



**ANNUAL
REPORT**



Tuarascáil Bhliantúil 1978

1978

Córas Iompair Éireann

CONTENTS

Chairman's Review	...	...	...	...	...	...	...	3-6
Report	...	...	...	...	...	...	...	7
Railways	...	...	...	...	...	...	...	7-8
Dublin City Services	...	...	...	...	...	...	...	8-9
Dublin Passenger—Provincial	...	...	...	...	...	...	...	9
Other Activities								
Tours and Private Hire	...	...	...	...	...	...	...	9
Road Freight	...	...	...	...	...	...	...	10
International Activities	...	...	...	...	...	...	...	10
Vessel and Canals	...	...	...	...	...	...	...	10
Hotels and Catering	...	...	...	...	...	...	...	11
Staff	...	...	...	...	...	...	...	11-12
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	...	...	...	...	...	...	...	25-32
Auditors' Report	...	...	...	...	...	...	...	33
Statistics	...	...	...	...	...	...	...	36-43



Tuarascáil Bhliantúil 1978

CHAIRMAN'S REVIEW

The political attitude to public transport varies considerably from country to country and this is reflected in the allocation of national resources. As a consequence the need, size and availability of an annual subvention are the major preoccupations of chairmen of the world's railway and urban transport undertakings. Although the European Economic Community tends to be equivocal in regard to the transport sector, nevertheless the Community recognises the need to support public transport services and provides for such support in Regulations 1191/69, 1192/69 and 1107/70.

Because public transport has a labour intensity ranging from 55 per cent to 75 per cent, the size of subventions escalates rapidly during periods of wage inflation. Likewise, there is also an increase in the capital requirements of public transport undertakings. The consequential demand for a greater share of national resources has prompted many Governments to review the extent of public transport services in the context of social needs and national cost. The consensus which seems to emerge is that public transport is a necessary stimulus to national economies and, while peripheral services may be reduced and/or terminated, there is a need in each country for organised national public transport and a vital need for efficient urban public transport.

Ireland does not differ from other countries in having to provide annual subventions for public transport. A problem for Irish public transport is, of course, the very light density of population in areas outside the conurbations.

Members of the Board

Dr. Liam St. J. Devlin, Chairman

Mr. B. Connaughton

Mr. E. Farrell

Mr. W. J. Fitzpatrick

Mr. D. Larkin

Mr. H. L. McKee

Mr. M. Purcell

However, what perhaps distinguishes CIE, as a transport undertaking, from most other public transport organisations is that there is a notion in the public mind and, to some extent in the political mind that, properly managed, its operations should in the commercial sense break even or be profitable. This idea probably arises from the original philosophy in the Transport Acts of 1944 and 1950 that "taking one year with another, the revenue of the Board shall be not less than sufficient to meet the charges properly chargeable to revenue". In the Transport Act of 1958, provision was made for CIE to receive an annual subvention of £1m. for five years, again in the expectation that at the end of this period commercial stability would be achieved. This dream was not realised and, consequently, in 1964 there was a commitment to continue and increase annual subventions. It is necessary to refer to this background when reviewing the performance of the Board.

In 1975 the Board of CIE commenced the implementation of a definitive retrenchment programme with a view to containing the deficit in real terms. Because a substantial reduction of almost 20 per cent in total employment was achieved during the period 1975/78 it was possible to effect this containment, as the following figures illustrate:—

	Subvention £	% of Total Expenditure
1975	26.5m.	27.96
1976	31.9m.	28.94
1977	33.2m.	27.12
1978	37.7m.	26.93

It is interesting to note that if, in 1978 CIE employed the same number of people as were employed in 1974, then the additional cost in wages and salaries would have been £12.1m. The reduction in numbers was compensated for by an increase in productivity.

However, if a reasonable network of services is to be maintained there is a limit to the extent to which productivity will replace people employed. That limit was reached during 1978 and as a consequence the prospects for containing the deficit in 1979 are not good. Thus, in looking back over the year 1978 one is inevitably concerned with the future, particularly since that future has not been secured by essential decisions concerning the role of public transport and the long-term commitment of capital investment.

In my previous review I referred to the need for developing techniques to measure value for money in public transport. However, if performance is to be monitored and evaluated, then a prerequisite is that the quantum and nature of services to be subvented be identified and agreed. This is fundamentally a task for Government.

The Railway System

The implementation of the new sundries system involved a comprehensive rationalisation and re-organisation not only of the physical system itself but also of the large staff engaged in the traditional methods. Completely new workpractices and supervisory routines had to be developed and this change, together with the centralisation of sorting and handling activities in Dublin, meant the transfer, and re-allocation of people in both the rail and road freight operations. It is not surprising that many have found the change to be disturbing. As a consequence, there has been a certain amount of resistance from the staff and it has taken some time to persuade them that the changes are in the long-term interest of security of employment.

The unavoidable delays in implementing the overall sundries plan did give rise to customer problems. At first there was a prolongation of the out-moded trad-

itional system and then we found ourselves in the position of having to operate the old and the new systems concurrently for a far longer period than had been planned. As a consequence, the volume of sundries traffic decreased and it was necessary to modify the system as an interim measure. While the major sorting is still carried out in Dublin, the actual route sorting is now being done at the destination locations and customers and staff are, in general, pleased with the system.

Public transport is labour intensive but it also requires substantial capital investment. This applies particularly in the case of the railway system. Furthermore, because of the long lead times involved in obtaining the equipment there must be commitment to capital expenditure over a five year period if planning is to be realistic and credible.

The programme for upgrading the quality of the track has been proceeding and, as a consequence, average speeds have increased and it will be possible to reduce journey times in future timetables. There is, however, a need to replace much of the mainline signalling which is antiquated although maintained in good working order. Priority must be given to the extension of the existing central traffic control system between Dublin and Ballybrophy. This is essential if we are to utilise more effectively our track network and thus offer a higher frequency of services to our increasing market share of those who travel.

During 1978 the number of passenger journeys increased on both the main and suburban lines. At the same time passenger rolling stock continued to deteriorate. At week-ends we have to withdraw suburban stock to supplement mainline services. Plans for the establishment of an industry for building railway coaches at Inchicore have been submitted and, unless there is agreement to acquire additional passenger stock during

1979, the Board will be forced to reduce services in 1980. The resulting loss in volume could have a domino effect on costs and staff morale.

The contraction of the railway in this way may well be necessary if scarce national resources are to be allocated to other social services which are considered to be more essential. However, such an outcome should be the result of a firm decision rather than the consequence of the absence of a decision. Economists will argue that the costs, including overhead and investment costs, of moving passengers and goods by railway are much higher than the cost of other modes of transport. Such an equation is only valid if one discounts the cost and maintenance of other forms of infrastructure such as motorways and roads. Indeed, the construction, maintenance, administration and policing of the roads system is never looked upon as a commercial operation and, therefore, it is never possible to measure the profitability or the level of the losses incurred by the roads system in the same way as it is for the railways. Fair comparisons have not been made in Ireland in regard to costs and social benefits of the railway and the road systems. Such a comparison is fundamental to any decision affecting the future of our railway system. Having said that, it is now necessary and urgent for the State to determine the extent of the National commitment to the Railway, in terms of current support in long-term investment.

Road Passenger Services

In my review of the year 1976 I referred to our decision to develop three new bus types. Prototypes for two of these buses have been produced. Since the suspension of our arrangements with Van Hool McArdle for the construction of buses, we have been endeavouring to establish a replacement industry and we have negotiated with American Motors Corporation, General Motors

Corporation and Bombardier Ltd. of Canada. Our aim has been to find a partner who will provide us with the necessary bus-building techniques, a partner who has experience of the General Motors power package and a partner who will exploit export markets for buses built in Ireland to CIE designs. It has not been easy to achieve all of these objectives but arrangements have been completed with Bombardier Ltd to manage a new bus-building facility in the Shannon Industrial Estate. The main features of the arrangement are that CIE will own all the assets, including the jigs for the manufacture of the buses and all other ancillary tools and machinery as well as the lease for the factory premises. Bombardier Ltd. will have the responsibility for the employment of the labour, the management of that labour and the construction of buses in accordance with CIE's requirements. The new buses will be powered by a General Motors package, including transmission and axles. Bombardier will have the right to use CIE designs and facilities to build buses for customers other than CIE, and will pay a royalty to CIE for each bus. It is the Board's policy that CIE must have a dependable source for the supply of buses. In the agreement with Bombardier Ltd. provision is made for CIE to operate the activity on its own account should it be deemed necessary to do so or should the commercial relationship with Bombardier Ltd. be unsatisfactory. The new factory occupies 105,000 sq. ft. and there is provision in the lease for the future expansion of the building. Production is expected to commence towards the end of 1979 and the first buses should be available by August, 1980.

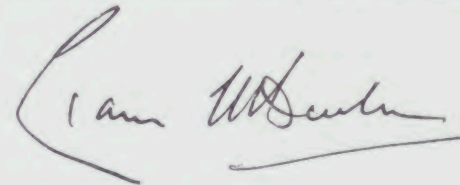
There is a view that our Dublin City services fleet of buses is aged. In fact, the average age of the fleet is only eight years. The major problem with our buses is that the basic design and the engine are unsatisfactory. As a consequence non-availability of buses and the time spent on maintenance have seriously affected schedules. In commissioning the new bus types and availing of the

well-tested General Motors package, we hope to overcome our major problems and, at the same time, make substantial savings in the cost of maintenance.

The Future

Notwithstanding the unique achievement and co-operation between management and the trade unions during the past four years in reducing costs and improving productivity, the future which was so full of promise is now less so. This arises because of the effects of inflation on wage and other costs, inadequate capital investment and the absence of a universal commitment to public transport and the role that it can play in stimulating the national economy.

There has always been an ambivalence towards public transport in Ireland and, therefore, towards CIE. This ambivalence is reflected in the concept that, properly managed, CIE should operate without, or at most, with a small subvention. While such a miracle seems unlikely it should be borne in mind that public transport may yet have a critical role to play in the event of future if not imminent energy crises. It is an efficient user of energy and in a co-operative environment, such as provision of bus priorities and railway investment, public transport can do much to stimulate business activity as well as satisfying the social needs of those who cannot afford private transport. Given the opportunity and the psychological as well as the material support, CIE can provide an efficient and effective public transport system. In such circumstances neither staff nor commitment will be found wanting.

A handwritten signature in black ink, appearing to read "Liam Walsh". The signature is written in a cursive style with a large, sweeping initial "L" and a long horizontal stroke at the end.



REPORT

The total revenue for the year under review was £101.699m. an increase of £12.630m. (14.2 per cent) over 1977. Expenditure totalled £139.233 m. which was higher by £16.818m. (13.7 per cent) than the previous year. The deficit (before exceptional items) was, therefore, £37.534m. an increase of £4.188m. over 1977.

These figures illustrate the Board's major problem which is that, while earned revenue increased at a faster rate than expenditure, the shortfall was greater than the previous year. The deficit at 26.9 per cent of total expenditure showed further improvement in accordance with the Board's objective to contain the deficit in real terms.



THE RAILWAY

The deficit for 1978 was £30.985m., an increase of £3.62m. or 13.2 per cent over the previous year. Total revenue increased by £3.917m. (15.3 per cent) to £29.520m. and total expenditure increased by £7.536m. (14.2 per cent) to £60.505 m.

Passenger train revenue improved by 21.4 per cent which followed a 15.4 per cent improvement in 1977. Passenger journeys increased by 7.8 per cent on mainline and 8.5 per cent on Dublin suburban. This satisfactory situation reflects the success of aggressive marketing of services, innovations in the timetable, and an acceptable fares structure.

For example, during the year new early morning rail passenger services were introduced on Monday mornings. These special services enable week-enders to have an extra night out of Dublin as the early trains arrive in Dublin on Monday mornings before normal working hours. A fleet of buses from Heuston station shuttles travellers to the city centre before 0900 hours.

Freight revenue increased by only 6 per cent over 1977. Tonnage improved by 8 per cent to 3.789m. tons but this improvement was mainly in bulk traffics. Unit load and sundry traffics fell below expectations. These traffics are still affected by the major transitional problems associated with the Rail Development Plan, and also by increased competition from private haulage and own account transport.

Some of our major customers had serious industrial disputes with their staffs and this resulted in a considerable shortfall on freight traffic business for CIE.

The new Unit Load/Sundries system was extended during the year and should be completed early in 1979. Problems associated with the transition have still to be resolved, and when they are then a determined sales drive will be made to increase the CIE share of the market in these traffics. To date the system has facilitated further staff economies.

Staff savings have also been achieved as a result of the mechanisation of track maintenance procedures. Rates of pay were improved in accordance with the terms of the productivity agreements and substantial progress was made towards the rationalisation of the rail operative grading structure.

In June certain classes of traffic were withdrawn from 19 lightly used stations.

Development of locations to conform to the new mechanised freight handling methods continued and was completed at North Wall which is now a major depot for handling unit load traffic and where the handling of sundries traffic in Dublin is centralised.

Plans were developed for the construction at a number of stations of rail-connected silos for the handling and distribution of bulk cement. These will be in operation in 1979.

Following a comprehensive National Rail Study, work began on the formulation of a long-term strategic plan for the railway.



DUBLIN CITY SERVICES

The deficit for the year at £5.195m. was 8.6 per cent higher than the deficit of £4.782m. for 1977. Revenue at £27.091m. improved by £3.342m. (14.1 per cent), while expenditure increased by £3.755m. (13.2 per cent) to £32.286m.

The number of passengers carried was 200m., a fall of 3 per cent on the number carried in 1977. The main factor contributing to this decrease was the worsening traffic congestion which affected the level and regularity of services and resulted in an increase in the number of lost journeys. Disruption of services due to unofficial industrial disputes was also a factor in the reduction in passenger numbers.

The radio telephone system of control was of significant value in helping to keep services in operation despite the very difficult traffic conditions. The computerised bus control system which has operated on Route 19 will be extended gradually to other routes and to the total fleet by the end of 1979.

A Technical Traffic Unit representing Dublin Corporation, Gardai, Department of the Environment and CIE was set up during the year to carry out specific studies on possible bus priority schemes. A proposal for a contra-flow bus lane in Parliament Street was made by the Unit to Dublin Corporation. Further proposals are under consideration. In addition CIE participation in the Traffic Study Group of Dublin Corporation and Dublin County Council was continued throughout the year.

The sale of monthly Commuter tickets is increasing. Sales averaged 11,400 per month and revenue from this source reached £1.7m. in 1978, an improvement of £0.3m. over 1977.

During the year services were extended on several routes to meet the needs of new housing areas.

The programme of development and extension of city garages was continued; as a result there has been an improvement in maintenance facilities, parking accommodation and staff amenities.

A further 108 new-style bus shelters were erected during the year bringing the total of these to 517. Planning permission applications for additional shelters are being processed.

With the exception of Galway, where there was a small increase, all provincial cities recorded a fall in passenger numbers. This is a reflection of traffic congestion which affects the standard of service and gives rise to lost journeys. The situation is particularly bad in Cork.

The network of Expressway services was extended during the year. The most notable feature was the introduction of the Interlink concept whereby services are linked at transfer points to provide an extensive range of through Expressway workings. Revenue from Expressway at £1.987m. showed an 18 per cent increase on the 1977 figures.

Road Passenger premises continue to be upgraded. A new garage is under construction in Athlone and the preliminary planning for a new garage in Thurles is being carried out. A new bus depot is being built at Ballina and planning approval has been sought for a depot at Waterford.



ROAD PASSENGER

Provincial Services

The deficit for the year was £1.251m. Revenue at £22.615m. improved by £3.036m. but expenditure rose by £3.777m. to £23.866m.

42 buses were re-engined with General Motors engines and transmissions. The cost of this programme is treated as a current expenditure and thus contributed to the deficit. The re-employment of staff who had originally transferred to Van Hool and higher unit replacement costs also affected the deficit.



OTHER ACTIVITIES

Tours and Private Hire

The net profit for the year was £34,000 – an improvement on the figure of £21,000 for 1977. Extended Tours and other inclusive travel arrangements, together with Private Hire, contributed to this result. It must be remembered that the Tours operation provides considerable business for other CIE activities, such as the railway, provincial bus services and the hotels. The profitability

of this business is not reflected in the tours performance as reported.

Business from North America constituted the biggest part of the tour operations but Britain, Europe and Australia contributed an increased share of the total. A series of 28 charters was operated from New York and Boston in conjunction with Thos. Cook & Son. There was an increased involvement in the promotion of handling of conference travel to Ireland.

A CIE Tours reservation centre for North America was opened in Braintree, Massachusetts. Reservations are processed by computer and passed to the Tours operation centre in Dublin. A feasibility study for an on-line computerised reservation system was completed during the year.

Representation in the London office was strengthened during 1978.

Road Freight

The profit on road freight operations was £8,000 which is slightly better than the profit of £7,000 recorded in 1977.

Revenue at £11.433m. improved by £0.764m. while costs increased by £0.763m.

The tonnage of goods carried (including hired hauliers) increased by 3.3 per cent to 5.317m. Increased carryings of limestone, cement, fertilisers, steel, materials for County Councils and chemicals contributed to this improvement.

The operation of road freight services was further adapted to meet the requirements of the Rail Development Plan and the new sundries system.

Legislation, introduced in May 1978, further liberalised the operation of general road freight transport.

International Activities

Rosslare Harbour is the only fully operating activity under this heading but in addition to Rosslare Harbour the 1978 figures contain some minor adjustments in respect of the terminated Irish Ferryways and Aerlod Teoranta. These adjustments have reduced the profit which for 1978 was £558,000. The deficit in 1977 was £23,000 but, as that figure included substantial dissolution costs arising from the termination of Irish Ferryways operations, a comparison between the two years is unrealistic. The profit in 1976 for International Activities was £175,000.

Both passenger and freight traffics at Rosslare Harbour showed substantial increases over last year. The number of sailings operated by British Rail and Irish Continental Line was 1,327 compared with 1,138 in 1977.

The lack of adequate facilities caused problems at the port which were aggravated, on occasions, by extremely bad weather conditions. However, following Ministerial approval the design work on a new jetty, berths and other facilities was completed. Dredging commenced in October, tenders for the main contract were received in December and it is hoped to have the entire scheme completed early in 1980.

Vessels and Canals

The deficit on the Galway/Aran Islands service was £134,000, the same result as in 1977. The net cost of maintaining the canals, a nontrading activity was, £591,000.



Hotels and Catering

The combined result of these activities was a net profit of £22,000. This was an improvement on the deficit of £54,000 in 1977 and a very significant advance from the £641,000 deficit recorded in 1976.

The gross revenue performance of the Hotels Group was 26 per cent more than 1977 as a result of

improved business from North America, Britain and Europe.

Continuing the policy adopted in 1976, extensive refurbishment was carried out in the six hotels now remaining in the Group. The effectiveness of this strategy is reflected in the improved profitability situation.

STAFF

During 1978 labour costs (excluding hotels and Social Welfare contributions) increased by £9.82m. due to the implementation of the National Wage Agreement and improved conditions of service. Offsetting this was a net saving of £1.82m. arising from staff reductions carried over from 1977. Staff economies in 1978 in the rail and road freight functions and in executive and clerical grades were offset by the employment of temporary staff on road passenger operations and by the intake of ex-Van Hool staff.

Productivity agreements in respect of seven categories of staff were being negotiated at the end of the year.

Staff numbers were reduced from 16,427 at the end of 1977 to 16,292 at the end of 1978.

There were 19 unofficial and one official stoppages of work during the year giving a total of 6,514 man days lost. The official stoppage, of three days' duration, related to the Road Passenger Section in Galway. Ten of the unofficial stoppages were of less than one day's duration.

The total number of meetings with Trade Unions throughout the organisation during 1978 was 2,977. The wide variety of employment in CIE and the big number of Trade Unions representing the staff gives rise to the substantial industrial relations activity much of which is, of course, concerned with matters other than dispute situations. Many Labour Court and Rights Commissioner's investigations and Conciliation Conferences were also held.

A Secretariat for the several Trade Union Groups representing CIE staff was established during the year under the auspices of the Irish Congress of Trade Unions. This Secretariat will provide facilities for quick discussion and resolution of disputes. It will also facilitate dialogue in regard to potential conflicts and it will provide another means of communication between management and staff representatives. CIE make a financial contribution towards the staffing of the Secretariat.

A total of 953 training courses dealing with a great range of activities was held during 1978 attended by about 5,400 members of the staff. This included 16 pre-retirement courses attended by 232 personnel. Two staff members in receipt of scholarships continued their studies in UCD leading to the Bachelor of Commerce degree and one member started on the course.

The regular meetings of the Top Consultative Group

and the 34 local Joint Consultative Councils were held.

A total of 409 apprentices were accommodated during the year. This includes 305 CIE employees, 20 sponsored by AnCO and 84 sponsored by outside organisations.

Three Engineering scholarships were awarded which, with scholarships previously awarded, make a total of six craft apprentices pursuing courses for Engineering degrees.

SUMMARY OF TOTAL RECEIPTS AND COSTS

	1978			1977		
	Total Receipts	Total Costs	Net Profit/ (Deficit)	Total Receipts	Total Costs	Net Profit/ (Deficit)
	£	£	£	£	£	£
Railway	29,520,341	60,504,972	(30,984,631)	25,603,662	52,969,337	(27,365,675)
Road Passenger – Dublin City Services	27,090,926	32,286,259	(5,195,333)	23,749,292	28,531,483	(4,782,191)
Road Passenger – Provincial Services	22,615,439	23,866,076	(1,250,637)	19,578,760	20,088,788	(510,028)
Road Passenger – Tours and Private Hire	2,989,776	2,956,229	33,547	2,821,813	2,801,219	20,594
Road Freight	11,432,823	11,424,794	8,029	10,669,400	10,662,021	7,379
International Activities	1,139,630	581,951	557,679	962,317	985,155	(22,838)
Hotels, Refreshment Rooms and Restaurant Cars	6,670,608	6,649,044	21,564	5,474,513	5,528,344	(53,831)
Canals	46,191	636,828	(590,637)	43,091	548,860	(505,769)
Vessel	193,552	327,218	(133,666)	166,219	300,482	(134,263)
Total	£101,699,286	£139,233,371	(£37,534,085)	£89,069,067	£122,415,689	(£33,346,622)

Salaries, Wages and Associated Costs included above

£83,136,741

£75,345,198

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

	1978		1977	
	£	£	£	£
Receipts				
Passenger Train Traffic	18,211,590		14,995,939	
Goods Train Traffic	10,902,975		10,284,877	
Miscellaneous	29,114,565		25,280,816	
	405,776		322,846	
Total Receipts		29,520,341		25,603,662
Expenditure				
Maintenance of Lines and Works	7,558,545		6,653,672	
Maintenance of Rolling Stock	7,700,500		7,140,431	
Fuel	2,856,011		2,652,608	
Operating and Other Expenses	31,239,268		26,701,358	
Provision for Renewal of Lines and Works	4,360,105		3,924,070	
Operating Depreciation	3,479,543		2,855,773	
Total Expenditure		57,193,972		49,927,912
Operating Deficit		(27,673,631)		(24,324,250)
Financial Charges		3,311,000		3,041,425
Net Deficit carried to Profit and Loss Account		(£30,984,631)		(£27,365,675)

Consolidated Revenue Accounts

Road Passenger Working Account
Dublin City Services

	1978		1977	
	£	£	£	£
Receipts				
Passenger Services	26,849,617		23,518,538	
Miscellaneous	241,309		230,754	
Total Receipts		27,090,926		23,749,292
Expenditure				
Maintenance of Buildings	197,077		84,206	
Maintenance of Vehicles and Equipment	7,709,974		6,170,040	
Fuel	1,802,396		1,795,950	
Road Tax and Licences	258,244		259,574	
Operating and Other Expenses	19,423,796		17,179,531	
Operating Depreciation	2,352,192		2,408,683	
Total Expenditure		31,743,679		27,897,984
Operating Deficit		(4,652,753)		(4,148,692)
Financial Charges		542,580		633,499
Net Deficit carried to Profit and Loss Account		(£5,195,333)		(£4,782,191)

Consolidated Revenue Accounts

Road Passenger
Working Account
Provincial Services

	1978		1977	
	£	£	£	£
Receipts				
Passenger Services	22,039,678		19,088,483	
Miscellaneous	575,761		490,277	
Total Receipts		22,615,439		19,578,760
Expenditure				
Maintenance of Buildings	156,675		114,326	
Maintenance of Vehicles and Equipment	7,987,422		5,552,591	
Fuel	1,368,512		1,343,996	
Road Tax and Licences	172,483		170,681	
Operating and Other Expenses	12,588,815		11,054,653	
Operating Depreciation	1,668,379		1,825,129	
Total Expenditure		23,942,286		20,061,376
Operating Deficit		(1,326,847)		(482,616)
Financial Charges		Cr. 76,210		27,412
Net Deficit carried to Profit and Loss Account		(£1,250,637)		(£510,028)

Consolidated Revenue Accounts

Road Passenger
Working Account
Tours and Private Hire

	1978		1977	
	£	£	£	£
Receipts				
Passenger Services	2,983,368		2,814,755	
Miscellaneous	6,408		7,058	
Total Receipts		2,989,776		2,821,813
Expenditure				
Maintenance of Buildings	11,309		10,845	
Maintenance of Vehicles and Equipment	433,736		437,670	
Fuel	131,820		142,580	
Road Tax and Licences	20,985		21,034	
Operating and Other Expenses	2,220,203		1,988,530	
Operating Depreciation	207,773		238,907	
Total Expenditure		3,025,826		2,839,566
Operating Deficit		(36,050)		(17,753)
Financial Charges		Cr. 69,597		Cr. 38,347
Net Profit carried to Profit and Loss Account		£33,547		£20,594

Consolidated Revenue Accounts

Road Freight
Working Account

	1978		1977	
	£	£	£	£
Receipts				
Goods Services	11,299,295		10,537,786	
Miscellaneous	133,528		131,614	
Total Receipts		11,432,823		10,669,400
Expenditure				
Maintenance of Buildings	65,026		57,308	
Maintenance of Vehicles and Equipment	1,990,009		1,758,238	
Fuel	758,286		748,084	
Road Tax and Licences	227,757		219,486	
Operating and Other Expenses	7,098,734		6,861,960	
Operating Depreciation	861,620		672,991	
Total Expenditure		11,001,432		10,318,067
Operating Profit		431,391		351,333
Financial Charges		423,362		343,954
Net Profit carried to Profit and Loss Account		£8,029		£7,379

Consolidated Revenue Accounts

International Activities
Working Account

	1978		1977	
	£	£	£	£
Receipts				
Harbour Services	1,139,630		835,355	
Freight Services (Net)	—		126,962	
Total Receipts		1,139,630		962,317
Expenditure				
Maintenance, Operating and Other Expenses	531,035		910,454	
Operating Depreciation	3,531		12,871	
Total Expenditure		534,566		923,325
Operating Profit		605,064		38,992
Financial Charges		47,385		61,830
Net Profit/(Deficit) carried to Profit and Loss Account		£557,679		(£22,838)

Consolidated Revenue Accounts

Hotels, Refreshment
Rooms and Restaurant
Cars Working Account

	1978		1977	
	£	£	£	£
Receipts				
Hotels, Refreshment Rooms and Restaurant Cars		6,668,953		5,431,887
Expenditure				
Maintenance of Buildings, Cars and Equipment	182,279		211,154	
Provisions, Wines, etc.	2,650,161		2,147,355	
Other Direct Expenses	2,733,801		2,189,083	
Other Expenditure	853,269		737,863	
Total Expenditure		6,419,510		5,285,455
Operating Profit		249,443		146,432
Realised Surplus on Sales of Premises		1,655		42,626
		251,098		189,058
Financial Charges		229,534		242,889
Net Profit/(Deficit) carried to Profit and Loss Account		£21,564		(£53,831)

Consolidated Revenue Accounts

Canals Working Account

	1978		1977	
	£	£	£	£
Receipts				
Rents	34,544		33,299	
Miscellaneous	11,647		9,792	
Total Receipts		46,191		43,091
Expenditure				
Maintenance of Buildings	32,381		29,483	
Maintenance of Waterways and Works	433,222		375,175	
Operating and Other Expenses	171,225		144,202	
Total Expenditure		636,828		548,860
Operating Deficit		(590,637)		(505,769)
Financial Charges		—		—
Net Deficit carried to Profit and Loss Account		(£590,637)		(£505,769)

Vessel Working Account

	1978		1977	
	£	£	£	£
Receipts				
Passenger Traffic	146,028		122,651	
Goods Traffic	45,142		41,954	
Miscellaneous	2,382		1,614	
Total Receipts		193,552		166,219
Expenditure				
Maintenance of Vessel and Equipment	53,312		71,676	
Fuel	6,102		7,850	
Operating and Other Expenses	257,045		209,639	
Operating Depreciation	4,070		4,070	
Total Expenditure		320,529		293,235
Operating Deficit		(126,977)		(127,016)
Financial Charges		6,689		7,247
Net Deficit carried to Profit and Loss Account		(£133,666)		(£134,263)

Consolidated Profit and Loss Account

	Notes	1978		1977	
		£	£	£	£
Net Profits/(Deficits) from					
Railway		(30,984,631)		(27,365,675)	
Road Passenger — Dublin City Services		(5,195,333)		(4,782,191)	
— Provincial Services		(1,250,637)		(510,028)	
— Tours and Private Hire		33,547		20,594	
Road Freight		8,029		7,379	
International Activities		557,679		(22,838)	
Hotels, Refreshment Rooms and Restaurant Cars		21,564		(53,831)	
Canals		(590,637)		(505,769)	
Vessel		(133,666)		(134,263)	
			(37,534,085)		(33,346,622)
Financial Charges	3	(4,414,743)		(4,319,909)	
Allocation to Working Accounts		4,414,743		4,319,909	
Net Deficit before Exceptional Items			(37,534,085)		(33,346,622)
Exceptional Items	4		(451,028)		(408,368)
Net Deficit			(£37,985,113)		(£33,754,990)
Financed as follows:					
Non-repayable State Grants under					
Sub-Head D 1 Vote 44, 1978 of Dail Eireann (1977;					
Sub-Head D 1 Vote 43)					
(a) Grant in respect of rail passenger services under EEC Regulation 1191/69		14,800,000		13,100,000	
(b) Grant for the normalisation of accounts of railways under EEC Regulation 1192/69		3,000,000		2,299,500	
(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		19,750,000		17,705,500	
(d) Grant to cover losses incurred on the operation of the Galway/Aran Ferry Service		150,000		95,000	
	2		37,700,000		33,200,000
Surplus arising on Disposal of Rolling Stock and Railway Lines previously written off			105,428		63,769
			37,805,428		33,263,769
Adverse Balance Forward	10		179,685		491,221
			£37,985,113		£33,754,990

The Notes on pages 25 to 32 form part of these Accounts.

M. GRACE, Assistant General Manager (Finance)

Consolidated Balance Sheet at 31st December, 1978

	Notes	£	1978	£	1977	£
Fixed Assets	5			43,817,426		46,259,893
Interest in Subsidiary Company	17			100		100
Current Assets						
Investments	6	30,550			31,153	
Stocks of Stores	7	12,784,944			10,627,769	
Debtors and Payments in Advance		15,095,007			10,322,414	
Bank Deposits	16(b)	1,711,248			1,651,377	
Balance at Bankers and Cash in Hand		230,209			230,489	
				29,851,958		22,863,202
LESS:						
Current Liabilities						
Amount due to Bankers		3,806,487			2,292,202	
Unsecured Bank Loans	12	1,133,019			1,070,395	
Creditors and Provisions		23,579,432			19,254,750	
Equalisation Account for Renewal of Lines and Works		—			275,930	
Taxation		113,321			107,271	
				28,632,259		23,000,548
Net Current Assets/(Liabilities)				1,219,699		(137,346)
				£45,037,225		£46,122,647
FINANCED BY:						
Issued Transport Stocks	8			9,884,466		9,884,466
Reserves						
Capital Reserve	9	1,422,984			2,986,359	
Profit and Loss Account	10	(5,354,146)			(5,124,461)	
				(3,931,162)		(2,138,102)
Sinking Fund for redemption of Transport Stocks		2,244,880			1,844,286	
LESS: Investments		(2,244,880)			(1,744,286)	
Amounts subsequently invested		—		—	(100,000)	—
Sinking Fund – Repayment of Bank Loans	3			165,000		165,000
Sinking Fund – Unsecured Loan Stock 1991/96				150,000		100,000
Department of Education – Funding of School Buses	11			1,942,266		2,197,433
Loan Capital						
Repayable State Advances for Capital Expenditure, under Section 4, Transport Act, 1964 as amended by Section 3, Transport Act, 1974		26,020,691			23,970,691	
Unsecured Bank Loans	12	8,305,964			9,443,159	
Unsecured Loan Stock 1991/96		2,500,000			2,500,000	
				36,826,655		35,913,850
				£45,037,225		£46,122,647

The Notes on pages 25 to 32 form part of these Accounts.

M. GRACE, Assistant General Manager (Finance)

Consolidated Statement of Source and Application of Funds

	1978		1977	
	£	£	£	£
Source of Funds				
Net Deficit less Non-Repayable State Grants		(285,113)		(554,990)
Depreciation and Profit/Loss on Sale of Fixed Assets		9,457,180		8,795,509
Provision to Write-off Discount and Issue Expenses – Transport Stocks		—		522
Sinking Fund – Repayment of Bank Loans		330,000		165,000
		<u>9,502,067</u>		<u>8,406,041</u>
Taxation Recovered		6,050		22,320
Proceeds from Realisation of Sinking Fund Investments		—		5,339,035
Unsecured Bank Loans		—		1,650,000
Repayable State Advances for Capital Expenditure		2,050,000		2,070,000
Funding of School Buses		(62,844)		454,080
		<u>11,495,273</u>		<u>17,941,476</u>
Application of Funds				
Unsecured Bank Loans currently payable		1,137,195		1,070,399
Redemption of Transport Stocks		—		7,000,000
Capital Expenditure		8,994,983		9,640,282
Other		(603)		(639)
		<u>10,131,575</u>		<u>17,710,042</u>
Net Source of Working Capital		£1,363,698		£231,434
being:				
Properties held for Disposal		—		(562,130)
Increase in Stocks of Stores		2,157,175		283,337
Increase in Debtors		4,772,593		1,444,826
Increase in Creditors		(4,324,682)		(2,847,376)
Decrease in Deferred Payments		—		206,550
Decrease in Equalisation Account		275,930		136,028
		<u>2,881,016</u>		<u>(1,338,765)</u>
Increase/(Decrease) in Liquid Funds				
Increase/(Decrease) in Cash and Bank Deposits	59,591		(605,669)	
(Increase)/Decrease in Bank Loans and Overdrafts	(1,576,909)		2,175,868	
		<u>(1,517,318)</u>		<u>1,570,199</u>
		£1,363,698		£231,434

The Notes on pages 25 to 32 form part of these Accounts.

M. GRACE, Assistant General Manager (Finance).

Notes on Consolidated Accounts

Accounting Policies

(a) Historical Cost Convention

The accounts are prepared under the historical cost convention as modified by the depreciation of certain classes of fixed assets calculated on replacement cost.

(b) Consolidation of Accounts

The Revenue Accounts and Balance Sheets of Ostlanna Iompair Eireann Teoranta and Aerlod Teoranta – wholly owned subsidiaries – 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 Ostlanna 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 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.

(c) 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:

An annual provision for renewal of Railway Lines and Works is made, based on 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 of four years and nine months ended 31st December, 1978. Each year, this estimate is revised on the basis of actual expenditure to date plus estimated expenditure for the balance of the period.

In the current year, the charge is the balance of the actual cost of the renewals programme to 31st December, 1978.

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 and wagons are depreciated on the basis of estimated cost of rolling stock 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.

(d) **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.

(e) **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 (c) with a corresponding amortisation of the moneys received from the Department of Education.

(f) **Foreign Currency Transactions:**

Foreign currency transactions are converted to Irish currency at the rates of exchange ruling at the dates of the transactions. Exchange gains and losses are recognised in the year in which they are realised.

**2. Subvention Structure 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 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 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 under this Regulation to cover the following costs in respect of rail passenger and freight operations:—
- superannuation and pensions costs less savings arising from 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 in respect of:—
- 50% of infrastructure costs in respect of rail freight (Article 3.1 (b)).
 - losses on the 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 by the State in respect of losses incurred on the Galway/Aran Ferry Service.

Particulars of the total Exchequer grant of £37.7m paid under Sub-head D.1 of Vote 44 of Dail Eireann of 1978 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	14,800,000				
Normalisation of Accounts (Passenger and Freight)					
– Class III (Pensions)		2,650,000			
– Class IV (Level Crossings)		350,000			
Infrastructure Grant (Freight)			2,187,598		
Residual Deficit Grant					10,525,795
TOTAL – RAILWAYS	14,800,000	3,000,000	2,187,598		10,525,795
ROAD PASSENGER					
Dublin City Services					
– Deficit on Operation of Services				5,195,333	
Provincial Services					
– Deficit on Operation of Services				1,250,637	
CANALS					
– Deficit on Maintenance					590,637
GALWAY/ARAN					
– Grants towards losses on Ferry Service					150,000
	£14,800,000	£3,000,000	£2,187,598	£6,445,970	£11,116,432
					£150,000

Note: The total net deficit on all services subventable under EEC Regulations and on the Galway/Aran Ferry service was £38,154,904 compared with the total payments from the State of £37.7 million. The grants made under Regulations No. 1191/69 and 1192/69 were inadequate to the extent of £477,495 but this was partially offset by the grants in respect of Regulation No. 1107/70 (Article 4) and Galway/Aran Ferry Service being £22,591 in excess of actual results.

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. The consolidated total financial charges for the year ended 31st December, 1978 amounted to £4,414,743 (£4,319,909 for year ended 31st December, 1977) as follows:—

**Notes on Consolidated Accounts
(Continued)**

	1978		1977
	£	£	£
Interest on Transport Stocks:			
3% Transport Stock, 1975/85	105,434		105,434
5% Transport Stock, 1972/77	—		62,500
4½% Transport Stock, 1972/77	—		95,625
6% Transport Stock, 1977/82	120,000		120,000
12½% Transport Stock, 1980	546,250		546,250
	<hr/>	771,684	<hr/>
			929,809
Sinking Funds:			
3% Transport Stock, 1975/85	50,000		50,000
5% Transport Stock, 1972/77	—		18,750
4½% Transport Stock, 1972/77	—		33,750
6% Transport Stock, 1977/82	30,000		30,000
12½% Transport Stock, 1980	120,000		120,000
	<hr/>		<hr/>
	200,000		252,500
Unsecured Bank Loans — Provision for repayment of loans obtained in 1977 (See footnote)	330,000		165,000
	<hr/>	530,000	<hr/>
			417,500
Discount and Issue Expenses — Transport Stocks		—	522
Miscellaneous Rents		Cr. 51,029	Cr. 13,752
Interest on Repayable State Advances for Capital Expenditure		2,154,237	2,044,403
Sundry Interest Payable Less Receivable		960,429	891,695
Associated Transport Companies:			
Guaranteed Interest to Fishguard and Rosslare Railways and Harbour Co. (in Ireland)		49,422	49,732
		<hr/>	<hr/>
		£4,414,743	£4,319,909

Allocated to Working Accounts as follows:

Railway		3,311,000	3,041,425
Road Passenger — Dublin City Services		542,580	633,499
— Provincial Services		Cr. 76,210	27,412
— Tours and Private Hire		Cr. 69,597	Cr. 38,347
Road Freight		423,362	343,954
International Activities		47,385	61,830
Vessel		6,689	7,247
Hotels, Refreshment Rooms and Restaurant Cars		229,534	242,889
		<hr/>	<hr/>
		£4,414,743	£4,319,909

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.

4. Exceptional Items

	1978 £	1977 £
Ostlanna Iompair Eireann Teoranta		
Provision for loss on Interest in Subsidiary Company	164,883	127,461
Provision for further losses of Subsidiary Company (See Note 16 (e)).	286,145	280,907
	£451,028	£408,368

5. Fixed Assets

	Net Book Amount 1st Jan., 1978	CURRENT YEAR		Net Book Amount 31st Dec., 1978
		Additions Less Disposals	Depreciation	
	£	£	£	£
Railway Rolling Stock (Notes a and c)	21,507,069	641,332	3,142,715	19,005,686
Road Passenger Vehicles (Notes b and c)	5,361,033	(98,598)	4,352,121	910,314
Road Freight Vehicles and Equipment	4,071,539	1,247,952	854,642	4,464,849
Vessel	82,380	—	4,070	78,310
Land and Buildings (Note e)	5,878,940	1,935,938	—	7,814,878
Plant and Machinery	6,809,973	2,895,466	803,174	8,902,265
Hotels and Refreshment Rooms including Catering Services Equipment	2,548,959	210,542	118,377	2,641,124
	£46,259,893	£6,832,632	£9,275,099	£43,817,426

- Notes:** (a) The 1978 Railway Rolling Stock depreciation charge 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 – £86,266; Coaching Stock – £19,927; Wagons – £247,122.
- (b) The 1978 depreciation charge shown for Road Passenger Vehicles includes £192,323 depreciation on school buses. The amount is wholly offset by the amortisation of moneys received from the Department of Education (See Note 11).
- (c) The 1978 depreciation charges for Railway Rolling Stock and Road Passenger Vehicles include £1,396,457 and £2,824,581 respectively for depreciation on the excess of replacement cost over historical cost.
- (d) The accumulated depreciation to 31st December, 1978 and the significant depreciation lives used are as follows:

	Accumulated Depreciation £	Lives (years)
Railway Rolling Stock	16,914,203	20 to 50
Road Passenger Vehicles	25,117,474	16
Road Freight Vehicles and Equipment	3,488,137	6 to 10
Vessel	84,305	40
Land and Buildings	—	—
Plant and Machinery	2,399,501	3 to 25
Hotels and Refreshment Rooms including Catering Services Equipment	868,219	4 to 50

Accumulated depreciation shown above for Railway Rolling Stock and Road Passenger Vehicles includes £5,581,207 and £13,822,744 respectively for depreciation on the excess of replacement cost over historical cost.

- (e) No depreciation has been charged on buildings as the amount involved is not material.

Notes on Consolidated Accounts
(Continued)

6. Investments		1978	1977
		£	£
Quoted at Cost			
(Market Value £24,047; 1977 – £30,134)		29,750	30,353
Unquoted at Cost		800	800
		£30,550	£31,153
<hr/>			
7. Stocks of Stores		1978	1977
		£	£
Maintenance Materials and Spare Parts		10,274,566	8,825,391
Fuel, Lubricants and Other Sundry Stocks		2,510,378	1,802,378
		£12,784,944	£10,627,769
<hr/>			
8. Issued Transport Stocks		1978	1977
		£	£
3% Transport Stock, 1975/85		3,514,460	3,514,460
6% Transport Stock, 1977/82		2,000,000	2,000,000
12½% Transport Stock 1980		4,370,006	4,370,006
		£9,884,466	£9,884,466
<hr/>			
9. Movement on Capital Reserve		1978	1977
		£	£
Balance forward from last year		2,986,359	456,283
Sinking funds no longer required			
For redemption of Transport Stocks		—	5,339,035
For repayment of Bank Loans		330,000	—
		<u>3,316,359</u>	<u>5,795,318</u>
DEDUCT:			
Capital Expenditure on Railway Lines and Works		2,162,351	2,909,947
Less: Surplus arising on disposal of Land and Buildings and Acquired Assets		<u>268,976</u>	<u>100,988</u>
		1,893,375	2,808,959
		£1,422,984	£2,986,359
<hr/>			

Notes on Consolidated Accounts
(Continued)

10. Movement on Profit and Loss Account

	1978 £	1977 £
Balance forward from last year	Dr. 5,124,461	Dr. 4,583,240
Adverse Balance per Profit and Loss Account	179,685	491,221
	<hr/>	<hr/>
Sinking Fund – Unsecured Loan Stock 1991/96	Dr. 5,304,146	Dr. 5,074,461
	50,000	50,000
	<hr/>	<hr/>
	Dr. £5,354,146	Dr. £5,124,461

11. Department of Education – Funding of School Buses

	1978 £	1977 £
Balance forward from last year	2,197,433	1,939,209
Receivable in year	—	454,080
Reduction in amount receivable in previous year	(62,844)	—
	<hr/>	<hr/>
Released to Revenue Working Account	2,134,589	2,393,289
	192,323	195,856
	<hr/>	<hr/>
	£1,942,266	£2,197,433

12. Unsecured Bank Loans

	1978 £	1977 £
These loans are repayable as follows:		
Current Liabilities – Within 1 Year	1,133,019	1,070,395
	<hr/>	<hr/>
Loan Capital	£	£
1 year to 5 years	3,703,980	4,215,980
6 years to 10 years	2,523,984	2,865,579
Thereafter	2,078,000	2,361,600
	<hr/>	<hr/>
	£8,305,964	£9,443,159

The following table shows the amount and type of currency in which these loans are to be repaid:

	1978	1977
Current Liabilities		
United States	\$819,084	\$757,127
United Kingdom	£26,720	—
Republic of Ireland	£639,184	£630,000
	<hr/>	<hr/>
Loan Capital		
United States	\$8,947,931	\$9,767,015
United Kingdom	£1,573,280	£1,600,000
Republic of Ireland	£2,076,640	£2,720,000

13. 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 £5,325,166: 1977 – £3,913,935. These figures include an amount of £147,514 in respect of the shortfall in 1978 (1977 – Nil) in the cash resources of the Salaried Officers' and Clerks' (G.S.R.) Superannuation Fund (See Note 15).

14. Capital Commitments

Capital commitments at 31st December, 1978, were approximately £8,059,728: 1977 – £2,062,000.

15. Superannuation Funds

Coras Iompair Eireann is legally obliged to ensure that cash is available to the funds of certain superannuation schemes if the funds are from time to time insufficient to meet the payments that are due and payable under the schemes. The deficiency on the Salaried Officers' and Clerks' (G.S.R.) Superannuation Fund, as shown by the most recent completed actuarial valuation (31st December, 1972), is £2,722,000. As indicated in Note 13, an amount of £147,514 was paid to this fund in 1978 to meet its cash requirements. During the year, the resources of the other funds for which this obligation exists were sufficient to meet their immediate cash requirements.

16. 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, 1977.
- (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 £660,802 (1977 : £513,004) in certain circumstances.
- (e) A provision of £286,145 (1977 : £280,907) for further losses has been made in recognition of the deficiency of Share Holders' Funds in the subsidiary company at 31st December, 1978. No provision has been made for losses which may arise after this date.

17. Interest in Subsidiary Company

	1978 £	1977 £
Great Southern Hotels (NI), Ltd.		
Shares at Cost	850,000	850,000
Less: Premium on Acquisition written off	140,178	140,178
	<hr/> 709,822	<hr/> 709,822
Current Account	1,447,401	1,282,518
	<hr/> 2,157,223	<hr/> 1,992,340
Less: Provision for Loss on Investment	2,157,123	1,992,240
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. These accounts have been prepared under the historical cost convention as modified by the depreciation of certain classes of fixed assets calculated on replacement cost. We 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, under the convention stated above, a true and fair view of the state of affairs of the Board and its Subsidiaries at 31st December, 1978 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.
31st May, 1979.

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			
	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977	1978
	£ thousands						
Costs	54,382	64,740	57,208	95,038	111,505	122,824	139,684
Receipts	45,906	53,074	42,570	67,020	77,940	89,069	101,699
Deficit	8,476	11,666	14,638	28,018	33,565	33,755	37,985
State Grant Received (Footnote)	8,300	10,750	13,950	26,500	31,900	33,200	37,700
Interest and Sinking Fund Provisions – paid or chargeable on Loan Capital	1,876	2,062	1,639	2,597	2,964	3,392	3,456
Interest paid or chargeable on Loan Capital from Exchequer (included in above)	879	1,065	891	1,437	1,571	2,044	2,154
Net value of Assets:							
Fixed	38,659	40,450	42,012	43,123	48,356	46,260	43,817
Current	(1,438)	2,462	83	(668)	(346)	(137)	1,220
Loan Capital (Total) – excluding Interest on Repayable State Advances	34,897	42,223	43,008	42,030	50,149	45,798	46,711
Loan Capital from Exchequer – excluding Interest on Repayable State Advances.	12,883	16,009	16,919	17,446	21,901	23,971	26,021
Reserves	2,324	689	(913)	(1,663)	(4,127)	(2,138)	(3,931)
Average Number of Employees	22,623	22,191	21,894	21,200	19,850	18,605	18,081
	£	£	£	£	£	£	£
Auditors' Fees	6,683	7,050	8,905	9,700	11,000	11,698	13,665
Board Members' Fees	5,236	6,088	7,187	14,134	13,634	15,076	15,784

Note: An additional grant of £582,000 was received in 1973 in respect of three year period ended 31st March, 1972.

Statistics of Working Results

		YEAR ENDED 31st MARCH			YEAR ENDED 31st DECEMBER				
		1973	1974	9 Months ended 31/12/1974	1975	1976	1977	1978	
		£ thousands							
RAILWAY									
Mainline Passenger, Freight and Other Services	Receipts	14,645	16,707	13,617	19,632	22,476	24,611	28,269	
Dublin Suburban Services	Receipts	391	418	483	639	786	993	1,251	
Total		15,036	17,125	14,100	20,271	23,262	25,604	29,520	
		(Deficit)	(7,646)	(9,611)	(10,590)	(20,163)	(24,155)	(27,366)	(30,985)
ROAD PASSENGER									
Dublin City Services	Receipts	11,014	12,972	8,145	16,813	19,541	23,749	27,091	
	(Deficit)	(360)	(967)	(2,943)	(5,035)	(5,997)	(4,782)	(5,195)	
Provincial Services	Receipts	8,477	10,035	8,603	13,618	16,585	19,579	22,615	
	Profit/(Deficit)	319	289	(94)	(847)	(1,175)	(510)	(1,251)	
Tours and Private Hire	Receipts	1,434	1,606	1,502	2,009	2,531	2,822	2,990	
	Profit/(Deficit)	(185)	(433)	(43)	(58)	30	21	33	
Total		20,925	24,613	18,250	32,440	38,657	46,150	52,696	
		(Deficit)	(226)	(1,111)	(3,080)	(5,940)	(7,142)	(6,413)	
ROAD FREIGHT									
	Receipts	6,624	7,400	6,232	9,080	9,765	10,669	11,433	
	Profit/(Deficit)	49	(67)	(204)	(740)	3	7	8	
HOTELS, REFRESHMENT ROOMS, &c.									
	Receipts	2,676	3,118	3,085	4,067	4,910	5,475	6,670	
	Profit/(Deficit)	(379)	(643)	(589)	(451)	(641)	(54)	22	
CANALS AND VESSELS									
	Receipts	126	128	130	165	202	209	240	
	(Deficit)	(197)	(257)	(234)	(468)	(523)	(640)	(724)	
INTERNATIONAL ACTIVITIES									
	Receipts	519	690	773	997	1,144	962	1,140	
	Profit/(Deficit)	(77)	23	59	(2)	175	(23)	558	
TOTAL									
	Receipts	45,906	53,074	42,570	67,020	77,940	89,069	101,699	
	(Deficit)	(8,476)	(11,666)	(14,638)	(27,764)	(32,283)	(33,347)	(37,534)	

Note: The total Net Deficit for 1975, 1976, 1977 and 1978 is before Exceptional Items.

Statistics of Rail Passenger Operations & Receipts

	YEAR ENDED 31st MARCH			YEAR ENDED 31st DECEMBER			
	1973	1974	9 Months ended 31/12/1974	1975	1976	1977	1978
Passenger Journeys	thousands						
Mainline and Other Services	6,063	6,675	5,286	6,648	6,039	6,639	7,159
Dublin Suburban Services	5,799	6,020	6,090	7,243	7,569	8,058	8,746
Total	11,862	12,695	11,376	13,891	13,608	14,697	15,905
Receipts from Passenger Fares	£ thousands						
Mainline and Other Services	5,315	6,917	6,108	9,088	9,961	11,531	13,828
Dublin Suburban Services	391	418	483	639	786	993	1,251
Total (See Note)	5,706	7,335	6,591	9,727	10,747	12,524	15,079
Passenger Miles	thousands						
	524,454	543,755	431,493	558,496	489,513	544,141	600,279
Loaded Train Miles	5,437	5,818	4,287	5,009	4,777	4,899	5,281
Average Receipts	pence						
Pence per Passenger Journey	48.10	57.78	57.94	70.02	78.98	85.22	94.81
Pence per Passenger Mile	1.09	1.35	1.52	1.74	2.20	2.30	2.51

Note: Includes Receipts from Passengers only.

Statistics of Rail Freight Operations & Receipts

	YEAR ENDED 31st MARCH			YEAR ENDED 31st DECEMBER			
	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977	1978
Tons Carried	thousands						
Ale, Beer, Stout	211	223	170	229	208	210	206
Beet and Beet Pulp	327	331	195	271	307	284	260
Cement	1,006	995	693	757	794	729	793
Fertiliser	359	307	190	254	282	307	304
Mineral Ores	630	658	523	640	612	774	1,025
Petrol and Oil	266	273	204	268	261	267	309
General Freight	834	885	739	966	1,014	938	892
Total	3,633	3,672	2,714	3,385	3,478	3,509	3,789
Receipts	£ thousands						
	7,685	8,088	6,087	8,447	9,952	10,285	10,903
Ton Miles	thousands						
	345,222	347,496	276,345	347,471	363,697	364,739	385,466
Laden Train Miles	thousands						
	3,094	3,300	2,411	2,824	2,686	2,750	2,965
Average Wagon Load	tons						
	6.94	7.10	7.34	7.63	8.62	9.38	10.54
Average Receipts	pence						
Per Ton	211.53	220.26	224.28	249.54	286.14	293.08	287.73
Per Ton Mile	2.23	2.33	2.20	2.43	2.74	2.82	2.83
Per Laden Train Mile	243.66	274.54	287.67	335.87	394.45	391.05	367.74

Statistics of Road Passenger Operations & Receipts

	YEAR ENDED 31st MARCH			YEAR ENDED 31st DECEMBER			
	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977	1978
DUBLIN CITY SCHEDULED SERVICES							
	thousands						
Passenger Journeys	209,684	219,675	113,552	215,259	212,419	206,149	199,876
Vehicle Miles	31,921	31,867	17,911	31,535	30,800	29,668	29,332
	£ thousands						
Receipts [See Note (2)]	10,904	12,855	8,086	16,653	19,330	23,433	26,726
Average Receipts							
	pence						
Pence per Passenger Journey	5.20	5.85	7.12	7.74	9.10	11.37	13.37
Pence per Vehicle Mile	34.16	40.34	45.15	52.81	62.76	78.98	91.12
OTHER CITY SCHEDULED SERVICES							
	thousands						
Passenger Journeys	38,334	38,279	28,137	38,395	36,123	32,013	30,745
Vehicle Miles	4,678	4,758	3,551	4,662	4,755	4,423	4,138
	£ thousands						
Receipts	1,716	2,034	1,838	2,779	3,275	3,741	4,014
Average Receipts							
	pence						
Pence per Passenger Journey	4.48	5.31	6.53	7.24	9.07	11.69	13.06
Pence per Vehicle Mile	36.68	42.75	51.76	59.61	68.88	84.59	97.01
LONG DISTANCE SCHEDULED SERVICES							
	thousands						
Passenger Journeys	44,803	46,700	34,393	50,160	50,603	48,851	48,500
Vehicle Miles	26,184	26,245	19,250	27,840	28,083	27,861	27,856
	£ thousands						
Receipts [See Note (1)]	6,199	7,403	6,302	10,050	12,229	14,758	17,239
Average Receipts							
	pence						
Pence per Passenger Journey	13.84	15.85	18.32	20.04	24.17	30.21	35.55
Pence per Vehicle Mile	23.67	28.21	32.74	36.10	43.55	52.97	61.89
TOURS AND PRIVATE HIRE							
	thousands						
Passenger Journeys	3,270	3,645	2,684	3,167	2,574	2,605	2,616
Vehicle Miles	3,601	3,528	2,859	3,003	2,578	2,763	2,713
	£ thousands						
Receipts [See Note (2)]	1,458	1,604	1,483	1,998	2,590	2,901	3,107

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

Statistics of Road Freight Operations & Receipts

	YEAR ENDED 31st MARCH			YEAR ENDED 31st DECEMBER			
	1973	1974	9 Months Ended 31/12/1974	1975	1976	1977	1978
	thousands						
Tons Carried	3,786	4,085	2,752	3,109	3,040	3,066	2,956
Mileage (Board's Motors)	17,959	18,076	12,460	14,563	13,973	12,924	12,761
	£ thousands						
Receipts	6,745	7,468	6,413	9,185	9,935	10,326	10,848
	pence						
Average Receipts per Ton	178.16	182.82	233.03	295.43	326.81	336.74	367.03

Note: 1973 to 1977 includes International Activities

Mileage of Railway Lines

	first track miles	total track miles
Lines owned by Board	1,177 2	1,801 (7)
Other Lines	70 (1)	76 (1)
Total	1,247 1	1,877 (8)

Motive Power

	number	mileage 000
Diesel Locomotives	213 —	9,768 710

Rail Service Vehicles

	number
Ballast Wagons, Tool Vans, etc.	456 5

Rail Passenger Vehicles

	number	seats
Passenger Carriages	357 —	22,772 —
Luggage Vans, etc.	127 (7)	— —
Total	484 (7)	22,772 —

Rail Freight Vehicles

	number	tonnage capacity
Open Wagons	1,898 (26)	22,748 (312)
Covered Wagons	1,567 (243)	19,153 (2,912)
Flat Trucks	1,102 (11)	26,453 1,920
Brake Vans, etc.	881 69	17,542 1,622
Total	5,448 (211)	85,896 318

Rail Freight Containers

Covered Containers	1,570 (3)	21,062 (60)
Lancashire Flats	333 —	4,527 —
Other Containers	340 (4)	4,831 (80)
Total	2,243 (7)	30,420 (140)

Figures in colour represent changes on figures for year ended 31st December, 1977. Reductions are shown ().

Statistics of Road Assets

Road Passenger Vehicles

		number	seats
Dublin City Services	Double-Deck Buses	827 (15)	61,938 (1,106)
	Single-Deck Buses	77 3	3,385 129
Other Services	Double-Deck Buses	136 —	10,204 8
	Single-Deck Buses	1,322 7	59,935 442
	Mini Buses	82 4	1,148 54
	Touring Coaches	77 (6)	3,398 (264)
	Miscellaneous	4 —	— —
	Total	2,525 (7)	140,008 (737)
Service Vehicles			
	Total	402 (13)	

Road Freight Vehicles

	number
Power Units	
Lorries	238 2
Tractors	377 (21)
Vans, etc.	80 8
Total	695 (11)
Trailers	
Articulated	628 (23)
Others	34 (23)
Total	662 (46)
Containers	
Covered	139 (12)
Flats	89 5
Total	228 (7)

Figures in colour represent changes on figures for year ended 31st December, 1977.
Reductions are shown ().

