

**Bus Éireann - Irish Bus School Transport Scheme**

**Statement of Account**

**Year Ended 31 December 2015**

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# ***Independent auditor's report to the Board of Directors of Bus Éireann in connection with the Operation of the Department of Education and Skills School Transport Scheme***

## **Report on the Bus Éireann - Irish Bus School Transport Scheme Statement of Account**

We have audited the accompanying financial information of Bus Éireann for the year ended 31 December 2015 which comprise the statement of account and the related notes which include a summary of significant accounting policies and other explanatory information (together the "School Bus Statement of Account"). The School Bus Statement of Account has been prepared by management of Bus Éireann in accordance the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children dated 1 January 1975.

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### **Management's responsibility for the School Bus Statement of Account**

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Management is responsible for the preparation of the School Bus Statement of Account in accordance with the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children dated 1 January 1975 and for such internal control as management determines is necessary to enable the preparation of a School Bus Statement of Account that is free from material misstatement, whether due to fraud or error.

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#### **Auditor's responsibility**

Our responsibility is to express an opinion on the School Bus Statement of Account based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the School Bus Statement of Account is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the School Bus Statement of Account. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the School Bus Statement of Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of a School Bus Statement of Account in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the School Bus Statement of Account.

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



## ***Independent auditor's report to the Board of Directors of Bus Éireann in connection with the Operation of the Department of Education and Skills School Transport Scheme – continued***

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### **Opinion**

In our opinion, the financial information of Bus Éireann Schools Transport Scheme for the year ended 31 December 2015 is prepared, in all material respects, in accordance with the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children dated 1 January 1975.

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### **Basis of accounting**

Without modifying our opinion, we draw attention to Note 1 to the School Bus Statement of Account, which describes the basis of accounting. The School Bus Statement of Account is prepared in accordance with the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children for Bus Éireann. As a result, the School Bus Statement of Account may not be suitable for another purpose. Our report is intended solely for Bus Éireann and should not be distributed to or used by parties other than Bus Éireann.

The School Bus Statement of Account does not comprise a full set of financial statements prepared in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

*PricewaterhouseCoopers*

**PricewaterhouseCoopers  
Chartered Accountants  
Dublin  
18 May 2016**

**STATEMENT OF ACCOUNT**  
Year Ended 31 December 2015

	2015 €'000	2014 €'000
<b>I Receipts</b>		
(1) Payments on account by the Department of Education	148,801	150,083
(2) Receipts from fare-paying passengers	13,707	13,057
	<u>162,508</u>	<u>163,140</u>
<b>II Special services (expenditure)</b>		
(1) Driver costs	9,493	9,698
(2) Running costs	17,266	17,872
(3) Road tax	34	40
(4) Insurance and claims	912	662
(5) Payments to contractors	115,764	111,886
(6) Inspectors' wages	2,544	2,536
(7) Inspectors' cars	193	203
(8) Salaries	3,238	2,900
(9) Prefect award scheme	35	34
	<u>149,479</u>	<u>145,831</u>
(10) Indirect and other direct costs	11,286	15,000
(11) Depreciation (Bus Éireann vehicles)	668	972
(12) Interest (Bus Éireann vehicles)	60	137
	<u>161,493</u>	<u>161,940</u>
Total special services	161,493	161,940
<b>III Scheduled services</b>		
Charge for children carried	<u>1,462</u>	<u>1,584</u>
Total	162,955	163,524
<b>IV Receipts from fare-paying passengers</b>	<u>(13,707)</u>	<u>(13,057)</u>
<b>V Total net amount chargeable to the Department of Education</b>	149,248	150,467
Payments on account by the Department of Education	(148,801)	(150,083)
Amounts due to the Department of Education at start of year deducted	<u>(1,789)</u>	<u>(2,173)</u>
Amount due to the Department of Education for the year	(1,342)	(1,789)
Amount due to the Department of Education at start of year deducted	(1,789)	(2,173)
Payments made to the Department of Education during the year	<u>1,789</u>	<u>2,173</u>
<b>Balance due to the Department of Education</b>	<u>(1,342)</u>	<u>(1,789)</u>

  
M Nolan  
Chief Executive Officer

  
A Keane  
Manager Finance and Accounting

18 May 2016

## NOTES TO THE STATEMENT OF ACCOUNT

### 1 Basis of accounting

The School Bus Statement of Account is prepared in accordance with the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children dated 1 January 1975.

### 2 Receipts and costs

Receipts are accounted for on a cash basis and costs on an accruals basis in accordance with the Summary of Accounting Arrangements relating to the Transport Scheme for Primary and Post-Primary School Children dated 1 January 1975.

Receipts comprise amounts received from the Department of Education and Skills in respect of the Transport Scheme for Primary and Post-Primary School Children and receipts from fare paying passengers.

Costs comprise direct and indirect costs incurred by Bus Éireann. Indirect costs are based on the allocation methodologies agreed with the Department of Education and Skills for the operation of the Transport Scheme for Primary and Post-Primary School Children.

Where Bus Éireann vehicles are assigned full time to the schools service a charge for interest and depreciation is calculated using the annuity method based on the replacement cost of vehicles.

### 3 Net amounts chargeable to the Department of Education and Skills

The net amount chargeable to the Department of Education and Skills amounts to €149.248 million (2014: €150.467 million and includes €11.286 million (2014: €15 million) payable to Bus Éireann in respect of other direct and indirect costs. These amounts reflect expenditure not otherwise charged to the statement of account in providing the service and are mutually agreed between Bus Éireann and the Department of Education and Skills on an annual basis. The allocation for the year ended 31 December 2015 has been capped at €11.286 million (2014: €15 million).

**APPENDIX I: TRANSPORT OF PRIMARY SCHOOL CHILDREN (Unaudited)**  
**Year Ended 31 December 2015**

	Number of children at 31 December 2015	Cumulative child weeks	Total amount  €	Cost per child week  €
<b>Mode of transport</b>				
<b>Special services</b>				
Large bus	14,514	570,760	26,999,726	47.30
Medium bus	9,042	343,950	16,856,885	49.01
Mini-bus	12,348	452,650	53,457,411	118.10
	<u>35,904</u>	<u>1,367,360</u>	<u>97,314,022</u>	<u>71.17</u>
<b>Scheduled services</b>	68	3,241	<u>60,289</u>	18.60
<b>Total amount due</b>			97,374,311	
<b>Receipts from fare-paying passengers</b>			<u>(2,572,497)</u>	
<b>Net cost of operations</b>			94,801,814	
<b>Gross payments by Department of Education</b>			<u>89,985,527</u>	
<b>Amount due by the Department of Education</b>			<u>4,816,287</u>	

**APPENDIX II: TRANSPORT OF POST-PRIMARY SCHOOL CHILDREN (Unaudited)**  
**Year Ended 31 December 2015**

	Number of children at 31 December 2015	Cumulative child weeks	Total amount €	Cost per child week €
<b>Mode of transport</b>				
<b>Special services</b>				
Large bus	36,108	1,327,490	40,923,423	30.83
Medium bus	11,362	397,300	13,505,751	33.99
Mini-bus	4,343	141,533	9,749,616	68.89
	<u>51,813</u>	<u>1,866,323</u>	<u>64,178,790</u>	<u>34.39</u>
<b>Scheduled services</b>	1,581	55,102	<u>1,401,730</u>	25.44
<b>Total amount due</b>			65,580,520	
<b>Receipts from fare-paying passengers</b>			<u>(11,134,879)</u>	
<b>Net cost of operations</b>			54,445,641	
<b>Gross payments by Department of Education</b>			<u>60,604,255</u>	
<b>Amount due to the Department of Education</b>			<u><u>(6,158,614)</u></u>	