



**BUS ÉIREANN • IRISH BUS
TUARASCÁIL BHLIANTÚIL AGUS RÁITIS
AIRGEADAIS
DON BHLIAIN GO 31Ú NOLLAIG 1990**

ANNUAL REPORT 1990

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	11-19
Value Added Statement	20



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

SECRETARY AND REGISTERED OFFICE

Mr. R. O'Farrell,
Broadstone,
Dublin 7.
Tel: (01) 302222
Télex: 33779
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AUDITORS

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



For the year ended 31st December, 1990

The Directors submit their fourth report, together with the audited financial statements of the company for the year ended 31st December, 1990.

1. PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

During the year the Company continued to provide a national network of bus services, other than city buses in the Greater Dublin area, and to operate School Transport Services throughout the country on behalf of the Department of Education.

Since its formation the Company has vigorously pursued a policy of promoting a quality service with particular emphasis on satisfying the customers' needs. The public's approval of this approach is evidenced by the higher level of activity experienced throughout the national network of bus services during 1989 and again in 1990. Passenger journeys increased by 3% in total and included a 9% increase on Expressway services during 1990. As a fares increase was only implemented in late December 1990 and with no carryover effect to take account of from 1989, the revenue increase in 1990 directly reflects the increase in volumes. Excluding the School Transport Contract, revenue in 1990 increased by 8% with the principal feature being a 26% increase in Expressway services revenue.

The scope for further rationalisation of services and administration has diminished considerably following implementation of large cost reduction measures in earlier years. Cost increases arising out of implementation of the terms of the Programme for National Recovery and as a result of fuel, materials and services price inflation, were in excess of the margin earned from incremental revenue. Expressway profitability increased as buoyant demand more than compensated for higher operating costs. Progress in reducing the deficit on provincial city and rural services was reversed. A fares increase, the first since January, 1988 which was implemented on provincial city and rural services on 17th December, 1990, had no appreciable effect on the results for the year. The state subvention towards the cost of social services reduced by £80,000.

For the third consecutive year there has been an underpayment by the Department of Education in respect of costs incurred on their behalf in carrying out the Schools Transport Contract. The shortfall in 1990 amounted £963,000. Aggregate underpayments now total £3,674,000 and comprise 36% of the accumulated deficit at the year end. Clearly the underpayments and the cost of funding them, apart from being a severe strain on the financial resources of the Company, are adversely affecting the Company's efforts to operate profitably, eliminate the accumulated deficit and reduce borrowings.



2. RESULT AND RESERVES

The financial statements for the year-ended 31st December, 1990, are set out in detail on pages 6 to 20. A summary of the results is as follows:-

	1990
	IR£000
Deficit for the year after State Grant	(237)
Transfer to Reserve	(118)
Increase in Accumulated Deficit for the year	(355)

3. EMPLOYEES

It is the policy of the Company to ensure the health and welfare of employees by maintaining safe places and systems of work. This policy is based on the requirements of employment legislation, including the Safety, Health and Welfare at Work Act, 1989. The Company is among the State enterprises covered by the sub-board participation provisions of the Worker Participation (State Enterprises) Act, 1988. A proposal, which is designed to give effect to the provisions of the Act is under consideration by a joint Management/Trade Union Working Party.

The Company is an equal opportunities employer. The C.I.E. Group's policy and procedures in relation to recruitment, training and promotion have been adopted and are pursued by the Company.

4. DIRECTORS

The directors of the Company are appointed by the Chairman of Córas Iompair Éireann with the consent of the Minister for Tourism, Transport and Communications. The names of persons who were directors at any time during the year ended 31st December, 1990, 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. S. Feely
 Mr. J. Harrington (appointed on 20th January, 1990)
 Mr. S. O'Connor (retired on 20th January, 1990)
 Mr. T. Tobin

Mr. T. Tobin resigned on 6th April, 1991

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
24th April 1991.

N. Kennedy,
Managing Director



To the Members of Bus Éireann - Irish Bus.

We have audited the financial statements on pages 6 to 19 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, 1990, and of its deficit 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, 1990, 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 Report of the Directors 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.**

24th April 1991.

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 over their expected useful lives on the basis of their historical cost. 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.



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 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	1990	1989
		IR£000	IR£000
Revenue			
Customer Receipts		77,335	73,615
Miscellaneous Receipts		255	288
Total Revenue		77,590	73,903
Costs			
Operating Costs	2	(80,244)	(76,457)
Interest Payable	3	(1,702)	(1,448)
		(81,946)	(77,905)
Deficit Before Exceptional Items and State Grant		(4,356)	(4,002)
Exceptional Items	4	(701)	(719)
Deficit for the year before State Grant		(5,057)	(4,721)
State Grant	5	4,820	4,900
(Deficit)/Surplus for year after State Grant		(237)	179
Transfer to Reserves*	13	(118)	(147)
(Increase)/Decrease in deficit during the year		(355)	32
Accumulated Deficit at Beginning of Year		(9,904)	(9,936)
Accumulated Deficit at End of Year		(10,259)	(9,904)

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

G.T.P. Conlon,
Chairman
24th April 1991.

N. Kennedy,
Managing Director



BALANCE SHEET

		As at	
		31st December	
	Notes	1990	1989
		IR£000	IR£000
Fixed Assets			
Tangible Assets	6	<u>35,639</u>	<u>35,326</u>
Current Assets			
Stocks of Stores	7	4,086	5,112
Debtors	8	5,947	6,694
Cash at Bank and in Hand		65	61
		<u>10,098</u>	<u>11,867</u>
Creditors (Amounts falling due within one year)	9	<u>14,509</u>	14,909
Net Current Liabilities		<u>(4,411)</u>	<u>(3,042)</u>
Total Assets Less Current Liabilities		<u>31,228</u>	<u>32,284</u>
Financed by:			
Creditors (Amounts falling due after more than one year)	10	10,481	12,345
Provisions for Liabilities and Charges	11	5,719	4,641
		<u>16,200</u>	<u>16,986</u>
Capital and Reserves			
Called up Share Capital	12	23,000	23,000
Asset Replacement Reserve	13	2,134	2,016
Profit and Loss Account		(10,259)	(9,904)
		<u>14,875</u>	<u>15,112</u>
Department of Education			
Funding of School Buses	14	153	186
		<u>31,228</u>	<u>32,284</u>

G.T.P. Conlon,
Chairman
24th April 1991.

N. Kennedy,
Managing Director



STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE/(APPLICATION)	Year ended	
	31st December	
	1990	1989
	IR£000	IR£000
Deficit before and Exceptional Items and State Grant	(4,356)	(4,002)
Add: Exceptional Items	(701)	(719)
Deficit before State Grant	(5,057)	(4,721)
State Grant	4,820	4,900
	(237)	179
Adjustment for items not involving the movement of funds:		
Depreciation of Tangible Assets	3,477	3,299
Net Funds Generated by Operations	3,240	3,478
Disposal of Tangible Assets	34	368
Capital Expenditure	(3,857)	(3,029)
Net (Decrease)/Increase in Working Capital	(583)	817
Being:		
(Decrease) in Stocks of Stores	(1,026)	(646)
(Decrease) in Debtors	(747)	(1,008)
Decrease in Creditors and Provisions	448	2,725
	(1,325)	1,071
Decrease/(Increase) in Net Short-Term Borrowings	742	(254)
	(583)	817

G.T.P. Conlon,
Chairman
24th April 1991.

N. Kennedy,
Managing Director



NOTES TO THE FINANCIAL STATEMENTS

1. STATUS OF THE COMPANY

Bus Éireann - Irish Bus is incorporated under the provisions of the Companies Acts, 1963-1986, and in accordance with Section 6 of the Transport (Re-organisation of Córas Iompair Éireann) Act, 1986, is a wholly owned subsidiary of Córas Iompair Éireann, a statutory body formed under the provisions of the Transport Act, 1950.

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

2. OPERATING COSTS

	1990 IR£000	1989 IR£000
Staff Costs		
Wages & Salaries	32,736	31,330
Social Welfare Costs	2,951	2,801
Other Pension Costs	2,424	2,244
	<u>38,111</u>	<u>36,375</u>
Own Work Capitalised and Engineering Work for Group Companies	(1,211)	(1,312)
Net Staff Costs	<u>36,900</u>	<u>35,063</u>
Materials and Services		
Third Party and Employer's Liabilities (excluding Exceptional Items)	4,262	4,553
Fuel & Lubricants	4,082	3,223
School Contractors ' Charges	15,262	14,936
Road Tax and Licences	188	181
Operating Lease Charges	909	918
Rates	280	327
Auditors' Remuneration	32	32
Materials and Other Services	14,777	13,941
	<u>39,792</u>	<u>38,111</u>
Directors' Remuneration		
Emoluments:		
- for services as Directors	1	1
- for other services	74	63
	<u>75</u>	<u>64</u>
Depreciation	<u>3,477</u>	<u>3,219</u>
Total Operating Costs	<u>80,244</u>	<u>76,457</u>



NOTES TO THE FINANCIAL STATEMENTS

Number Employed

The average number of persons employed was as follows:-

	Staff Numbers	
	1990	1989
Full-time	1,851	1,871
Part-time School Bus Drivers	689	707
	<u>2,540</u>	<u>2,578</u>

3. INTEREST PAYABLE

On loan from Holding Company
On Finance Leases

	1990	1989
	IR€000	IR€000
On loan from Holding Company	1,686	1,426
On Finance Leases	16	22
	<u>1,702</u>	<u>1,448</u>

4. EXCEPTIONAL ITEMS

Voluntary Severance
Provision for Exceptional Insurance Claim

	1990	1989
	IR€000	IR€000
Voluntary Severance	537	282
Provision for Exceptional Insurance Claim	164	437
	<u>701</u>	<u>719</u>

5. STATE GRANTS

The State Grant payable to the Company via the Holding Company, C oras Iompair  ireann, 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  ireann - Irish Bus as follows:-

	1990	1989
	IR€000	IR€000
State Grant on Operation of City Services	2,110	2,210
State Grant on Operation of Other Services	2,710	2,690
	<u>4,820</u>	<u>4,900</u>



NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE ASSETS

	Road Passenger Vehicles	Plant and Machinery	Total
	IR£000	IR£000	IR£000
Cost			
At 1st January, 1990	55,788	1,604	57,392
Additions	3,644	213	3,857
Disposals	(581)	-	(581)
At 31st December, 1990	58,851	1,817	60,668
Accumulated Depreciation			
At 1st January, 1990	21,036	1,030	22,066
Charge for Year	3,352	158	3,510
Disposals	(547)	-	(547)
At 31st December, 1990	23,841	1,188	25,029
Net Book Amounts			
At 31st December, 1990	35,010	629	35,639
At 31st December, 1989	34,752	574	35,326

(a) The depreciation charge shown for Road Passenger Vehicles includes IR£33,000 (1989: IR£96,000) 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 expected useful lives used for the various types of assets for depreciation purposes are as follows:-

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

(c) Road passenger vehicles at a cost of IR£5,661,000 (1989: IR£6,053,000) were fully depreciated but still in use at the Balance Sheet date.

(d) 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:

	1990	1989
	IR£000	IR£000
Road Passenger Vehicles:		
Cost	1,788	552
Accumulated Depreciation	409	309
Net Book Value at 31st December	1,379	243
Depreciation for Year	100	44



NOTES TO THE FINANCIAL STATEMENTS

7. STOCKS OF STORES

	1990	1989
	IR£000	IR£000
Maintenance Materials and Spare Parts	3,274	4,143
Fuel, Lubricants and Other Sundry Stocks	812	969
	4,086	5,112

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

	1990	1989
	IR£000	IR£000
Trade Debtors	4,396	4,470
Amounts owed by Holding and Fellow Subsidiary Companies	639	1,435
Other Debtors and Accrued Income	912	789
	5,947	6,694

All amounts included above fall due within one year.

9. CREDITORS (Amounts falling due within one year)

	1990	1989
	IR£000	IR£000
Bank Overdrafts	902	1,640
Trade Creditors	1,640	1,571
Amounts owed to Holding and Fellow Subsidiary Companies	43	100
Loan from Holding Company	2,955	1,221
Finance Lease Obligations (Note 15)	130	45
Income Tax deducted under P.A.Y.E.	551	560
Pay Related Social Insurance	469	449
Other Creditors	563	627
Accruals and Deferred Income	4,010	4,490
Third Party Claims (Note 11)	3,246	4,206
	14,509	14,909
Creditors for Taxation and Social Welfare included above	1,020	1,009



NOTES TO THE FINANCIAL STATEMENTS

10. CREDITORS (Amounts falling due after more than one year)

	1990	1989
	IR£000	IR£000
(a) Loans repayable to Holding Company as follows:		
Between one and two years	3,848	1,061
Between two and five years	2,583	7,312
After five years	4,003	3,795
	<u>10,434</u>	<u>12,168</u>
(b) Commitments under Finance Leases: (Note 15)		
Between one and two years	22	47
Between two and five years	25	130
	<u>47</u>	<u>177</u>
Total amounts falling due after more than one year	<u>10,481</u>	<u>12,345</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

Third Party and Employer's Liabilities:

	1990	1989
	IR£000	IR£000
Balance at 1st January	8,847	8,332
Utilised during the Year	(4,203)	(4,475)
Transfer from Profit and Loss Account	4,321	4,990
Balance at 31st December	<u>8,965</u>	<u>8,847</u>
Less: Transfer to Current Liabilities	<u>3,246</u>	<u>4,206</u>
	<u>5,719</u>	<u>4,641</u>

The provision for third party claims has been arrived at through consideration of each individual claim. The amount thus arrived at approximates to an actuarial estimate of the cost of settling outstanding third party claims, taking account of the average claims settlement period of 29 months and discounted at 6% per annum.

Córas Iompair Éireann holds, on behalf of the Company, external 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 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 the profit and loss account and unsettled amounts are included in Provisions for Liabilities and Charges.



NOTES TO THE FINANCIAL STATEMENTS

12. SHARE CAPITAL

	1990	1989
	IR£000	IR£000
Authorised:		
Ordinary Shares of IR£1 each	<u>32,000</u>	<u>32,000</u>

Allotted and Fully Paid:

Ordinary Shares of IR£1 each	<u>23,000</u>	<u>23,000</u>
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13. ASSET REPLACEMENT RESERVE

	1990	1989
	IR£000	IR£000
Balance at 1st January	2,016	1,869
Transferred from Profit and Loss Account	118	147
Balance at 31st December	<u>2,134</u>	<u>2,016</u>

The Asset Replacement Reserve represents the excess of depreciation based on replacement cost over that based on historical cost (see Accounting Policy B).

14. DEPARTMENT OF EDUCATION - FUNDING OF SCHOOL BUSES

	1990	1989
	IR£000	IR£000
Balance at 1st January	186	282
Released to Profit and Loss Account	(33)	(96)
Balance at 31st December	<u>153</u>	<u>186</u>



NOTES TO THE FINANCIAL STATEMENTS

15. LEASE OBLIGATIONS

A. Finance Leases

Net obligations under finance leases fall due as follows:-

	1990	1989
	IR£000	IR£000
Within one year	130	45
Between one and two years	22	47
Between two and five years	25	130
	<u>177</u>	<u>222</u>

All the 1990 figures relate to leases under the terms of which the final instalments fall due less than five years after balance sheet date.

B. Operating Leases

The Company had commitments under operating leases as follows:-

	1990	1989
	IR£000	IR£000
Within one year	248	633
Between one and two years	65	263
Between two and five years	34	215
	<u>347</u>	<u>1,111</u>

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

Within one year	183	370
Between one and two years	34	145
Between two and five years	31	118
	<u>248</u>	<u>633</u>

16 . PENSIONS

The Board of Córas Iompair Éireann operates defined benefit pension schemes for the established employees of itself and its Subsidiary Companies, including Bus Eireann. Contributions by the Holding Company, its subsidiaries 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£2,424,000 (1989: IR£2,244,000). 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.



NOTES TO THE FINANCIAL STATEMENTS

- 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.

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

The Board of 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 1990 was IR£293,000 (1989: IR£294,000) 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.

	1990	1989
	IR£000	IR£000
17. CAPITAL COMMITMENTS		
Contracted for	2,875	1,955

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	1990	1989
Revenue	IR£000	IR£000
Customer Receipts	9,885	9,488
Miscellaneous Receipts	3	3
Total Revenue	9,888	9,491
Expenditure		
Maintenance of Buildings	177	168
Maintenance of Vehicles and Equipment	2,563	2,428
Fuel	528	391
Road Tax and Licences	29	26
Operating and Other Expenses	7,989	7,804
Operating Depreciation*	870	743
Total Expenditure excluding Financial Charges	12,156	11,560
Operating Deficit before Financial Charges and State Grant	(2,268)	(2,069)
Financial Charges	(397)	(347)
Deficit before State Grant	(2,665)	(2,416)
State Grant	2,110	2,210
Deficit for year after State Grant	(555)	(206)



NOTES TO THE FINANCIAL STATEMENTS

	1990	1989
	IR£000	IR£000
(b) Other Services		
Revenue		
Customer Receipts	67,450	64,127
Miscellaneous Receipts	252	285
Total Revenue	<u>67,702</u>	<u>64,412</u>
Expenditure		
Maintenance of Buildings	559	492
Maintenance of Vehicles and Equipment	15,130	14,599
Fuel	3,554	2,832
Road Tax and Licences	159	155
Operating and Other Expenses	46,840	45,184
Operating Depreciation*	2,665	2,501
Total Expenditure excluding Financial Charges	<u>68,907</u>	<u>65,763</u>
Operating Deficit before Financial Charges and State Grant	(1,205)	(1,351)
Financial Charges	(1,305)	(1,101)
Deficit before State Grant	(2,510)	(2,452)
State Grant	2,710	2,690
Surplus for year after State Grant	<u>200</u>	<u>238</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 Éireann 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 24th April, 1991.



VALUE ADDED STATEMENT

	Year ended 31st December	
	1990	1989
	IR£000	IR£000
Value Added Generated		
Revenue	77,590	73,903
Add: State Grant	4,820	4,900
Add: Own Work Capitalised and Engineering Work for Group Companies	1,211	1,312
	83,621	80,115
Less: Cost of Materials and Services Utilised, Net of V.A.T. absorbed	(37,453)	(35,886)
Exceptional Items	(701)	(719)
	(38,154)	(36,605)
Value Added	45,467	43,510
Application of Value Added		
Net Compensation of Employees plus pension costs	27,151	25,754
To Government - Payroll Taxes	11,035	10,685
V.A.T. on Materials and Services Utilised	2,339	2,225
To Providers of Capital - Holding Company	1,702	1,448
Provision for Future Investment - depreciation	3,477	3,219
(Deficit)/Surplus for Year	(237)	179
	45,467	43,510



