



**ANNUAL
REPORT**



Tuarascáil Bhliantúil 1976

1976

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Members of the Board

Dr. Liam St. J. Devlin, Chairman

Mr. D. Larkin

Mr. W. J. Fitzpatrick

Mr. E. Markey

Mr. J. A. Bristow

Mr. B. Connaughton

Mr. E. Farrell

CHAIRMAN'S REVIEW

Financial Strategy

The deficit for the year 1976 amounted to £33.5m. This includes the sum of £1.2m. for exceptional items, the details of which appear in Note 4 of the Accounts.

When one looks back to the year 1970/71 and notes that the deficit then was of the order of £6m., one becomes aware of the spectacular increase in the short-fall between cost and revenue. Inflation was and is a factor but it is not the only one. For example, if the rate of increase in revenue over the period 1970/71 to 1976 was the same as the rate of increase in costs over the same period, then, at constant traffic volumes, the deficit in 1976 would have been about £16m., which is an absolute increase of £10m.

However, what has happened in practice is that revenue did not keep pace with the rise in costs because rates and fares were not increased in phase with inflation. Remuneration costs in CIE constitute about 63 per cent of total expenditure and, although increases have been in line with the National Wage Agreements, they are granted within the context of a fixed time programme. The process for adjusting rates and fares has been cumbersome because labour costs cannot be recovered until they are incurred and any increase in public transport fares is a sensitive political issue.

One of the Board's objectives is to contain the 1976 deficit in real terms. This can only be achieved if earned income increases at a faster rate than total costs. In theory there are three ways in which this can be done: to increase rates and fares substantially and regularly; to increase traffic volumes; to increase margins by reducing costs.

Of course it does not follow that we can increase revenue by increasing price because volume may contract, nor can we necessarily increase volume by decreasing price because the quality of service may influence it otherwise. The Board of CIE has decided that a reduction in the deficit can be achieved by increasing the volume of sales on the one hand and by increasing margins as a result of reducing costs, on the other.

Orthodox methods have been employed to achieve these ends in the past but they have not been very successful. A new approach has now been adopted. This requires—

1. A review of systems and the implementation of new concepts.
2. Increased productivity.
3. Increased automation.
4. The elimination of services where the cost/revenue ratio exceeds a determined standard.

Financial targets for the main businesses have been set to the year 1980, which will mark the end of the first stage for technical development and financial improvement. At present the ratio of deficit to total cost is of the order of 30 per cent. The aim is to reduce this ratio to 26 per cent by the year 1980.

We believe that this goal can be achieved if we can implement the investment and development programmes which we have formulated.

Railway Development

In my previous review, I outlined our general plan for the railway. This provided for a radial network,

an improvement in the quality of the track, a reduction in journey times, the movement of freight in block trains and the adoption of a new semi-automated system for the transport of sundries. All of these programmes have been progressed during 1976.

The new system for sundries, which has been tested on the Dublin/Sligo route, has proved to be very successful and is being extended to other areas. Additional full train traffics have been obtained from Tara Mines, Asahi Chemicals and Nitrigin Eireann. The new passenger train timetable, providing for shorter journey times and better train frequency, will have been introduced by the time this review is published.

Road Passenger

Van Hool McArdle took over the workshop and staff of CIE's bus body building activity in 1973. There was a commitment to manufacture buses for CIE and for export. CIE agreed to purchase a specific number of buses in the period up to 31 March, 1978, on a cost plus basis. Because the power equipment which was used in the buses was not satisfactory, it was decided to reduce the total number of buses required on the initial contract and, as a result, CIE agreed with Van Hool McArdle for the payment of a cancellation fee of £685,716. During the year under review this sum was paid and is included in the accounts as an exceptional item and appears under Note 4.

Last year I referred to our decision to develop three new bus types. In this connection we negotiated with Van Hool McArdle for a fixed price contract with escalation clauses to provide for cost increases in material, labour, etc. Unfortunately, this contract

has not been signed by Van Hool McArdle and we have had to review our arrangements for bus building as it would not be in the interest of CIE to continue to have buses manufactured on a cost plus basis. This arrangement has proved to be very expensive, it has not been possible to forecast the real cost of the buses and there was no incentive for productivity or cost saving by the manufacturer. We have now commissioned an international consulting firm to design new bus types for us.

Road Freight

During the year we commenced the implementation of a new Road Freight policy. This is based on four principles:—

- that Road Freight should not compete with rail,
- that Road Freight railhead services should be developed,
- that Road Freight services other than railhead services should complement railway operation, and
- that Road Freight should not incur losses.

It will be noted from the accounts that there is a substantial favourable swing in the profitability of Road Freight. In 1975 there was a loss of £740,000, whereas in 1976 the outcome is a profit of £3,000.



It has been suggested that it is the intention to reduce considerably the Road Freight activity. This is not so. The underlying philosophy is that the freight concepts for the railway should be supported by the road operations. In this context we are phasing out specialised haulage – such as the transport of bloodstock – but we will maintain a limited but efficient fleet of vehicles which will provide the necessary flexibility for trunk operations which will complement the rail network. The major expansion in the fleet will be in the provision of custom built vehicles for railhead business.

Communications

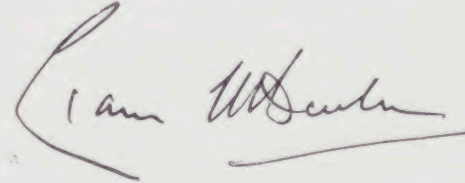
In a previous review I spoke of the problem of internal communication of the Board's objectives and policies. There is also the problem of communicating to staff the manner in which policy is implemented, the evolution of new projects, and the rationale of new working methods. The Board desires an open form of management with full disclosure of aims and strategy. The geographical spread of CIE activity and the large number of staff employed inhibits this process to some extent.

Consequently the Board decided that there was a need to have a more professional and co-ordinated approach to the spread of information and, during the year, the Public Relations Department was re-organised and re-named the Department of Information and Communication to give effect to the change in role and emphasis. At the same time the responsibility for advertising and publicity was transferred to the Marketing Department.

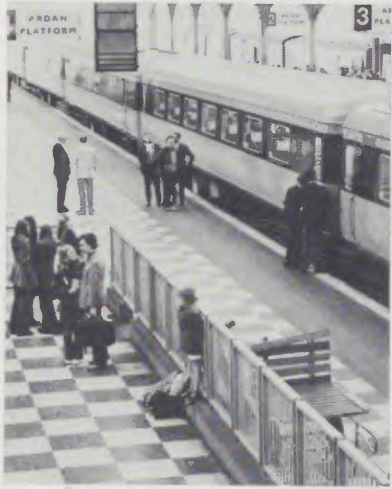
The Future

The way forward has been well documented, the conceptual planning has been proved to be feasible, the Board and Management have confidence in the future and in the achievement of the goals which have been determined. It is understandable that these goals will not be achieved without experiencing difficulties and problems. It is inevitable that, from time to time, our staff will be restless and worried because we are engaged in great change. However, we have received a very high degree of co-operation, both from the

staff and from the Trade Unions, in commencing this era of change which in the medium term will create a better CIE, a CIE of which the people of Ireland will be proud and a CIE in which we will have a satisfied, well-paid and committed staff.

A handwritten signature in dark ink, appearing to read "Liam Walsh". The signature is written in a cursive style with a long horizontal stroke at the end.

June, 1977



REPORT

The outcome for the year 1976 was a total deficit of £33.565m. of which £560,000 related to OIE Teoranta – the hotels subsidiary. Total revenue for the year was £77.940m. and expenditure £111.505m.

It was another difficult year for CIE with a continuation of the economic recession experienced in 1975. The increased level of unemployment, high level of inflation and the reduction in economic activity all adversely affected the financial results for CIE.

During 1976, labour costs (excluding hotels and Social Welfare contributions) increased by £8.6m. due to the implementation of National Wage Agreements and improvements in conditions of service. These increases were partly offset by staff savings amounting to £3.0m. However, in addition to the rise in labour costs, there were substantial increases in the cost of fuel, materials and services.

With a view to offsetting, in part, the cost increases an application was made to the National Prices Commission to have rates and fares increased from 1 January, 1976. Approval was delayed and the increases did not become operative until 1 March, 1976. As a consequence there was a revenue loss of £2m. for the months of January and February.

The ban on recruitment and the general retrenchment policy which had been introduced in 1975 were continued during 1976. Discussions were continued with the Trade Unions on productivity proposals affecting all categories of staff. Agreement was reached in a number of cases and the remainder were being processed at the close of the year.

The phased implementation of the Rail Development Plan, which has the twin objectives of improving efficiency and reducing costs, was continued during the year. Passenger train services were withdrawn from the Limerick/Claremorris line on 5 April and on 6 September service for certain traffics at 35 lightly used stations ceased.

The final development stages of the new sundries handling system were completed early in 1976. This involves loading consignments into wheeled cage pallets in route and delivery order. The pallets are in turn loaded into containers which are lifted on and off rail vehicles by forklift trucks and gantries. Delivery is effected in special trucks fitted with tail lifts thus facilitating direct off-loading of pallets to customers' premises. The new system successfully underwent trials on the Dublin/Sligo route and will now be extended to other routes. The benefits of the new arrangement include lower cost operation, maximum security and improved customer service.

On 26 January the new railway Central Traffic Control (CTC) signalling system went into operation. This allows for all signalling functions between Dublin and Ballybrophy, Kildare and Athy, Portarlinton and Tullamore to be controlled by the signalmen in the CTC centre at Connolly Station. It is planned ultimately to extend this system to cover the whole railway network.

During the year the Board decided to set up a separate Freight Division which would have profit responsibility for all freight by rail and road other than full trainloads. Since January 1975, CIE's road freight operations receive no subvention from the Exchequer.

It became essential, therefore, for the Board to pinpoint exactly where losses were occurring and at the same time to integrate freight movements by road and rail. It is the task of the Freight Division to effect this integration, to expand the movement of unit load traffic and to ensure that road freight operations are profitable.

Dublin City Services carried 213 million passengers during 1976, a reduction of some 3 million as compared with 1975. This is considered not to be unsatisfactory when all the interruptions in service due to bomb scare incidents, road works related to the installation of linked traffic light systems, high incidence of staff illness and continuing traffic congestion are taken into account.

In 1975 the Board announced the development of long-distance road passenger services under two headings, (a) stage carriage or stopping services which are essentially local in character and (b) inter-city and inter-town services which are being converted to fast, limited-stop express services under the brand name Expressway. The development of express services was progressed during 1976 including the extension of many summer-only services to year-round operation. The inter-city express services recorded a substantial increase in passengers and revenue as compared with 1975. It is significant that the substitution of the uneconomic Claremorris/Limerick passenger railway service by a through Ballina/Limerick/Cork express bus service proved to be most successful.

The development of the Expressway network is an integral part of the Board's development plan for the

nation's bus services complementing, as they do, the rail network. These fast express buses link towns not adequately served by the main rail routes and also provide links where no rail services exist. Expressway services in 1976 experienced a 43 per cent increase in revenue over the previous year.

CIE's Tours and Private Hire combined operations showed a profit during the period after several years of unprofitable trading. Increased business from North American chartered air travel as well as European business from France and Germany contributed to the improved results. Despite the buoyancy in Tours the home market for Private Hire remained depressed and losses on these operations reduced the overall profit.

The board's road freight activity made a small profit for the year and, when compared with a deficit of almost £ $\frac{3}{4}$ m. for 1975, this must be seen as a justification of the present road freight policy.

For some years, the Board has been concerned with the heavy losses arising from the operation of the Great Southern Hotel chain and by the heavy financial charges incurred by the Russell Court Hotel in Belfast. During 1976 the Board adopted a new strategy to revitalise the group involving, inter alia, the sale of four resort type hotels at Bundoran, Mulrany, Sligo and Kenmare and the renewal of efforts to sell the Belfast Hotel.

The Board's concern for transportation planning is shown by the number of long term planning projects undertaken by CIE in consultation with local and central Government not only in Dublin but throughout the country.

The projects which were further developed during 1976 were the Dublin Transportation Centre, the Dublin Rapid Transit System, the Cork, Sligo, and Galway Transportation Studies, the Donegal/Derry Cross Border study and the National Rail Study.

In February 1976 the Board adopted an outline proposal to establish a city centre Transportation Complex with full interchange for passengers between rapid transit rail, city and provincial buses. Because of its city centre location it is envisaged that commercial development of the air space above the terminal could be used to defray the cost of construction.

The development of various aspects of the Rail Rapid Transit proposals was continued during the year. The first phase of rapid transit provides for the electrification of the existing suburban line between Howth and Bray. A submission has since been made to the Minister for Transport and Power concerning this project and, subject to approval of the capital expenditure involved, it is hoped that work can begin in the near future.

The Cork Transportation Study commenced in October 1976 and CIE provided assistance to the Technical Committee. CIE is also a member of the Steering Committee which will oversee the project. The study findings are expected to be available in 1977.

Work commenced on Transportation Studies in Galway in May 1976. The Sligo study was completed in March and Sligo County Council have been supplied with considerable data on bus priority measures which, if implemented, would improve bus services in the area. Work on the Donegal/Derry cross border study began in September 1976.

In April 1976, CIE commissioned the consultants Martin and Voorhees Associates and Henderson Hughes and Busby to undertake jointly a study of the South-West rail corridor. The objective of this study is to assess the best long term investment policy for the Dublin/Cork and Limerick/Limerick Junction railway lines taking account of policies for national and regional development. It was designed to examine such issues as electrification, train frequency, speed, phasing of improvement, the future role of the railway and the impact of rail investment on other transport modes. It will have particular regard to the influence of changes in population, fuel costs and fare levels.

In December the Board approved the extension of the survey to cover the national mainline network. On the completion of this an outline of the type of rail service to be provided over the next twenty-five years will be available.

The total communications needs of CIE for the future were also reviewed during the year. The need for fast telephone, data transmission and real time computer links calls for a comprehensive communications network and during the year a firm of Canadian consultants (ADGA of Ottawa) was commissioned to make recommendations for such a network.



RAILWAYS

Compared with 1975, the revenue on the railway at £23.262m. was higher by £2.991m. while expenditure rose by £6.983m. to £47.417m. The deficit for 1976 (£24.155m.) was higher than the previous year by £3.992m.

The number of passenger journeys during the year was 13.608 million, a decrease of 2 per cent compared with 1975.

Freight tonnage at 3.478m. tons was 3 per cent higher than 1975, the principal increases occurring in beet, cement, fertilisers, company trains and general freight. The carriage of mineral ores and sundry goods traffic was lower than 1975.

The policy of cost reductions, through staff savings and other measures, was continued during the year.

During 1976, the marketing of container and unit load by rail continued, and carryings of laden containers were 10.4 per cent higher than 1975. The utilisation of the North Esk Freight terminal increased and it has been necessary to expand the area for fertiliser storage. Night work at the terminal has been curtailed to reduce local disturbance.

Agreement was reached for the rail conveyance of three new and substantial traffic flows – Asahi Traffic (chemicals, oil and container traffic) between Dublin

and Ballina, Tara Mines concentrates between Nevinstown (near Navan) and Dublin, both due to commence in 1977, and liquid ammonia in bulk from the NET plant at Marino Point, Cobh, to the factory at Arklow, expected to commence in early 1978.

In the continuing programme for the upgrading of the radial railway system the Board invested £1m. in automated equipment for the maintenance of track. The improvement which will result will enable train speeds to be increased during 1977.

Discussions took place in 1976 with the German company of Linke Hofmann and Busch regarding the setting up of a railway coach building facility at Inchicore which would meet CIE's requirement of 200 rail coaches over the next five to six years and provide the starting point for a substantial export development. Preliminary discussions with the Trade Unions concerned also took place and the proposals were submitted to the Department of Transport and Power.

The final report on the upgrading and electrification of the existing Dublin suburban line was completed during the year. Previous conceptual studies had shown that electrification was justified and this final report determines the design and quantifies the requirements for rolling stock, signalling, power supply and maintenance. It is intended that the rolling stock would be built at Inchicore by Linke Hofmann and Busch and the full detailed plans and costings have been submitted to the Department of Transport and Power.

The system would probably be 1500 volt DC overhead electrification and the trains would operate as four coach or six coach sets during the peak and two coach

trains in the off peak. The electrification of the Dublin suburban line would be the first phase of the Dublin Rapid Transit System which if fully implemented, would involve the construction of an underground in the city centre area. The cost of the first phase, including signalling and rolling stock, is estimated at £38m.

Rail services between Belfast and Dublin were interrupted 34 times during the year by bomb scares. On Friday, 6 February, 1976 the 17.30 hours Belfast/Dublin Enterprise Express was derailed by a bomb explosion at Anderstown Bridge seven miles south of Portadown. Ten of the 200 passengers on board were slightly injured – three of whom were detained for a short period in hospital. Three coaches on the train were extensively damaged.



DUBLIN CITY SERVICES

Revenue from the Dublin City Services amounted to £19.540m. an increase of £2.727m. over the previous year. Expenditure, on the other hand, rose by £3.690m. to £25.538m. resulting in a deficit of £5.998m. which was £0.963m. higher than 1975.

An increase in fares was introduced on 1 March, 1976.

The number of passengers carried during 1976 was 212.4 million, a decrease of approximately 2.8 million.

The sale of commuter tickets continued to expand producing extra revenue of £55,000. Annual revenue from this source is now in excess of £1m.

A proposal to withdraw 33 buses from service arising from changing travel patterns was frustrated by industrial action which resulted in a loss of £280,000 in revenue. After intervention by the Minister for Labour, an implementation date in January, 1977 was finally agreed.

Despite the cutback referred to, continued development of the route network was undertaken to improve the level of service for developing districts. Route 51 was extended to cater for the new housing estate in Bawnogue, Clondalkin. A Sunday service was introduced on Route 17A and Route 17B was introduced as a Summer Sunday service linking Finglas with Dollymount Strand via Ballymun, Santry, Coolock and Raheny. Certain services on Route 13 were extended to Ballymun Roundabout.

A feature of the year's operations was the unusually high incidence of illness amongst crews and this caused considerable problems in maintaining the level of services desired. Certain services, in fact, had to be cancelled.

The radio telephone system for bus control was further extended during the year. However, with traffic speeds in Dublin amongst the slowest in Europe – as low as six miles per hour in the peak – the Board developed a new system of control – Automatic Vehicle

Monitoring (AVM). The new system went on operational trial at Phibsborough Garage for a ninety day period from November 1975 to February 1976. This test was very successful and by effecting a more even flow of buses with a consequent reduction in waiting time at bus stops the level of service for passengers on the routes concerned was greatly improved.

The AVM system enables the inspector to identify, at any moment, the location and progress of the buses under his control. Where bunching of buses occurs or gaps in service appear corrective action can be taken.

Agreement with the Trade Unions on the pay arrangements governing the introduction of the system had not been reached at the close of the year.

Eighty-two bus shelters were erected in 1976 bringing the total of the new type shelters erected to date to over 330. Planning applications for a further 64 shelters are being prepared and 31 are already under consideration by the Planning Authorities.

Fifty double deck buses were fitted with audio advertising equipment. The system will be assessed after a six months trial period.

In the Spring of 1976 a Transportation Study of Tallaght was undertaken to assess the demand for a local bus service. Tallaght was chosen because it is typical of the new towns which are developing in the Dublin region and the results for Tallaght can be used as a basis for considering the transport needs of similar developments.

A cheap fare introduced on all buses after 1900 hours on Thursdays and Fridays during the month of June

generated an increase of 16 per cent in passenger numbers but this was not sufficient to offset the loss in revenue resulting from the lower charges.

Negotiations with the Trade Unions on the introduction of one-man operation of double deck buses was continued during the year. Revised proposals were not acceptable to the Trade Unions and the matter has now been referred to the Labour Court for examination.



ROAD PASSENGER

Provincial Services

Revenue for the year was £16.585m. or £2.967m. greater than last year. Expenditure increased by £3.295m. to £17.760m. The deficit of £1.175m. was £328,000 greater than 1975.

An increase in fares was introduced on 1 March, 1976.

The total number of passenger journeys for the year was 57 million, a decrease of three million on the previous year. The adverse economic conditions and industrial disputes in Limerick and Waterford were major factors in the decrease. The reduction in numbers was mainly on the provincial city and town services.

At the close of the year 156,000 school children were being carried on the free transport system as compared with 153,000 at the beginning of the year. The increase occurred principally in post-primary pupil numbers.

The principal development during the year was the continuing improvement of the Expressway network. The main features were:

- (i) the extension of some summer-only services to year round operation;
- (ii) the conversion of certain stage carriage services to Expressway working;
- (iii) the introduction of express services to cater for special travel categories such as week-end commuters;
- (iv) the introduction of Expressway services to substitute for withdrawn rail passenger services;
- (v) an increase in the frequency of Expressway services on some established routes to meet increased demand;
- (vi) the introduction of Sunday services on some routes where week-day services had already been successfully established.

Arising from the decision to terminate the running of passenger trains between Claremorris and Limerick from 5 April, 1976, a comprehensive Expressway service between Ballina, Limerick and Cork was introduced providing through connections in both directions twice a day. This Expressway service as well as making many important bus and rail connections en route is also extended to connect with the B + I Cork/Swansea ferry on sailing days.

Revenue on Expressway services in 1976 was £1.085m. an increase of 43 per cent as compared with the previous year.

It was intended to introduce a new flat fare structure in Waterford City on 1 December but, due to a labour dispute over the use of ticket cancellers, the new fares did not come into operation until 20 December. The use of ticket cancellers was still in dispute at the close of the year and was referred to the Labour Court for adjudication.

A major development during the year was the opening in June of a new bus garage in Limerick, costing about £½m. It is the most modern garage in the CIE system and the maintenance of all service buses and touring coaches in the area is now carried out there.



OTHER ACTIVITIES

Tours and Private Hire

The result for the year was a profit of £30,000 compared with the 1975 deficit of £58,000

Within the overall profit of £30,000 the extended tours produced a profit of £148,000, but this was partly offset by a loss on domestic private hire business.

A principal factor in the profit from extended tours was the increased involvement in air charter business from North America. Ninety two flights were operated from New York and Boston compared with forty in 1975, while from Chicago and Florida six charter flights were successfully test-marketed. There was a fall in business from Britain but satisfactory foundations were laid for further expansion in Germany and France.

Road Freight

Compared with the 1975 deficit of £740,000 the profit of £3,000 recorded in 1976 is a considerable improvement. Revenue for the year amounted to £9.765m. an increase of £0.685m. over 1975 and Expenditure decreased by £58,000 to £9.762m.

The policy of retrenchment and reorganisation adopted over the previous two years, coupled with a buoyancy in revenue, were the main factors in the improvement.

The increase in revenue derived principally from increased carryings of limestone, beet, imported motor vehicles, steel, cement and fertiliser. This improvement was partly offset by decreases in meat, materials for County Councils and certain other traffics.

The retention of over-age units in the operating fleet was reflected in high maintenance costs and unsatisfactory utilisation, and the replacement of these vehicles is an urgent requirement.

New vehicles, fitted with tail-lifts, were introduced into the fleet in connection with the sundries experiment on the Sligo line while specially modified vehicles were prepared for the carriage of the Asahi traffic between Ballina and Killala.

Negotiations continued during the year on a productivity scheme for road freight operatives and, while agreement was not reached, progress was achieved in reducing staff numbers and in converting two-man services to one-man operations.

International Activities

Apart from the tours operations (the results of which are included under "Tours and Private Hire"), CIE also engaged in the following international activities:

(a) Irish Ferryways (including former Continental Freight).

(b) Rosslare Harbour.

(c) Aerlod Teo. (discontinued during the year).

The combined result for the above activities was a profit of £175,000.

(a) **Irish Ferryways** – although Irish Ferryways made a profit this year it has been decided to terminate this activity as projected profits would not justify the capital investment required over the next 2/3 years. This decision was further precipitated by the intended withdrawal, in 1977, of the shipping service on which Irish Ferryways depended.

(b) **Rosslare Harbour** – there was a continued growth in business through Rosslare Harbour. The number of sailings operated by British Rail and Irish Continental line was 1,205.

The lack of adequate facilities continued to pose serious problems. A code of procedure has helped to regulate the problem of berth occupancy but, as in previous years, a number of delays in ship movements occurred.

(c) **Aerlod Teo.** – a decision, in 1975, to withdraw from this operation was implemented in April, 1976.

Vessel and Canals

The deficit on the Galway/Aran Islands service was £102,000. The net cost of maintaining the canals, a non-trading activity, was £421,000.



Hotels and Catering

The hotel company continued to show a loss. This year the figure was £560,000 compared with £446,000 in 1975. This year's loss is recorded after the payment of interest of £376,000. As the Russell Court Hotel, Belfast, is now closed interest and other costs relating to it have not been consolidated in the loss figures quoted above.

The financial difficulties of the hotel company have been a matter of concern for the Board and in late 1976 the Board outlined a new strategy to put the Great Southern Hotels on a sound commercial footing. The Board decided that (a) CIE would increase its equity holding in Oslanna Iompair Eireann (the hotel subsidiary); (b) CIE would convert its loan of £440,000 to OIE into equity capital; (c) the resort type hotels at Bundoran, Sligo, Mulrany, and Kenmare would be sold together with all surplus lands associated with the hotels and that efforts to sell the Russell Court Hotel in Belfast would continue.

These decisions by the Board were taken to bring about a reduction in the loan capital. Furthermore it was decided to mount an aggressive marketing campaign with a view to increasing the profitability of the remaining hotels. As a result of these steps, it is anticipated that the hotel company can be operated as a going concern, meeting its annual interest charges and in the long term reducing capital loans.

STAFF

During 1976 CIE's labour costs increased by £8.6m. with the higher costs deriving from the implementation of National Wage Agreements and improved conditions of service. However, these costs were partly offset by staff savings to the extent of £3.0m.

The embargo on recruitment and the general policy of retrenchment introduced in 1975 were maintained during the year in order to contain costs. Further discussions were held with the Trade Unions on productivity proposals affecting all levels of staff. Agreement was reached in a number of cases while the balance were still being processed at the end of the year. Staff numbers were reduced by 1,301 in 1976 giving a total reduction of 2,400 since May 1975.

During the year 3,214 meetings were held with representatives of the Trade Unions throughout the organisation.

There were 282 training courses held in 1976 attended by 1,226 staff and these courses ranged from specialised training for the new sundries scheme and the Asahi traffic to management courses on new technology and pre-retirement courses. Four scholarships were awarded to staff to attend courses at University College, Dublin, leading to a Bachelor of Commerce degree and two scholarships were awarded to craft apprentices to pursue third level courses in electrical engineering.

There were five unofficial and one official stoppages of work during the year.

SUMMARY OF TOTAL RECEIPTS AND COSTS

	1976			1975		
	Total Receipts	Total Costs	Net Profit/ (Deficit)	Total Receipts	Total Costs	Net Profit/ (Deficit)
	£	£	£	£	£	£
Railway	23,262,004	47,416,842	(24,154,838)	20,270,940	40,433,804	(20,162,864)
Road Passenger – Dublin City Services	19,540,215	25,537,867	(5,997,652)	16,813,342	21,848,384	(5,035,042)
Road Passenger – Provincial Services	16,585,208	17,760,023	(1,174,815)	13,617,819	14,464,626	(846,807)
Road Passenger – Tours and Private Hire	2,531,203	2,501,286	29,917	2,008,819	2,066,552	(57,733)
Road Freight	9,764,720	9,761,605	3,115	9,079,804	9,819,875	(740,071)
International Activities	1,144,105	968,778	175,327	996,935	999,252	(2,317)
Hotels, Refreshment Rooms and Restaurant Cars	4,910,225	5,551,173	(640,948)	4,067,105	4,518,128	(451,023)
Canals	41,690	462,368	(420,678)	39,500	421,196	(381,696)
Vessel	160,662	263,415	(102,753)	126,062	212,634	(86,572)
Total	£77,940,032	£110,223,357	(£32,283,325)	£67,020,326	£94,784,451	(£27,764,125)
Salaries, Wages and Associated Costs included above		£68,940,697			£61,920,865	

Notes: (1) Financial Charges are included with Total Costs.

(2) The total Net Deficit indicated is before Exceptional Items.

Accounts

Consolidated Revenue Accounts

Railway Working Account

	1976		1975	
	£	£	£	£
Receipts				
Passenger Train Traffic	12,991,156		11,627,933	
Goods Train Traffic	9,952,201		8,446,964	
	<hr/>		<hr/>	
Miscellaneous	22,943,357		20,074,897	
	318,647		196,043	
Total Receipts		23,262,004		20,270,940
Expenditure				
Maintenance of Lines and Works	5,546,017		4,922,054	
Maintenance of Rolling Stock	6,732,100		5,982,203	
Fuel	2,340,813		1,566,912	
Operating and Other Expenses	24,687,349		21,436,425	
Provision for Renewal of Lines and Works	3,094,000		2,941,800	
Operating Depreciation	2,559,952		1,563,145	
Total Expenditure		44,960,231		38,412,539
Operating Deficit		(21,698,227)		(18,141,599)
Financial Charges		2,456,611		2,021,265
Net Deficit carried to Profit and Loss Account		(£24,154,838)		(£20,162,864)

Consolidated Revenue Accounts

**Road Passenger Working Account
Dublin City Services**

	1976		1975	
	£	£	£	£
Receipts				
Passenger Services	19,395,997		16,724,354	
Miscellaneous	144,218		88,988	
Total Receipts		19,540,215		16,813,342
Expenditure				
Maintenance of Buildings	164,909		167,002	
Maintenance of Vehicles and Equipment	5,543,748		4,673,722	
Fuel	1,728,416		1,266,345	
Road Tax and Licences	267,496		266,979	
Operating and Other Expenses	15,367,808		13,738,463	
Operating Depreciation	1,817,322		1,236,643	
Total Expenditure		24,889,699		21,349,154
Operating Deficit		(5,349,484)		(4,535,812)
Financial Charges		648,168		499,230
Net Deficit carried to Profit and Loss Account		(£5,997,652)		(£5,035,042)

Consolidated Revenue Accounts

Road Passenger
Working Account
Provincial Services

	1976		1975	
	£	£	£	£
Receipts				
Passenger Services	16,134,456		13,243,788	
Miscellaneous	450,752		374,031	
Total Receipts		16,585,208		13,617,819
Expenditure				
Maintenance of Buildings	104,296		72,551	
Maintenance of Vehicles and Equipment	4,885,225		3,919,664	
Fuel	1,282,988		962,850	
Road Tax and Licences	169,089		175,545	
Operating and Other Expenses	9,980,272		8,490,995	
Operating Depreciation	1,189,353		726,394	
Total Expenditure		17,611,223		14,347,999
Operating Deficit		(1,026,015)		(730,180)
Financial Charges		148,800		116,627
Net Deficit carried to Profit and Loss Account		(£1,174,815)		(£846,807)

Consolidated Revenue Accounts

Road Passenger
Working Account
Tours and Private Hire

	1976		1975	
	£	£	£	£
Receipts				
Passenger Services	2,524,402		1,926,921	
Miscellaneous	6,801		81,898	
Total Receipts		2,531,203		2,008,819
Expenditure				
Maintenance of Buildings	12,079		12,113	
Maintenance of Vehicles and Equipment	361,167		303,010	
Fuel	130,208		111,605	
Road Tax and Licences	23,586		21,487	
Operating and Other Expenses	1,739,040		1,397,754	
Operating Depreciation	231,451		210,562	
Total Expenditure		2,497,531		2,056,531
Operating Profit/(Deficit)		33,672		(47,712)
Financial Charges		3,755		10,021
Net Profit/(Deficit) carried to Profit and Loss Account		£29,917		(£57,733)

Consolidated Revenue Accounts

Road Freight Working Account

	1976		1975	
	£	£	£	£
Receipts				
Goods Services	9,655,194		8,982,374	
Miscellaneous	109,526		97,430	
Total Receipts		9,764,720		9,079,804
Expenditure				
Maintenance of Buildings	44,046		45,211	
Maintenance of Vehicles and Equipment	1,583,542		1,497,058	
Fuel	743,722		616,024	
Road Tax and Licences	230,724		250,477	
Operating and Other Expenses	6,256,941		6,458,836	
Operating Depreciation	643,582		737,355	
Total Expenditure		9,502,557		9,604,961
Operating Profit/(Deficit)		262,163		(525,157)
Financial Charges		259,048		214,914
Net Profit/(Deficit) carried to Profit and Loss Account		£3,115		(£740,071)

Consolidated Revenue Accounts

International Activities Working Account

	1976		1975	
	£	£	£	£
Receipts				
Harbour Services	574,070		519,496	
Freight Services (Net)	570,035		465,439	
Total Receipts		1,144,105		984,935
Expenditure				
Maintenance, Operating and Other Expenses	863,949		896,180	
Operating Depreciation	39,663		41,319	
Total Expenditure		903,612		937,499
Operating Profit		240,493		47,436
Financial Charges		65,166		61,753
Share of Associated Company's Profit		175,327		(14,317)
		—		12,000
Net Profit/(Deficit) carried to Profit and Loss Account		£175,327		(£2,317)

Consolidated Revenue Accounts

**Hotels, Refreshment
Rooms and Restaurant
Cars Working Account**

	1976		1975	
	£	£	£	£
Receipts				
Hotels, Refreshment Rooms and Restaurant Cars		4,907,184		4,046,358
Expenditure				
Maintenance of Buildings, Cars and Equipment	163,902		134,397	
Provisions, Wines, etc.	2,034,466		1,618,297	
Other Direct Expenses	2,259,737		1,863,019	
Other Expenditure	755,323		620,189	
Total Expenditure		5,213,428		4,235,902
Operating Deficit		(306,244)		(189,544)
Realised Surplus on Sales of Premises		3,041		20,747
		(303,203)		(168,797)
Financial Charges		337,745		282,226
Net Deficit carried to Profit and Loss Account		(£640,948)		(£451,023)

Consolidated Revenue Accounts

Canals Working Account

	1976		1975	
	£	£	£	£
Receipts				
Rents	33,018		31,973	
Miscellaneous	8,672		7,527	
Total Receipts		41,690		39,500
Expenditure				
Maintenance of Buildings	24,490		15,459	
Maintenance of Waterways and Works	324,819		309,245	
Operating and Other Expenses	113,059		96,492	
Total Expenditure		462,368		421,196
Operating Deficit		(420,678)		(381,696)
Financial Charges		—		—
Net Deficit carried to Profit and Loss Account		(£420,678)		(£381,696)

Consolidated Revenue Accounts

**Vessel Working
Account**

	1976		1975	
	£	£	£	£
Receipts				
Passenger Traffic	115,716		92,818	
Goods Traffic	42,983		31,685	
Miscellaneous	1,963		1,559	
Total Receipts		160,662		126,062
Expenditure				
Maintenance of Vessel and Equipment	63,738		56,597	
Fuel	5,844		5,546	
Operating and Other Expenses	182,565		140,021	
Operating Depreciation	4,070		4,070	
Total Expenditure		256,217		206,234
Operating Deficit		(95,555)		(80,172)
Financial Charges		7,198		6,400
Net Deficit carried to Profit and Loss Account		(£102,753)		(£86,572)

Consolidated Profit and Loss Account

	1976		1975	
	£	£	£	£
Net Profits/(Deficits) from				
Railway	(24,154,838)		(20,162,864)	
Road Passenger – Dublin City Services	(5,997,652)		(5,035,042)	
– Provincial Services	(1,174,815)		(846,807)	
– Tours and Private Hire	29,917		(57,733)	
Road Freight	3,115		(740,071)	
International Activities	175,327		(2,317)	
Hotels, Refreshment Rooms and Restaurant Cars	(640,948)		(451,023)	
Canals	(420,678)		(381,696)	
Vessel	(102,753)		(86,572)	
		(32,283,325)		(27,764,125)
Financial Charges (Note 3)	3,926,491		3,212,436	
Allocation to Working Accounts	Cr 3,926,491		Cr 3,212,436	
Net Deficit before Exceptional Items		(32,283,325)		(27,764,125)
Exceptional Items (Note 4)		1,281,758		254,153
Net Deficit		£33,565,083		£28,018,278
Financed as follows:				
Non-repayable State Grants under				
Sub-head D 1 Vote 43, 1976 of Dail Eireann (1975;				
Sub-head D 1 Vote 42)				
(a) Grant in respect of rail passenger services under E.E.C. Regulation 1191/69	11,250,000		10,487,000	
(b) Grant for the normalisation of accounts of railways under E.E.C. Regulation 1192/69	2,100,000		1,187,000	
(c) Grants in respect of public service obligations not covered by E.E.C. Regulation 1191/69, railway infrastructure costs and residual deficits, as permitted by E.E.C. Regulation 1107/70	18,495,000		14,768,000	
(d) Grant to cover losses incurred on the operation of the Galway/Aran Ferry Service	55,000		58,000	
		31,900,000		26,500,000
Surplus arising on Disposal of Rolling Stock and Railway Lines previously written off		5,712		31,148
		31,905,712		26,531,148
Adverse Balance Forward (Note 11)		1,659,371		1,487,130
		£33,565,083		£28,018,278

Consolidated Balance Sheet at 31st December, 1976

	1976		1975	
	£	£	£	£
Fixed Assets (Note 5)		48,356,166		43,123,462
Interest in Subsidiary Company (Note 18)		100		100
Current Assets				
Investments (Note 6)	31,792		29,753	
Properties held for Disposal (Note 7)	562,130		—	
Stocks of Stores (Note 8)	10,344,432		10,617,823	
Debtors and Payments in Advance	8,877,588		7,057,565	
Bank Deposits	2,392,559		3,370,944	
Balance at Bankers and Cash in Hand	94,976		83,939	
	<u>22,303,477</u>		<u>21,160,024</u>	
LESS:				
Current Liabilities and Provisions				
Amount due to Bankers	4,198,070		4,646,859	
Unsecured Bank Loans	1,340,395		2,850,000	
Deferred Payments on Rail and Road Rolling Stock	206,550		619,574	
Creditors and Accrued Charges	15,963,559		12,713,001	
Equalisation Account for Renewal of Lines and Works	411,958		491,919	
Taxation	84,951		91,084	
	<u>22,205,483</u>		<u>21,412,437</u>	
NET CURRENT ASSETS/(LIABILITIES)		97,994		(252,413)
		£48,454,260		£42,871,149
FINANCED BY:				
Issued Transport Stocks (Note 9)		16,884,466		16,884,466
RESERVES				
Capital Reserve (Note 10)	456,283		1,213,108	
Profit and Loss Account (Note 11)	(4,583,240)		(2,873,869)	
	<u>(4,126,957)</u>		<u>(1,660,761)</u>	
LESS: Discount and Issue Expenses – Transport Stocks (Less Amounts written-off)	522		2,611	
		(4,127,479)		(1,663,372)
Sinking Fund for Redemption of Transport Stocks	6,440,367		5,653,912	
LESS: Investments	(6,415,367)		(5,299,128)	
Amounts subsequently invested by CIE	(25,000)		(354,784)	
		—		—
Sinking Fund – Unsecured Loan Stock 1991/96 (Note 17b)		50,000		—
Department of Education – Funding of School Buses (Note 12)		1,939,209		2,088,644
LOAN CAPITAL				
Repayable State Advances for Capital Expenditure with Interest thereon, under Section 4, Transport Act, 1964, as amended by Section 3, Transport Act, 1974	22,344,506		17,861,411	
Unsecured Bank Loans (Note 13)	8,863,558		5,200,000	
Unsecured Loan Stock 1991/96 (Note 17b)	2,500,000		2,500,000	
		<u>33,708,064</u>		<u>25,561,411</u>
		£48,454,260		£42,871,149

Consolidated Statement of Source and Application of Funds

	1976		1975
	£	£	£
Source of Funds			
Net Deficit Less Non-Repayable State Grants		(1,665,083)	(1,518,278)
Depreciation and Profit/Loss on Sale of Fixed Assets		7,072,236	5,147,693
Provision to write-off Discount and Issue Expenses – Transport Stocks		2,089	2,089
		<hr/>	<hr/>
Taxation Recovered		5,409,242	3,631,504
Sale of Investments		—	9,631
Proceeds from Realisation of Sinking Fund Investments		—	7,761
Unsecured Bank Loans		4,403,953	1,629,994
Repayable State Advances for Capital Expenditure (excluding interest)		4,455,000	526,691
Funding of School Buses		46,116	2,407,539
		<hr/>	<hr/>
		14,314,311	9,713,120
		<hr/>	<hr/>
Application of Funds			
Taxation Paid		6,133	—
Unsecured Bank Loans currently payable		740,395	300,000
Redemption of Transport Stocks		—	1,629,994
Capital Expenditure		13,251,604	8,989,047
Other		2,039	—
		<hr/>	<hr/>
		14,000,171	10,919,041
		<hr/>	<hr/>
Net Source (Application) of Working Capital		£314,140	(£1,205,921)
<hr/>			
being:			
Properties held for Disposal		562,130	—
(Decrease)/Increase in Stocks of Stores		(273,391)	2,932,494
Increase in Debtors		1,820,023	331,696
Increase in Creditors		(3,278,653)	(2,818,514)
Decrease in Deferred Payments		413,024	433,323
Decrease in Equalisation Account		79,961	118,078
		<hr/>	<hr/>
		(676,906)	997,077
		<hr/>	<hr/>
Increase/(Decrease) in Liquid Funds			
(Decrease) in Cash and Bank Deposits	(967,348)		(992,796)
Decrease/(Increase) in Bank Loans and Overdrafts	1,958,394		(1,210,202)
	<hr/>	991,046	<hr/>
		<hr/>	<hr/>
		£314,140	(£1,205,921)
		<hr/>	<hr/>

Notes on Consolidated Accounts

(a) Consolidation of Accounts

The Revenue Accounts and Balance Sheets of Ostlanna Iompair Eireann Teoranta and Aerlod Teoranta – wholly owned subsidiaries of the Board – have been consolidated with those of Coras Iompair Eireann in the foregoing Statement of Accounts. The accounts of Great Southern Hotels (NI) Limited (a wholly owned subsidiary of Ostlanna Iompair Eireann Teoranta) have not been consolidated in 1976 as the Board consider it would be misleading to do so in view of the closure, following extensive bomb damage in March, 1976, of the Russell Court Hotel, that Company's principal asset. 1975 amounts have been restated to exclude Great Southern Hotels (NI) Limited. (See Note 18).

The Board's subsidiary company in New York – CIE Tours International Incorporated – has been treated as a branch of Coras Iompair Eireann for accounting purposes and its results are included in Road Passenger Working Account – Tours and Private Hire.

(b) Depreciation and Provision for Renewals

The bases of calculation of depreciation and provision for renewals are set out below and are the same as in the previous financial year unless otherwise indicated.

Railway Lines and Works:

The provision for renewal of Railway lines and works is the estimated average annual cost of carrying out the programme of renewals necessary to maintain the running lines at the required standard over the period ending 31st December, 1978, based on the actual expenditure for the thirty-three months ended 31st December, 1976, and estimated expenditure for the next two years. In previous years the provision was similarly based on the expenditure for the five years ended 31st March, 1974.

Railway Rolling Stock:

Locomotives and Railcars (other than those completely written off or acquired at no cost) are depreciated on the basis of the original cost of the vehicles in the fleet spread over expected life. Coaching Stock is depreciated on the basis of replacement cost of under-age vehicles in the fleet at the commencement of the year spread over expected life. Wagons are depreciated on the basis of estimated cost of vehicles required to replace the existing fleet spread over expected life.

Road Passenger Vehicles:

Road Passenger Vehicles, with the exception of school buses, are depreciated on the basis of replacement cost of under-age vehicles in the fleet spread over expected life.

School buses in the fleet at 1st April, 1974, are depreciated on the basis of their written down value at that date spread over the remainder of their expected life. New school buses coming into service after 1st April, 1974, are depreciated on the basis of original cost spread over expected life.

Road Freight Vehicles:

Road Freight Vehicles are depreciated on the basis of original cost of under-age vehicles in the fleet spread over expected life.

Galway/Aran Island Vessel:

The vessel is depreciated on the basis of original cost spread over expected life.

Plant and Machinery:

Plant and Machinery is depreciated on the basis of original cost spread over expected life.

Hotels, including Catering Services Equipment:

Hotel Premises and Other Properties – depreciation is calculated on the straight line basis at a rate of 2% per annum on the net cost after deduction of state grants.

Equipment, Furniture, Fittings and Motor Vehicles – depreciation is calculated on the straight line basis at rates ranging between 10% and 25% per annum. The depreciation rates presently in use are intended to write down the assets to their residual value over the remaining period of their useful lives.

**Notes on Consolidated Accounts
(Continued)**

(c) Stocks of Stores:

Stocks of Stores have been valued at cost and the basis of valuation is the same as that used at the end of the previous financial year. The general basis on which cost is determined is average cost which has been computed after making adequate provision for all defective and obsolete stocks.

(d) Department of Education – Funding of School Buses:

As from 1st April, 1974, the acquisition of school buses is being funded by the Department of Education, who also recouped to Coras Iompair Eireann the written down value of the existing school bus fleet at that date. The buses remain in the fixed assets of Coras Iompair Eireann and are depreciated as described in Note 1 (b) with a corresponding amortisation of the Department of Education – Funding of School Buses.

(e) Foreign Currency Loans:

Foreign Currency Loans are converted to Irish Currency at the rate of exchange ruling at the date of receipt of such loans. Exchange gains and losses arising on repayment are recognised in the year in which they are realised.

2. New Subvention Structure for C.I.E. from 1st January, 1975

In order to comply with the provisions of the EEC Regulations governing State aid to transport undertakings a new subvention structure for C.I.E. was introduced with effect from 1st January, 1975.

Particulars of the relevant EEC Regulations are as follows:

- (a) **EEC Regulation No. 1191/69** enables payment of compensation by the State to transport undertakings in respect of losses incurred on services operated under public service obligations which are deemed essential to ensure the provision of adequate transport services. Payment is being made to C.I.E. under this Regulation in respect of losses remaining on rail passenger services after fares increases and any possible economies in operation.
- (b) **EEC Regulation No. 1192/69** provides for compensation by the State in respect of specified financial burdens borne by railway undertakings. Payments were made to C.I.E. in 1976 under this Regulation to cover the following costs in respect of rail passenger and freight operations:
- superannuation and pensions costs less savings arising from the Board's exemption from payment of certain social welfare insurance contributions in respect of clerical and supervisory staff.
 - 50% of the costs of maintenance and control of level crossings.
- In 1975 payments made under this Regulation covered the above costs in respect of rail freight operations only.
- (c) **EEC Regulation No. 1107/70** specifies certain additional circumstances in which State aids may be paid to transport undertakings. Under this Regulation payments are being made to C.I.E. in respect of:
- 50% of infrastructure costs in respect of rail freight (Article 3.1.(b)).
 - losses on the Board's road passenger services which cannot be recouped by fares increases or eliminated by economies in operation (Article 3.2).
 - residual deficits on railway operations and losses on maintenance of canals (Article 4).

A grant is also paid to C.I.E. by the State in respect of losses incurred on the Galway/Aran Ferry service.

Particulars of the total Exchequer grant of £31.9m. paid to C.I.E. under Sub-head D.1 of Vote 43 of Dail Eireann of 1976 are given in the following Table, showing the relevant provisions of EEC Regulations:

**Notes on Consolidated Accounts
(Continued)**

	E.E.C. Regulation Number					£
	1191/69	1192/69	1107/70 Article 3.1.(b)	1107/70 Article 3.2	1107/70 Article 4	
RAILWAYS						
Operation of Passenger Services	11,250,000					
Normalisation of Accounts (Passenger and Freight)						
– Class III (Pensions)		1,450,967				
– Class IV (Level Crossings)		308,611				
Infrastructure Grant (Freight)			1,708,072			
Excess Payment		340,422				
Residual Deficit Grant						9,193,783
TOTAL – RAILWAYS	11,250,000	2,100,000	1,708,072			9,193,783
ROAD PASSENGER						
Dublin City Services						
– Deficit on Operation of Services				5,997,652		
Provincial Services						
– Deficit on Operation of Services				1,174,815		
CANALS						
– Deficit on Maintenance						420,678
GALWAY/ARAN						
– Grants towards losses on Ferry Service						55,000
TOTAL – ALL FUNCTIONS	£11,250,000	£2,100,000	£1,708,072	£7,172,467	£9,614,461	£55,000

Note: The amount under Regulation No. 1192/69 in respect of "excess payment" of £340,422 represents the extent to which payment received from the State exceeded normalisation costs as established in the final accounts. However, the grants made to C.I.E. under Regulation No. 1191/69, Article 4 of Regulation No. 1107/70 and in respect of the Galway/Aran Ferry service were together inadequate to the extent of £291,158 and this inadequacy was offset by the excess payment received under Regulation No. 1192/69. The total net deficit on all services subventable under EEC Regulations and on the Galway/Aran Ferry service was £31,850,736 compared with the total payments from the State of £31.9 million.

3. Financial Charges

The financial charges of Coras Iompair Eireann have been allocated to the Working Accounts by the Board's Officers on a basis, agreed by the Board, related to the written down values of the fixed assets employed in the various sections of the Undertaking except for certain interest charges and rents which are allocated direct to the Railway Working Account. The financial charges of Oslanna Iompair Eireann Teoranta have been allocated to Hotels, Refreshment Rooms and Restaurant Cars Working Account and those of Aerlod Teoranta to International Activities Working Account. The consolidated total financial charges for the year ended 31st December, 1976 amounted to £3,926,491 (£3,212,436 for year ended 31st December, 1975) as follows:—

**Notes on Consolidated Accounts
(Continued)**

	1976		1975
	£	£	£
Interest on Transport Stocks:			
2½% Transport Stock, 1965/75	—		37,500
3% Transport Stock, 1975/85	105,434		105,434
5% Transport Stock, 1972/77	125,000		125,000
4¼% Transport Stock, 1972/77	191,250		191,250
5% Transport Stock, 1970/75	—		75,000
6% Transport Stock, 1977/82	120,000		120,000
12½% Transport Stock, 1980	546,250		273,125
	<hr/>	1,087,934	<hr/>
			927,309
Sinking Funds:			
2½% Transport Stock, 1965/75	50,000		50,000
3% Transport Stock, 1975/85	37,500		37,500
5% Transport Stock, 1972/77	67,500		67,500
4¼% Transport Stock, 1972/77	—		22,500
5% Transport Stock, 1970/75	30,000		30,000
6% Transport Stock, 1977/82	120,000		25,000
12½% Transport Stock, 1980	<hr/>	305,000	<hr/>
			232,500
Discount and Issue Expenses – Transport Stocks		2,089	3,452
Miscellaneous Rents		63,184	100,858
Interest on Repayable State Advances for Capital Expenditure		1,571,354	1,437,123
Sundry Interest Payable less Receivable		848,163	462,510
Associated Transport Companies:			
Guaranteed Interest to Fishguard and Rosslare Railways and Harbours Co. (in Ireland)		48,767	48,684
		<hr/>	<hr/>
		£3,926,491	£3,212,436
Allocated to Working Accounts as follows:			
Railway		2,456,611	2,021,265
Road Passenger – Dublin City Services		648,168	499,230
– Provincial Services		148,800	116,627
– Tours and Private Hire		3,755	10,021
Road Freight		259,048	214,914
International Activities		65,166	61,753
Vessel		7,198	6,400
Hotels, Refreshment Rooms and Restaurant Cars		337,745	282,226
		<hr/>	<hr/>
		£3,926,491	£3,212,436

**Notes on Consolidated Accounts
(Continued)**

4. Exceptional Items

	1976 £	1975 £
Coras Iompair Eireann		
Compensation payment following reduction in orders under contract entered into in 1973 for the supply of buses over 5/6 year period	685,716	—
Ostlanna Iompair Eireann Teoranta		
Provision for losses arising on write down of four hotels to estimated net realisable value at date of sale (See Note 7)	40,000	—
Provision for loss on Interest in Subsidiary Company	12,042	254,153
Provision for further losses of Subsidiary Company (See Note 17 (f))	544,000	—
	£1,281,758	£254,153

5. Fixed Assets

	Net Book Amount 1st Jan., 1976	CURRENT YEAR		Net Book Amount 31st Dec., 1976
		Additions	Depreciation	
	£	£	£	£
Railway Rolling Stock (Note a)	17,582,167	7,410,251	2,437,223	22,555,195
Road Passenger Vehicles				
Dublin City Services	7,521,115	1,516,282	1,879,005	7,158,392
Other Services (Note b)	3,212,506	164,143	1,598,042	1,778,607
Road Freight Vehicles and Equipment	2,661,883	1,167,641	716,133	3,113,391
Vessel	90,520	—	4,070	86,450
Land and Buildings	5,068,191	319,776	—	5,387,967
Plant and Machinery (Note c)	3,846,913	2,363,848	451,911	5,758,850
Hotels and Refreshment Rooms including Catering Services Equipment (Note d)	3,140,167	(502,759)	120,094	2,517,314
	£43,123,462	£12,439,182	£7,206,478	£48,356,166

- Note:** (a) The 1976 Railway Rolling Stock depreciation provision includes additional amounts, as follows, being depreciation underprovided on certain Rolling Stock withdrawn from service or due for withdrawal from service before the expiration of its expected useful life: Locomotives – £400,745; Coaching Stock – £112,385; Wagons – £203,376.
- (b) The depreciation figure shown for Road Passenger Vehicles – Other Services includes £195,551 depreciation on school buses. The amount is wholly offset by the amortisation of the Department of Education – Funding of School Buses (See Note 12).
- (c) The net book amount at 1st January, 1976 of Plant and Machinery has been restated to include expenditure on Signal Modernisation Equipment (formerly included in Capital Reserve – See Note 10) in accordance with the accounting policy now adopted.
- (d) Additions include a credit of £602,130 being net book amount at 31st December, 1976 of certain properties held for disposal. The properties are now stated in the Consolidated Balance Sheet under current assets (See Note 7).

**Notes on Consolidated Accounts
(Continued)**

6. Investments	1976 £	1975 £
Quoted at Cost (Market Value £21,212, 1975 – £20,386)	30,992	28,953
Associated Company Unquoted at Cost	800	800
	£31,792	£29,753

7. Properties Held for Disposal

Four hotels were sold subsequent to 31st December, 1976, and are stated in the accounts at their estimated net realisable value at the date of sale.

8. Stocks of Stores	1976 £	1975 £
Maintenance Materials and Spare Parts	8,425,393	8,540,642
Fuel, Lubricants and Other Sundry Stocks	1,919,039	2,077,181
	£10,344,432	£10,617,823

9. Issued Transport Stocks

	1976 £	1975 £
3% Transport Stock, 1975/85	3,514,460	3,514,460
5% Transport Stock, 1972/77	2,500,000	2,500,000
4½% Transport Stock, 1972/77	4,500,000	4,500,000
6% Transport Stock, 1977/82	2,000,000	2,000,000
12½% Transport Stock, 1980	4,370,006	4,370,006
	£16,884,466	£16,884,466

Notes on Consolidated Accounts
(Continued)

10. Movement on Capital Reserve

	1976		1975	
	£	£	£	£
Balance forward from last year				
As previously reported		175,462		255,463
Prior year adjustment		1,037,646		152,504
		<u>1,213,108</u>		<u>407,967</u>
As restated		1,213,108		407,967
Sinking Fund no longer required		—		1,629,994
		<u>1,213,108</u>		<u>2,037,961</u>
DEDUCT:				
Capital Expenditure on Railway Lines and Works	812,422		942,872	
Less: Surplus arising on disposal of Land and Buildings and Acquired Assets	<u>55,597</u>		<u>118,019</u>	
		756,825		824,853
		£456,283		£1,213,108

Prior Year Adjustment

The policy followed in accounting for expenditure on Signal Modernisation Equipment, which in prior years was debited to Capital Reserve, was changed during the year. Signal Modernisation Equipment is now included in Fixed Assets – Plant and Machinery. In restating the comparative amounts for 1975, on the basis of the new policy, the balance on Capital Reserve and the net book amount of Fixed Assets at 1st January, 1975, and 31st December, 1975, have been increased by £152,504 and £1,037,646, respectively.

11. Movement on Profit and Loss Account

	1976		1975	
		£		£
Balance forward from last year				
As previously reported	Dr.	2,716,988	Dr.	1,163,407
Cumulative consolidation adjustment reversed on exclusion of subsidiary from consolidation (See Note 18)		<u>156,881</u>		<u>223,332</u>
As restated	Dr.	2,873,869	Dr.	1,386,739
Adverse Balance per Profit and Loss Account		<u>1,659,371</u>		<u>1,487,130</u>
	Dr.	4,533,240	Dr.	2,873,869
Sinking Fund – Unsecured Loan Stock 1991/96 (See Note 17 (b))		50,000		—
	Dr.	£4,583,240	Dr.	£2,873,869

**Notes on Consolidated Accounts
(Continued)**

12. Department of Education – Funding of School Buses		1976 £	1975 £
	Balance forward from last year	2,088,644	—
	Received in year	46,116	2,407,539
		<hr/> 2,134,760	<hr/> 2,407,539
	Released to Revenue Working Account	195,551	318,895
		<hr/> £1,939,209	<hr/> £2,088,644

13. Unsecured Bank Loans

These loans are repayable, as follows:

	1976 £	1975 £
1 year to 5 years	3,026,780	1,409,600
6 years to 10 years	3,215,178	930,000
Thereafter	2,621,600	2,860,400
	<hr/> £8,863,558	<hr/> £5,200,000

The above 1976 figures include £5,563,558 (1975: £1,600,000) repayable in U.S. Dollars.

Included under Current Liabilities in 1976 is a further amount of £440,395 (1975: Nil) which is also repayable in U.S. Dollars.

14. Board's Contributions to Superannuation Funds, Pensions, etc.

The Board's contributions to superannuation funds, pensions, etc., which are apportioned over the various sections of the Undertaking, amounted to £2,892,404: 1975 – £2,904,325.

15. Capital Commitments

The Board's capital commitments at 31st December, 1976, were approximately £7,649,000: 1975 – £12,483,800.

16. Salaried Officers' and Clerks' (G.S.R.) Superannuation Fund

The deficiency on the above Fund as shown by the most recent completed actuarial valuation (31st December, 1972) is £2,722,000, but the solvency of the Fund is guaranteed by the Board to the extent that sufficient moneys shall be available at all times to meet the immediate cash requirements of the Fund. During the year the resources of the Fund were sufficient to meet its cash requirements.

17. Ostlanna Iompair Eireann Teoranta

(a) No provision for Taxation is required as a result of losses incurred.

(b) The Unsecured Loan Stock is repayable in full at anytime between 1991 and 1996 and carries an interest rate of 10.72% per annum. Under the terms of a Deed of Trust, dated 16th August, 1971, the Company is obliged to set aside in the year 1976 and every year thereafter, on or before 31st August, a sum not less than £50,000 as a Sinking Fund.

**Notes on Consolidated Accounts
(Continued)**

- (c) The Company has guaranteed a bank loan amounting to £1,200,000 in the accounts of its subsidiary Great Southern Hotels (NI) Limited.
- (d) State Grants are repayable to the extent of £556,504 (1975: £581,605) in certain circumstances.
- (e) On 10th March, 1977, the Authorised Share Capital was increased to £2,500,000. On 11th March, 1977, a further 1,839,795 Ordinary Shares of £1 each were issued at par to Coras Iompair Eireann. 1,400,000 of these shares were issued for cash and 439,795 shares were issued in discharge of the Company's loan account.
- (f) A provision of £544,000 for further losses has been made in recognition of the deficiency of Shareholders' Funds in the subsidiary company at 31st December, 1976. No provision has been made for losses which may arise after this date.

18. Interest in Subsidiary Company

	1976 £	1975 £
Great Southern Hotels (NI) Ltd.		
Shares at Cost	850,000	850,000
Less: Premium on Acquisition written off	140,178	140,178
	<u>709,822</u>	<u>709,822</u>
Current Account	1,155,057	1,143,015
	<u>1,864,879</u>	<u>1,852,837</u>
Less: Provision for Loss on Investment	1,864,779	1,852,737
	<u>£100</u>	<u>£100</u>

In restating the corresponding amounts for 1975 to exclude Great Southern Hotels (NI) Limited, the following adjustments were required:

	£
Assets and Liabilities excluded:	
Fixed Assets	1,597,230
Stocks	19,420
Debtors and Payments in Advance	389,714
Balance at Bankers and Cash in Hand	3,972
Amount due to Bankers	(195,301)
Secured Term Loan	(250,000)
Creditors and Accrued Charges	(458,054)
Secured Long Term Loan	(950,000)
	<u>156,981</u>
Asset Introduced	
Interest in Subsidiary Company	100
	<u>£156,881</u>

The net adjustment of £156,881 has been dealt with as a consolidation movement on Profit and Loss Account (See Note 11).

Auditors' Report

We have examined the foregoing Consolidated Revenue Accounts, Consolidated Balance Sheet and Consolidated Statement of Source and Application of Funds, with the Notes annexed, and have obtained all the information and explanations which we considered necessary for our Audit.

In our opinion, proper books of account have been kept by the Board and its Subsidiaries and the foregoing Accounts, which are in agreement therewith, give a true and fair view of the state of affairs of the Board and its Subsidiaries at 31st December, 1976, and of the consolidated net deficit and source and application of funds for the year ended on that date.

Craig Gardner & Co., Chartered Accountants,
Gardner House, Ballsbridge, Dublin 4.
8th July, 1977.

Summary of Financial Statistics

Coras Iompair Eireann (including wholly owned subsidiary companies OIE Teo., Aerlod Teo., and CIE Tours International Inc.)

	YEAR ENDED 31st MARCH				9 Months ended 31/12/1974	Year ended 31/12/1975 (A)	Year ended 31/12/1976
	1971	1972	1973	1974			
	£ thousands						
Receipts	36,868	43,016	45,906	53,074	42,570	67,020	77,940
Deficit	6,171	6,493	8,476	11,666	14,638	28,018	33,565
State Grant Received (Footnote B)	5,630	6,000	8,300	10,750	13,950	26,500	31,900
Interest and Sinking Fund Provisions – paid or chargeable on Loan Capital	1,641	1,802	1,876	2,062	1,639	2,597	2,964
Interest paid or chargeable on Loan Capital from Exchequer (included in above)	644	805	879	1,065	891	1,437	1,571
Net Value of Assets:							
Fixed (Footnote C)	32,164	34,378	38,659	40,450	42,012	43,123	48,356
Current	(1,125)	206	(982)	3,003	441	(252)	98
Loan Capital (Total) – excluding Interest on Repayable State Advances	27,991	31,696	34,897	42,223	43,008	42,030	50,149
Loan Capital from Exchequer – excluding Interest on Repayable State Advances	9,477	10,682	12,883	16,009	16,919	17,446	21,901
Reserves (Footnote C)	1,933	2,465	2,324	689	(913)	(1,663)	(4,127)
Number of Employees	20,922	20,962	20,538	20,097	19,944	18,710	17,482
	£	£	£	£	£	£	£
Auditors' Fees	5,650	6,250	6,683	7,050	8,905	9,700	11,000
Board Members' Fees	5,586	5,602	5,236	6,088	7,187	13,814	13,162

A. Financial Statistics for 1975 have been restated as a result of the change in accounting policy for expenditure on Signal Modernisation Equipment and exclusion of Great Southern Hotels (N.I.) Ltd.

B. Additional grants were received as follows:

1971 – £642, 460 in respect of five-year period ended 31st March, 1969.

1972 – £1,114,000 in respect of two-year period ended 31st March, 1971.

1973 – £582,000 in respect of three-year period ended 31st March, 1972.

C. Fixed Assets and Reserves for 1973 and 1974 have been restated as a result of the change in method of dealing with OIE Teo. Government Grants.

Statistics of Working Results

YEAR ENDED 31st MARCH

		1971	1972	1973	1974	9 Months Ended 31/12/1974	Year Ended 31/12/1975	Year Ended 31/12/1976
RAILWAY		£ thousands						
Mainline Passenger, Freight and Other Services	Receipts	12,406	14,262	14,645	16,707	13,617	19,632	22,476
Dublin Suburban Services	Receipts	262	342	391	418	483	639	786
Total	(Deficit)	12,668 (5,964)*	14,604 (6,714)*	15,036 (7,646)	17,125 (9,611)	14,100 (10,590)	20,271 (20,163)	23,262 (24,155)
ROAD PASSENGER								
Dublin City Services	Receipts	8,423	10,068	11,014	12,972	8,145	16,813	19,541
	Profit/(Deficit)	(285)	185	(360)	(967)	(2,943)	(5,035)	(5,997)
Provincial Services	Receipts	6,320	7,583	8,477	10,035	8,603	13,618	16,585
	Profit/(Deficit)	336	550	319	289	(94)	(847)	(1,175)
Tours and Private Hire	Receipts	1,417	1,574	1,434	1,606	1,502	2,009	2,531
	Profit/(Deficit)	(29)	(187)	(185)	(433)	(43)	(58)	30
Total	Profit/(Deficit)	16,160 22	19,225 548	20,925 (226)	24,613 (1,111)	18,250 (3,080)	32,440 (5,940)	38,657 (7,142)
ROAD FREIGHT								
	Receipts	5,538	6,273	6,624	7,400	6,232	9,080	9,765
	Profit/(Deficit)	(139)*	(134)*	49	(67)	(204)	(740)	3
HOTELS, REFRESHMENT ROOMS, &c.								
	Receipts	2,390	2,791	2,676	3,118	3,085	4,067	4,910
	Profit/(Deficit)	55	(24)	(379)	(643)	(589)	(451)	(641)
CANALS AND VESSELS								
	Receipts	112	123	126	128	130	165	202
	(Deficit)	(145)	(169)	(197)	(257)	(234)	(468)	(523)
INTERNATIONAL ACTIVITIES								
	Receipts	—	—	519	690	773	997	1,144
	Profit/(Deficit)	—	—	(77)	23	59	(2)	175
TOTAL								
	Receipts	36,868	43,016	45,906	53,074	42,570	67,020	77,940
	(Deficit)	(6,171)	(6,493)	(8,476)	(11,666)	(14,638)	(27,764)	(32,283)

*Includes International Activities.

Note: The total Net Deficit for 1975 and 1976 is before Exceptional Items.

Statistics of Rail Passenger Operations & Receipts

YEAR ENDED 31st MARCH

	1971	1972	1973	1974	9 Months Ended 31/12/1974	Year Ended 31/12/1975	Year Ended 31/12/1976
Passenger Journeys							
	thousands						
Mainline and Other Services	5,475	5,610	6,063	6,675	5,286	6,648	6,039
Dublin Suburban Services	4,857	5,391	5,799	6,020	6,090	7,243	7,569
Total	10,332	11,001	11,862	12,695	11,376	13,891	13,608
Receipts from Passenger Fares							
	£ thousands						
Mainline and Other Services	4,311	4,954	5,315	6,917	6,108	9,088	9,961
Dublin Suburban Services	262	343	391	418	483	639	786
Total (See Note)	4,573	5,297	5,706	7,335	6,591	9,727	10,747
Passenger Miles							
	thousands						
Passenger Miles	468,900	486,385	524,454	543,755	431,493	558,496	489,513
Loaded Train Miles							
	thousands						
Loaded Train Miles	4,663	4,730	4,960	5,782	3,950	4,677	4,279
Average Receipts							
	pence						
Pence per Passenger Journey	44.26	48.15	48.10	57.78	57.94	70.02	78.98
Pence per Passenger Mile	0.98	1.09	1.09	1.35	1.52	1.74	2.20

Note: Includes Receipts from Passengers only.

Statistics of Rail Freight Operations & Receipts

YEAR ENDED 31st MARCH

	1971	1972	1973	1974	9 Months Ended 31/12/1974	Year Ended 31/12/1975	Year Ended 31/12/1976
Tons Carried							
	thousands						
Ale, Beer, Stout	228	235	211	223	170	229	208
Beet and Beet Pulp	288	346	327	331	195	271	307
Cement	745	959	1,006	995	693	757	794
Fertiliser	397	362	359	307	190	254	282
Mineral Ores	625	549	630	658	523	640	612
Petrol and Oil	168	221	266	273	204	268	261
General Freight	943	1,017	834	885	739	966	1,014
Total	3,394	3,689	3,633	3,672	2,714	3,385	3,478
Receipts							
	£ thousands						
	6,557	7,558	7,685	8,088	6,087	8,447	9,952
Ton Miles							
	thousands						
	333,609	353,464	345,222	347,496	276,345	347,471	363,697
Laden Train Miles	3,269	3,245	3,154	2,946	2,116	2,515	2,523
Average Wagon Load							
	tons						
	5.53	6.03	6.94	7.10	7.34	7.63	8.62
Average Receipts							
	pence						
Per Ton	193.19	204.88	211.53	220.26	224.28	249.54	286.14
Per Ton Mile	1.97	2.14	2.23	2.33	2.20	2.43	2.74
Per Laden Train Mile	200.58	232.91	243.66	274.54	287.67	335.87	394.45

Statistics of Road Passenger Operations & Receipts

YEAR ENDED 31st MARCH

	1971	1972	1973	1974	9 Months Ended 31/12/1974	Year Ended 31/12/1975	Year Ended 31/12/1976
DUBLIN CITY SCHEDULED SERVICES							
	thousands						
Passenger Journeys	208,568	200,288	209,684	219,675	113,552	215,259	212,419
Vehicle Miles	31,581	31,519	31,921	31,867	17,911	31,535	30,800
	£ thousands						
Receipts [See Note (2)]	8,331	9,970	10,904	12,855	8,086	16,653	19,330
	pence						
Average Receipts							
Pence per Passenger Journey	3.99	4.98	5.20	5.85	7.12	7.74	9.10
Pence per Vehicle Mile	26.38	31.63	34.16	40.34	45.15	52.81	62.76
OTHER CITY SCHEDULED SERVICES							
	thousands						
Passenger Journeys	37,025	37,301	38,334	38,279	28,137	38,395	36,123
Vehicle Miles	4,284	4,353	4,678	4,758	3,551	4,662	4,755
	£ thousands						
Receipts	1,315	1,630	1,716	2,034	1,838	2,779	3,275
	pence						
Average Receipts							
Pence per Passenger Journey	3.55	4.37	4.48	5.31	6.53	7.24	9.07
Pence per Vehicle Mile	30.70	37.45	36.68	42.75	51.76	59.61	68.88
LONG-DISTANCE SCHEDULED SERVICES							
	thousands						
Passenger Journeys	38,888	41,410	44,803	46,700	34,393	50,160	50,603
Vehicle Miles	22,859	24,894	26,184	26,245	19,250	27,840	28,083
	£ thousands						
Receipts [See Note (1)]	4,551	5,461	6,199	7,403	6,302	10,050	12,229
	pence						
Average Receipts							
Pence per Passenger Journey	11.70	13.19	13.84	15.85	18.32	20.04	24.17
Pence per Vehicle Mile	19.91	21.94	23.67	28.21	32.74	36.10	43.55
TOURS AND PRIVATE HIRE							
	thousands						
Passenger Journeys [See Note (2)]	3,247	3,206	3,270	3,645	2,684	3,167	2,574
Vehicle Miles	3,968	4,190	3,601	3,528	2,859	3,003	2,578
	£ thousands						
Receipts	1,432	1,588	1,458	1,604	1,493	1,933	2,590

Notes: (1) Statistics exclude School Transport Contractors' Services.
(2) "Tours and Private Hire", includes Dublin City Private Hire.

Statistics of Road Freight Operations & Receipts

(Incl. International Activities)

YEAR ENDED 31st MARCH

	1971	1972	1973	1974	9 Months Ended 31/12/1974	Year Ended 31/12/1975	Year Ended 31/12/1976
	thousands						
Tons Carried	3,592	3,692	3,786	4,085	2,752	3,109	3,040
Mileage (Board's Motors)	16,500	16,767	17,959	18,076	12,460	14,563	13,973
	£ thousands						
Receipts	5,330	6,054	6,745	7,468	6,413	9,185	9,935
	pence						
Average Receipts per Ton	148.39	163.98	178.16	182.82	233.03	295.43	326.81

Statistics of Rail Assets

Mileage of Railway Lines			Rail Passenger Vehicles		
	first track miles	total track miles		number	seats
Lines owned by Board	1,177	1,829	Passenger Carriages	367 (7)	22,986 (509)
	1	(6)	Diesel Railcars	—	198 (2,290)
Other Lines	71	77	Luggage Vans, etc.	131 (65)	— —
	—	(1)	Total	498 (72)	23,184 (2,799)
Total	1,248	1,906			
	1	(7)			
Motive Power			Rail Freight Vehicles		
	number	mileage 000		number	tonnage capacity
Diesel Locomotives	215	7,718	Open Wagons	2,035 (141)	24,382 (1,680)
	(6)	(429)	Covered Wagons	2,361 (642)	28,722 (7,687)
Diesel Rail Cars	3	—	Flat Trucks	1,282 (181)	25,784 (2,820)
(See Rail Passenger Vehicles)	(36)	(22)	Brake Vans, etc.	841 48	14,511 2,332
Total	218	7,718	Total	6,519 (916)	93,399 (9,855)
	(42)	(451)			
Rail Service Vehicles			Rail Freight Containers		
	number				
Ballast Wagons, Tool Vans, etc.	463		Covered Containers	1,067 197	16,816 2,056
	(33)		Lancashire Flats	447 (3)	6,077 (41)
			Other Containers	420 —	5,101 —
			Total	1,934 194	27,994 2,015

Figures in colour represent changes on figures for year ended 31st December, 1975.

Reductions are shown ().

Statistics of Road Assets

Road Passenger Vehicles

		number	seating capacity
Dublin City Services	Double-Deck Buses	860 (30)	64,370 (1,670)
	Single-Deck Buses	67 1	2,941 47
Other Services	Double-Deck Buses	139 (4)	10,396 (222)
	Single-Deck Buses	1,334 (4)	60,406 29
	Mini Buses	79 —	1,104 —
	Touring Coaches	83 —	3,662 10
	Miscellaneous	4 (3)	— —
	Total	2,566 (40)	142,879 (1,806)
Service Vehicles			
	Total	386 (21)	

Road Freight Vehicles

		number
Power Units	Lorries	217 (35)
	Tractors	453 (22)
	Vans, etc.	84 (1)
	Total	754 (58)
Trailers	Articulated	755 (19)
	Others	70 (27)
	Total	825 (46)
Containers	Covered	185 (62)
	Flats	132 (24)
	Total	317 (86)

Figures in colour represent changes on figures for year ended 31st December, 1975.
Reductions are shown ().

