



BUS ÁTHA CLIATH – DUBLIN BUS · TUARASCÁIL AGUS RÁITEAS AIRGEADAIS

DO'N TRÉIMHSE 20ú Eanáir go 31ú Nollag 1987.

**REPORT &
FINANCIAL STATEMENT**

PERIOD – 20th JANUARY TO 31st DECEMBER, 1987.

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DIRECTORS AND OTHER INFORMATION

DIRECTORS

MR. G.T.P. CONLON, CHAIRMAN

MR. J. HYNES, MANAGING DIRECTOR

MR. J. BROWNE, EXECUTIVE DIRECTOR

MR. S. HARRINGTON

MR. M. FAHERTY

MR. T. FLYNN



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SECRETARY AND REGISTERED OFFICE

MR. C. O'NUALLAIN

59 Upper O'Connell Street, Dublin 1. Tel: 720000 Telex: 33933 Fax: 731195

AUDITORS

Craig Gardner & Co., Chartered Accountants, Gardner House, Wilton Place, Dublin 2.

R E P O R T O F T H E D I R E C T O R S
FOR THE PERIOD 2nd FEBRUARY, 1987 TO 31st DECEMBER, 1987

The Directors submit their first report together with the financial statements for the period from the date of Incorporation, 20 January, 1987 to 31 December, 1987.

FORMATION

The Company was incorporated on 20th January, 1987 and commenced trading on 2nd February, 1987. It is a wholly owned subsidiary of C oras Iompair  ireann.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Company's principal activity is the provision of an omnibus passenger transport service for Dublin city and county and contiguous areas. Following the formation of the Company, Bus  atha Cliath continued to provide the services previously provided by Dublin City Services. In December 1987 the Company announced a detailed rationalisation programme to be negotiated with the Unions to ensure the continued viability of the Company.

OPERATING RESULT AND RESERVES

	IR�000
Deficit for the Period	(406)
Transfer to Asset Replacement Reserve	<u>(3,322)</u>
Accumulated deficit at end of the Period	<u><u>(3,728)</u></u>

EVENTS SINCE THE PERIOD END

The Company, since the end of the Period has embarked on a programme of rationalisation including the acceleration of the introduction of One Person Operation.

Payments of IR 0.5m have been made up to the date of approval of the Financial Statements and further payments as yet undetermined are expected to be made.



DIRECTORS

On Incorporation of the Company the following directors were appointed by the Chairman of Córas Iompair Éireann with the consent of the Minister for Communications as follows:-

Mr. G.T.P. Conlon CHAIRMAN

Mr. J. Hynes MANAGING DIRECTOR

Mr. J. Browne EXECUTIVE DIRECTOR

Mr. S. Harrington

Mr. M. Faherty

Mr. B. Byrne

Mr. B. Byrne resigned from the Board on 31st December, 1987 and Mr. T. Flynn was appointed on 26th April, 1988.

AUDITORS

The Auditors Craig Gardner & Co Chartered Accountants have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act 1963.



G.T.P CONLON – CHAIRMAN

J. HYNES – MANAGING DIRECTOR

27th June, 1988.

REPORT OF THE AUDITORS

To the Members of Bus Átha Cliath – Dublin Bus.

We have audited the financial statements on pages 6 to 17 in accordance with approved Auditing Standards and have obtained all information and explanations we considered necessary.

In our opinion, the Company has kept proper books of Account and these statements, which are in agreement therewith, give a true and fair view of the state of affairs at 31st December 1987 and of the deficit and source and application of funds for the period from 20th January 1987 to 31st December, 1987 and give the information required by the Companies Acts, 1963 to 1986.

In our opinion the information given in the report of the directors on pages 3 and 4 is consistent with the financial statements.

The Companies (Amendment) Act, 1983 requires the convening of an extraordinary general meeting where the net assets are half or less than half of the amount of the called up share capital. In our opinion the balance sheet shows that such a financial situation did not exist at 31st December, 1987 and, accordingly, the convening of an extraordinary general meeting is not required.



CRAIG GARDNER & CO.,
Chartered Accountants.

Gardner House,
Wilton Place, Dublin 2.
27th June 1988.

PRINCIPAL ACCOUNTING POLICIES

a: Basis of Accounting:

The Financial Statements are prepared under the historical cost convention. The financial statements are expressed in Irish Pounds denoted by the symbol IR£.

b: Turnover:

Turnover comprises the gross value of services provided and state grants receivable in accordance with EC Regulations.

c: Tangible Assets and Depreciation:

Tangible Assets are stated at net book amount which represents the historical cost of these assets less accumulated depreciation based on that historical cost.

The basis of calculation of depreciation are as follows:

ROAD PASSENGER VEHICLES:

Road Passenger Vehicles are depreciated on the basis of the historical cost of under-age vehicles in the fleet spread over expected useful life. In addition the excess of depreciation based on replacement cost (at the beginning of the Period) over historical cost depreciation is shown separately as a transfer to reserves from the profit and loss account.

PLANT AND MACHINERY:

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

d: Stocks of Stores:

Stocks of Stores are valued at average cost less provision for all defective and obsolete stocks.

Provision is made for the write-off of all stocks which have not moved for over four years with the exception of stocks associated with recently acquired assets.



e: Foreign Currency:

Transactions denominated in foreign currency are translated into Irish Pounds at the rate ruling at date of transaction, or at contract rates where the amounts payable or receivable are covered by forward contracts.

Realised exchange gains or losses on transactions settled during the Period are treated as part of the Profit or Deficit for the Period. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date.

f: Leased Assets:

Leased Assets and the obligation to pay future rentals are not capitalised in the Balance Sheet. Rentals payable on all leases are charged to the Profit and Loss Account as they accrue.

g: Non-Repayable State Grants:

Non-Repayable State Grants under EEC Regulation Number 1107/70 (Article 3.2) are included in turnover.



PROFIT AND LOSS ACCOUNT

PERIOD 20th JANUARY, 1987, TO 31st DECEMBER, 1987

	NOTES	IR£000
Turnover		
CUSTOMER RECEIPTS		66,644
MISCELLANEOUS RECEIPTS		411
STATE GRANTS	2	<u>15,590</u>
Total Turnover		82,645
OPERATING COSTS	3	<u>81,539</u>
Profit before Interest and Exceptional Item		1,106
INTEREST PAYABLE	4	<u>460</u>
Profit before Exceptional Item		646
EXCEPTIONAL ITEM	5	<u>1,052</u>
Deficit for the Period		(406)
Transfer to Reserves	13	<u>(3,322)</u>
Accumulative Deficit at end of the Period		<u>(3,728)</u>



G.T.P. CONLON – CHAIRMAN
J. HYNES – MANAGING DIRECTOR

27th June, 1988

BALANCE SHEET

AS AT 31st DECEMBER, 1987

	NOTES	IR£000
Fixed Assets		
TANGIBLE ASSETS	6	<u>33,005</u>
Current Assets		
STOCKS OF STORES	7	3,176
DEBTORS	8	10,740
CASH AT BANK AND IN HAND		<u>502</u>
		14,418
Creditors (AMOUNTS FALLING DUE WITHIN ONE YEAR)	9	<u>13,410</u>
Net Current Assets		<u>1,008</u>
Total Assets Less Current Liabilities		<u><u>34,013</u></u>
Financed by:		
Creditors (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)	10	6,109
Provisions for Liabilities and Charges	11	<u>3,310</u>
		9,419
Capital and Reserves		
CALLED UP SHARE CAPITAL	12	25,000
ASSET REPLACEMENT RESERVE	13	3,322
PROFIT AND LOSS ACCOUNT		<u>(3,728)</u>
		24,594
		<u><u>34,013</u></u>



G.T.P. CONLON – CHAIRMAN
J. HYNES – MANAGING DIRECTOR

27th June, 1988

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

PERIOD 20th JANUARY, 1987 TO 31st DECEMBER, 1987

Source	IR£000
DEFICIT FOR PERIOD	(406)
ADJUSTMENT FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS	
DEPRECIATION	3,197
WRITE OFF OF FIXED ASSETS	<u>204</u>
Funds Generated by Operations	2,995
Funds from Other Sources:	
ISSUE OF SHARE CAPITAL	25,000*
LOAN FROM CÓRAS IOMPAIR ÉIREANN	<u>6,109*</u>
	<u>34,104</u>
 Application	
NET ASSETS TRANSFERRED FROM CÓRAS IOMPAIR ÉIREANN	31,109*
CAPITAL EXPENDITURE	<u>607</u>
	<u>31,716</u>
Net Increase in Working Capital	<u>2,388</u>
 BEING:	
INCREASE IN STOCKS OF STORES	1,466
INCREASE IN DEBTORS	9,160
(INCREASE) IN CREDITORS AND PROVISIONS	<u>(8,507)</u>
	2,119
INCREASE IN NET SHORT TERM BORROWINGS	<u>269</u>
	<u>2,388</u>

*These amounts arose on transfer of the business from Córas Iompair Éireann – see Note 1.

G.T.P. CONLON – CHAIRMAN
J. HYNES – MANAGING DIRECTOR

27th June, 1988



NOTES
TO THE FINANCIAL STATEMENTS

1. FORMATION OF COMPANY

Bus Átha Cliath – Dublin Bus was incorporated on 20th January, 1987 under the provisions of the Companies Act 1963-1986 and in accordance with Section 6 of the Transport (Re-organisation of Córas Iompair Éireann) Act 1986 as a wholly owned subsidiary of Córas Iompair Éireann, a statutory body formed under the provisions of the Transport Act, 1950. Net Assets as follows were transferred to the Company from Córas Iompair Éireann on 2nd February, 1987 on which date Bus Átha Cliath – Dublin Bus commenced trading:-

	IR£000
TANGIBLE FIXED ASSETS	35,799
STOCKS OF STORES	1,710
DEBTORS	1,580
CREDITORS	<u>(7,980)</u>
	<u>31,109</u>
Represented by:	
SHARE CAPITAL	25,000
LOAN FROM CÓRAS IOMPAIR ÉIREANN	<u>6,109</u>
	<u>31,109</u>

As these are the first Financial Statements of the Company no comparatives are presented.

2. STATE GRANTS

State Grants payable to the Company via the Holding Company, Córas Iompair Éireann, are in accordance with EC Regulations governing state aid to transport undertakings. EC Regulation No. 1170/70 is availed of to make a grant towards losses on city bus services.

Under this Regulation a State Grant of IR£15,590,000 was made to Bus Átha Cliath – Dublin Bus for the Period from 2nd February, 1987 to 31st December, 1987.



3.	OPERATING COSTS	
	Staff Costs	IR£000
	WAGES AND SALARIES	42,336
	SOCIAL WELFARE COSTS	4,431
	OTHER PENSION COSTS	2,179
	Total Staff Costs	<u>48,946</u>
	Materials and Services	
	FUEL AND LUBRICANTS	4,037
	MATERIALS	9,903
	ROAD TAX AND LICENCES	216
	RATES	92
	AUDITORS REMUNERATION	21
	OTHER SERVICES	15,036
		<u>29,305</u>
	Directors Remuneration Emoluments	
	– FOR SERVICES AS DIRECTORS	1
	– FOR OTHER SERVICES	90
		<u>91</u>
	Depreciation	<u>3,197</u>
	Total Operating Costs	<u><u>81,539</u></u>
		NO.
	THE AVERAGE NUMBER OF PERSONS EMPLOYED DURING THE PERIOD WAS	<u>3,800</u>
4.	INTEREST PAYABLE	IR£000
	ON OVERDRAFT	36
	ON LOAN FROM CÓRAS IOMPAIR ÉIREANN	424
		<u>460</u>
5.	EXCEPTIONAL ITEMS	IR£000
	STAFF COMPENSATION – VOLUNTARY SEVERANCE PAYMENTS INCLUDING IMPLEMENTATION OF ONE PERSON OPERATION	<u>1,052</u>



6. TANGIBLE ASSETS

	ROAD PASSENGER VEHICLES	PLANT MACHINERY & EQUIPMENT	TOTAL
	IR£000	IR£000	IR£000
Cost			
TRANSFERRED FROM HOLDING COMPANY AT 2ND FEBRUARY, 1987	51,058	3,440	54,498
ADDITIONS	265	342	607
COST OF SCRAPPED EQUIPMENT	<u>(401)</u>	<u>(42)</u>	<u>(443)</u>
At 31st December, 1987	<u>50,922</u>	<u>3,740</u>	<u>54,662</u>
Depreciation			
TRANSFERRED FROM HOLDING COMPANY AT 2ND FEBRUARY, 1987	17,489	1,210	18,699
CHARGE FOR THE PERIOD	2,877	320	3,197
RELATING TO SCRAPPED EQUIPMENT	<u>(197)</u>	<u>(42)</u>	<u>(239)</u>
At 31st DECEMBER, 1987	<u>20,169</u>	<u>1,488</u>	<u>21,657</u>
Net Book Amounts			
31st DECEMBER, 1987	<u>30,753</u>	<u>2,252</u>	<u>33,005</u>



The expected useful lives by which depreciation has been calculated are as follows:

Road Passenger Vehicles	16 years
Plant and Machinery	10 years

7. STOCKS OF STORES

	IR£000
MAINTENANCE MATERIALS AND SPARE PARTS	2,999
FUEL, LUBRICANTS AND OTHER SUNDRY STOCKS	<u>177</u>
	<u>3,176</u>

These amounts include parts and components necessarily held to meet long term operational requirements.

The replacement value of stocks of Stores is not materially different from their book value.

8. DEBTORS	IR£000
TRADE DEBTORS	2,776
AMOUNTS OWED BY HOLDING AND FELLOW SUBSIDIARY COMPANIES	7,354
OTHER DEBTORS AND ACCRUED INCOME	610
	<u>10,740</u>

All amounts included above are due within one year.

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)	IR£000
BANK OVERDRAFT	233
TRADE CREDITORS	2,467
AMOUNTS OWED TO FELLOW SUBSIDIARY COMPANY	1,630
INCOME TAX DEDUCTED UNDER P.A.Y.E.	1,524
PAY RELATED SOCIAL INSURANCE	1,243
OTHER CREDITORS	1,191
ACCRUALS AND DEFERRED INCOME	5,122
	<u>13,410</u>
CREDITORS FOR TAXATION AND SOCIAL WELFARE INCLUDED ABOVE	<u>2,767</u>

10. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)	
Repayable within 5 years:	IR£000
AMOUNTS OWED TO HOLDING COMPANY:	
PAYABLE WITHIN ONE YEAR	-
PAYABLE BETWEEN TWO AND FIVE YEARS	6,109
	<u>6,109</u>



11. PROVISION FOR LIABILITIES AND CHARGES

INSURANCE CLAIMS

	IR£000
BALANCE AT THE BEGINNING OF PERIOD TRANSFERRED FROM HOLDING COMPANY AT 2ND FEBRUARY, 1987	2,754
UTILISED DURING THE PERIOD	(1,253)
TRANSFER FROM PROFIT & LOSS ACCOUNT	<u>1,809</u>
BALANCE AT 31ST DECEMBER, 1987	<u><u>3,310</u></u>

The Holding Company, C oras Iompair  ireann holds external insurance to cover:

- (i) third party liability in excess of IR£3,000,000 and up to IR£35,000,000 on any one accident.
- (ii) fire damage involving the Board's property in excess of IR£200,000 in any one accident.
- (iii) third Party liability in excess of IR£500,000 and up to IR£30,500,000 on any one Premises accident.

Any losses not covered by external insurance are charged to profit and loss and unsettled amounts are included in the provision for liabilities and charges.



12. SHARE CAPITAL

	IR£000
AUTHORISED ORDINARY SHARES OF IR£1 EACH	<u>30,000</u>
ALLOTTED AND FULLY PAID ORDINARY SHARES OF IR£1 EACH	<u>25,000</u>

The shares allotted were issued in exchange for net assets transferred from C oras Iompair  ireann on 2nd February, 1987.

13. ASSET REPLACEMENT RESERVE

	IR£000
TRANSFER FROM PROFIT & LOSS ACCOUNT	<u>3,322</u>

This reserve represents the excess of depreciation based on replacement cost over that based on historical cost.

14. LEASE TRANSACTIONS

(a) The Company had commitments under finance leases as set out below:-

	IR£000
PAYABLE WITHIN 1 YEAR	1,435
PAYABLE YEARS 2 TO 5	6,008
PAYABLE THEREAFTER	<u>1,902</u>

The lease amounts include unrealised gains of IR£1,413,000 on translation at Balance Sheet date of lease commitments denominated in foreign currencies. The gains are released to Profit and Loss as they are realised on payment of the lease rentals.

(b) The Company had commitments under operating leases as set out below:-

	IR£000
PAYABLE WITHIN 1 YEAR	37
PAYABLE BETWEEN 2 AND 5 YEARS	<u>97</u>
	<u>134</u>

15. PENSIONS

The Board of Córas Iompair Éireann operates defined benefit pension schemes for the established employees of itself and its Subsidiary Companies, including Bus Átha Cliath-Dublin Bus. Contributions by its subsidiaries and the employees are invested in separately administrated pension funds. In the case of the Regular Wages Pension Schemes and the CIE Superannuation Scheme 1951, annual contributions are based on the advice of a professionally qualified actuary obtained from time to time as appropriate. The annual contributions to the Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme, which is now closed, are based on unchanged rates of contribution. The contributions are charged to the Profit and Loss Account on an accrual basis.

The latest actuarial reports show:

- in respect of the Regular Wages Pension Schemes a small surplus at 31st December, 1986, on the basis of the assumptions contained in the report, over the amount required to meet expected future liabilities.
- in respect of CIE Superannuation Scheme 1951, a small surplus at 31st December, 1986, on the basis of the assumptions contained in the report, over the amount required to meet expected future liabilities.

No actuarial report was prepared in respect of the Salaried Officers' and Clerks' (GSR) Superannuation Scheme.

The actuarial reports in respect of Clerical, Executive and Supervisory Staff Schemes are available for inspection by the Committees established for each of these Schemes. The Committees include members' representatives.

Córas Iompair Éireann is legally obliged to ensure that cash is available to 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 shortfall in the cash resources of the Salaried Officers' and Clerks' (GSR) Superannuation Scheme in the Period amounted to IR£118,000. During the Period the resources of the other funds, for which this obligation exists, were sufficient to meet the immediate cash requirements.



16. CAPITAL COMMITMENTS

IR£000

AUTHORISED BY THE DIRECTORS BUT NOT
CONTRACTED FOR

400

17. POST BALANCE SHEET EVENTS

The Company since the end of the Period has embarked on a programme of rationalisation including the acceleration of the introduction of One Person Operation.

Payments of IR£0.5m have been made up to the date of approval of the Financial Statements and further payments as yet undetermined are expected to be made.

18. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the Financial Statements on Monday, 27th June, 1988.



VALUE ADDED STATEMENT

PERIOD 20th JANUARY, 1987 TO 31st DECEMBER, 1987

	IR£000
Value Added Generated	
TURNOVER (INCLUDING STATE GRANTS OF IR£15.590m)	82,645
LESS: COST OF MATERIALS AND SERVICES UTILISED INCLUDING VAT NOT RECOVERABLE	(29,305)
EXCEPTIONAL ITEM	(1,052)
	<u>52,288</u>
Application of Value Added	
NET COMPENSATION OF EMPLOYEES WITH PENSION COSTS	32,681
TO GOVERNMENT	
- PAYROLL TAXES	16,356
TO PROVIDERS OF CAPITAL	
- FINANCING INTEREST	460
PROVISION FOR FUTURE INVESTMENT	
- DEPRECIATION	3,197
DEFICIT FOR PERIOD	(406)
	<u>52,288</u>



J. D. M. Y.

M. Grace

G. T. P. Conlon

B. P. Dowling

