</b>

Following an organisation review in 2022 the members of the Senior Leadership Team increased and the compensation of all members of key management is disclosed above.

The directors of the company were paid directors' fees for services as directors during 2022 as follows:

Mr G. Owens	€13,428
Ms L. Carroll	€12,600
Ms E. Howley	€12,600
Mr C. Maybury	€7,784
Mr K. Wallace	€12,600
Dr R. Widdis	€12,600

Mr S. Hannan and Mr D. Healy 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 2022 amounted to €683 (2021: nil).

**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:	2022 €'000	2021 €'000
Salary	116,129	110,329
Overtime	15,556	10,595
Allowances	63,892	47,541
<b>Total</b>	<b>195,577</b>	<b>168,465</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	
	2022	2021
€50,000 to €75,000	1,521	973
€75,001 to €100,000	178	116
€100,001 to €125,000	27	15
€125,001 to €150,000	6	4
€150,001 to €175,000	2	1
€175,001 to €200,000	-	2
€200,001 to €225,000	1	-

### 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	
	2022	2021
€60,000 to €70,000	427	162
€70,001 to €80,000	158	98
€80,001 to €90,000	82	49
€90,001 to €100,000	30	20
€100,001 to €110,000	13	10
€110,001 to €120,000	11	5
€120,001 to €130,000	5	1
€130,001 to €140,000	2	1
€140,001 to €150,000	2	2
€150,001 and above	3	3

## 6. Materials and services costs

	2022 €'000	2021 €'000
Fuel and lubricants	27,313	23,975
Materials	21,010	24,076
Road tax and licences	1,053	870
Rent and rates	803	792
Foreign exchange losses	18	25
Charge for movement in provision for impairment of stocks	251	345
(Credit)/charge for movement in provision for impairment of debtors	(26)	9
Operating lease rentals	457	453
Third party and employer's liability claims	1,265	(1,618)
Other services	26,477	20,928
<b>Total</b>	<b>78,621</b>	<b>69,855</b>

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

	2022 €'000	2021 €'000
<b>Travel and subsistence</b>		
National travel and subsistence	1	–
International travel and subsistence	17	2
Hospitality	47	19
<b>Total Travel and subsistence</b>	<b>65</b>	<b>21</b>
<b>Legal costs and settlements</b>		
General legal fees	275	247
Third party and employer's liability claims legal fees (note 16)	1,600	1,282
Third party and employer's liability claims compensation (note 16)	2,282	3,967
<b>Total legal costs and settlements</b>	<b>4,157</b>	<b>5,496</b>

**7. Exceptional operating costs**

	2022 €'000	2021 €'000
Restructuring and other employee matters	118	468
Legal and related matters	–	(4,501)
<b>Total</b>	<b>118</b>	<b>(4,033)</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 (2021: nil).

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

	2022 €'000	2021 €'000
Amortisation of intangible fixed assets (note 11)	693	679
Depreciation of tangible fixed assets (note 12)	16,405	17,267
Amortisation of capital grants (note 17)	(17,052)	(17,942)
	<b>46</b>	<b>4</b>

## 9. Interest payable and similar charges

	2022 €'000	2021 €'000
On balances with holding company	225	164
Other interest payments	9	3
	<b>234</b>	<b>167</b>

## 10. Taxation

	2022 €'000	2021 €'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	(1,039)	-
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>(1,039)</b>	<b>-</b>

### 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 2022 of 12.5% (2021: 12.5%) to the surplus for the year. The differences are explained below:

	2022 €'000	2021 €'000
(Deficit)/surplus on ordinary activities before tax	(611)	5,769
(Deficit)/surplus on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2021: 12.5%)	(76)	721
<i>Effects of:</i>		
Depreciation in excess of capital allowances for year	1,760	1,889
Non-taxable income	(2,132)	(2,243)
Non-deductible expenditure	6	(264)
Surrender of loss relief to group company	442	-
Loss utilised in year	-	(103)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>
Reversal of prior year tax provision	(1,039)	-
<b>Tax on (deficit)/surplus for the year</b>	<b>(1,039)</b>	<b>-</b>

A potential deferred tax asset of €193 million (2021: €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

	<b>Software</b> <b>€'000</b>	<b>Total</b> <b>€'000</b>
<b>Cost</b>		
At 1 January 2022	14,336	14,336
Additions	660	660
Disposals	(157)	(157)
<b>At 31 December 2022</b>	<b>14,839</b>	<b>14,839</b>
<b>Amortisation</b>		
At 1 January 2022	(13,329)	(13,329)
Charge for the year (note 8)	(693)	(693)
Disposals	157	157
<b>At 31 December 2022</b>	<b>(13,865)</b>	<b>(13,865)</b>
<b>Net book amounts</b>		
<b>At 31 December 2022</b>	<b>974</b>	<b>974</b>
At 31 December 2021	1,007	1,007

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

Software            3-5 years

## 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 2022	271,413	32,907	44,221	348,541
Additions	3,620	-	1,201	4,821
Disposals	(968)	-	(151)	(1,119)
<b>At 31 December 2022</b>	<b>274,065</b>	<b>32,907</b>	<b>45,271</b>	<b>352,243</b>
<b>Depreciation</b>				
At 1 January 2022	(217,220)	(26,434)	(39,287)	(282,941)
Charge for the year (note 8)	(13,422)	(1,641)	(1,342)	(16,405)
Disposals	968	-	151	1,119
<b>At 31 December 2022</b>	<b>(229,674)</b>	<b>(28,075)</b>	<b>(40,478)</b>	<b>(298,227)</b>
<b>Net book amounts</b>				
<b>At 31 December 2022</b>	<b>44,391</b>	<b>4,832</b>	<b>4,793</b>	<b>54,016</b>
At 31 December 2021	54,193	6,473	4,934	65,600

- (i) Road passenger vehicles at a cost of €121 million (2021: €112 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 (2021: 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 €1 million were disposed of during the year in compliance with CIÉ Group policies and procedures for disposals of assets.

## 13. Stocks

	2022 €'000	2021 €'000
Maintenance materials and spare parts	2,951	2,367
Fuel, lubricants, and other sundry stocks	1,504	1,388
	<b>4,455</b>	<b>3,755</b>

The stock above is stated net of a stock obsolescence provision of €981,000 (2021: €730,000).

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

## 14. Debtors

	<b>2022</b>	<b>2021</b>
	<b>€'000</b>	<b>€'000</b>
Trade debtors	595	798
Amounts owed by holding company	166,035	165,163
Prepayments	286	317
Other debtors and accrued income	451	493
	<b>167,367</b>	<b>166,771</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 €17,000 (2021: €24,000).

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

	<b>2022</b>	<b>2021</b>
	<b>€'000</b>	<b>€'000</b>
Trade creditors	4,372	4,053
Corporation tax	-	1,039
Income tax/levy deducted under PAYE	4,911	3,818
Pay related social insurance	3,434	2,931
Value added tax	242	258
Withholding tax	98	38
Other creditors	26,133	26,777
Deferred revenue	109	28
Deferred income (note 17)	14,984	16,255
Accruals	12,530	10,653
	<b>66,813</b>	<b>65,850</b>
Creditors for taxation and social insurance included above	8,685	8,084

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 and other employee matters €'000	Third party and employer's liability claims €'000	Total €'000
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>
As at 1 January 2022	721	300	3,659	70,870	75,550
(Credit)/charge to profit and loss account	(393)	90	2,525	1,265	3,487
Utilised during year	(52)	-	(135)	(3,882)	(4,069)
<b>As at 31 December 2022</b>	<b>276</b>	<b>390</b>	<b>6,049</b>	<b>68,253</b>	<b>74,968</b>

### Environment matters

The land and buildings occupied by Bus Átha Cliath are of varying age. The environmental provision relates to 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 employee legal and other contractual 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 prejudice the company's position.

### Restructuring and other employee matters

The restructuring provision relate to changes in business processes and payments for staff who are impacted by such changes. The matters relate to non-routine payroll expenditure. The provision is expected to be utilised during year ended 31 December 2023.

Other employee matters relate to post-retirement benefit costs provided for at 31 December 2022 of €2.9 million (2021: €2.1 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.

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:

	2022 €'000	2021 €'000
<b>Capital grants</b>		
Balance at 1 January	67,627	82,076
Received and receivable (note 17 (a))	4,789	4,638
Repaid	-	(1,058)
Amortisation of capital grants (note 8)	(17,052)	(17,942)
Asset disposals	-	(87)
<b>Balance at 31 December</b>	<b>55,364</b>	<b>67,627</b>
Apportioned:		
Amounts falling due within one year (note 15)	14,984	16,255
Amounts falling due after more than one year	40,380	51,372
	<b>55,364</b>	<b>67,627</b>

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

All grants from Exchequer funds received are used for the purposes for which approval has been sought and obtained from the funding source. Bus Átha Cliath undertakes to protect the State's investment and will not use said investment as security for any other activity without prior consultation with the Department of Transport, and sanction of Department of Public Expenditure and Reform.

	2022 €'000	2021 €'000
<b>Capital grants from Exchequer funds</b>		
Public Transport Capital Investment Programmes – NTA	4,703	3,107
Direct Award Contract – NTA	55	473
<b>Capital grants received/receivable from Exchequer funds</b>	<b>4,758</b>	<b>3,580</b>
Capital grants from sources other than Exchequer funds	31	-
<b>Total capital grants received/receivable</b>	<b>4,789</b>	<b>3,580</b>

Capital grants are amortised over the useful lives of the assets. The sponsoring government department for NTA capital grant funding is the Department of Transport. Grants provided by the NTA are restricted to PSO activities. In addition, capital grants received and receivable in 2022 includes amounts received and receivable of €31,000 (2021: nil) from sources other than Exchequer funds.

	2022 €'000	2021 €'000
<b>Revenue grants from Exchequer funds</b>		
Travel Assistance Scheme – NTA	184	75
BusConnects Network Redesign – NTA	711	580
Strategic Tourism Transport Business Continuity Scheme – Fáilte Ireland	350	800
Apprenticeship Incentivisation Scheme – Solas	35	26
Fleet Refurbishment Programme – NTA	33	–
Digital that Delivers – Fáilte Ireland	49	–
Industry Market Access Programme – Tourism Ireland	10	–
<b>Revenue grants received/receivable from Exchequer funds</b>	<b>1,372</b>	<b>1,481</b>
Revenue grants from sources other than Exchequer funds	102	–
<b>Total revenue grants received/receivable (note 3 and note 4 (c))</b>	<b>1,474</b>	<b>1,481</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, the BusConnects Network Redesign and the Fleet Refurbishment Programme 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, the Digital that Delivers and the Industry Market Access Programme 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.

In addition to the revenue grants set out above, other revenue grants received and receivable from sources other than Exchequer funds of €102,000 (2021: nil) are recognised in 2022 in relation to sustainability projects.

## 18. Share capital

	2022 €'000	2021 €'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

	2022 €'000	2021 €'000
<b>Reconciliation of operating cash flows</b>		
(Deficit)/surplus before interest and tax	(377)	5,936
Depreciation of tangible fixed assets	16,405	17,267
Amortisation of intangible fixed assets	693	679
Amortisation of capital grants	(17,052)	(17,942)
Increase in stocks	(700)	(307)
Decrease in debtors	276	4,633
Increase/(decrease) in creditors and provisions	2,692	(20,829)
<b>Net cash generated/(utilised) from operating activities</b>	<b>1,937</b>	<b>(10,563)</b>

## 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 is 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 2022 showed a deficit of €396 million, (2021: deficit €846 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 2022 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 €16.6 million (2021: €14.8 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

	2022 €'000	2021 €'000
Contracted for:	17,224	2,662

Capital commitments represent capital expenditure projects that have been approved by board whereby work has commenced on these projects but are not fully completed at the end of the period. €15.5 million of capital commitments include capital projects funded by the NTA.

## 22. Operating leases

	2022 €'000	2021 €'000
Future minimum lease payments under non-cancellable operating leases payable at the end of the year were:		
Within one year	213	194
Between one and five years	285	161
	<b>498</b>	<b>355</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 €12 million (2021: €16 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 DAC, effective from 1 December 2019. Certain contingent liabilities arise under these agreements.

The DAC 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 DAC 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 DAC 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.

## 26. Post balance sheet events

The board of directors are not aware of any 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 29 March 2023 subject to the receipt of a letter of support from CIÉ, which was duly received on 5 April 2023.



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