

**BUS ÉIREANN - IRISH BUS**  
**TUARASCÁIL BHLIANTÚIL AGUS RÁITIS**  
**AIRGEADAIS**

**DO'N BLIAN GO 31ú NOLLAG 1989**





# CONTENTS

	PAGE
DIRECTORS AND OTHER INFORMATION	2
REPORT OF THE DIRECTORS	3-4
REPORT OF THE AUDITORS	5
ACCOUNTING POLICIES	6-7
PROFIT AND LOSS ACCOUNT	8
BALANCE SHEET	9
STATEMENT OF SOURCE AND APPLICATION OF FUNDS	10
NOTES TO THE FINANCIAL STATEMENTS	11-21
VALUE ADDED STATEMENT	22

## **DIRECTORS AND OTHER INFORMATION**

### **DIRECTORS**

Mr. G. T. P. Conlon (Chairman)  
Mr. N. Kennedy (Managing Director)  
Mr. J. Daly  
Mr. S. Feely  
Mr. J. Harrington  
Mr. T. Tobin

### **SECRETARY AND REGISTERED OFFICE**

Mr. R. O'Farrell,  
Broadstone, Dublin 7.  
Tel: (01) 302222  
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### **AUDITORS**

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

# REPORT OF THE DIRECTORS

For the Year Ended 31st December, 1989

The Directors submit their third report, together with the audited financial statements of the company for the year ended 31st December, 1989.

## 1. PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Company's principal activity is the provision of a national network of bus services, other than city buses in the Greater Dublin area. The Company also operates School Transport Services throughout the country on behalf of the Department of Education.

The principal features of a successful year were revenue growth, a reduction in net staff costs in real terms and an improvement of IR£311,000 in the deficit before Exceptional Items and State Grant. The payment for the Public Service Obligation of IR£4,900,000 (1988: IR£2,700,000) represents progress towards reimbursement of the cost of providing such services.

An innovative and aggressive marketing approach combined with new routes and an expanded timetable for Expressway Services contributed to a 22.3% increase in passenger journeys for this activity. Passenger support for City and Rural Services, which have a large social content, has stabilised. Economies in operation were mainly responsible for the containment of net staff costs at 1988 levels. The operational economies were partly offset by provisions for accident claims. The rate of increase in the frequency and cost of such claims is a serious cause for concern. The results for the year were again adversely affected by an underpayment for School Transport Services. The costs incurred, but not recouped, in providing School Transport Services to the required standard and quality, amounted to IR£1,240,000. As a result of a similar deduction amounting to IR£1,471,000 in 1988, the aggregate underpayments on the School Transport Account included in the accumulated deficit at 31st December, 1989, were IR£2,711,000.

# REPORT OF THE DIRECTORS

(Continued)

## 2. RESULT AND RESERVES

The financial statements for the year-ended 31st December, 1989, are set out in detail on pages 8 to 22. A summary of the results is as follows:-

	1989 IR£000
Surplus for the Year after State Grant	179
Transfer to Reserve	(147)
<b>Decrease in Accumulated Deficit for the year</b>	<b>32</b>

## 3. WORKER PARTICIPATION (State Enterprises) ACT, 1988

Bus Eireann - Irish Bus is among the State Enterprises covered by the sub-board participation provisions of the Worker Participation (State Enterprises) Act, 1988.

Negotiations with the Trade Unions to introduce sub-board participation arrangements, which were initiated during 1989, are continuing.

## 4. DIRECTORS

The Directors of the Company are appointed by the Chairman of Coras Iompair Eireann with the consent of the Minister for Tourism and Transport. The names of persons who were directors at any time during the year ended 31st December, 1989, are set out below. Except where indicated they served as directors for the entire year.

Mr. G. T. P. Conlon (Chairman)

Mr. N. Kennedy (Managing Director)

Mr. J. Daly

Mr. J. McLoughlin (Retired 30th November, 1989)

Mr. S. O'Connor

Mr. T. Tobin (Re-appointed on 1st December, 1989)

Mr. S. Feely (Appointed as from 1st December, 1989)

On 28th January, 1990, Mr. S. O'Connor retired and Mr. J. Harrington was appointed. Mr. Conlon, Mr. Kennedy and Mr. Daly were re-appointed on that date.

## 5. 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

N. KENNEDY – Managing Director

26th June, 1990.



## **TO THE MEMBERS OF BUS EIREANN - IRISH BUS.**

We have audited the financial statements on pages 6 to 21 in accordance with auditing standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1989, and of its surplus and source and application of funds for the year then ended, and give, in the requisite manner, the information required by the Companies Acts, 1963 to 1986.

The net assets of the Company, as stated in the balance sheet on page 9, are more than half of the amount of its called-up share capital and, in our opinion, on that basis, there did not exist at 31st December, 1989, a financial situation which, under Section 40(1) of the Companies (Amendment) Act 1983, would require the convening of an extraordinary general meeting of the company.

In our opinion, the information given in the Director's Report on pages 3 and 4 is consistent with the financial statements.

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

Craig Gardner & Co.,  
Chartered Accountants,  
Gardner House,  
Wilton Place,  
Dublin 2.  
26th June, 1990.

# PRINCIPAL ACCOUNTING POLICIES

## a. BASIS OF ACCOUNTING

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

## b. 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 bases of calculation of depreciation are as follows:-

### (i) Road Passenger Vehicles:

Road Passenger Vehicles, with the exception of school buses funded by the Department of Education, are depreciated on the basis of the historical cost of under-age vehicles in the fleet spread over their expected useful life. In addition, the excess of depreciation based on replacement cost (at the beginning of the year) over historical cost depreciation is shown separately as a transfer to Asset Replacement Reserve from the Profit and Loss Account.

School buses which were funded by the Department of Education are also depreciated on the basis of the historical cost of under-age vehicles in the fleet spread over their expected useful life.

### (ii) Plant and Machinery:

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

## c. 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.

## d. DEPARTMENT OF EDUCATION - FUNDING OF SCHOOL BUSES

Prior to 1986 the acquisition of school buses was funded by the Department of Education. These buses, insofar as they are still in use, remain in the fixed assets of Bus Éireann - Irish Bus and are depreciated as described in the "Tangible Assets and Depreciation" Policy with a corresponding amortisation of the money received from the Department of Education.

## e. FOREIGN CURRENCY

Transactions denominated in foreign currency are translated into Irish Pounds at the rate ruling at the date of the 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 year are treated as part of the Surplus or Deficit for the year from ordinary activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date.



# PRINCIPAL ACCOUNTING POLICIES

(Continued)

## f. LEASED ASSETS

### (i) Finance Leases

Assets held under finance leases are accounted for in accordance with SSAP21 (Accounting for Leases and Hire Purchase Contracts). The capital cost of such assets is included in tangible fixed assets and depreciated over the shorter of the lease term or the estimated useful life of the asset. The capital element of the outstanding lease obligations is included within creditors. Financial charges are charged to the profit and loss account over the primary period of the lease.

### (ii) Operating Leases

Rental payments under operating leases are charged to the profit and loss account as they accrue.

# PROFIT AND LOSS ACCOUNT

Year ended 31st December

	Notes	1989 IR£000	1988 IR£000
<b>REVENUE</b>			
Customer Receipts		73,615	72,050
Miscellaneous Receipts		<u>288</u>	<u>147</u>
<b>TOTAL REVENUE</b>		<u><b>73,903</b></u>	<u><b>72,197</b></u>
<b>COSTS</b>			
Operating Costs	2	(76,457)	(75,372)
Interest Payable	3	<u>(1,448)</u>	<u>(1,138)</u>
		<u><b>(77,905)</b></u>	<u><b>(76,510)</b></u>
<b>DEFICIT BEFORE EXCEPTIONAL ITEMS AND STATE GRANT</b>		<u><b>(4,002)</b></u>	<u><b>(4,313)</b></u>
<b>EXCEPTIONAL ITEMS</b>	4	<u>(719)</u>	<u>(2,380)</u>
<b>DEFICIT FOR THE YEAR BEFORE STATE GRANT</b>		<u><b>(4,721)</b></u>	<u><b>(6,693)</b></u>
<b>STATE GRANT</b>	5	<u>4,900</u>	<u>2,700</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER STATE GRANT</b>		<u><b>179</b></u>	<u><b>(3,993)</b></u>
<b>TRANSFER TO RESERVE*</b>	13	<u>(147)</u>	<u>(328)</u>
<b>DECREASE/(INCREASE) IN DEFICIT DURING THE YEAR</b>		<u><b>32</b></u>	<u><b>(4,321)</b></u>
<b>ACCUMULATED DEFICIT AT BEGINNING OF THE YEAR</b>		<u><b>(9,936)</b></u>	<u><b>(5,615)</b></u>
<b>ACCUMULATED DEFICIT AT END OF THE YEAR</b>		<u><u><b>(9,904)</b></u></u>	<u><u><b>(9,936)</b></u></u>

(\*Movements in the Asset Replacement Reserve are shown in Note 13.)

G. T. P. CONLON – Chairman  
 N. KENNEDY – Managing Director  
 26th June, 1990.

# BALANCE SHEET

		<b>As at 31st December</b>	
		<b>1989</b>	1988
		<b>IR£000</b>	IR£000
<b>FIXED ASSETS</b>			
Tangible Assets	6	<u>35,326</u>	<u>36,060</u>
<b>CURRENT ASSETS</b>			
Stocks of Stores	7	5,112	5,758
Debtors	8	6,694	7,702
Cash at Bank and in Hand		61	61
		<u>11,867</u>	<u>13,521</u>
<b>CREDITORS</b>			
(Amounts falling due within one year)	9	<u>14,909</u>	<u>17,510</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,042)</u>	<u>(3,989)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>32,284</u>	<u>32,071</u>
<b>FINANCED BY:</b>			
<b>CREDITORS</b>			
(Amounts falling due after more than one year)	10	12,345	12,537
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	4,641	4,319
		<u>16,986</u>	<u>16,856</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	12	23,000	23,000
Asset Replacement Reserve	13	2,016	1,869
Profit and Loss Account		<u>(9,904)</u>	<u>(9,936)</u>
		<u>15,112</u>	<u>14,933</u>
<b>DEPARTMENT OF EDUCATION</b>			
Funding of School Buses	14	186	282
		<u>32,284</u>	<u>32,071</u>

G. T. P. CONLON – Chairman  
 N. KENNEDY – Managing Director  
 26th June, 1990.

# STATEMENT OF SOURCE AND APPLICATION OF FUNDS

**Year ended 31st December**

<b>SOURCE/(APPLICATION)</b>	<b>1989</b>	<b>1988</b>
	<b>IR£000</b>	<b>IR£000</b>
Deficit before State Grant and Exceptional Items	(4,002)	(4,313)
Add: Exceptional Items	<u>(719)</u>	<u>(2,380)</u>
	<b>(4,721)</b>	<b>(6,693)</b>
State Grant	<b>4,900</b>	2,700
Adjustment for items not involving the movement of funds:		
Depreciation of Tangible Assets	<b>3,299</b>	3,001
Net Funds Generated/(Absorbed) by Operations	<b>3,478</b>	(992)
Disposal of Tangible Assets	<b>368</b>	903
Capital Expenditure	<u>(3,029)</u>	<u>(2,864)</u>
<b>NET INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<u><b>817</b></u>	<u><b>(2,953)</b></u>
being:		
(Decrease) in Stocks of Stores	<b>(646)</b>	(36)
(Decrease)/Increase in Debtors	<b>(1,008)</b>	1,364
Decrease/(Increase) in Creditors and Provisions	<b>2,725</b>	<u>(4,408)</u>
	<b>1,071</b>	<u>(3,080)</u>
(Increase)/Decrease in Net Short-Term Borrowings	<u><b>(254)</b></u>	<u>127</u>
	<u><b>817</b></u>	<u><b>(2,953)</b></u>

G. T. P. CONLON – Chairman  
 N. KENNEDY – Managing Director  
 26th June, 1990.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. STATUS OF THE COMPANY

Bus Eireann - Irish Bus was incorporated on 20th January, 1987, under the provisions of the Companies Acts, 1963-1986, and in accordance with Section 6 of the Transport (Re-organisation of Coras Iompair Eireann) Act, 1986, as a wholly owned subsidiary of Coras Iompair Eireann, a statutory body formed under the provisions of the Transport Act, 1950.

In accordance with Section 7(3) of the Transport (Re-organisation of Coras Iompair Eireann) Act 1986, Bus Eireann - Irish Bus is exempt from the requirement of the Companies Act, 1963, to include the word "Limited" in its title.

## 2. OPERATING COSTS

	1989 IR£000	1988 IR£000
<b>STAFF COSTS</b>		
Wages and Salaries	31,330	31,040
Social Welfare Costs	2,801	2,886
Other Pension Costs	2,244	2,403
	<u>36,375</u>	<u>36,329</u>
Own Work Capitalised and Engineering Work for Group Companies	(1,312)	(1,395)
<b>NET STAFF COSTS</b>	<u>35,063</u>	<u>34,934</u>
<b>MATERIALS AND SERVICES</b>		
Third Party and Employer's Liabilities (excluding Exceptional Items)	4,553	2,857
Fuel and Lubricants	3,223	3,478
School Contractors' Charges	14,936	15,173
Road Tax and Licences	181	200
Operating Lease Charges	918	938
Rates	327	320
Auditors' Remuneration	32	30
Materials and Other Services	13,941	14,384
	<u>38,111</u>	<u>37,380</u>
<b>DIRECTORS' REMUNERATION</b>		
<b>EMOLUMENTS:</b>		
- for services as Directors	1	1
- for other services	63	56
	<u>64</u>	<u>57</u>
<b>DEPRECIATION</b>	<u>3,219</u>	<u>3,001</u>
<b>TOTAL OPERATING COSTS</b>	<u>76,457</u>	<u>75,372</u>



# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The average number of persons employed was as follows:-

## STAFF NUMBERS

	1989	1988
Full-time	1,871	1,940
Part-time School Bus Drivers	707	730
	<u>2,578</u>	<u>2,670</u>

### 3. INTEREST PAYABLE

	1989	1988
	IR£000	IR£000
On loan from Holding Company	<u>1,448</u>	<u>1,138</u>

### 4. EXCEPTIONAL ITEMS

	1989	1988
	IR£000	IR£000
Voluntary Severance	282	1,180
Provision for Exceptional Insurance Claim	437	1,200
	<u>719</u>	<u>2,380</u>

### 5. STATE GRANT

The State Grant payable to the Company via the Holding Company, Coras Iompair Éireann, is in accordance with E.C. Regulations Governing State aid to transport undertakings. E.C. Regulation 1107/70 is availed of to make a grant in respect of losses on road passenger services.

Under this Regulation, a State Grant was made to Bus Éireann - Irish Bus as follows:-

	1989	1988
	IR£000	IR£000
State Grant on Operation of City Services	2,210	2,171
State Grant on Operation of Other Services	2,690	529
	<u>4,900</u>	<u>2,700</u>

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 6. TANGIBLE ASSETS

	Road Passenger Vehicles IR£000	Plant and Machinery IR£000	Total IR£000
<b>COST</b>			
At 1st January, 1989	54,075	1,630	55,705
Additions	2,926	103	3,029
Disposals	(1,213)	(129)	(1,342)
At 31st December, 1989	<u>55,788</u>	<u>1,604</u>	<u>57,392</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1st January, 1989	18,649	996	19,645
Charge for Year	3,232	163	3,395
Disposals	(845)	(129)	(974)
At 31st December, 1989	<u>21,036</u>	<u>1,030</u>	<u>22,066</u>
<b>NET BOOK AMOUNTS</b>			
At 31st December, 1989	<u>34,752</u>	<u>574</u>	<u>35,326</u>
At 31st December, 1988	<u>35,426</u>	<u>634</u>	<u>36,060</u>

(a) The depreciation charge shown for Road Passenger Vehicles includes IR£96,000 (1988: IR£138,000) depreciation on school buses. The amount is wholly offset by the amortisation of moneys received from the Department of Education (See Note 14).

(b) The depreciation charge shown for Road Passenger vehicles also includes an amount of IR£80,000 which has been recharged to a fellow subsidiary company.

(c) The expected useful lives used for the various types of assets for depreciation purposes are as follows:-

Road Passenger Vehicles	5, 8, 10 and 16 years
Plant and Machinery	10 Years

(d) Road Passenger vehicles at a cost of IR£6,053,000 (1988: IR£5,912,000) were fully depreciated but still in use at the Balance Sheet date.

(e) Included in tangible assets are amounts as stated below in respect of road passenger vehicles which are held under finance leases, but which remain in the legal ownership of the lessors:

	1989 IR£000	1988 IR£000
<b>Road Passenger Vehicles:</b>		
Cost	552	552
Accumulated Depreciation	309	265
Net Book Value at 31st December	<u>243</u>	<u>287</u>
Depreciation for Year	<u>44</u>	<u>42</u>

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 7. STOCKS OF STORES

	1989	1988
	IR£000	IR£000
Maintenance Materials and Spare Parts	4,143	4,981
Fuel, Lubricants and Other Sundry Stocks	969	777
	<u>5,112</u>	<u>5,758</u>

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

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

## 8. DEBTORS

	1989	1988
	IR£000	IR£000
Trade Debtors	4,470	4,536
Amounts owed by Holding and Fellow Subsidiary Companies	1,435	2,285
Other Debtors and Accrued Income	789	881
	<u>6,694</u>	<u>7,702</u>

All amounts included above fall due within one year.

## 9. CREDITORS

(Amounts falling due within one year)

	1989	1988
	IR£000	IR£000
Bank Overdrafts	1,640	1,386
Trade Creditors	1,571	1,425
Amounts owed to Holding and Fellow Subsidiary Companies	100	3,239
Loan from Holding Company	1,221	793
Finance Lease Obligations (Note 15)	45	43
Income Tax deducted under P.A.Y.E.	560	511
Pay Related Social Insurance	449	374
Value Added Tax	—	2
Other Creditors	627	532
Accruals and Deferred Income	4,490	5,192
Third Party Claims	4,206	4,013
	<u>14,909</u>	<u>17,510</u>
Creditors for Taxation and Social Welfare included above	<u>1,009</u>	<u>887</u>

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 10. CREDITORS

(Amounts falling due after more than one year)

	1989 IR£000	1988 IR£000
<b>(a)</b> Loans repayable to Holding Company as follows:		
Between two and five years	8,373	10,408
After five years	<u>3,795</u>	<u>1,906</u>
	<u>12,168</u>	<u>12,314</u>
<b>(b)</b> Commitments under Finance Leases:		
(Note 15)		
Payable between two and five years	177	195
After five years	<u>—</u>	<u>28</u>
	<u>177</u>	<u>223</u>
<b>Total amounts falling due after more than one year</b>	<u>12,345</u>	<u>12,537</u>

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 11. PROVISIONS FOR LIABILITIES AND CHARGES

	1989 IR£000	1988 IR£000
<b>Third Party and Employer's Liabilities:</b>		
Balance at 1st January	8,332	5,699
Utilised during the Year	(4,475)	(2,385)
Transfer from Profit and Loss Account	4,990	4,057
Transfer from Group Insurance Equalisation Account	—	961
Balance at 31st December	<u>8,847</u>	<u>8,332</u>
Less: Transfer to current liabilities	<u>4,206</u>	<u>4,013</u>
	<u>4,641</u>	<u>4,319</u>

The provision for third party claims has been arrived at through consideration of each individual claim. The amount thus arrived at equates to an actuarial approximation of the cost of settling outstanding claims, taking account of the average claims settlement period of 29 months and discounted at 6.1% per annum.

Coras Iompair Éireann, on behalf of the Company, with effect from 11/5/1990 increased its existing insurance to cover:-

- (i) Third party liability in excess of IR£1,000,000 and up to IR£61,000,000 on any one occurrence or series of occurrences arising out of any one road transport event, except in the case of actions taken for road claims subject to United States jurisdiction, where the excess is \$3,000,000.
- (ii) Third party liability in excess of IR£50,000 and up to IR£60,050,000 on any one occurrence or series of occurrences arising out of All Other Risks Events, except in the case of actions taken for all other risks claims subject to United States jurisdiction where the excess is \$100,000.
- (iii) In addition, Bus Éireann - Irish Bus is covered for road transport third party liabilities in excess of a self insured retention of IR£3,000,000, in the aggregate in a twelve month period.
- (iv) Fire and Special Perils, including storm damage, to the Board's property, in excess of IR£200,000 any one loss.

Any losses not covered by external insurance are charged to profit and loss and unsettled amounts are included in Provisions for Liabilities and Charges.



# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 12. SHARE CAPITAL

	1989 IR£000	1988 IR£000
<b>Authorised:</b>		
Ordinary Shares of IR£1 each	<u>32,000</u>	<u>32,000</u>
<b>Allotted and Fully Paid:</b>		
Ordinary Shares of IR£1 each	<u>23,000</u>	<u>23,000</u>

## 13. ASSET REPLACEMENT RESERVE

	1989 IR£000	1988 IR£000
Balance at 1st January	1,869	1,541
Transferred from Profit and Loss Account	147	328
<b>Balance at 31st December</b>	<u>2,016</u>	<u>1,869</u>

The Asset Replacement Reserve represents the excess of depreciation based on replacement cost over that based on historical cost.

## 14. DEPARTMENT OF EDUCATION - FUNDING OF SCHOOL BUSES

	1989 IR£000	1988 IR£000
Balance at 1st January	282	420
Released to Profit and Loss Account	(96)	(138)
<b>Balance at 31st December</b>	<u>186</u>	<u>282</u>

## 15. LEASE OBLIGATIONS

### A. Finance Leases

Net obligations under finance leases fall due as follows:-

	1989 IR£000	1988 IR£000
Within one year	45	43
Between two and five years	177	195
After five years	—	28
	<u>222</u>	<u>266</u>

All the 1989 figures relate to leases under the terms of which the final instalments fall due less than five years after balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## B. Operating Leases

The Company had commitments under operating leases as follows:-

	1989	1988
	IR£000	IR£000
Within one year:	633	825
Between two and five years:	478	899
	<u>1,111</u>	<u>1,724</u>

The lease amounts include unrealised profits of IR£59,000 (1988: unrealised losses of IR£71,000) on translation at Balance Sheet date of lease commitments denominated in foreign currencies. The losses are charged to profit and loss as they are incurred on payment of the lease rentals.

### Expiry Analysis of Operating Lease Commitments payable within one year:-

	1989	1988
	IR£000	IR£000
Within one year	370	—
Between two and five years	263	825
After five years	—	—
	<u>633</u>	<u>825</u>

## 16 . PENSIONS

The Board of Coras Iompair Éireann operates defined benefit pension schemes for the established employees of itself and its Subsidiary Companies, including Bus Éireann. Contributions by the Board, the Companies and their employees are invested in separately administered pension funds. In the case of the Regular Wages Pension Schemes and the C.I.E. Superannuation Scheme 1951, annual contributions are based on the advice of an independent professionally qualified actuary, obtained from time to time as appropriate. The annual contributions to the Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme and the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme 1977 (both schemes are closed) are based on unchanged rates of contribution. The contributions are charged to the Profit and Loss Account on an accrual basis.

The Pension cost for the year was IR£2,244,000 (1988: IR£2,403,000). The latest actuarial reports show:

- in respect of the Regular Wages Pension Schemes, a surplus at 31st December, 1987, on the basis of the assumptions contained in the draft report, over the amount required to meet expected future liabilities.

- in respect of C.I.E. Superannuation Scheme 1951, a 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 C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme 1977, a deficiency of IR£4,531,000 at 31st December, 1987, on the basis of the assumptions contained in the report.

No actuarial report was prepared in respect of the Salaried Officers' and Clerks' (G.S.R.) 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.

The Coras Iompair Éireann Spouses' and Children's Superannuation Scheme 1989 was established on 1st August, 1989, under an Order signed by the Minister for Tourism and Transport. The purpose of the Scheme is to provide pensions for the spouses and children of deceased members of the Scheme.

The Board of Coras 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 1989 was IR£294,000 (1988: IR£281,000) in the cash resources of the Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme. During the year, the resources of the other funds for which this obligation exists, were sufficient to meet the immediate cash requirements. Ex gratia pensions are met out of the company's own resources and are taken into account in the year in which they arise.

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 17. CAPITAL COMMITMENTS

	1989	1988
	IR£000	IR£000
Contracted for	1,955	2,519
Authorised by the Directors but not contracted for	—	—
	<u>1,955</u>	<u>2,519</u>

## 18. NET (DEFICIT)/SURPLUS BY SECTOR

The net deficit for the year after the Transfer to Reserves is split between City Services and Other Services as follows:

### (a) City Services

	1989	1988
	IR£000	IR£000
<b>Revenue</b>		
Customer Receipts	9,488	9,386
Miscellaneous Receipts	3	3
<b>Total Revenue</b>	<u>9,491</u>	<u>9,389</u>
<b>Expenditure</b>		
Maintenance of Buildings	168	143
Maintenance of Vehicles and Equipment	2,428	2,390
Fuel	391	429
Road Tax and Licences	26	27
Operating and Other Expenses	7,804	8,379
Operating Depreciation*	743	726
<b>Total Expenditure excluding Financial Charges</b>	<u>11,560</u>	<u>12,094</u>
Operating Deficit before Financial Charges and State Grant	(2,069)	(2,705)
Financial Charges	(347)	(296)
Deficit before State Grant	(2,416)	(3,001)
State Grant	2,210	2,171
<b>Deficit for the year after State Grant</b>	<u>(206)</u>	<u>(830)</u>



# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

(b) **Other Services**

	1989	1988
	IR£000	IR£000
<b>Revenue</b>		
Customer Receipts	64,127	62,664
Miscellaneous Receipts	285	144
<b>Total Revenue</b>	<u>64,412</u>	<u>62,808</u>
<b>Expenditure</b>		
Maintenance of Buildings	492	515
Maintenance of Vehicles and Equipment	14,599	14,848
Fuel	2,832	3,049
Road Tax and Licences	155	173
Operating and Other Expenses	45,184	44,840
Operating Depreciation*	2,501	2,561
<b>Total Expenditure excluding Financial Charges</b>	<u>65,763</u>	<u>65,986</u>
Operating Deficit before Financial Charges and State Grant	(1,351)	(3,178)
Financial Charges	(1,101)	(842)
Deficit before State Grant	(2,452)	(4,020)
State Grant	2,690	529
<b>Surplus/(Deficit) for the Year after State Grant</b>	<u>238</u>	<u>(3,491)</u>

\*Operating Depreciation includes the amount transferred to the Asset Replacement Reserve but excludes depreciation on Engineering Plant and Machinery, which is included under Maintenance of Vehicles and Equipment.

**19. MEMBERSHIP OF C.I.E. GROUP**

Bus Eireann is a member of the C.I.E. Group of Companies and the financial statements reflect the effect of group membership.

**20. APPROVAL OF FINANCIAL STATEMENTS**

The Directors approved the financial statements on 26th June, 1990.



# VALUE ADDED STATEMENT

Year ended 31st December

	1989	1988
	IR£000	IR£000
<b>VALUE ADDED GENERATED</b>		
Revenue	73,903	72,197
Add: State Grant	4,900	2,700
Add: Own Work Capitalised and Engineering Work for Group Companies	1,312	1,395
	<u>80,115</u>	<u>76,292</u>
Less: Cost of Materials and Services Utilised	(38,111)	(37,380)
Exceptional Items	(719)	(2,380)
	<u>(38,830)</u>	<u>(39,760)</u>
<b>VALUE ADDED</b>	<u>41,285</u>	<u>36,532</u>
<b>APPLICATION OF VALUE ADDED</b>		
Net Compensation of Employees with pension costs	25,754	24,986
To Government – Payroll Taxes	10,685	11,400
To Providers of Capital - Holding Company	1,448	1,138
Provision for Future Investment - Depreciation	3,219	3,001
Surplus/(Deficit) for the Year	179	(3,993)
	<u>41,285</u>	<u>36,532</u>







