



IARNRÓD ÉIREANN

Tuarascáil Bhliantúil agus Ráitis Airgeadais



CIE

1992



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DIRECTORS

Mr. G.T.P. Conlon, Chairman

Mr. C.D. Waters, Managing Director

Mr. S. Feely

Mr. J.J. Harrington

Mr. J. McCullough

Mr. A.J. O'Brien

SECRETARY AND REGISTERED OFFICE

Mr. J.A. Watters,
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Dublin 1.
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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, 1992

The Directors submit their report together with the audited financial statements for the year ended 31st December, 1992.

1. PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The company continued to provide rail passenger and rail and road freight services at a satisfactory level during 1992. During the year an order was placed for the delivery of 10 new locomotives which will ensure the reliability and punctuality of InterCity services between Dublin and the major provincial cities and towns. The upgrading of the Dublin/Belfast line, with the support of EC funding, which commenced during the year includes track and bridge renewals and a new signalling system.

Suburban rail services in the Dublin area were satisfactorily provided by the DART and outer suburban network. An order was placed for 17 new diesel railcars which are due to be delivered in 1994. These railcars will enhance suburban and local services.

The company's freight services, including bulk and unit load, performed very well during the year. The relaunch of the domestic groupage service under the brand name 'Railink' will revive its presence in the highly competitive freight market. A programme to provide improved container handling facilities in Dublin, Cork, Limerick, Sligo and Dundalk has commenced with the assistance of funds from the EC Operational Programme for Peripherality. During the year the board approved an investment programme to re-equip the road freight fleet.

Catering Services continued to operate at a profitable level. High quality service was maintained in 'Restaurant na Mara' in Dun Laoghaire and in the 'Footplate' restaurant in Heuston Station. A new company, Dubel Limited, a wholly owned subsidiary of Iarnród Éireann, based in Belfast, was established to provide catering services for Northern Ireland Railways.

Major development works continued during the year in Rosslare Harbour. The completion of these works will ensure Rosslare Harbour's primary position for British and Continental European ferry services.

2. RESULT AND RESERVES

The financial statements for the year ended 31st December, 1992 are set out in detail on pages 6 to 26 and a summary of results is as follows:-

	1992
	IR£000
Surplus for the year after State Grants	4,637
Transfer to Asset Replacement Reserve	<u>(3,626)</u>
Increase in Accumulated Surplus for Year	<u>1,011</u>

3. WORKERS PARTICIPATION (STATE ENTERPRISES) ACT, 1988

The company is awaiting a response from the trade unions on proposals for a participation scheme drawn up by a joint management / trade unions working party. In the meantime an interim participation scheme is in operation.



4. HEALTH AND SAFETY

Formal structures for the implementation and monitoring of workplace safety standards are being developed by each department within the context of the International Safety Rating System. This system was introduced into the company in September 1991 and the company achieved Level One status of the system in early 1993. Employees have been encouraged to select safety representatives (as established under the Safety, Health and Welfare at Work Act, 1989) to represent them in matters affecting their safety, health and welfare while at work. So far 87 representatives have been selected.

5. EQUAL OPPORTUNITIES IN STATE SPONSORED BODIES

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.

6. TOTAL QUALITY

During 1992, the 'Journey to Quality' initiative was commenced under the guidance of the Quality Department. Quality Awareness Seminars and training courses in Quality Techniques were conducted for all grades of staff and some 1,500 persons have attended the various activities to date. Staff reaction has been very positive and a number of Quality Improvement Teams have been established and are working on projects aimed at improving customer satisfaction. The Quality Department also administered the Iarnród Éireann Station Prize Scheme and the Anglo Irish Best Station Scheme.

7. DIRECTORS

The Directors of the company are appointed by the Chairman of Córas Iompair Éireann with the consent of the Minister for Transport, Energy and Communications. The names of the persons who were Directors at any time during the year ended 31st December, 1992 are set out below. They served as Directors for the entire year.

Mr. G.T.P. Conlon, Chairman	Mr. S. Feely	Mr. J. Daly
Mr. C.D. Waters, Managing Director	Mr. J. McCullough	Mr. A.J. O'Brien

The term of office of Directors Mr. G.T.P. Conlon, Mr J. Daly and Mr. J. McCullough expired on 27th January, 1993. Mr. G.T.P. Conlon was reappointed to the board and as Chairman, Mr J. McCullough was also reappointed and Mr. J.J. Harrington was appointed to the board, all with effect from 28th January, 1993.

8. AUDITORS

Craig Gardner and 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.

C.D. Waters, Managing Director.

29th April, 1993.

Report of the Auditors

To the members of Iarnród Éireann - Irish Rail

We have audited the financial statements on pages 6 to 26 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the company's affairs at 31st December, 1992 and of its surplus and cash flow for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 1990.

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, 1992, 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 consider 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 and
Registered Auditor,
Dublin.**

29th April, 1993.



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£. Dubel Limited, a wholly owned subsidiary, is treated as a branch of Iarnród Éireann - Irish Rail for accounting purposes.

B. TANGIBLE ASSETS, DEPRECIATION AND PROVISION FOR RENEWALS:

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

The bases of calculation of depreciation and provision for renewals are as follows:-

(I) RAILWAY LINES AND WORKS

Railway lines and works are not depreciated. The cost of renewals necessary to maintain the running lines is charged to the profit and loss account in the year in which it is incurred.

(II) RAILWAY ROLLING STOCK

Locomotives and railcars (other than those fully depreciated or acquired at no cost) are depreciated, by equal annual instalments, on the basis of their historical cost spread over their expected useful life.

Coaching stock and wagons are also depreciated, by equal annual instalments, on the basis of historical cost spread over expected useful life. In addition, the excess of depreciation based on replacement cost (at the beginning of the year) of rolling stock required to replace the existing fleet, over the historical cost depreciation, is shown as a transfer to reserve from the profit and loss account.

(III) ROAD FREIGHT VEHICLES

These assets are depreciated on the basis of historical cost spread over expected useful life using the sum of the digits method.

(IV) DOCKS, HARBOURS AND WHARVES; PLANT AND MACHINERY; CATERING SERVICES EQUIPMENT

The above classes of assets are depreciated, by equal annual instalments, on the basis of historical cost spread over expected useful life.

C. LEASED ASSETS:

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

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.

Principal Accounting Policies

E. EUROPEAN COMMUNITY GRANTS:

European Community (EC) Grants which relate to capital expenditure on specific projects are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated. EC Grants in respect of revenue expenditure are credited to deferred income as they become receivable and released to the relevant expenditure account in that year.

F. 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.

G. NON-REPAYABLE STATE GRANTS:

Non-Repayable State Grants dealt with in the profit and loss account represent amounts actually received during the year under Votes of Dáil Éireann.

H. PENSIONS:

Pension schemes are funded by the Board, its subsidiaries and employees over the members' period of service by way of contributions to separately administered pension funds. The Group's annual contributions are set by independent actuaries. The company's contributions are charged to the profit and loss account in the period to which they relate. Ex gratia pensions are met out of the company's own resources and are taken into account in the year in which they arise.



Profit and Loss Account

		Year ended 31st December	
		1992	1991
		IR£000	IR£000
	Notes		
Revenue			
Customer Receipts		111,764	109,011
Miscellaneous		2,505	2,454
Total Revenue	2	<u>114,269</u>	<u>111,465</u>
Costs			
Operating Costs	3	(180,256)	(172,170)
Interest Payable	4	(17,056)	(17,838)
		<u>(197,312)</u>	<u>(190,008)</u>
Deficit before Exceptional			
Items and State Grants		(83,043)	(78,543)
Exceptional Items	5	<u>(2,750)</u>	<u>(2,751)</u>
Deficit for Year before State Grants		(85,793)	(81,294)
State Grants	6	<u>90,430</u>	<u>85,477</u>
Surplus for the Year after State Grants		4,637	4,183
Transfer to Asset Replacement Reserve	18	<u>(3,626)</u>	<u>(3,113)</u>
Increase in Surplus during the Year	7	<u>1,011</u>	<u>1,070</u>
Accumulated Surplus at Beginning of Year		<u>7,442</u>	<u>6,372</u>
Accumulated Surplus at End of Year		<u>8,453</u>	<u>7,442</u>

G.T.P. Conlon, Chairman.

C.D. Waters, Managing Director.

29th April, 1993.

Balance Sheet

		As at 31st December	
		1992	1991
	Notes	IR£000	IR£000
Fixed Assets			
Tangible Assets	8	193,787	177,503
Financial Assets	9	<u>16</u>	<u>16</u>
		193,803	177,519
Current Assets			
Stocks of Stores	10	20,528	20,650
Debtors	11	40,565	43,790
Cash at Bank and in Hand		<u>44</u>	<u>40</u>
		61,137	64,480
Creditors (Amounts falling due within one year)	12	(55,328)	(45,979)
Net Current Assets		<u>5,809</u>	<u>18,501</u>
Total Assets Less Current Liabilities		<u>199,612</u>	<u>196,020</u>
 Financed by:-			
Creditors (Amounts falling due after more than one year)	13	127,104	139,407
Provision for Liabilities and Charges	15	13,075	10,422
Deferred Income	16	<u>9,090</u>	<u>485</u>
		149,269	150,314
Capital and Reserves			
Called Up Share Capital	17	23,000	23,000
Asset Replacement Reserve	18	18,890	15,264
Profit and Loss Account		<u>8,453</u>	<u>7,442</u>
		50,343	45,706
		<u>199,612</u>	<u>196,020</u>

G.T.P. Conlon, Chairman.

C.D. Waters, Managing Director.

29th April, 1993.



Cash Flow Statement

		Year ended 31st December	
		1992	1991
		IR£000	IR£000
Net Cash Inflow From Operating Activities	Notes 19(A)	<u>25,917</u>	<u>11,352</u>
Servicing of Finance			
Interest Paid	4	(17,056)	(17,838)
State Grant for DART Interest	6	<u>10,330</u>	<u>10,458</u>
Net Cash Outflow from Servicing of Finance		<u>(6,726)</u>	<u>(7,380)</u>
Investing Activities			
Purchase of Tangible Fixed Assets		(23,008)	(3,593)
Sale of Tangible Fixed Assets		13	261
EC Capital Grants		<u>2,790</u>	<u>-</u>
Net Cash Outflow from Investing Activities		<u>(20,205)</u>	<u>(3,332)</u>
(Decrease)/Increase in Cash and Cash Equivalents			
	19(B)	<u>(1,014)</u>	<u>640</u>

G.T.P. Conlon, Chairman.

C. D. Waters, Managing Director.

29th April, 1993.

1. STATUS OF COMPANY

Iarnród Éireann - Irish Rail 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 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 were transferred to the company from Córas Iompair Éireann on 2nd February, 1987 on which date Iarnród Éireann - Irish Rail commenced trading.

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

2. REVENUE

	1992	1991
	IR£000	IR£000
Mainline Rail	71,040	70,428
Bray /Howth Suburban Rail Services	11,356	10,979
Road Freight	19,816	18,841
Rosslare Harbour	5,526	5,346
Catering Services	6,531	5,871
Total	<u>114,269</u>	<u>111,465</u>

3. OPERATING COSTS

	1992	1991
	IR£000	IR£000
Staff Costs		
Wages and Salaries	84,749	81,902
Social Welfare Costs	7,901	7,399
Other Pension Costs	9,120	8,727
	<u>101,770</u>	<u>98,028</u>
Own Work Capitalised and Engineering		
Work for Group Companies	(8,721)	(6,438)
Net Staff Costs	<u>93,049</u>	<u>91,590</u>
Materials and Services		
Fuel and Electric Traction	7,963	8,889
Road Tax and Licences	88	95
Rates	1,241	1,179
Auditors Remuneration	44	43
Operating Lease Rentals	876	812
Maintenance - Rolling Stock	11,683	11,603
Maintenance - Lines and Works	4,865	4,577
Operating and Other Costs	31,817	28,163
Third Party and Employer's Liability Claims	6,327	6,458
	<u>64,904</u>	<u>61,819</u>

**3. OPERATING COSTS (continued)**

	1992	1991
	IR£000	IR£000
Directors Remuneration:		
Emoluments		
- for services as Directors	5	1
- for other services	<u>83</u>	<u>70</u>
	<u>88</u>	<u>71</u>
Depreciation	8,241	8,414
Renewal of Lines and Works	<u>13,974</u>	<u>10,276</u>
Total Operating Costs	<u>180,256</u>	<u>172,170</u>

The average number of persons employed, by activity, was as follows:-

	Staff Numbers	
	1992	1991
Railway	4,931	5,070
Road Freight	291	349
Rosslare Harbour	74	69
Catering	<u>287</u>	<u>247</u>
	<u>5,583</u>	<u>5,735</u>

4. INTEREST PAYABLE

	1992	1991
	IR£000	IR£000
On Loan from Holding Company	<u>17,056</u>	<u>17,838</u>

5. EXCEPTIONAL ITEMS

	1992	1991
	IR£000	IR£000
Voluntary Severance	(2,750)	(4,577)
Insurance Claim - Net Proceeds	<u>-</u>	<u>1,826</u>
	<u>(2,750)</u>	<u>(2,751)</u>

Notes to the Financial Statements

6. STATE GRANTS

The Grants payable to the company via the Holding Company, Córas Iompair Éireann, are in accordance with the relevant EC Regulations governing State aid to transport undertakings. These Regulations are as follows:-

(a) EC Regulation No. 1191/69: enables payment of compensation by the State to rail 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) EC 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 pension costs less savings arising from exemption from payment of certain social welfare insurance contributions in respect of clerical and supervisory staff.
- 50% of the cost of maintenance and control of level crossings.

(c) EC Regulation No. 1107/70: specifies certain additional circumstances in which State aid 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]).
- Residual deficits on railway operations (Article 4).

Particulars of the State grants of IR£90,430,000 received in 1992 are given in the following table, showing the relevant provisions of the EC Regulations.

	EC Regulation Number		1992 Total IR£000
	1191/69 IR£000	1107/70 (Article 4) IR£000	
Revenue Related			
Mainline Rail			
Operation of Passenger Services	42,446	-	42,446
Residual Deficit - State Grants	-	18,875	18,875
	<u>42,446</u>	<u>18,875</u>	<u>61,321</u>
Bray/Howth Services			
Operation of Passenger Services	4,194	-	4,194
Sub-Total	<u>46,640</u>	<u>18,875</u>	<u>65,515</u>



6. STATE GRANTS (continued)

	EC Regulation Number		1992 Total IR€000
	1192/69 IR€000	1107/70 (Article 3.1 [b]) IR€000	
Expenditure Related			
Mainline Rail			
Normalisation of Accounts Class III (Pensions)	6,487	-	6,487
Class IV (Level Crossings)	1,897	-	1,897
Infrastructure Grant (Freight)	-	5,730	5,730
Sub-Total	8,384	5,730	14,114
Bray/Howth Services			
Normalisation of Accounts Class III (Pensions)	461	-	461
Class IV (Level Crossings)	10	-	10
Sub-Total	471	-	471
Sub-Total	8,855	5,730	14,585
Total			80,100
Add State Grant for DART Interest - EC Regulation Number 1191/69			10,330
Total State Grants Received			90,430

7. SURPLUS

The surplus retained for the year to 31st December, 1992 amounts to IR€1,011,000 (1991 - IR€1,070,000).

The financial results, after transfer to Asset Replacement Reserve, of the business sectors within the company for the year show the following surpluses/(deficits) after State Grants:-

	1992 IR€000	1991 IR€000
Mainline Rail	(2,162)	(3,660)
Bray/Howth Suburban Rail	-	-
Road Freight	487	60
Rosslare Harbour	2,437	2,671
Catering Services	249	173
	1,011	(756)
Exceptional Item (Note 5)	-	1,826
	1,011	1,070

The Working Accounts for these business sectors are shown in Note 23.

7. SURPLUS (continued)

No tax charge arises on the surpluses for the year because certain revenues of the company are not brought into account for tax purposes.

8. TANGIBLE ASSETS

	1st Jan. 1992 IR£000	Additions IR£000	Scrappings and Disposals IR£000	31st Dec. 1992 IR£000
Cost				
Railway Lines and Works	9,006	23	-	9,029
Railway Rolling Stock	139,239	7,912	(201)	146,950
Road Freight Vehicles	4,288	2,877	-	7,165
Plant and Machinery	78,701	4,651	(361)	82,991
Catering Equipment	284	20	-	304
Docks, Harbours and Wharves	13,375	9,055	-	22,430
Total	244,893	24,538	(562)	268,869

	1st Jan. 1992 IR£000	Charge for Year IR£000	Scrappings and Disposals IR£000	31st Dec. 1992 IR£000
Depreciation				
Railway Rolling Stock	34,682	3,966	(188)	38,460
Road Freight Vehicles	4,165	63	-	4,228
Plant and Machinery	26,840	3,927	(361)	30,406
Catering Equipment	183	30	-	213
Docks, Harbours and Wharves	1,520	255	-	1,775
Total	67,390	8,241	(549)	75,082

	31st Dec. 1992 IR£000	31st Dec. 1991 IR£000
Net Book Amounts		
Railway Lines and Works	9,029	9,006
Railway Rolling Stock	108,490	104,557
Road Freight Vehicles	2,937	123
Plant and Machinery	52,585	51,861
Catering Equipment	91	101
Docks, Harbours and Wharves	20,655	11,855
Total	193,787	177,503



8. TANGIBLE ASSETS (continued)

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

	Lives (Years)
Railway Lines and Works - Note (b)	-
Railway Rolling Stock	20 - 50
Road Freight Vehicles	6 - 10
Plant and Machinery	3 - 25
Docks, Harbours and Wharves	50
Catering Equipment	4

(b) Railway Lines and Works are not depreciated (Accounting Policy B).

(c) The amounts included in the original cost of the various Tangible Assets include IR£27,142,000 in capitalised interest charges relating to the Bray/Howth Suburban Railway Electrification Scheme which was completed in 1984.

(d) Included in the additions above are payments on account and for assets in course of construction for the following:-

	IR£000
Railway Rolling Stock	7,583
Road Freight Vehicles	2,877
Plant and Machinery	1,606
	<u>12,066</u>

9. FINANCIAL ASSETS

	1992 IR£000	1991 IR£000
TRADE INVESTMENT - LISTED SHARES		
Cost or valuation at 1st January	50	50
Provision for permanent diminution in value at 31st December	<u>(34)</u>	<u>(34)</u>
Net Book Amounts at 31st December	<u>16</u>	<u>16</u>
Market Value at 31st December	<u>20</u>	<u>15</u>

10. STOCKS OF STORES

	1992	1991
	IR£000	IR£000
Maintenance Materials and Spare Parts	16,645	15,705
Fuel, Lubricants and Other Sundry Stocks	3,883	4,945
	<u>20,528</u>	<u>20,650</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.

11. DEBTORS (Amounts falling due within one year)

	1992	1991
	IR£000	IR£000
Trade Debtors	8,922	9,532
Amounts owed by Holding and Fellow Subsidiary Companies	21,320	29,985
EC Grants Receivable	7,153	—
Other Debtors and accrued income	2,437	4,273
Value Added Tax	733	—
	<u>40,565</u>	<u>43,790</u>

12. CREDITORS (Amounts falling due within one year)

	1992	1991
	IR£000	IR£000
Bank Overdraft	2,810	1,792
Trade Creditors	6,817	8,422
Loan from Holding Company (Note 14)	32,036	19,733
Income Tax deducted under P.A.Y.E.	1,553	1,562
Pay Related Social Insurance	1,251	1,023
Value Added Tax and other taxes	28	328
Other Creditors	899	745
Accruals	6,434	9,554
Third Party and Employer's Liability Claims (Note 15)	3,500	2,820
	<u>55,328</u>	<u>45,979</u>
Creditors for taxation and social welfare included above.	<u>2,832</u>	<u>2,913</u>

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

	1992	1991
	IR£000	IR£000
Loan from Holding Company (Note 14)	<u>127,104</u>	<u>139,407</u>

14. LOAN FROM HOLDING COMPANY

	1992	1991
	IR£000	IR£000
This loan is repayable as follows:		
Within one year (Note 12)	<u>32,036</u>	<u>19,733</u>
Between one and two years	10,154	9,933
Between two and five years	23,265	24,731
After five years	<u>93,685</u>	<u>104,743</u>
	<u>127,104</u>	<u>139,407</u>
	<u>159,140</u>	<u>159,140</u>

15. PROVISION FOR LIABILITIES AND CHARGES

	1992	1991
	IR£000	IR£000
Third Party and Employer's Liability Claims		
Balance at 1st January	13,242	9,785
Utilised during the year	(2,594)	(2,631)
Transfer from Profit and Loss Account	<u>5,927</u>	<u>6,088</u>
Balance at 31st December	<u>16,575</u>	<u>13,242</u>
Less: Transfer to current liabilities (Note 12)	<u>3,500</u>	<u>2,820</u>
	<u>13,075</u>	<u>10,422</u>

Provision is made for the estimated ultimate cost of all third party and employer's liability claims which are not covered by external insurance policies. In arriving at the amount of the total provision required for the third party liability claims, the company has had regard to the results of an independent actuarial review.

Córas Iompair Éireann has, on behalf of the company, the following external insurance cover:-

(i) third party liability in excess of IR£3,000,000 and up to IR£63,000,000 on any one occurrence or series of occurrences arising out of any one rail event.

(ii) 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.

15. PROVISION FOR LIABILITIES AND CHARGES (continued)

(iii) 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.

(iv) in addition, Iarnród Éireann - Irish Rail is covered for rail and road transport third party liabilities in excess of a self insured retention of IR£5,000,000 in aggregate in a twelve month period.

(v) fire and special perils, including storm damage, to the Board's property in excess of IR£200,000 on any one loss.

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

16. DEFERRED INCOME

This account, comprising non-repayable EC grants and other deferred income which will be credited to the profit and loss account on the same basis as the related fixed assets are depreciated (Accounting Policy E), includes the following:-

	1st Jan. 1992 IR £000	Received and Receivable IR £000	Profit and Loss A/c IR £000	31st Dec. 1992 IR £000
European Community Grants				
Revenue Grant				
Renewal of Lines and Works	-	1,562	(1,562)	-
Capital Grants				
Railway Rolling Stock	-	1,930	-	1,930
Plant and Machinery	-	2,103	-	2,103
Docks, Harbours and Wharves	-	4,348	-	4,348
	-	8,381	-	8,381
Sub-Total	-	9,943	(1,562)	8,381
Other Deferred Income	485	251	(27)	709
Total	485	10,194	(1,589)	9,090



17. SHARE CAPITAL

	1992	1991
	IR£000	IR£000
Authorised:		
Ordinary Shares of IR£1 each	<u>75,000</u>	<u>75,000</u>
Allotted and Fully Paid:		
Ordinary Shares of IR£1 each	<u>23,000</u>	<u>23,000</u>

18. ASSET REPLACEMENT RESERVE

	1992	1991
	IR£000	IR£000
Balance at 1st January	15,264	12,151
Transfer from Profit and Loss Account	<u>3,626</u>	<u>3,113</u>
Balance at 31st December	<u>18,890</u>	<u>15,264</u>

This reserve represents the excess of depreciation based on replacement cost over that based on historical cost (Accounting Policy B).

19. CASH FLOW STATEMENT

(A) Reconciliation of Deficit to Net Cash Inflow from Operating Activities

	1992	1991
	IR£000	IR£000
Deficit before Exceptional Items,		
State Grant and Servicing of Finance	(65,987)	(60,705)
Exceptional Items	<u>(2,750)</u>	<u>(2,751)</u>
Deficit before State Grant and Servicing of Finance	(68,737)	(63,456)
State Grant (excluding DART Interest)	<u>80,100</u>	<u>75,019</u>
Surplus for year before Servicing of Finance	11,363	11,563
Depreciation	8,241	8,414
Decrease in Stocks	122	3,383
Decrease/(Increase) in Debtors	8,816	(18,943)
(Decrease)/Increase in Creditors and Provisions	<u>(2,625)</u>	<u>6,935</u>
Net Cash Inflow from Operating Activities before Servicing of Finance	<u>25,917</u>	<u>11,352</u>

19. CASH FLOW STATEMENT (continued)

(B) Analysis of Changes in Cash and Cash Equivalents during the year

	1992	1991
	IR£000	IR£000
Balance at 1st January	(1,752)	(2,392)
Net Cash (Outflow)/Inflow	<u>(1,014)</u>	<u>640</u>
Balance at 31st December	<u><u>(2,766)</u></u>	<u><u>(1,752)</u></u>

(C) Summary of Balances of Cash and Cash Equivalents as shown in the Balance Sheet

	1992	1991	Change in 1992	Change in 1991
	IR£000	IR£000	IR£000	IR£000
Cash at Bank and in Hand	44	40	4	1
Bank Overdraft	<u>(2,810)</u>	<u>(1,792)</u>	<u>(1,018)</u>	<u>639</u>
	<u><u>(2,766)</u></u>	<u><u>(1,752)</u></u>	<u><u>(1,014)</u></u>	<u><u>640</u></u>

20. LEASE TRANSACTIONS

Commitments under non-cancellable operating leases payable in the coming year expire as follows:-

	1992	1991
	IR£000	IR£000
Within one year	33	45
Between one and five years	<u>214</u>	<u>143</u>
	<u><u>247</u></u>	<u><u>188</u></u>

21. PENSIONS

The Board of Córas Iompair Éireann operates defined benefit pension schemes for established employees of itself and of its subsidiary companies, including Iarnród Éireann - Irish Rail. 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 the 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 costs for the year were IR£9,125,000 (1991 - IR£8,732,000).

**21. PENSIONS (continued)**

Actuarial valuations of the pension schemes have been prepared up to the following dates:-

- C.I.E. Superannuation Scheme, 1951	31st December, 1990
- C.I.E. Superannuation Scheme for Regular Wages Staff	31st December, 1990
- G.N.R. Superannuation Scheme for Regular Wages Staff	31st December, 1990
- C.I.E. Spouses' and Children's Superannuation Scheme	31st December, 1989
- C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977	31st December, 1989
- C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme	31st December, 1990

The actuarial valuations of the pension schemes show on a combined basis that the assets of the schemes represent 125% of the liabilities which had accrued up to the above dates on an ongoing basis.

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 Board of Córas Iompair Éireann is legally obliged to ensure that cash is available to the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977 and the C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme if their funds are insufficient to meet the pension obligations due and payable under these schemes. The shortfall in the cash resources of the C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme in 1992 was IR£1,432,000 (1991 - IR£1,472,000). There was no shortfall in the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977.

Ex gratia pensions are met out of the company's own resources and are taken into account in the year in which they arise.

22. CAPITAL COMMITMENTS

	1992	1991
	IR£000	IR£000
Contracted for	39,292	9,240
Authorised by the Directors but not contracted for	48,823	14,793
	88,115	24,033

23. WORKING ACCOUNTS

(A) MAINLINE RAIL SECTOR (EXCLUDING BRAY/HOWTH SUBURBAN RAIL SERVICES)

	1992	1991
	IR£000	IR£000
Revenue		
Passenger Train Traffic	48,287	48,487
Goods Train Traffic	20,594	19,869
Miscellaneous	2,159	2,072
Total Revenue	<u>71,040</u>	<u>70,428</u>
Expenditure		
Maintenance of Lines and Works	20,947	20,605
Maintenance of Rolling Stock	27,346	26,664
Fuel	5,835	6,811
Operating and Other Expenses	66,996	65,942
Renewal of Lines and Works	13,639	9,914
Operating Depreciation	7,319	6,977
Total Expenditure	<u>142,082</u>	<u>136,913</u>
Operating Deficit before Interest Payable and State Grants	(71,042)	(66,485)
Interest Payable	<u>(6,555)</u>	<u>(7,189)</u>
Deficit before State Grants	(77,597)	(73,674)
State Grants	<u>75,435</u>	<u>70,014</u>
Deficit for the Year	<u><u>(2,162)</u></u>	<u><u>(3,660)</u></u>



23. WORKING ACCOUNTS (continued)
(B) BRAY/HOWTH SUBURBAN RAIL SERVICES SECTOR

	1992	1991
	IR£000	IR£000
Revenue		
Passenger Traffic	11,159	10,729
Miscellaneous	197	250
Total Revenue	<u>11,356</u>	<u>10,979</u>
Expenditure		
Maintenance of Lines and Works	1,494	2,165
Maintenance of Rolling Stock	1,697	1,534
Fuel (including electricity for traction)	1,364	1,387
Operating and Other Expenses	7,386	6,814
Renewal of Lines and Works	335	362
Operating Depreciation	3,745	3,722
Total Expenditure	<u>16,021</u>	<u>15,984</u>
Operating Deficit before Interest Payable and State Grants	(4,665)	(5,005)
Interest Payable	(10,330)	(10,458)
Deficit for Year before State Grants	(14,995)	(15,463)
State Grants	<u>14,995</u>	<u>15,463</u>
	<u>—</u>	<u>—</u>

23. WORKING ACCOUNTS (continued)

(C) ROAD FREIGHT SECTOR

	1992	1991
	IR£000	IR£000
Revenue		
Goods Services	19,667	18,709
Miscellaneous	<u>149</u>	<u>132</u>
Total Revenue	<u>19,816</u>	<u>18,841</u>
Operating Costs		
Maintenance of Buildings	11	15
Maintenance of Vehicles and Equipment	1,956	2,159
Fuel	1,015	1,223
Road Tax and Licences	82	91
Operating and Other Expenses	16,109	15,067
Operating Depreciation	<u>66</u>	<u>119</u>
Total Expenditure	<u>19,239</u>	<u>18,674</u>
Operating Surplus before Interest Payable	577	167
Interest Payable	<u>(90)</u>	<u>(107)</u>
Net Surplus	<u>487</u>	<u>60</u>

(D) ROSSLARE HARBOUR SECTOR

	1992	1991
	IR£000	IR£000
Revenue		
Harbour Services	<u>5,526</u>	<u>5,346</u>
Operating Costs		
Maintenance, Operating and Other Expenses	2,751	2,334
Operating Depreciation	<u>269</u>	<u>268</u>
Total Expenditure	<u>3,020</u>	<u>2,602</u>
Operating Surplus before Interest Payable	2,506	2,744
Interest Payable	<u>(69)</u>	<u>(73)</u>
Net Surplus	<u>2,437</u>	<u>2,671</u>



23. WORKING ACCOUNTS (continued)
(E) CATERING SERVICES SECTOR

	1992	1991
	IR£000	IR£000
Revenue		
Refreshment Rooms and Restaurant Cars	<u>6,531</u>	<u>5,871</u>
Operating Costs		
Maintenance of Buildings, Cars and Equipment	82	169
Provisions	2,857	2,613
Other Direct Expenses	2,348	2,053
Other Expenditure	<u>983</u>	<u>851</u>
Total Expenditure	<u>6,270</u>	<u>5,686</u>
Operating Surplus before Interest Payable	261	185
Interest Payable	<u>(12)</u>	<u>(12)</u>
Net Surplus	<u>249</u>	<u>173</u>

Total expenditure in the above working accounts for the business sectors of the company include the exceptional items for 1992 IR£2,750,000 (1991-IR£ 4,577,000) and the transfer to asset replacement reserve for 1992 IR£3,626,000 (1991-IR£3,113,000).

24. MEMBERSHIP OF CÓRAS IOMPAIR ÉIREANN GROUP

Iarnród Éireann - Irish Rail is a member of the Córas Iompair Éireann Group of Companies (The Group) and the financial statements reflect the effects of group membership. Reference in these financial statements to the Board means the Board of Córas Iompair Éireann.

Dubel Limited is a wholly owned subsidiary of Iarnród Éireann - Irish Rail incorporated in Northern Ireland with registered offices at Central Station, East Bridge Street, Belfast.

25. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements on 29th April, 1993.

Value Added Statement

	Year ended 31st December			
		1992		1991
	IR£000	IR£000	IR£000	IR£000
Value Added Generated				
Revenue (Note 2)		114,269		111,465
State Grants (Note 6)		90,430		85,477
Own Work Capitalised and Engineering Work for Group Companies		8,721		6,438
Less: Cost of Materials and Services Utilised	(64,904)		(61,819)	
Exceptional Items	<u>(2,750)</u>		<u>(2,751)</u>	
		<u>(67,654)</u>		<u>(64,570)</u>
		<u>145,766</u>		<u>138,810</u>
Application of Value Added				
Net Compensation of Employees including pensions costs		71,299		69,518
Government - Payroll Taxes		30,559		28,581
Provider of Capital (Note 4)		17,056		17,838
Provision for Future Investment (Note 3)				
- Depreciation	8,241		8,414	
- Renewal of Lines and Works	<u>13,974</u>		<u>10,276</u>	
		22,215		18,690
Surplus for the year		<u>4,637</u>		<u>4,183</u>
		<u>145,766</u>		<u>138,810</u>

