

IARNRÓD ÉIREANN

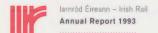
rish Rail

Tuarascáil Bhliantúil agus Ráitis Airgeadais 1993

Annual Report 1993

Contents

Directors and Other Information	1
Report of the Directors	2
Statement of Directors' Responsibilities	5
Report of the Auditors	6
Principal Accounting Policies	7
Profit and Loss Account	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Value Added Statement	32



Directors and Other Information

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,

Connolly Station,

Dublin 1.

Telephone 01-836 3333

Telex 31638

Fax 01-836 4760

Registered Number 119571

AUDITORS

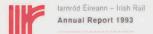
Craig Gardner & Co.,

Chartered Accountants,

Gardner House,

Wilton Place,

Dublin 2.



Report of the Directors

For the year ended 31st December, 1993

The Directors submit their report together with the audited financial statements for the year ended 31st December 1993.

1. Principal Activities and Review of Operations

Rail passenger and rail and road freight services continued to be provided by the company during 1993. The premier 'Citygold' service was introduced early in the year on the Dublin/Cork InterCity service. Public response to the service has been very satisfactory.

Substantial investment in the renewal and upgrading of track, especially on the Dublin/Cork, Dublin/Waterford and Dublin/Belfast lines, took place during the year with the assistance of significant funding from the European Union. The inclusion of IR\$275 million in the National Development Plan partially funded by European Union Cohesion / Structural grants for the continuing renewal of track and signalling and for the acquisition of rolling stock and related items is very welcome and will ensure that the company continues to play a major role in the nation's supply of passenger and freight services.

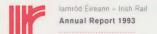
Discussion on significant changes in work practices and the generation of payroll savings to be shared with rail operative grades continued throughout 1993 under the auspices of the Labour Relations Commission. Proposals were developed following three weeks of intensive negotiations in February, 1994. The proposals provide for the introduction of the new railcars and locomotives, one person operation of freight trains, railcars and push/pull services, introduction of new ticket issuing machines, extension of centralised train control into Northern Ireland, re-organisation of Fastrack and general flexibilities.

The Dublin rail suburban services continued to perform at a satisfactory level during 1993. In March 1994, 17 new diesel railcars were delivered to the company. These railcars will inaugurate a new commuter service between Dublin and Kildare and enhance services on other Dublin commuter routes.

The company maintained its position in the freight market in a difficult year. In tough trading conditions the company gained traffic from new customers. We are pleased that the re-equipping of the road freight fleet during the year helped Road Freight services achieve its highest profit ever.

The company's Catering Services division operated at a satisfactory level during the year. Restaurant na Mara in Dun Laoghaire and the 'Footplate' restaurant in Heuston Station continued to provide high standards of cuisine in a relaxing environment. Dubel Limited, a wholly owned subsidiary of larnród Éireann – Irish Rail, based in Belfast, which provides catering services for Northern Ireland Railways, traded satisfactorily during the year.

The first phase of Rosslare Harbour's development was completed during the year. The newly dredged harbour has an additional roll on/roll off berthing facility. The company welcomed the arrival of Pandoro Ltd., as a regular operator from Rosslare Harbour, in addition to the three existing major shipping operators. The second phase of the development is underway which will modernise the remaining facilities in the port.



Report of the Directors

2. Results and Reserves

The financial statements for the year ended 31st December 1993 are set out in detail on pages 7 to 31 and a summary of results is as follows:—

Surplus for the year after State Grant	5,516
Transfer to Asset Replacement Reserve	4,357
Increase in Accumulated Surplus during the Year	1,15

3. Workers Participation (State Enterprises) Act, 1988

Agreement has been reached with the trade unions on below-board structures. This agreement provides for a Joint Participation Scheme comprising 13 Local Participation Councils, a Central Participation Group and a Top Participation Group. Election of employee representatives to the local Joint Participation Councils are scheduled to take place shortly. The Central Participation Group will comprise representatives from the local councils, senior management and trade union officials. The Top Participation Group will comprise senior management and trade union officials and will be chaired by the Managing Director.

4. Health and Safety

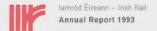
Formal structures for the implementation and monitoring of workplace safety standards are being developed within the context of the International Safety Rating System. This system was introduced into the company in September 1991. The company achieved Level One status of the system in 1993 and is aiming for Level Three in 1994. Employees have selected 90 safety representatives (as established under the Safety, Health and Welfare at Work Act, 1989). A formal policy of safety consultation has been introduced, including Departmental Health and Safety Committees. All Safety representatives have been trained under the joint aegis of larnród Éireann – Irish Rail and the Irish Congress of Trade Unions. One day training courses on safety consultation in the workplace for managers and supervisors are in progress.

5. Equal Opportunities in State Sponsored Bodies

larnród Éireann – Irish Rail is an equal opportunities employer. All policies and procedures adopted at C.I.E. Group level are implemented by the company, in the areas of recruitment, training and promotion.

6. Total Quality

During 1993, the "Journey to Quality" initiative continued under the guidance of the Quality Department. Quality Awareness Seminars and training courses in Quality Techniques were conducted for all grades and 2,000 employees have attended the various activities to date.



Report of the Directors

The Quality Department also used articles in Railbrief, an internal company magazine, and attendance at Joint Participation Council meetings and Induction Courses to disseminate information and promote the concept of Total Quality within the company. Quality Improvement Teams are working on projects aimed at improving customer satisfaction and a number of areas within the company are being prepared for ISO certification. Additionally the Quality Department administered the larnród Éireann – Irish Rail Station Prize Scheme and the Anglo Irish Best Station Scheme.

7. Directors

The Directors of the company are appointed by the Chairman of Córas lompair 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 1993 are set out below:

Mr. G.T.P. Conlon, Chairman

Mr. C.D. Waters, Managing Director

Mr. J. Daly (Resigned 27th January, 1993)

Mr. S. Feely

Mr. J.J. Harrington (Appointed 28th January, 1993)

Mr. J. McCullough

Mr. A.J. O'Brien

The terms of office of Directors expired as follows:

Mr. G.T.P. Conlon, Mr. J. Daly and Mr. J. McCullough on 27th January 1993.

Mr. C.D. Waters on 31st August 1993

Mr. S. Feely and Mr. A.J. O'Brien on 30th November 1993.

Re-appointment to the office of Directors took place as follows:

Mr. G.T.P. Conlon, as Chairman, and Mr. J. McCullough from 28th January 1993

Mr. C.D. Waters, as Managing Director, from 1st September 1993

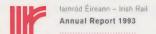
Mr. S. Feely and Mr. A.J. O'Brien from 1st December 1993

Mr. J.J. Harrington was appointed a Director from 28th January 1993.

8. 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 **C.D. Waters,** Managing Director **20th May, 1994.**



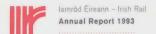
Statement of the Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year.

In preparing those financial statements, the Directors are required to:

- ensure that suitable accounting policies are selected and consistently applied;
- ensure that any judgements or estimates made are reasonable and prudent;
- ensure that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that lamród Éireann – Irish Rail will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Acts, 1963 to 1990. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Report of the Auditors

To the shareholders of larnrod Éireann - Irish Rail.

We have audited the financial statements on pages 7 to 31 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1993 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1990 and the European Communities (Companies: Group Accounts) Regulations, 1992.

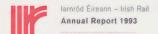
We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 2 to 4 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 10 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 1993 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.

Craig Gardner & Co., Chartered Accountants and Registered Auditors, Dublin.

20th May, 1994.



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 IRS.

Dubel Limited, a wholly owned subsidiary, is treated as a branch of larnród 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 lives.

Coaching stock and wagons are also depreciated, by equal annual instalments, on the basis of historical cost spread over expected useful lives. 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 lives using the sum of the digits method.

(iv) Docks, Harbour 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 lives.

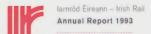
C. Leased Assets:

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

D. Stocks:

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 Union Grants:

European Union (EU) 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. EU Grants in respect of revenue expenditure are credited to deferred income as they become receivable and released to the relevant expenditure account in the year to which the expenditure relates.

F. Foreign Currency:

Transactions denominated in foreign currency are translated into Irish pounds at the rate ruling at 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.

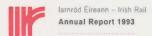
H. Pensions:

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.

This accounting policy does not comply with SSAP 24 – Accounting for Pension Costs which is effective for the company from 1st January 1993. The opinion of the Directors, supported by the company's auditors Craig Gardner & Co. is that implementation of SSAP 24 in the current year, prior to the completion of the proposed reorganisation of the Group's existing pension arrangements, would be inappropriate because the proposed reorganisation is expected to significantly change the existing pension arrangements and the consequent accounting treatment thereof (Note 23 (B)).

I. Railway Infrastructure Costs:

In accordance with EU Council Directive 91/440 larnród Éireann – Irish Rail is required to ensure that the accounts for the business of transport services and those for the business of management of railway infrastructure are kept separate. The infrastructure costs are determined in accordance with Annex 1.A. to EU Regulation No. 2598/70 and are set out in Note 26.



Profit and Loss Account

		Year ended	31st December
	Notes	1993	1992
Revenue		IR£000	IR£000
Customer Receipts		109,475	111,764
Miscellaneous		2,558	2,505
Total Revenue	2	112,033	114,269
Costs			
Operational Costs	3	(136,251)	(134,899)
Railway Operational Infrastructure Costs	3	(45,737)	(45,357)
Exceptional Operating Costs	5	(2,321)	(2,750)
Total Operating Costs		(184,309)	(183,006)
Deficit before Profit on Sale of Tangible Fixed Assets,			
Interest and State Grants		(72,276)	(68,737)
Profit on Sale of Tangible Fixed Assets	6	107	-
Deficit before Interest and State Grants		(72,169)	(68,737)
Interest Payable - Operational	4	(8,615)	(7,951)
- Railway Infrastructure	4	(7,753)	(9,105)
Deficit for the Year before State Grants		(88,537)	(85,793)
State Grants	7	94,053	90,430
Surplus for the Year after State Grants		5,516	4,637
Transfer to Asset Replacement Reserve	20	(4,357)	(3,626)
Increase in Accumulated Surplus during the Year	8	1,159	1,011
Accumulated Surplus at Beginning of Year		8,453	7,442
Accumulated Surplus at End of Year		9,612	8,453

All figures relate to the continuing activities of the company.

There were no recognised gains or losses other than those included in the profit and loss account for the years 1993 and 1992.

G.T.P. Conlon, Chairman 20th May, 1994. C.D. Waters, Managing Director

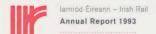


Balance Sheet

		As at 31st	December
	Notes	1993	1992
		IR£000	IR2000
Fixed Assets			400 505
Tangible Assets	9	202,342	193,787
Financial Assets	10	16	16
		202,358	193,803
Current Assets			
Stocks	11	20,518	20,528
Debtors	12	47,450	40,565
Cash at Bank and in Hand		48	44
		68,016	61,137
Creditors (Amounts falling due within one year)	13	(42,714)	(55,328
Net Current Assets		25,302	5,809
Total Assets Less Current Liabilities		227,660	199,612
Financed by:-			
Creditors (Amounts falling due after more than one year)	14	140,588	127,104
Provision for Liabilities and Charges	16	16,198	13,075
Deferred Income	17	15,015	9,090
		171,801	149,269
Shareholders' Funds			
Called up Share Capital	18	23,000	23,000
Asset Replacement Reserve	20	23,247	18,890
Profit and Loss Account		9,612	8,453
	19	55,859	50,343

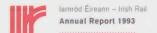
G.T.P. Conlon, Chairman 20th May, 1994.

G.T.P. Conlon, Chairman C.D. Waters, Managing Director



Cash Flow Statement

		Year ended 3	1st December
	Notes	1993 IR£000	1992 IR£000
Net Cash Inflow From Operating Activities	21A	15,984	25,917
Servicing of Finance			
Interest Paid	4	(16,368)	(17,056)
State Grant - DART Interest	7	10,296	10,330
Net Cash Outflow from Servicing of Finance		(6,072)	(6,726)
Investing Activities			
Purchase of Tangible Fixed Assets		(18,731)	(23,008)
Sale of Tangible Fixed Assets		147	13
EU Capital Grants		9,007	2,790
Net Cash Outflow from Investing Activities		(9,577)	(20,205)
Increase/(Decrease) in Cash and Cash Equivalents	21B	335	(1,014)



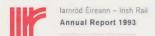
1. Status of Company

larnród Éireann – Irish Rail was incorporated on 20th January, 1987 under the provisions of the Companies Acts, 1963 to 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.

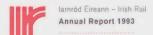
2. Revenue

Total	112,033	114,269
Catering Services	7,126	6,531
Rosslare Harbour	4,913	5,526
Road Freight	18,077	19,816
Bray/Howth Suburban Rail Services	11,789	11,356
Mainline Rail	70,128	71,040
	IR£000	IR£000
	1993	1992



3. Operating Costs

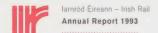
operating costs		
	1993	1992
	IR£000	IR£000
Staff Costs		
Wages and Salaries	89,133	84,749
Social Welfare Costs	8,239	7,901
Other Pension Costs	9,046	9,120
	106,418	101,770
Own Work Capitalised and Engineering Work for Group Companies	(10,905)	(8,721
Net Staff Costs	95,513	93,049
Materials and Services		
Fuel and Electric Traction	7,660	7,963
Road Tax and Licences	86	88
Rates	1,348	1,241
Auditors' Remuneration	50	44
Operating Lease Rentals	903	876
Maintenance - Railway Rolling Stock	13,577	11,683
Maintenance - Railway Lines and Works	6,217	4,865
Operating and Other Costs	29,960	31,817
Third Party and Employer's Liability Claims	6,559	6,327
	66,360	64,904
Directors' Remuneration		
Emoluments		
for services as Directors	8	5
- for other services	88	83
	96	88
Depreciation	9,239	8,241
Amortisation of Capital Grants	(87)	_
Renewal of Railway Lines and Works	10,867	13,974
Total Operating Costs	181,988	180,256
Costs allocated:-		
Operational Costs	136,251	134,899
Railway Operational Infrastructure Costs (Note 26)	45,737	45,357
namely operational fill astructure obsts (Note 20)		
	181,988	180,256



3. Operating Costs (continued)

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

	Staff	Numbers
	1993	1992
Railway	4,911	4,931
Road Freight	286	291
Rosslare Harbour	74	74
Catering	268	287
	5,539	5,583
Interest Payable		
	1993 IR£000	1992 IR£000
On Loan from Holding Company	16,368	17,056
Interest apportioned:-		
Operational Costs	8,615	7,951
Railway Infrastructure Costs (Note 26)	7,753	9,105
	16,368	17,056
Exceptional Items		
	1993 IR£000	1992 IR£000
	112000	11/2000
Operating Costs - voluntary severance paid and provided.	(2,321)	(2,750
Profit on Sale of Tangible Fixed Assets		
Tront on oute of fungible fixed Assets	1993	1992
	IR£000	IR£000
Net proceeds on sale of surplus assets	107	

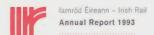


7. State Grants

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

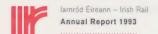
- (a) EU Regulation No. 1191/69: enables payment of compensation by the State to railway undertakings in respect of losses incurred on services operated under public service obligations which are deemed essential to ensure the provision of adequate transport services. Payment is made under this Regulation in respect of losses remaining on rail passenger services after fares increases and any possible economies in operation.
- (b) EU 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) EU 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£94,053,000 received in 1993 are given in the following table, showing the relevant provision of EU Regulations.



7. State Grants (continued)

Total State Grants Received			94,053
Total Add State Grant for DART Interest – EU Regulation No. 1191/69			83,757 10,296
Sub-Total	8,225	5,639	13,864
	530	-	530
- Class IV (Level Crossings)	16	-	16
- Class III (Pensions)	514	-	514
Normalisation of Accounts			
Bray/Howth Services			
	7,695	5,639	13,334
Infrastructure Grant (Freight)	-	5,639	5,639
- Class IV (Level Crossings)	1,903		1,903
- Class III (Pensions)	5,792	-	5,792
Normalisation of Accounts			
Mainline Rail			
Expenditure Related			
		(Article 3.1 [b])	
Sub-Total	47,124	22,769	69,893
Operation of Passenger Services	4,616	-	4,616
Bray/Howth Services	42,000	22,700	00,277
Nesidual Deficit – State Grants	42,508	22,769	65,277
Operation of Passenger Services Residual Deficit – State Grants	42,508	22,769	42,508 22,769
Mainline Rail	40.500		40.500
Revenue Related	1112000	1112000	1112001
	IR£000	(Article 4) IR£000	Tota
	1191/69	1107/70	1993
	EU Regula	tion Number	



8. Surplus

The surplus retained for the year to 31st December, 1993 amounts to IR\$1,159,000 (1992 - IR\$1,011,000)

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:-

	1,159	1,011
Profit on Sale of Tangible Fixed Assets	107	
	1,052	1,011
Catering Services	308	249
Rosslare Harbour	2,168	2,437
Road Freight	652	487
Bray/Howth Suburban Rail	-	_
Mainline Rail	(2,076)	(2,162)
	IR£000	IR£000
	1993	1992

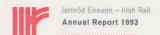
The Working Accounts for these business sectors are shown in Note 27.

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



9. Tangible Assets

December
1993
IR£000
9,105
153,903
8,825
88,686
352
24,492
285,363
December
1993
IR£000
41,449
4,913
34,187
248
2,224
83,021
t December
1992
IR£000
9,029
108,490
2,937
52,585
91
20,655
193,787



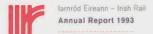
9. Tangible Assets (continued)

(a) The expected useful lives 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 tangible assets above are payments on account and for assets in course of construction for the following:-

	1993	1992
	IR£000	IR£000
Railway Rolling Stock	14,672	7,583
Road Freight Vehicles	153	2,877
Plant and Machinery	4,112	1,606
	18,937	12,066
(e) Tangible assets include railway infrastructure assets as follows:-	1003	1000
(e) Tangible assets include railway infrastructure assets as follows:-	1002	1000
(e) Tangible assets include railway infrastructure assets as follows:-	1993 IR£000	1992 IR£000
(e) Tangible assets include railway infrastructure assets as follows:- Cost Accumulated Depreciation	IR£000	IR£000
Cost	79,136	77,283



10. Financial Assets

11.

Trade Investment - Listed Shares

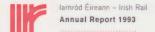
	1993 IR£000	1992 IR£000
Cost or valuation at 1st January	50	50
Provision for permanent diminution in value at 31st December	(34)	(34)
Net Book Amounts at 31st December	16	16
Market Value at 31st December	23	20
Stocks		
	1993	1992
	IR£000	IR£000
Maintenance Materials and Spare Parts	16,371	16,645
Fuel, Lubricants and Other Sundry Stocks	4,147	3,883
	20,518	20,528

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.

12. Debtors (Amounts falling due within one year)

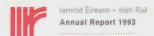
	47,450	40,565
Value Added Tax	-	733
Other Debtors and accrued income	2,176	2,437
EU Grants Receivable	5,808	7,153
Amounts owed by Holding and Fellow Subsidiary Companies	29,167	21,320
Trade Debtors	10,299	8,922
	IR£000	IR£000



13. Creditors (Amounts falling due within one year)

Creditors (Amounts raining due within one year)		
	1993	1992
	IR£000	IR£000
Bank Overdraft	2,479	2,810
Trade Creditors	6,499	6,817
Loan from Holding Company (Note 15)	18,552	32,036
Income Tax deducted under P.A.Y.E.	1,867	1,553
Pay Related Social Insurance	1,599	1,251
Value Added Tax and other taxes	80	28
Other Creditors	913	899
Accruals	7,075	6,434
Third Party and Employers' Liability Claims (Note 16)	3,650	3,500
	42,714	55,328
Creditors for taxation and social welfare included above. Creditors (Amounts falling due after more than one year)	3,546	2,832
		1992
	1993	1992 IR£000
Creditors (Amounts falling due after more than one year)	1993 IR£000	1992 IR£000
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15)	1993 IR£000	1992 IR£000 127,104
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15) Loan from Holding Company	1993 IR£000 140,588	1992 IR£000 127,104
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15)	1993 IR£000 140,588	1992 IR£000 127,104 1992
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15) Loan from Holding Company	1993 IR£000 140,588	1992 IR\$000 127,104 1992 IR\$000
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15) Loan from Holding Company This loan is repayable as follows:	1993 IR£000 140,588	1992 IR\$000 127,104 1992 IR\$000 32,036
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15) Loan from Holding Company This loan is repayable as follows: Within one year (Note 13)	1993 IR£000 140,588 1993 IR£000	1992 IR£000 127,104 1992 IR£000 32,036 10,154 23,265
Creditors (Amounts falling due after more than one year) Loan from Holding Company Loan from Holding Company This loan is repayable as follows: Within one year (Note 13) Between one and two years	1993 IR£000 140,588 1993 IR£000	1992 IR£000 127,104 1992 IR£000 32,036 10,154 23,265
Creditors (Amounts falling due after more than one year) Loan from Holding Company (Note 15) Loan from Holding Company This loan is repayable as follows: Within one year (Note 13) Between one and two years Between two and five years	1993 IR£000 140,588 1993 IR£000 18,552 7,760 48,241	

This loan represents the net assets less issued share capital assigned to the company on its establishment following the re-organisation of Córas lompair Éireann in 1987. Each year the amount outstanding less any repayments is aged by reference to the bank loans held and managed by Córas lompair Éireann on behalf of the operating subsidiary companies.



16. Provision for Liabilities and Charges

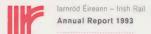
	1993 IR£000	1992 IR£000
Third Party and Employer's Liability Claims		
Balance at 1st January	16,575	13,242
Utilised during the year	(2,888)	(2,594)
Transfer from Profit and Loss Account	6,161	5,927
Balance at 31st December	19,848	16,575
Less: Transfer to current liabilities (Note 13)	3,650	3,500
	16,198	13,075

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

- (i) third party liability in excess of IR $\mathfrak{L}3,000,000$ and up to IR $\mathfrak{L}63,000,000$ on any one occurrence or series of occurrences arising out of any one rail event;
- (ii) third party liability in excess of IR $\mathfrak{L}1,000,000$ and up to IR $\mathfrak{L}61,000,000$ 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;
- (iii) third party liability in excess of IR $\mathfrak{L}50,000$ and up to IR $\mathfrak{L}60,050,000$ 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, larnród Éireann Irish Rail is covered for rail and road transport third party liabilities in excess of a self insured retention of IR\$6,300,000 in aggregate in a twelve month period (April to March 1995);
- (v) fire and special perils, including storm damage, to Board's property in excess of IR\$200,000 on any one loss.

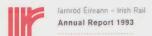
Any losses not covered by external insurance are charged to the profit and loss account and unsettled amounts are included in the provision for liabilities and charges.



17. Deferred Income

This account, comprising non-repayable EU 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 January 1993 IR£000	Received and Receivable IR£000	Profit and Loss A/C IR£000	31st December 199
European Union Grants				
Revenue Grant				
Renewal of Railway Lines and Works	-	12,761	(12,761)	
Capital Grants				
Railway Lines and Works	-	41	_	4
Railway Rolling Stock	1,930	1,134	-	3,06
Plant and Machinery	2,103	3,577	-	5,68
Docks, Harbours and Wharves	4,348	1,010	(87)	5,27
	8,381	5,762	(87)	14,05
Sub-Total	8,381	18,523	(12,848)	14,05
Other Deferred Income	709	277	(27)	95
Total	9,090	18,800	(12,875)	15,01
Share Capital			1993	199
			1993 IR£000	
Authorised:				IR£00
Authorised: Ordinary Shares of IR£1 each			IR£000	199 IR£00 75,00
Share Capital Authorised: Ordinary Shares of IR£1 each Allotted and Fully Paid: Ordinary Shares of IR£1 each			IR£000	75,00
Authorised: Ordinary Shares of IR£1 each Allotted and Fully Paid:	eholders' Funds		75,000 23,000	75,00 23,00
Authorised: Ordinary Shares of IR£1 each Allotted and Fully Paid: Ordinary Shares of IR£1 each Reconciliation of Movements in Shar	eholders' Funds		18£000 75,000 23,000	199 IR£00
Authorised: Ordinary Shares of IR£1 each Allotted and Fully Paid: Ordinary Shares of IR£1 each Reconciliation of Movements in Shar	eholders' Funds		18£000 75,000 23,000 1993 1R£000 5,516	199 18200 4,63
Authorised: Ordinary Shares of IR£1 each Allotted and Fully Paid: Ordinary Shares of IR£1 each Reconciliation of Movements in Shar	eholders' Funds		18£000 75,000 23,000	IR\$00



20. Asset Replacement Reserve

	1993 IR£000	1992 IR£000
Balance at 1st January	18,890	15,264
Transfer from Profit and Loss Account	4,357	3,626
Balance at 31st December	23,247	18,890

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

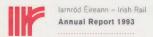
21. Cash Flow Statement

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

1993	1992
IR£000	IR£000
(72,169)	(68,737)
83,757	80,100
11,588	11,363
(107)	-
9,239	8,241
(87)	
10	122
(10,130)	8,816
5,471	(2,625)
15,984	25,917
	(72,169) 83,757 11,588 (107) 9,239 (87) 10 (10,130) 5,471

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

Balance at 31st December	(2,431)	(2,766)
Net Cash Inflow/(Outflow)	335	(1,014)
Balance at 1st January	(2,766)	(1,752)
	IR£000	IR£000
	1993	1992



21. Cash Flow Statement (continued)

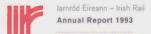
(C) Summary of Balances of Cash and Cash Equivalents as shown in the Balance Sheet

	1993 IR£000	1992 IR£000	Change in 1993 IR£000	Change in 1992 IR£000
Cash at Bank and in Hand	48	44	4	4
Bank Overdraft	(2,479)	(2,810)	331	(1,018)
	(2,431)	(2,766)	335	(1,014)

22. Lease Transactions

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

	241	247
Between Two and Five Years	172	214
Within One Year	69	33
	1993 IR£000	1992 IR£000



23. Pensions

(A) Current Pension Arrangements

The Board operates defined benefit pension schemes for the established employees of itself and of its subsidiary companies including larnród Éireann – Irish Rail. Contributions by the Board, its subsidiaries and the 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 accruals basis.

The pension costs for the year were IR\$9,051,000 (1992 - IR\$9,125,000).

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 valuation 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.

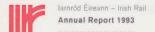
The Board is legally obliged to ensure that cash is available to the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977 and the C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme if their funds are insufficient to meet the pension obligations 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 1993 was IR\$\(\Sigma_1\),385,000 (1992 - IR\$\(\Sigma_1\),432,000). 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.

(B) Proposed Amendments to Pension Schemes

Proposals are under discussion to amalgamate the present six pension schemes into two schemes – one for salaried staff and one for wage earners. Existing ex gratia pensions, solvency payments in respect of the C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme and benefit amendments will be incorporated in the amalgamated schemes.

Based on actuarial estimates, the effect of applying SSAP 24 to the proposed amalgamated schemes would not have any adverse impact on the financial statements.



24. Capital Commitments

	122,124	88,115
Authorised by the Directors but not contracted for	86,521	48,823
Contracted for	35,603	39,292
	1993 IR£000	1992 IR£000

25. Contingent Liabilities

The company, from time to time, is party to various legal proceedings. It is the opinion of the Directors that losses, if any, arising in connection with these matters will not be material.

26. Railway Infrastructure Costs

In compliance with EU Council Directive 91/440 these costs have been computed as follows:

	1993	1992
	IR£000	IR£000
Maintenance of Railway Lines and Works	22,207	19,909
Renewal of Railway Lines and Works (Note 3)	10,867	13,974
Operating (Signalling) and Other Expenses	9,752	8,419
Depreciation (Note 9 (e))	2,911	3,055
Railway Operational Infrastructure Costs before Interest (Note 3)	45,737	45,357
Interest Payable (Note 4)	7,753	9,105
Total Railway Infrastructure Costs	53,490	54,462
Apportionment:-		
Mainline Railway Services	45,090	45,168
Bray/Howth (DART) Services	8,400	9,294
	53,490	54, 462

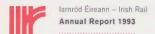
The comparative figures in the profit and loss and working accounts have been restated to take account of the requirements of EU Council Directive 91/440.



27. Working Accounts

(A) Mainline Rail Sector (excluding Bray/Howth Suburban Rail Services)

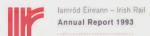
Deficit for the Year	(2,076)	(2,162)
Deficit before State Grants State Grants	(80,687) 78,611	(77,597) 75,4 3 5
Interest Payable	(2,590)	(2,670)
Operating Deficit before Operating Interest Payable and State Grants	(78,097)	(74,927)
Total Expenditure	148,225	145,967
Operating Depreciation	7,077	6,181
Operating and Other Expenses	61,567	61,437
Fuel	5,710	5,835
Maintenance of Railway Rolling Stock	28,781	27,346
Infrastructure (Note 26)	45,090	45,168
Expenditure		, , , ,
Total Revenue	70,128	71,040
Miscellaneous	2,256	2,159
Goods Train Traffic	18,439	20,594
Revenue Passenger Train Traffic	49,433	48,287
	IR£000	IR£000
(A) Mainline Rail Sector (excluding Bray/ Howth Suburban Rail Services)	1993	1992



27. Working Accounts (continued)

(B) Bray/Howth Suburban Rail Services Sector

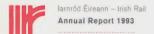
	1993	1992
	IR£000	IR£000
Revenue		
Passenger Traffic	11,594	11,159
Miscellaneous	195	197
Total Revenue	11,789	11,356
Expenditure		
Infrastructure (Note 26)	8,400	9,294
Maintenance of Railway Rolling Stock	1,965	1,697
Fuel (including electricity for traction)	1,375	1,364
Operating and Other Expenses	7,665	7,058
Operating Depreciation	1,854	1,828
Total Expenditure	21,259	21,241
Operating Deficit before Operating Interest Payable and State Grants	(9,470)	(9,885)
Interest Payable	(5,972)	(5,110)
Deficit for Year before State Grants	(15,442)	(14,995)
State Grants	15,442	14,995
	-	-



27. Working Accounts (continued)

(C) Road Freight Sector

(o) Road Freight Scotor		
	1993 IR£000	1992 IR£000
Revenue		
Goods Services	17,970	19,667
Miscellaneous	107	149
Total Revenue	18,077	19,816
Operating Costs		
Maintenance of Buildings	4	11
Maintenance of Vehicles and Equipment	1,139	1,956
Fuel	949	1,015
Road Tax and Licences	83	82
Operating and Other Expenses	14,563	16,109
Operating Depreciation	687	66
Total Expenditure	17,425	19,239
Operating Surplus before Interest Payable	652	577
Interest Payable	-	(90)
Net Surplus	652	487
(D) Rosslare Harbour Sector		
	1993	1992
	1993 IR£000	1992 IR£000
Revenue		
Revenue Harbour Services		
	IR£000	IR£000
Harbour Services Operating Costs Maintenance, Operating and Other Expenses	IR£000	IR£000
Harbour Services Operating Costs Maintenance, Operating and Other Expenses Operating Depreciation	IR£000 4,913	IR£000 5,526
Harbour Services Operating Costs Maintenance, Operating and Other Expenses Operating Depreciation	4,913 2,316	5,526 2,751
Operating Costs Maintenance, Operating and Other Expenses Operating Depreciation Amortisation of Capital Grants	4,913 2,316 463	5,526 2,751
Harbour Services	4,913 2,316 463 (87)	5,526 2,751 269
Operating Costs Maintenance, Operating and Other Expenses Operating Depreciation Amortisation of Capital Grants Total Expenditure	4,913 2,316 463 (87) 2,692	5,526 2,751 269 - 3,020



27. Working Accounts (continued)

(E) Catering Services Sector

1993	1992 IR£000
IRZUUU	IREUUU
7,126	6,531
113	82
3,034	2,857
2,518	2,348
1,153	983
6,818	6,270
308	261
-	(12)
308	249
	113 3,034 2,518 1,153 6,818 308

Total expenditure in the above working accounts for the business sectors of the company include the exceptional items, for 1993 IR Ω 2,321,000 (1992 - IR Ω 2,750,000) and the transfer to asset replacement reserve for 1993 IR Ω 4,357,000 (1992 - IR Ω 3,626,000). Also, profit of IR Ω 107,000 (1992 - IR Ω 10) on sale of tangible fixed assets is not included in the above working accounts.

28. Membership of Córas Iompair Éireann Group

larnród Éireann – Irish Rail is a member of the Córas lompair 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 larnród Éireann – Irish Rail incorporated in Northern Ireland with registered offices at Central Station, East Bridge Street, Belfast.

29. Approval of Financial Statements

The Directors approved the financial statements on 20th May, 1994.



Value Added Statement

	1	993		992
	IR£000	IR£000	IR£000	IR£000
Value Added Generated				
Revenue (Note 2)		112,033		114,269
State Grants (Note 7)		94,053		90,430
Profit on Sale of Tangible Fixed Assets		107		-
Own Work Capitalised and				
Engineering Work for Group Companies		10,905		8,721
Less: Cost of Materials and Services Utilised	(66,360)		(64,904)	
Exceptional Items	(2,321)	(68,681)	(2,750)	(67,654)
				1 45 500
		148,417		145,766
Application of Value Added Net Compensation of Employees including pension costs		74,376		71,299
Net Compensation of Employees including pension costs				71,299
Net Compensation of Employees including pension costs Government – Payroll Taxes		74,376		
Net Compensation of Employees including pension costs Government – Payroll Taxes Provider of Capital (Note 4)		74,376 32,138		71,299 30,559
Net Compensation of Employees including pension costs Government – Payroll Taxes Provider of Capital (Note 4) Provision for Future Investment (Note 3)	9,239	74,376 32,138	8,241	71,299 30,559
Net Compensation of Employees including pension costs Government – Payroll Taxes Provider of Capital (Note 4)	9,239 (87)	74,376 32,138	8,241	71,299 30,559
Net Compensation of Employees including pension costs Government – Payroll Taxes Provider of Capital (Note 4) Provision for Future Investment (Note 3) Depreciation		74,376 32,138	8,241 - 13,974	71,299 30,559
Net Compensation of Employees including pension costs Government – Payroll Taxes Provider of Capital (Note 4) Provision for Future Investment (Note 3) Depreciation Amortisation of Capital Grants	(87)	74,376 32,138 16,368	-	71,299 30,559 17,056



