



**ANNUAL
REPORT**



Tuarascáil Bhliantúil 1977

1977

CONTENTS

Chairman's Review	...	...	...	...	...	...	...	3-6
Report	...	...	...	...	...	...	...	7
Railways	...	...	...	...	...	...	...	7-9
Dublin City Services	...	...	...	...	...	...	...	9
Road Passenger—Provincial	...	...	...	...	...	...	...	10
Other Activities								
Tours and Private Hire	...	...	...	...	...	...	...	10
Road Freight	...	...	...	...	...	...	...	10
International Activities	...	...	...	...	...	...	...	11
Vessel and Canals	...	...	...	...	...	...	...	11
Hotels and Catering	...	...	...	...	...	...	...	11
Staff	...	...	...	...	...	...	...	12
Summary of Total Receipts and Costs	...	...	...	...	...	...	...	13
Accounts								
Working Accounts	...	...	...	...	...	...	...	17-21
Profit and Loss Account	...	...	...	...	...	...	...	22
Balance Sheet	...	...	...	...	...	...	...	23
Statement of Source and Application of Funds	...	...	...	...	...	...	...	24
Notes	...	...	...	...	...	...	...	25-33
Auditors' Report	...	...	...	...	...	...	...	34
Statistics	...	...	...	...	...	...	...	36-43



CHAIRMAN'S REVIEW

The Contract Price

In reviewing the performance of CIE during 1977, I find it necessary to refer to the confusion in the public mind regarding the role of CIE or, more specifically, the role of public transport in our society. Within the broad remit of the Transport Acts, the Board has defined its objectives and published, in reasonable detail, the manner in which it is hoped to achieve these aims.

It now seems to me and to my colleagues that these objectives are being misunderstood or ignored because the predominant and recurring concern about CIE is the size of the annual subvention or to use the more derogatory term "the loss".

It is unreasonable to infer that the subvention for public transport is a burden on society, while subventions for other public services are accepted as the necessary supplementary costs for these services. One does not hear of the loss incurred by the postal, social welfare, health or security services. In this context it is anomalous to refer to the CIE subvention as a loss when, in reality, it is the contract price for the quantum of transport provided. It is on this concept that the EEC regulations governing State aid to transport undertakings are based. What matters is whether the community is getting value for money and whether the funds available are sufficient for the services necessary to meet the essential needs of society. It is unfortunate for CIE that satisfactory techniques have not been developed to measure value for money. In the absence of any scientific evaluation of cost benefit, or cost effectiveness, the emotional and subjective conclusion is that the cost of public transport is exorbitant. Public transport can

Members of the Board

Dr. Liam St. J. Devlin, Chairman

Mr. J. A. Bristow

Mr. B. Connaughton

Mr. E. Farrell

Mr. W. J. Fitzpatrick

Mr. D. Larkin

Mr. M. Purcell

never be appraised with justice until the physical, commercial and social outputs can be quantified and compared with the contract price.

In accordance with its statutory duty the Board of CIE, in endeavouring to maintain a balance between what is commercially profitable and socially desirable, adopts the pragmatic approach of providing the maximum quantity of transport within the resources available. This means that the frequencies, journey times and freight facilities provided must be such as to encourage greater use of public transport; furthermore reasonable standards of comfort must be maintained. Obviously, quantity and quality are influenced by the productivity of staff, the degree of automation, the limits of the fares and rates policy and the size of the annual subvention.

Productivity and automation are matters for negotiation between the Board and the Trade Unions and substantial progress has been achieved in these areas in recent years. For example, the total staff numbers (excluding OIE) have been reduced from some 20,000 in May 1975 to 16,600 in December 1977 and output has been increased. The other two components — fares and rates policy and subvention — are subject to Government decision and approval. There is a commercial limit to the level of fares. On the other hand, if the subvention is increased, the quantity and quality of transport can be increased; if the subvention is reduced, then services have to be curtailed. Thus, in the final analysis, the subvention is the contract price for a specific level of public transport services.

Public Transport and the Economy

In the recent White Paper on National Development, the reference to public transport was concerned with the magnitude of “the loss”. While it was acknowledged that steps had been taken by CIE to increase product-

ivity and reduce costs, there was no indication that public transport could be used as a means of stimulating the social and economic development of the country.

Whether it is acknowledged or not, there can be no denying that CIE already makes a substantial contribution to the economy as can be seen from the following table which refers to the year ended 31 December 1977:

1. Total Salaries, Wages, Pensions and Associated Costs	£80.4m.
2. Expenditure on the purchase of goods and services of Irish origin	£28.3m.
3. Payments to the State in the form of Social Welfare Insurance, P.A.Y.E., Excise and Import Duty and Interest on Repayable State Advances	£26.0m.
Subvention paid by the State for the year ended 31 December 1977	£33.2m.

The Railway System

82 per cent of the subvention of £33.2m. for 1977 was required to subvent the railway operation. In the circumstances, any consideration of the subvention must take into account the development or otherwise of the railway system. It is the view of the Board that, with the full implementation of the Rail Development Plan, it will be possible to reduce the deficit. However, there will always be a substantial subvention for railway operations because of the nature of the infrastructural costs which are exclusive to the mode and which must

be financed by the undertaking. It is forecast that, towards the end of the century, there will be a scarcity of energy resources and, in this situation, the railway, more than any other mode, can facilitate the most efficient use of energy for the transport of passengers and freight.

Already the trend in passenger numbers using the railway is increasing and we are confident that, with the provision of new coaching stock and further implementation of our present programme, the railway will carry an increasing proportion of the longer distance passenger and freight movements in the country within the next decade.

Urban Transport

Recently plans have been announced for the construction of new roads and substantial sums are apparently being committed for this purpose. The increase in the number of private cars in the conurbations will make it very difficult for the operation of public transport. Unlike other countries, public transport does not have the benefit of traffic priorities in Ireland. For example, the pace of buses through the City Centre in Dublin is reducing annually and it is becoming more and more difficult to adhere to planned schedules; as a consequence the volume of complaints is increasing and the number of passengers reducing. A similar situation prevails in Cork.

The whole question of the role and purpose of public transport in urban areas requires urgent consideration. The Board has participated in joint studies with local authorities and others with a view to the more realistic planning of public transport in the conurbations. These studies are very valuable because they provide guidelines and plans for traffic organisation and control. What

is now required is the will and the financial resources to commence implementation of these urban traffic plans.

Communications

CIE is one of the undertakings for which legislation provides for worker participation on the Board. As part of its educational services, the Irish Congress of Trade Unions organised, during the past year, one-day conferences for shop stewards employed in the undertakings nominated in the legislation. These seminars dealt with Worker Director legislation and eight of them were organised for the CIE shop stewards. I was invited by Congress to talk to the participants on the "Role of the Board". In the course of the free discussion which took place after the lectures it emerged that, while staff in CIE have an interest in Worker Participation, they have a greater interest in trying to understand the corporate strategy and policy decisions of the Board and the executive decisions of management.

This need for understanding and the desire for information underlines the problem of communication. The effective exchange of information depends on dialogue. In a very large undertaking this dialogue is not easy and it becomes more difficult if there is a multiplicity of businesses as in the case of CIE. It is the Board's wish that the undertaking should move towards an open form of management. Frank and generous exchange of information and reaction is encouraged. But this can only be achieved if there is, throughout the whole organisation, an unsatisfied hunger for information.

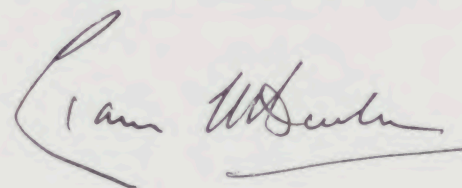
Managers are endeavouring to bring about more effective communication at every level. It is a task which will take time and which requires trust. The effectiveness of this communication is constantly being reviewed by the Board in conjunction with the Department of Information and Communication, which was set up for that purpose in 1976. We believe that we are

making progress, although not as much as we desire. This is in part due to the fact that we are simultaneously engaged in radical change affecting both methods of operation and personal attitudes. The dilemma of establishing effective communication in an atmosphere of major change is one which can only be resolved by patience, perseverance and person to person dialogue. This we are endeavouring to do.

The Way Ahead

The past three years have been difficult for management and staff. The retrenchment programme formulated by the Board was demanding. The middle management of the undertaking had a particularly onerous task in reorganising work in accordance with the manpower resources which were available. The senior management had to direct the development programme while, at the same time, they had to maintain a strict control of current expenditure. It has been a difficult time but it has also been an exciting and stimulating experience because the future is promising, particularly in regard to the railway. This promise is dependent on decisions

relating to the electrification of the Dublin suburban line and the building of new rolling stock for passenger services. These decisions, which need to be taken during 1978, are necessary to complement the efforts of management and staff over the past three years. During this period it has been demonstrated that costs could be curtailed and that the subvention could be reduced in real terms. Development cannot take place without investment. A justification for the reduction in staff is the promise of improved basic wages in exchange for productivity and stability of employment through development. If we are to ensure stability, then it is necessary to acquire new passenger rolling stock and it is necessary to renew the suburban service. It is with confidence and optimism that we look forward to obtaining approval for these investments.

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

May 1978.



REPORT

The total expenditure for the year under review was £122.415m, an increase of £12.192m over 1976. Revenue earned amounted to £89.069m which was better than the previous year by £11.129m. It will be seen from these figures that the increase in expenditure was almost equalled by the increase in revenue.

As a consequence the deficit (before exceptional items) of £33.346m was only 3.3 per cent higher than that for 1976, which was £32.283m.

These results demonstrate the Board's success in its aim to control the deficit in real terms. The average rate of increase in the Consumer Price Index during 1977 was 13.6 per cent, whereas the increase in deficit was only 3.3 per cent. Furthermore, the deficit as a percentage of the total cost was 27.2 per cent in 1977 – that is over two percentage points lower than the ratio in the years 1975 and 1976.

Labour costs (excluding hotels and social welfare contributions) increased by £7.1m as a result of the implementation of the National Wage Agreement and improvements in conditions of service. However, this increase was partly offset by staff savings which amounted to £1.7m. In addition to this rise in labour costs, there were substantial increases in the cost of fuel, materials and services.

Notwithstanding the increase in expenditure, it was decided that mainline rail passenger fares would be maintained at 1976 levels. With the approval of the

National Prices Commission and the Government, other passenger fares were increased from 21 March and freight rates were increased from 4 April.

During the year free travel on CIE passenger services was extended to all citizens over 66 years of age and to invalid and disabled persons. CIE is remunerated by the Department of Social Welfare for the free travel facilities provided.

A further significant advance was made in the sale of Outdoor Advertising spaces on bus exteriors, station premises, poster and bridge sites. Revenue at £521,000 showed a 33 per cent increase over 1976.

A further phase of the Board's productivity programme was implemented in consultation with the staff and with the co-operation of the Trade Unions. As a consequence, it was possible to increase the basic earnings of many of the staff through the sharing of productivity savings.



THE RAILWAY

The implementation of the Rail Development Plan continued during 1977 and, although there was a substantial increase in revenue from passenger train operations, the revenue improvement from freight operations was disappointing. This disappointment is in part due to the delays and frustrations arising from the introduction of the new sundries system.

It will not be possible to make any reduction in the railway deficit until, among other things, the sundries system is operating efficiently throughout the whole network and until new passenger rolling stock is acquired for the radial services other than the south-western corridor.

Total revenue for the year was £25.603m, which was an increase of 10 per cent on the figure of £23.262m for 1976. Expenditure at £52.969m exceeded the costs for 1976 by £5.552m. The deficit for the year was £27.365m, which was £3.211m higher than the previous year.

An encouraging feature was the reversal of the trend in previous years of diminishing passenger journeys. Although there was no change in basic mainline passenger fares, revenue from passenger train operations increased by 15.4 per cent and passenger journeys by 8 per cent – an additional 600,000 on the mainline railway and 489,000 on the Dublin suburban line.

The new diesel locomotives came into service in May 1977 and a new timetable was operated from June. This timetable, which provided more suitable departure times, greater frequencies and shorter journey times allied to aggressive promotion, was one of the main factors in bringing about an increase in passenger numbers.

Although freight rates were increased in April 1977, goods trains revenue only improved by 3.3 per cent to £10.285m. Freight tonnage at 3.509m tons was only one per cent higher than the previous year. The major loss was in the sundries operation and it conceals the success of special train operations for Asahi and the commencement of mineral ore movement from Tara

Mines. In addition, there were also increased carryings of fertilisers, mineral ores and unit load traffic although the tonnage of beet and cement transported was less than in 1976.

On two occasions during the year the centrally controlled signalling system was seriously damaged by electric storms. These unusual incidents gave rise to serious delays but work has now been undertaken to eliminate interference of this nature.

The policy of cost reductions, through staff savings and other measures, was continued during the year and a comprehensive productivity agreement for the Rail Operative Grades was produced incorporating improved rates of pay. This scheme, which was submitted to the Trade Unions in November, is currently under discussion.

The following steps were taken in pursuance of the Rail Development Plan:—

- (a) Withdrawal of freight services and closing of lines between Tralee/Listowel and Gortatlea/Castleisland.
- (b) Withdrawal of certain classes of traffic from 52 lightly used stations.
- (c) Sundries and Wagonload facilities (except Cement and Fertiliser) withdrawn from Athenry.
- (d) Further extension of the movement of sundries traffic in specially designed containers.
- (e) Development of locations to conform to the new freight handling methods involving extensive mechanisation and revised layout of traffic handling areas. Large scale work was carried out at North Wall which is being established as a major depot for handling containers and sundries traffic.

- (f) Further mechanisation of track maintenance and renewals procedures.

Various committees were set up to examine the safety requirements of conveying certain traffics.

Proposals for the electrification of the existing Dublin suburban line and for the establishment of a Linke Hofmann and Busch factory for the manufacture of railway coaches were submitted to the Department of Transport and Power in April. Numerous queries arose as a result of these proposals and these have now been answered. It is hoped that permission will be granted, during the coming months, for the establishment of the new coach-building industry and the implementation of the suburban electrification.

A new station at Shankill on the Dublin suburban railway line was opened in June.

of 2.9 per cent on the numbers for 1976. This reduction took place in a situation of high unemployment and severe disruption of services caused by traffic congestion.

The number of commuter tickets issued on a monthly basis continues to increase and revenue from this source reached £1.4m in 1977.

The operation of automatic vehicle monitoring was introduced on four routes in April 1977. The performance of the system is being monitored by a special management/worker committee with assistance from the Labour Court. It is hoped to have the main scheme introduced in 1978 and completed by the end of 1979.

During the year schedules were revised and several services were extended to meet the needs of the new housing estates. Special surveys were carried out in order to assess the adequacy of existing services and the potential demand for other types of service.

A productivity agreement involving semi-skilled and unskilled garage and workshop staff was fully implemented in three of the six garages. The proposal for one-man operation of buses was referred to the Employer/Labour Conference, which set up a special committee to examine the problem. The result of this committee's deliberations is still awaited.

A further 83 new-style bus shelters were erected during the year bringing the total of these to over 400.



DUBLIN CITY SERVICES

The deficit for the year was £4.782m, compared with a deficit of £5.998m for 1976. Revenue at £23.749m was higher by £4.209m, while expenditure rose by £2.993m to £28.531m.

The number of passengers carried during 1977 was 206,000,000—a fall



ROAD PASSENGER

Provincial Services

The deficit for the year of £510,000 was a considerable reduction on 1976, being 43.5 per cent of the deficit of £1.175m for that year.

The revenue for 1977 at £19.579m was higher by £2.994m, while costs rose by £2.329m to £20.089m.

Contributing significantly to the improvement was the increasing popularity of the Expressway services and the re-organisation of the stage carriage long distance services. Revenue on the Expressway services for 1977 was £1.683m, an increase of 26 per cent over the previous year.

Expressway services are being developed on a country-wide basis and it is planned to link these services at suitable junctions to provide for a national interchange.

The total number of passenger journeys on the scheduled services was 53,000,000, a decrease of 4,000,000 on the previous year. This reduction occurred on the provincial urban services.

At the close of the year 156,700 schoolchildren were being carried on the free transport system. The full cost of this service is re-imbursed by the Department of Education.

The upgrading of Road Passenger Garages was progressed. A new garage at Dundalk commenced operations in February 1977, while full planning

permission has been granted for a garage in Athlone. In addition, outline planning permission is being sought for a garage in Thurles which will be on existing CIE property.



OTHER ACTIVITIES

Tours and Private Hire

Extended tours and other inclusive travel arrangements produced a profit of £68,000 but this was offset to some extent by a loss on Private Hire operations. The net profit for Tours and Private Hire for the year was £21,000 compared with a profit of £30,000 in 1976.

Despite intensive competition, CIE maintained its dominant position in North America as a tour operator to Ireland. Extended coach tour revenue from this source increased, including the two-week Ireland and Ireland/Britain tours which rose by 30 per cent. Coach tour business from France was up by 40 per cent and carryings from the U.K. and Australia/New Zealand also increased.

A computer based reservations system has been developed in Dublin and is linked with our new reservation office in Boston.

Road Freight

Once again it was possible to show a profit on road freight operations. The profit for 1977 was £7,000 compared with a profit of £3,000 for the previous year.

Revenue at £10.669m was higher by £904,000, while costs increased by £900,000 to £10.662m.

The total tonnage of goods carried (including hired hauliers) was 5.398m, an increase of 7.7 per cent. This was due, to some extent, to increased carryings of cement, materials for County Councils and container traffic.

The operation of the road freight section is being constantly adapted to satisfy the requirements of the Rail Development Plan and the needs of the new sundries system. A substantial investment in new equipment was made at the end of the year and at the beginning of 1978.

International Activities

Since both Aerlod Teoranta and Irish Ferryways have been discontinued, the only International activity remaining at the end of the year was the operation of Rosslare Harbour. The combined result was a deficit of £23,000 compared with a profit of £175,000 in 1976. A substantial element in the 1977 deficit was the cost of terminating the operations of Irish Ferryways.

Both passenger and freight traffics at Rosslare show a substantial increase over last year. The number of sailings operated by British Rail and Irish Continental Line was 1,138 which was lower than 1976. However, the replacement of British Rail vessels by larger ferries increased the capacity considerably.

The inadequate facilities continued to cause congestion problems at the port. As a consequence the Government has now approved the building of an additional pier for roll-on/roll-off operations.

Vessels and Canals

The deficit on the Galway/Aran Islands service was £134,000. The net cost of maintaining the canals, a non-trading activity, was £506,000.



Hotels and Catering

The total deficit for the above activities was £54,000, which represents a significant improvement on the previous year when there was a deficit of £641,000.

The major contribution came from the Hotels Group where a deficit of £557,000 in 1976 was reduced to a deficit of £99,000 for 1977.

The railway catering services deficit of £84,000 for 1976 was turned into a profit of £45,000 for 1977.

The transformation was due to better management, a more realistic pricing structure and an increase in the number of British and European tourists.

The strategy adopted in 1976 to sell four hotels and re-invest the proceeds in refurbishing the remaining six hotels has been successful. The outlook for 1978 is for a significant improvement in profits.

STAFF

During 1977 labour costs (excluding hotels and Social Welfare contributions) increased by £7.1m resulting from the implementation of the National Wage Agreement and improved conditions of service. However, these costs were partly offset by staff savings amounting to £1.7m.

Five productivity agreements were concluded during the year and negotiations in regard to a further eight were in hand at the end of the year.

Staff numbers were reduced by 1,100 in 1977 making a total reduction of 3,400 between May 1975 and December 1977.

During the year 3,274 meetings were held with representatives of the Trade Unions throughout the organisation. This substantial industrial relations activity arises from the great variety of employment in CIE and the big number of Trade Unions representing the staff. Of course many of the meetings referred to were

concerned with matters other than dispute situations. Many Labour Court and Rights Commissioner investigations and Conciliation Conferences were also held.

A total of 809 training courses dealing with a great range of activities were held in 1977 attended by 4,210 staff members. Four staff members in receipt of scholarships continued their studies in University College, Dublin, leading to the Bachelor of Commerce degree and three craft apprentices, also in receipt of scholarships, continued their courses for Engineering degrees.

Apprentice training is an important feature in the CIE staffing structure. In all 414 apprentices were accommodated during the year which incorporates 104 undergoing training on behalf of outside bodies including ten Army personnel. Over 3,000 applications were received for the 52 vacancies which arose in the Apprentice Training School in 1977.

There were 17 unofficial stoppages of work during the year.

SUMMARY OF TOTAL RECEIPTS AND COSTS

	1977			1976		
	Total Receipts	Total Costs	Net Profit/ (Deficit)	Total Receipts	Total Costs	Net Profit/ (Deficit)
	£	£	£	£	£	£
Railway	25,603,662	52,969,337	(27,365,675)	23,262,004	47,416,842	(24,154,838)
Road Passenger – Dublin City Services	23,749,292	28,531,483	(4,782,191)	19,540,215	25,537,867	(5,997,652)
Road Passenger – Provincial Services	19,578,760	20,088,788	(510,028)	16,585,208	17,760,023	(1,174,815)
Road Passenger – Tours and Private Hire	2,821,813	2,801,219	20,594	2,531,203	2,501,286	29,917
Road Freight	10,669,400	10,662,021	7,379	9,764,720	9,761,605	3,115
International Activities	962,317	985,155	(22,838)	1,144,105	968,778	175,327
Hotel, Refreshment Rooms and Restaurant Cars	5,474,513	5,528,344	(53,831)	4,910,225	5,551,173	(640,948)
Canals	43,091	548,860	(505,769)	41,690	462,368	(420,678)
Vessel	166,219	300,482	(134,263)	160,662	263,415	(102,753)
Total	£89,069,067	£122,415,689	(£33,346,622)	£77,940,032	£110,223,357	(£32,283,325)

Salaries, Wages and Associated Costs included above

£75,345,198

£68,940,697

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

	1977		1976	
	£	£	£	£
Receipts				
Passenger Train Traffic	14,995,939		12,991,156	
Goods Train Traffic	10,284,877		9,952,201	
Miscellaneous	25,280,816		22,943,357	
	322,846		318,647	
Total Receipts		25,603,662		23,262,004
Expenditure				
Maintenance of Lines and Works	6,653,672		5,546,017	
Maintenance of Rolling Stock	7,140,431		6,732,100	
Fuel	2,652,608		2,340,813	
Operating and Other Expenses	26,701,358		24,687,349	
Provision for Renewal of Lines and Works	3,924,070		3,094,000	
Operating Depreciation	2,855,773		2,559,952	
Total Expenditure		49,927,912		44,960,231
Operating Deficit		(24,324,250)		(21,698,227)
Financial Charges		3,041,425		2,456,611
Net Deficit carried to Profit and Loss Account		(£27,365,675)		(£24,154,838)

Consolidated Revenue Accounts

Road Passenger Working Account
Dublin City Services

	1977		1976	
	£	£	£	£
Receipts				
Passenger Services	23,518,538		19,395,997	
Miscellaneous	230,754		144,218	
Total Receipts		23,749,292		19,540,215
Expenditure				
Maintenance of Buildings	84,206		164,909	
Maintenance of Vehicles and Equipment	6,170,040		5,543,748	
Fuel	1,795,950		1,728,416	
Road Tax and Licences	259,574		267,496	
Operating and Other Expenses	17,179,531		15,367,808	
Operating Depreciation	2,408,683		1,817,322	
Total Expenditure		27,897,984		24,889,699
Operating Deficit		(4,148,692)		(5,349,484)
Financial Charges		633,499		648,168
Net Deficit carried to Profit and Loss Account		(£4,782,191)		(£5,997,652)

Consolidated Revenue Accounts

Road Passenger
Working Account
Provincial Services

	1977		1976	
	£	£	£	£
Receipts				
Passenger Services	19,088,483		16,134,456	
Miscellaneous	490,277		450,752	
Total Receipts		19,578,760		16,585,208
Expenditure				
Maintenance of Buildings	114,326		104,296	
Maintenance of Vehicles and Equipment	5,552,591		4,885,225	
Fuel	1,343,996		1,282,988	
Road Tax and Licences	170,681		169,089	
Operating and Other Expenses	11,054,653		9,980,272	
Operating Depreciation	1,825,129		1,189,353	
Total Expenditure		20,061,376		17,611,223
Operating Deficit		(482,616)		(1,026,015)
Financial Charges		27,412		148,800
Net Deficit carried to Profit and Loss Account		(£510,028)		(£1,174,815)

Consolidated Revenue Accounts

Road Passenger
Working Account
Tours and Private Hire

	1977		1976	
	£	£	£	£
Receipts				
Passenger Services	2,814,755		2,524,402	
Miscellaneous	7,058		6,801	
Total Receipts		2,821,813		2,531,203
Expenditure				
Maintenance of Buildings	10,845		12,079	
Maintenance of Vehicles and Equipment	437,670		361,167	
Fuel	142,580		130,208	
Road Tax and Licences	21,034		23,586	
Operating and Other Expenses	1,988,530		1,739,040	
Operating Depreciation	238,907		231,451	
Total Expenditure		2,839,566		2,497,531
Operating (Deficit)/Profit		(17,753)		33,672
Financial Charges		Cr. 38,347		3,755
Net Profit carried to Profit and Loss Account		£20,594		£29,917

Consolidated Revenue Accounts

Road Freight Working Account

		1977		1976	
	£	£		£	£
Receipts					
Goods Services	10,537,786			9,655,194	
Miscellaneous	131,614			109,526	
Total Receipts		10,669,400			9,764,720
Expenditure					
Maintenance of Buildings	57,308			44,046	
Maintenance of Vehicles and Equipment	1,758,238			1,583,542	
Fuel	748,084			743,722	
Road Tax and Licences	219,486			230,724	
Operating and Other Expenses	6,861,960			6,256,941	
Operating Depreciation	672,991			643,582	
Total Expenditure		10,318,067			9,502,557
Operating Profit		351,333			262,163
Financial Charges		343,954			259,048
Net Profit carried to Profit and Loss Account		£7,379			£3,115

Consolidated Revenue Accounts

International Activities Working Account

		1977		1976	
	£	£		£	£
Receipts					
Harbour Services	835,355			574,070	
Freight Services (Net)	126,962			570,035	
Total Receipts		962,317			1,144,105
Expenditure					
Maintenance, Operating and Other Expenses	910,454			863,949	
Operating Depreciation	12,871			39,663	
Total Expenditure		923,325			903,612
Operating Profit		38,992			240,493
Financial Charges		61,830			65,166
Net (Deficit)/Profit carried to Profit and Loss Account		(£22,838)			£175,327

Consolidated Revenue Accounts

Hotels, Refreshment
Rooms and Restaurant
Cars Working Account

	1977		1976	
	£	£	£	£
Receipts				
Hotels, Refreshment Rooms and Restaurant Cars		5,431,887		4,907,184
Expenditure				
Maintenance of Buildings, Cars and Equipment	211,154		163,902	
Provisions, Wines, etc.	2,147,355		2,034,466	
Other Direct Expenses	2,189,083		2,259,737	
Other Expenditure	737,863		755,323	
Total Expenditure		5,285,455		5,213,428
Operating Profit/(Deficit)		146,432		(306,244)
Realised Surplus on sales of Premises		42,626		3,041
		189,058		(303,203)
Financial Charges		242,889		337,745
Net Deficit carried to Profit and Loss Account		(£53,831)		(£640,948)

Consolidated Revenue Accounts

Canals Working Account

	1977		1976	
	£	£	£	£
Receipts				
Rents	33,299		33,018	
Miscellaneous	9,792		8,672	
Total Receipts		43,091		41,690
Expenditure				
Maintenance of Buildings	29,483		24,490	
Maintenance of Waterways and Works	375,175		324,819	
Operating and Other Expenses	144,202		113,059	
Total Expenditure		548,860		462,368
Operating Deficit		(505,769)		(420,678)
Financial Charges		—		—
Net Deficit carried to Profit and Loss Account		(£505,769)		(£420,678)

Vessel Working
Account

	1977		1976	
	£	£	£	£
Receipts				
Passenger Traffic	122,651		115,716	
Goods Traffic	41,954		42,983	
Miscellaneous	1,614		1,963	
Total Receipts		166,219		160,662
Expenditure				
Maintenance of Vessel and Equipment	71,676		63,738	
Fuel	7,850		5,844	
Operating and Other Expenses	209,639		182,565	
Operating Depreciation	4,070		4,070	
Total Expenditure		293,235		256,217
Operating Deficit		(127,016)		(95,555)
Financial Charges		7,247		7,198
Net Deficit carried to Profit and Loss Account		(£134,263)		(£102,753)

Consolidated Profit and Loss Account

		1977		1976	
	Notes	£	£	£	£
Net Profits/(Deficits) from					
Railway		(27,365,675)		(24,154,838)	
Road Passenger — Dublin City Services		(4,782,191)		(5,997,652)	
— Provincial Services		(510,028)		(1,174,815)	
— Tours and Private Hire		20,594		29,917	
Road Freight		7,379		3,115	
International Activities		(22,838)		175,327	
Hotels, Refreshment Rooms and Restaurant Cars		(53,831)		(640,948)	
Canals		(505,769)		(420,678)	
Vessel		(134,263)		(102,753)	
			(33,346,622)		(32,283,325)
Financial Charges	3	4,319,909		3,926,491	
Allocation to Working Accounts	Cr	4,319,909		Cr 3,926,491	
Net Deficit before Exceptional Items			(33,346,622)		(32,283,325)
Exceptional Items	4		408,368		1,281,758
Net Deficit			£33,754,990		£33,565,083
Financed as follows:					
Non-repayable State Grants under Sub-head D 1 Vote 43, 1977 of Dail Eireann (1976; Sub-head D 1 Vote 43)					
(a) Grant in respect of rail passenger services under EEC Regulation 1191/69		13,100,000		11,250,000	
(b) Grant for the normalisation of accounts of railways under EEC Regulation 1192/69		2,299,500		2,100,000	
(c) Grants in respect of public service obligations not covered by EEC Regulation 1191/69, railway infrastructure costs and residual deficits, as permitted by EEC Regulation 1107/70		17,705,500		18,495,000	
(d) Grant to cover losses incurred on the operation of the Galway/Aran Ferry Service		95,000		55,000	
			33,200,000		31,900,000
Surplus arising on Disposal of Rolling Stock and Railway Lines previously written off			63,769		5,712
			33,263,769		31,905,712
Adverse Balance Forward	11		491,221		1,659,371
			£33,754,990		£33,565,083

The Notes on pages 25 to 33 form part of these Accounts

M. GRACE, Assistant General Manager (Finance)

Consolidated Balance Sheet at 31st December, 1977

	Notes	£	1977	£	1976	£
Fixed Assets	5			46,259,893		48,356,166
Interest in Subsidiary Company	18			100		100
Current Assets						
Investments	6	31,153			31,792	
Properties held for Disposal	7	—			562,130	
Stocks of Stores	8	10,627,769			10,344,432	
Debtors and Payments in Advance		10,322,414			8,877,588	
Bank Deposits	17(b)	1,651,377			2,392,559	
Balance at Bankers and Cash in Hand		230,489			94,976	
			22,863,202		22,303,477	
LESS:						
Current Liabilities and Provisions						
Amount due to Bankers		2,292,202			4,198,070	
Unsecured Bank Loans		1,070,395			1,340,395	
Deferred Payments on Rail and Road Rolling Stock		—			206,550	
Creditors and Accrued Charges		19,254,750			16,407,374	
Equalisation Account for Renewal of Lines and Works		275,930			411,958	
Taxation		107,271			84,951	
			23,000,548		22,649,298	
Net Current (Liabilities)				(137,346)		(345,821)
				£46,122,647		£48,010,445
FINANCED BY:						
Issued Transport Stocks	9			9,884,466		16,884,466
Reserves						
Capital Reserve	10	2,986,359			456,283	
Profit and Loss Account	11	(5,124,461)			(4,583,240)	
			(2,138,102)		(4,126,957)	
LESS: Discount and Issue Expenses –						
Transport Stocks (Less Amounts written-off)		—			522	
				(2,138,102)		(4,127,479)
Sinking Fund for redemption of Transport Stocks		1,844,286			6,440,367	
LESS: Investments		(1,744,286)			(6,415,367)	
Amounts subsequently invested by CIE		(100,000)			(25,000)	
Sinking Fund – Repayment of Bank Loans	3			165,000		—
Sinking Fund – Unsecured Loan Stock 1991/96				100,000		50,000
Department of Education – Funding of School Buses	12			2,197,433		1,939,209
Loan Capital						
Repayable State Advances for Capital Expenditure, under Section 4, Transport Act, 1964, as amended by Section 3, Transport Act, 1974		23,970,691			21,900,691	
Unsecured Bank Loans	13	9,443,159			8,863,558	
Unsecured Loan Stock 1991/96		2,500,000			2,500,000	
				35,913,850		33,264,249
				£46,122,647		£48,010,445

**Consolidated Statement of
Source and Application of
Funds**

	1977		1976
	£	£	£
Source of Funds			
Net Deficit less Non-Repayable State Grants		(554,990)	(1,665,083)
Depreciation and Profit/Loss on Sale of Fixed Assets		8,795,509	7,072,236
Provision to write off Discount and Issue Expenses – Transport Stocks		522	2,089
Sinking Fund – Repayment of Bank Loans		165,000	—
		<hr/>	<hr/>
		8,406,041	5,409,242
Taxation Recovered		22,320	—
Proceeds from Realisation of Sinking Fund Investments		5,339,035	—
Unsecured Bank Loans		1,650,000	4,403,953
Repayable State Advances for Capital Expenditure		2,070,000	4,455,000
Funding of School Buses		454,080	46,116
		<hr/>	<hr/>
		17,941,476	14,314,311
		<hr/>	<hr/>
Application of Funds			
Taxation Paid		—	6,133
Unsecured Bank Loans currently payable		1,070,399	740,395
Redemption of Transport Stocks		7,000,000	—
Capital Expenditure		9,640,282	13,251,604
Other		(639)	2,039
		<hr/>	<hr/>
		17,710,042	14,000,171
		<hr/>	<hr/>
Net Source of Working Capital		£231,434	£314,140
being:			
Properties held for Disposal		(562,130)	562,130
Increase/(Decrease) in Stocks of Stores		283,337	(273,391)
Increase in Debtors		1,444,826	1,820,023
Increase in Creditors		(2,847,376)	(3,278,653)
Decrease in Deferred Payments		206,550	413,024
Decrease in Equalisation Account		136,028	79,961
		<hr/>	<hr/>
		(1,338,765)	(676,906)
Increase/(Decrease) in Liquid Funds			
(Decrease) in Cash and Bank Deposits	(605,669)		(967,348)
Decrease in Bank Loans and Overdrafts	2,175,868		1,958,394
	<hr/>	1,570,199	<hr/>
		<hr/>	<hr/>
		£231,434	£314,140
		<hr/>	<hr/>

The Notes on pages 25 to 33 form part of these Accounts.

M. GRACE, Assistant General Manager (Finance)

1. Accounting Policies

(a) Consolidation of Accounts

The Revenue Accounts and Balance Sheets of Oslanna Iompair Eireann Teoranta and Aerlod Teoranta – wholly owned subsidiaries of the Board – are 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 Oslanna Iompair Eireann Teoranta) are not consolidated 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.

The Board's subsidiary company in New York – CIE Tours International Incorporated – is 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 forty-five months ended 31st December, 1977, and estimated expenditure for the next year. 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.

(c) **Stocks of Stores:**

Stocks of Stores are 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 is 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. 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 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 are made to C.I.E. 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.
- (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 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 £33.2m. paid to C.I.E. under Sub-head D.1 of Vote 43 of Dail Eireann of 1977 are given in the following Table, showing the relevant provisions of EEC regulations:—

**Notes on Consolidated Accounts
(Continued)**

	EEC 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	£ 13,100,000					
Normalisation of Accounts (Passenger and Freight)						
– Class III (Pensions)		1,969,500				
– Class IV (Level Crossings)		330,000				
Infrastructure Grant (Freight)			2,025,072			
Residual Deficit Grant					9,882,440	
TOTAL – RAILWAYS	13,100,000	2,299,500	2,025,072		9,882,440	
ROAD PASSENGER						
Dublin City Services						
– Deficit on Operation of Services				4,782,191		
Provincial Services						
– Deficit on Operation of Services				510,028		
CANALS						
– Deficit on Maintenance					505,769	
GALWAY/ARAN						
– Grants towards losses on Ferry Service						95,000
	£13,100,000	£2,299,500	£2,025,072	£5,292,219	£10,388,209	£95,000

Note: The total net deficit on all services subventable under EEC Regulations and on the Galway/Aran Ferry service was £33,297,926 compared with the total payments from the State of £33.2 million. The grants made to C.I.E. under Regulations No. 1191/69 and 1192/69 and in respect of the Galway/Aran Ferry service were inadequate to the extent of £828,833 but this was partially counterbalanced by the grant in respect of Regulation No. 1107/70 (Article 4) being £730,907 in excess of actual costs.

3. Financial Charges

The financial charges of Coras Iompair Eireann are 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 Ostlanna Iompair Eireann Teoranta are 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, 1977 amounted to £4,319,909 (£3,926,491 for year ended 31st December, 1976) as follows:—

**Notes on Consolidated Accounts
(Continued)**

	1977		1976	
	£	£	£	£
Interest on Transport Stocks:				
3% Transport Stock, 1975/85	105,434		105,434	
5% Transport Stock, 1972/77	62,500		125,000	
4¼% Transport Stock, 1972/77	95,625		191,250	
6% Transport Stock, 1977/82	120,000		120,000	
12½% Transport Stock, 1980	546,250		546,250	
	<hr/>	929,809	<hr/>	1,087,934
Sinking Funds:				
3% Transport Stock, 1975/85	50,000		50,000	
5% Transport Stock, 1972/77	18,750		37,500	
4¼% Transport Stock, 1972/77	33,750		67,500	
6% Transport Stock, 1977/82	30,000		30,000	
12½% Transport Stock, 1980	120,000		120,000	
	<hr/>		<hr/>	
	252,500		305,000	
Unsecured Bank Loans:				
Provision for repayment of loans obtained in 1977 (See footnote)	165,000		—	
	<hr/>	417,500	<hr/>	305,000
Discount and Issue Expenses — Transport Stocks		522		2,089
Miscellaneous Rents	Cr	13,752		63,184
Interest on Repayable State Advances for Capital Expenditure		2,044,403		1,571,354
Sundry Interest Payable Less Receivable		891,695		848,163
Associated Transport Companies:				
Guaranteed Interest to Fishguard and Rosslare Railways and Harbours Co. (in Ireland)		49,732		48,767
		<hr/>		<hr/>
		£4,319,909		£3,926,491
Allocated to Working Accounts as follows:				
Railway		3,041,425		2,456,611
Road Passenger — Dublin City Services		633,499		648,168
— Provincial Services		27,412		148,800
— Tours and Private Hire	Cr	38,347		3,755
Road Freight		343,954		259,048
International Activities		61,830		65,166
Vessel		7,247		7,198
Hotels, Refreshment Rooms and Restaurant Cars		242,889		337,745
		<hr/>		<hr/>
		£4,319,909		£3,926,491

Footnote: The Unsecured Bank Loans were obtained to finance the shortfall in Sinking Funds available to redeem two Transport Stocks which matured in 1977. These loans are repayable in equal annual instalments between 1978 and 1982.

Notes on Consolidated Accounts
(Continued)

4. Exceptional Items

	1977 £	1976 £
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	127,461	12,042
Provision for further losses of Subsidiary Company (See Note 17 (f))	280,907	544,000
	£408,368	£1,281,758

5. Fixed Assets

	Net Book Amount 1st Jan., 1977	CURRENT YEAR		Net Book Amount 31st Dec., 1977
		Additions	Depreciation	
	£	£	£	£
Railway Rolling Stock (Note a)	22,555,195	1,622,429	2,670,555	21,507,069
Road Passenger Vehicles				
Dublin City Services	7,158,392	228,690	2,377,179	5,009,903
Other Services (Note b)	1,778,607	810,685	2,238,162	351,130
Road Freight Vehicles and Equipment	3,113,391	1,698,257	740,109	4,071,539
Vessel	86,450	—	4,070	82,380
Land and Buildings	5,387,967	490,973	—	5,878,940
Plant and Machinery	5,758,850	1,762,641	711,518	6,809,973
Hotels and Refreshment Rooms including Catering Services Equipment	2,517,314	116,660	85,015	2,548,959
	£48,356,166	£6,730,335	£8,826,608	£46,259,893

Notes: (a) The 1977 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 – £86,265; Coaching Stock – £26,902; Wagons – £219,466.

(b) The depreciation figure shown for Road Passenger Vehicles – Other Services includes £195,856 depreciation on school buses. The amount is wholly offset by the amortisation of the Department of Education – Funding of School Buses (See Note 12).

Notes on Consolidated Accounts
(Continued)

6. Investments	1977 £	1976 £
Quoted at Cost (Market Value £30,134, 1976 – £21,212)	30,353	30,992
Associated Company Unquoted at Cost	800	800
	£31,153	£31,792

7. Properties held for Disposal

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

8. Stocks of Stores	1977 £	1976 £
Maintenance Materials and Spare Parts	8,825,391	8,425,393
Fuel, Lubricants and Other Sundry Stocks	1,802,378	1,919,039
	£10,627,769	£10,344,432

9. Issued Transport Stocks

	1977 £	1976 £
3% Transport Stock, 1975/85	3,514,460	3,514,460
5% Transport Stock, 1972/77	—	2,500,000
4½% Transport Stock, 1972/77	—	4,500,000
6% Transport Stock, 1977/82	2,000,000	2,000,000
12½% Transport Stock, 1980	4,370,006	4,370,006
	£9,884,466	£16,884,466

**Notes on Consolidated Accounts
(Continued)**

10. Movement on Capital Reserve

	1977	1976
	£	£
Balance forward from last year		
Sinking fund no longer required	456,283	1,213,108
	5,339,035	—
	<u>5,795,318</u>	<u>1,213,108</u>
DEDUCT:		
Capital Expenditure on Railway Lines and Works	2,909,947	812,422
Less: Surplus arising on disposal of Land and Buildings and Acquired Assets	100,988	55,597
	<u>2,808,959</u>	<u>756,825</u>
	£2,986,359	£456,283

11. Movement on Profit and Loss Account

	1977	1976
	£	£
Balance forward from last year	Dr. 4,583,240	Dr. 2,873,869
Adverse Balance per Profit and Loss Account	491,221	1,659,371
	<u>5,074,461</u>	<u>4,533,240</u>
Sinking Fund – Unsecured Loan Stock 1991/96	50,000	50,000
	Dr. £5,124,461	Dr. £4,583,240

12. Department of Education – Funding of School Buses

	1977	1976
	£	£
Balance forward from last year	1,939,209	2,088,644
Receivable in year	454,080	46,116
	<u>2,393,289</u>	<u>2,134,760</u>
Released to Revenue Working Account	195,856	195,551
	£2,197,433	£1,939,209

13. Unsecured Bank Loans

These loans are repayable, as follows:

	1977 £	1976 £
1 year to 5 years	4,215,980	3,026,780
6 years to 10 years	2,865,579	3,215,178
Thereafter	2,361,600	2,621,600
	£9,443,159	£8,863,558

These figures include £5,123,159 (1976: £5,563,558) repayable as to U.S.\$9,767,015 (1976: U.S.\$10,524,149). Included under Current Liabilities is a further amount of £440,395 (1976: £440,395) which is repayable as to U.S.\$757,127 (1976: U.S.\$757,127).

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 £3,913,935: 1976 – £2,892,404.

15. Capital Commitments

The Board's capital commitments at 31st December, 1977, were approximately £2,062,000: 1976 – £7,649,000.

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. Oslanna Iompair Eireann Teoranta

- (a) No provision for Taxation is required as a result of losses incurred.
- (b) Bank Deposits include £1,091,859 held on deposit with Allied Irish Banks Limited; the bank holds a right of set-off with the effect that withdrawals from deposit account must be matched by a corresponding reduction in an overdraft of an equivalent amount with this bank. A similar position obtained at 31st December, 1976.
- (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 £513,004 (1976: £556,504) 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.

**Notes on Consolidated Accounts
(Continued)**

- (f) A provision of £280,907 (1976: £544,000) for further losses has been made in recognition of the deficiency of Share Holders' Funds in the subsidiary company at 31st December, 1977. No provision has been made for losses which may arise after this date.

18. Interest in Subsidiary Company

	1977 £	1976 £
Great Southern Hotels (NI), Ltd.		
Shares at Cost	850,000	850,000
Less: Premium on Acquisition written off	140,178	140,178
	<hr/>	<hr/>
	709,822	709,822
Current Account	1,282,518	1,155,057
	<hr/>	<hr/>
Less: Provision for Loss on Investment	1,992,340	1,864,879
	1,992,240	1,864,779
	<hr/>	<hr/>
Balance at End of Year	£100	£100

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, 1977, 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.
17th May, 1978.

Statistics



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				YEAR ENDED 31st DECEMBER		
	1972	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977
	£ thousands						
Costs	49,509	54,382	64,740	57,208	95,038	111,505	122,824
Receipts	43,016	45,906	53,074	42,570	67,020	77,940	89,069
Deficit	6,493	8,476	11,666	14,638	28,018	33,565	33,755
State Grant Received (Footnote A)	6,000	8,300	10,750	13,950	26,500	31,900	33,200
Interest and Sinking Fund Provisions – paid or chargeable on Loan Capital	1,802	1,876	2,062	1,639	2,597	2,964	3,392
Interest paid or chargeable on Loan Capital from Exchequer (included in above)	805	879	1,065	891	1,437	1,571	2,044
Net value of Assets:							
Fixed	34,378	38,659	40,450	42,012	43,123	48,356	46,260
Current (Footnote B)	(217)	(1,438)	2,462	83	(668)	(346)	(137)
Loan Capital (Total) – excluding Interest on Repayable State Advances	31,696	34,897	42,223	43,008	42,030	50,149	45,798
Loan Capital from Exchequer – excluding Interest on Repayable State Advances	10,682	12,883	16,009	16,919	17,446	21,901	23,971
Reserves	2,465	2,324	689	(913)	(1,663)	(4,127)	(2,138)
Average Number of Employees (Footnote C)	22,815	22,623	22,191	21,894	21,200	19,850	18,605
	£	£	£	£	£	£	£
Auditors' Fees	6,250	6,683	7,050	8,905	9,700	11,000	11,698
Board Members' Fees	5,602	5,236	6,088	7,187	14,134	13,634	14,284

- A. Additional grants were received as follows:
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
- B. In 1977, the provision for interest due on Repayable State Advances was included with Sundry Creditors instead of Loan Capital; comparative figures for Current Assets have been restated to reflect this change.
- C. The method of computation has been changed; the new series are based on average number of employees on payroll in 52 weeks cycle.

Statistics of Working Results

		YEAR ENDED 31st MARCH				YEAR ENDED 31st DECEMBER		
		1972	1973	1974	9 Months ended 31/12/1974	1975	1976	1977
RAILWAY								
		£ thousands						
Mainline Passenger, Freight and Other Services	Receipts	14,262	14,645	16,707	13,617	19,632	22,476	24,611
Dublin Suburban Services	Receipts	342	391	418	483	639	786	993
Total		14,604	15,036	17,125	14,100	20,271	23,262	25,604
		(Deficit)	(6,714)*	(7,646)	(10,590)	(20,163)	(24,155)	(27,366)
ROAD PASSENGER								
Dublin City Services	Receipts	10,068	11,014	12,972	8,145	16,813	19,541	23,749
	Profit/(Deficit)	185	(360)	(967)	(2,943)	(5,035)	(5,997)	(4,782)
Provincial Services	Receipts	7,583	8,477	10,035	8,603	13,618	16,585	19,579
	Profit/(Deficit)	550	319	289	(94)	(847)	(1,175)	(510)
Tours and Private Hire	Receipts	1,574	1,434	1,606	1,502	2,009	2,531	2,822
	Profit/(Deficit)	(187)	(185)	(433)	(43)	(58)	30	21
Total		19,225	20,925	24,613	18,250	32,440	38,657	46,150
		Profit/(Deficit)	548	(226)	(1,111)	(3,080)	(7,142)	(5,271)
ROAD FREIGHT								
	Receipts	6,273	6,624	7,400	6,232	9,080	9,765	10,669
	Profit/(Deficit)	(134)*	49	(67)	(204)	(740)	3	7
HOTELS, REFRESHMENT ROOMS, &c.								
	Receipts	2,791	2,676	3,118	3,085	4,067	4,910	5,475
	Profit/(Deficit)	(24)	(379)	(643)	(589)	(451)	(641)	(54)
CANALS AND VESSELS								
	Receipts	123	126	128	130	165	202	209
	(Deficit)	(169)	(197)	(257)	(234)	(468)	(523)	(640)
INTERNATIONAL ACTIVITIES								
	Receipts	—	519	690	773	997	1,144	962
	Profit/(Deficit)	—	(77)	23	59	(2)	175	(23)
TOTAL								
	Receipts	43,016	45,906	53,074	42,570	67,020	77,940	89,069
	(Deficit)	(6,493)	(8,476)	(11,666)	(14,638)	(27,764)	(32,283)	(33,347)

*Includes International Activities.

Note: The total Net Deficit for 1975, 1976 and 1977 is before Exceptional Items.

Statistics of Rail Passenger Operations & Receipts

	YEAR ENDED 31st MARCH				YEAR ENDED 31st DECEMBER		
	1972	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977
Passenger Journeys	thousands						
Mainline and Other Services	5,610	6,063	6,675	5,286	6,648	6,039	6,639
Dublin Suburban Services	5,391	5,799	6,020	6,090	7,243	7,569	8,058
Total	11,001	11,862	12,695	11,376	13,891	13,608	14,697
Receipts from Passenger Fares	£ thousands						
Mainline and Other Services	4,954	5,315	6,917	6,108	9,088	9,961	11,531
Dublin Suburban Services	343	391	418	483	639	786	993
Total (See Note)	5,297	5,706	7,335	6,591	9,727	10,747	12,524
Passenger Miles	thousands						
	486,385	524,454	543,755	431,493	558,496	489,513	542,289
Loaded Train Miles	4,730	4,960	5,782	3,950	4,677	4,279	4,417
Average Receipts	pence						
Pence per Passenger Journey	48.15	48.10	57.78	57.94	70.02	78.98	85.22
Pence per Passenger Mile	1.09	1.09	1.35	1.52	1.74	2.20	2.31

Note: Includes Receipts from Passengers only.

Statistics of Rail Freight Operations & Receipts

	YEAR ENDED 31st MARCH				YEAR ENDED 31st DECEMBER		
	1972	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977
Tons Carried	thousands						
Ale, Beer, Stout	235	211	223	170	229	208	210
Beet and Beet Pulp	346	327	331	195	271	307	284
Cement	959	1,006	995	693	757	794	729
Fertiliser	362	359	307	190	254	282	307
Mineral Ores	549	630	658	523	640	612	774
Petrol and Oil	221	266	273	204	268	261	267
General Freight	1,017	834	885	739	966	1,014	938
Total	3,689	3,633	3,672	2,714	3,385	3,478	3,509
	£ thousands						
Receipts	7,558	7,685	8,088	6,087	8,447	9,952	10,285
	thousands						
Ton Miles	353,464	345,222	347,496	276,345	347,471	363,697	364,739
Laden Train Miles	3,245	3,154	2,946	2,116	2,515	2,523	2,630
	tons						
Average Wagon Load	6.03	6.94	7.10	7.34	7.63	8.62	9.38
	pence						
Per Ton	204.88	211.53	220.26	224.28	249.54	286.14	293.08
Per Ton Mile	2.14	2.23	2.33	2.20	2.43	2.74	2.82
Per Laden Train Mile	232.91	243.66	274.54	287.67	335.87	394.45	391.05

Statistics of Road Passenger Operations & Receipts

	YEAR ENDED 31st MARCH			9 Months Ended 31/12/1974	YEAR ENDED 31st DECEMBER		
	1972	1973	1974		1975	1976	1977
DUBLIN CITY SCHEDULED SERVICES							
Passenger Journeys	200,288	209,684	219,675	113,552	215,259	212,419	206,149
Vehicle Miles	31,519	31,921	31,867	17,911	31,535	30,800	29,668
				thousands			
Receipts [See Note (2)]	9,970	10,904	12,855	8,086	16,653	19,330	23,433
				£ thousands			
Average Receipts				pence			
Pence per Passenger Journey	4.98	5.20	5.85	7.12	7.74	9.10	11.37
Pence per Vehicle Mile	31.63	34.16	40.34	45.15	52.81	62.76	78.98
OTHER CITY SCHEDULED SERVICES							
Passenger Journeys	37,301	38,334	38,279	28,137	38,395	36,123	32,013
Vehicle Miles	4,353	4,678	4,758	3,551	4,662	4,755	4,423
				thousands			
Receipts	1,630	1,716	2,034	1,838	2,779	3,275	3,741
				£ thousands			
Average Receipts				pence			
Pence per Passenger Journey	4.37	4.48	5.31	6.53	7.24	9.07	11.69
Pence per Vehicle Mile	37.45	36.68	42.75	51.76	59.61	68.88	84.59
LONG DISTANCE SCHEDULED SERVICES							
Passenger Journeys	41,410	44,803	46,700	34,393	50,160	50,603	48,851
Vehicle Miles	24,894	26,184	26,245	19,250	27,840	28,083	27,861
				thousands			
Receipts [See Note(1)]	5,461	6,199	7,403	6,302	10,050	12,229	14,758
				£ thousands			
Average Receipts				pence			
Pence per Passenger Journey	13.19	13.84	15.85	18.32	20.04	24.17	30.21
Pence per Vehicle Mile	21.94	23.67	28.21	32.74	36.10	43.55	52.97
TOURS AND PRIVATE HIRE							
Passenger Journeys	3,206	3,270	3,645	2,684	3,167	2,574	2,605
Vehicle Miles	4,190	3,601	3,528	2,859	3,003	2,578	2,763
				thousands			
Receipts [See Note (2)]	1,588	1,458	1,604	1,483	1,998	2,590	2,901
				£ thousands			

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			9 Months Ended 31/12/1974	YEAR ENDED 31st DECEMBER		
	1972	1973	1974		1975	1976	1977
	thousands						
Tons carried	3,692	3,786	4,085	2,752	3,109	3,040	3,066
Mileage (Board's Motors)	16,767	17,959	18,076	12,460	14,563	13,973	12,924
	£ thousands						
Receipts	6,054	6,745	7,468	6,413	9,185	9,935	10,326
	pence						
Average Receipts per Ton	163.98	178.16	182.82	233.03	295.43	326.81	336.74

Statistics of Rail Assets

Mileage of Railway Lines

	first track miles	total track miles
Lines owned by Board	1,175	1,808
	(2)	(21)
Other Lines	71	77
	—	—
Total	1,246	1,885
	(2)	(21)

Rail Passenger Vehicles

	number	seats
Passenger Carriages	357	22,772
	(10)	(214)
Diesel Rail Cars	—	(198)
	—	—
Luggage Vans, etc.	134	—
	3	—
Total	491	22,772
	(7)	(412)

Motive Power

	number	mileage 000
Diesel Locomotives	213	7,945
	(2)	227
Diesel Rail Cars	—	—
(See Rail Passenger Vehicles)	(3)	—
Total	213	7,945
	(5)	227

Rail Freight Vehicles

	number	tonnage capacity
Open Wagons	1,924	23,060
	(111)	(1,322)
Covered Wagons	1,810	22,065
	(551)	(6,657)
Flat Trucks	1,113	24,533
	(169)	(1,251)
Brake Vans, etc.	812	15,920
	(29)	1,409
Total	5,659	85,578
	(860)	(7,821)

Rail Service Vehicles

	number
Ballast Wagons, Tool Vans, etc.	451
	(12)

Rail Freight Containers

Covered Containers	1,573	21,122
	506	4,306
Lancashire Flats	333	4,527
	(114)	(1,550)
Other Containers	344	4,911
	(76)	(190)
Total	2,250	30,560
	316	2,566

Figures in colour represent changes on figures for year ended 31st December, 1976.
Reductions are shown ().

Statistics of Road Assets

Road Passenger Vehicles

		number	seats
Dublin City Services	Double-Deck Buses	842 (18)	63,044 (1,326)
	Single-Deck Buses	74 7	3,256 315
Other Services	Double-Deck Buses	136 (3)	10,196 (200)
	Single-Deck Buses	1,315 (19)	59,493 (913)
	Mini Buses	78 (1)	1,094 (10)
	Touring Coaches	83 —	3,662 —
	Miscellaneous	4 —	— —
	Total	2,532 (34)	140,745 (2,134)
Service Vehicles			
	Total	415 29	

Road Freight Vehicles

	number
Power Units	
Lorries	236 19
Tractors	398 (55)
Vans, etc.	72 (12)
Total	706 (48)
Trailers	
Articulated	651 (104)
Others	57 (13)
Total	708 (117)
Containers	
Covered	151 (34)
Flats	84 (48)
Total	235 (82)

Figures in colour represent changes on figures for year ended 31st December, 1976.
Reductions are shown ().

