



Bus Éireann
Irish Bus

Annual Report
and Financial Statements
1994

Tuarascáil Bhliantúil
agus Ráitis Airgeadais
don Bhliain go 31u Nollaig
1994



Contents

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



Directors and Other Information

Directors

Mr. D. O' Leary, Chairman

Mr. D. Mangan, Managing Director

Mr. S. Feely

Mr. J.J. Harrington

Mr. A.J. O'Brien

Secretary and Registered Office

Mr. J.P. Lynch,

Broadstone,

Dublin 7.

Telephone (01) 830 2222

Facsimile (01) 830 9377

Registered Number 119570

Auditors

Craig Gardner & Co.,

Chartered Accountants and Registered Auditors,

Gardner House,

Wilton Place,

Dublin 2.



Report of the Directors

For the year ended 31st December, 1994

The directors submit their annual report together with the audited financial statements for the year ended 31st December, 1994.

1. Principal Activities and Review of Operations

During the year the company continued to provide a national network of Expressway Coach Services, Local Bus Services and Provincial City Bus Services as well as operating School Transport Services throughout the country on behalf of the Department of Education.

The directors are pleased to report a satisfactory performance for the year, generating a surplus of IRE4.865 million. This result transformed the opening accumulated deficit of IRE1.935 million into a closing surplus of IRE2.930 million. This outcome was achieved through sustained revenue growth and cost containment. The control of expenditure remains a priority for the company so as to sustain and improve its competitive position in the marketplace. In 1994 the company received an initial payment from the Department of Education in respect of underpayments for School Transport Services in 1988 to 1991. This income is shown as Exceptional Operating Income in the profit and loss account. During 1994 the company also benefited from lower interest rates resulting in a significant decrease in interest costs.

The company was granted an increase in fares in August 1994, the first since 1991, and this provided a welcome impetus to revenue growth particularly on City Services. Revenues from Stage Carriage and Expressway also improved substantially. Expressway passenger journeys increased by 5% with somewhat lower growth on the City and Stage Carriage Services. The acquisition of new coaches, together with successful marketing of the company's services through innovative advertising, promotions and service improvements have contributed to the significant growth in customer revenue, notwithstanding the growing number of operators on many of the Expressway routes.

School Transport Services continue to be delivered in a safe and cost effective manner. In line with previously recognised demographic trends there was a reduction in the number of primary school journeys while post primary journeys increased, leading to a small overall reduction in the total number of journeys. The excellent performance of good quality second hand buses has contributed to the continued successful operation of the scheme.

Ancillary business activities continued to perform satisfactorily and advertising revenues from new bus shelters are expected to make a valuable contribution in future years.

Arising from the policy of continuous fleet renewal a further twenty coaches for the Expressway network and one hundred and twelve second hand school buses were purchased during the year. Total capital investment during 1994 amounted to IRE4.8 million.

The financial statements continue to be prepared on a going concern basis as the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.



Report of the Directors

2. *Results and Reserves*

The financial statements for the year ended 31st December, 1994 are set out in detail on pages 6 to 22 and a summary of the results is as follows:-

	<i>1994</i>
	<i>IR£000</i>
Surplus for the year after State Grant	5,071
Transfer to Reserve	(206)
Surplus for the year after transfer to Reserve	4,865

3. *Worker Participation at Sub-Board Level*

The company is among the State enterprises covered by the sub-board participation provisions of the Worker Participation (State Enterprises) Act, 1988. Proposals designed to give effect to the provisions of the Act have been drafted and the process towards implementation is continuing.

4. *Health and Safety*

It is the policy of the company to ensure the well being of its employees by maintaining a safe place of work and by complying with relevant employment legislation including the Safety, Health and Welfare at Work Act, 1989.

5. *Equal Opportunities in State Sponsored Bodies*

The company is an equal opportunities employer. All applications for employment and promotion are given full and fair consideration with due regard being given to the aptitude and ability of the individual and the requirements of the position being filled.

6. *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 Communication. The names of persons who were directors during the year ended 31st December, 1994 are set out below. Except where indicated, they served as directors for the entire year.

Mr. D. O' Leary, Chairman	Director throughout the year, Chairman from 1st July, 1994
Mr. D. Mangan, Managing Director	Appointed 1st July, 1994
Mr. G.T.P. Conlon	Retired as Chairman and Director 30th June, 1994
Mr. N. Kennedy	Resigned as Managing Director 30th June, 1994
Mr. S. Feely	
Mr. J.J. Harrington	
Mr. A.J. O'Brien	

7. *Auditors*

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

On behalf of the board

D. O'Leary, Chairman
D. Mangan, Managing Director

28th March, 1995.



Statement of 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:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1990 and the European Communities (Companies: Group Accounts) Regulations, 1992. 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 members of Bus Éireann – Irish Bus

We have audited the financial statements on pages 6 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 4, 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 mis-statement, 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, 1994 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 Report of the Directors on pages 2 and 3 is consistent with the financial statements.

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, 1994, 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.**

13th April, 1995.



Principal Accounting Policies

A. Basis of Accounting:

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and are expressed in Irish pounds, denoted by the symbol IR£.

B. Tangible Assets, Depreciation and Asset Replacement Reserve:

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 and asset replacement reserve are as follows:

(i) Road Passenger Vehicles

Road passenger vehicles, with the exception of those school buses which are funded by the Department of Education, are depreciated, by equal annual instalments, on the basis of the historical cost of vehicles in the fleet spread over their expected useful lives. In addition, the excess of depreciation based on the replacement cost of the vehicles (at the beginning of the year) over the historical cost depreciation is shown separately as a transfer to reserve from the profit and loss account.

School buses in the fleet at 1st April, 1974 are depreciated, by equal annual instalments, on the basis of their written down value at that date spread over the remainder of their expected useful lives. School buses which came into service after 1st April, 1974 are depreciated, by equal annual instalments, on the basis of their original cost spread over their expected useful lives.

(ii) Plant and Machinery

Plant and machinery are depreciated, by equal annual instalments, on the basis of historical cost spread over their expected useful lives.

C. Leased Assets:

Operating Leases

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

D. Stocks:

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

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

E. Department of Education – Funding of School Buses:

School buses funded by the Department of Education are included in tangible assets and are depreciated as described in (B) with a corresponding amortisation of the monies received from the Department of Education.



Principal Accounting Policies

F. Foreign Currency:

Transactions denominated in a 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 or at contract rates where applicable.

G. Non-Repayable State Grant:

The Non-Repayable State Grant under EU Regulation No. 1107/70 (Article 3.2) is included in the profit and loss account.

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 year 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 re-organisation of the Group's existing pension arrangements, would be inappropriate because the proposed re-organisation is expected to significantly change the existing pension arrangements and the consequent accounting treatment thereof (Note 19 (B)).



Profit and Loss Account

	Notes	Year ended 31st December	
		1994 IR£000	1993 IR£000
Revenue			
Customer Receipts		94,308	91,564
Miscellaneous Receipts		419	327
Exceptional Operating Income	2	1,642	-
Total Revenue		96,369	91,891
Costs			
Operating Costs	3	(94,724)	(91,121)
Exceptional Operating Costs	2	(48)	(306)
Total Operating Costs		(94,772)	(91,427)
Surplus before Profit on Disposal of Tangible Assets, Interest and State Grant			
		1,597	464
Profit on Disposal of Tangible Assets		8	9
Surplus before Interest and State Grant			
		1,605	473
Interest Payable	4	(534)	(1,085)
Surplus/(Deficit) for the Year before State Grant			
		1,071	(612)
State Grant	5	4,000	4,000
Surplus for the Year after State Grant			
		5,071	3,388
Transfer to Reserve	14	(206)	(335)
Surplus for the Year after Transfer to Reserve			
		4,865	3,053
Accumulated Deficit at Beginning of the Year		(1,935)	(4,988)
Accumulated Surplus/(Deficit) at End of the Year			
		2,930	(1,935)

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 accounts for the years 1994 and 1993.

On behalf of the board

D. O'Leary, Chairman
D. Mangan, Managing Director

28th March, 1995.



Balance Sheet

	Notes	Year ended 31st December	
		1994 IR£000	1993 IR£000
Fixed Assets			
Tangible Assets	6	36,270	36,377
Current Assets			
Stocks	7	3,749	3,759
Debtors	8	15,796	10,578
Cash at Bank and in Hand		17	17
		19,562	14,354
Creditors (Amounts falling due within one year)	9	(11,865)	(11,515)
Net Current Assets		7,697	2,839
Total Assets Less Current Liabilities		43,967	39,216
Financed by:			
Creditors (Amounts falling due after more than one year)	10	2,780	2,600
Provision for Liabilities and Charges	12	12,215	12,683
		14,995	15,283
Capital and Reserves			
Called up Equity Share Capital	13	23,000	23,000
Asset Replacement Reserve	14	3,022	2,816
Profit and Loss Account		2,930	(1,935)
Equity Shareholders' Funds	15	28,952	23,881
Department of Education			
Funding of School buses	16	20	52
		43,967	39,216

On behalf of the board

D. O'Leary, Chairman
D Mangan, Managing Director

28th March, 1995.



Cash Flow Statement

	Notes	<i>Year ended 31st December</i>	
		<i>1994</i>	<i>1993</i>
		<i>IR£000</i>	<i>IR£000</i>
Net Cash Inflow from Operating Activities	17(A)	5,408	10,226
Servicing of Finance			
Interest Paid	4	(534)	(1,085)
Net Cash Outflow from Servicing of Finance		(534)	(1,085)
Investing Activities			
Purchase of Tangible Assets		(4,778)	(4,754)
Sale of Tangible Assets		8	9
Net Cash Outflow from Investing Activities		(4,770)	(4,745)
Net Cash Inflow before Financing		104	4,396
Financing			
Repayment of Holding Company Loan		–	(4,389)
Capital Element of Finance Lease Rentals		–	(24)
Net Cash Outflow from Financing		–	(4,413)
Increase/(Decrease) in Cash and Cash Equivalents	17(B)	104	(17)



Notes to the Financial Statements

1. *Status of Company*

Bus Éireann-Irish Bus 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 Bus Éireann-Irish Bus commenced trading.

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. *Exceptional Operating Items*

	<i>1994</i> <i>IRE000</i>	1993 IRE000
Exceptional Operating Income		
Payment by Department of Education for School Transport Services in respect of earlier years.	(1,642)	-
Exceptional Operating Costs		
Voluntary Severance	48	306
	(1,594)	306

A further sum of IRE1,500,000 has been received since the year end in respect of arrears of School Bus payments. This has been paid by the Department of Education from its 1995 budget. Because of uncertainty regarding the total amount payable to the company in respect of 1995 School Bus Services, the directors have deemed it prudent not to recognise as revenue in 1994 the January 1995 arrears payment.



Notes to the Financial Statements

3. Operating Costs	<i>1994</i>	<i>1993</i>
	<i>IR£000</i>	<i>IR£000</i>
Staff Costs		
Wages and Salaries	39,137	37,138
Social Welfare Costs	3,422	3,328
Other Pension Costs	2,632	2,372
	45,191	42,838
Own Work Capitalised and Engineering Work for Group Companies	(465)	(458)
Net Staff Costs	44,726	42,380
Materials and Services		
Fuel and Lubricants	4,228	4,123
School Contractors	17,095	16,529
Road Tax and Licences	267	264
Operating Lease Rentals	379	337
Third Party and Employer's Liability Claims	4,007	4,457
Rates	347	304
Auditors' Remuneration	30	30
Materials and Other Services	18,696	18,253
	45,049	44,297
Directors' Remuneration Emoluments		
– for services as Directors	6	4
– for other services	90	88
	96	92
Depreciation	4,853	4,352
Total Operating Costs	94,724	91,121
	<i>Staff Numbers</i>	
	<i>1994</i>	<i>1993</i>
The average number of persons employed was as follows:-		
Full-time	1,920	1,893
Part-time School Bus Drivers	676	675
	2,596	2,568
4. Interest Payable		
	<i>1994</i>	<i>1993</i>
	<i>IR£000</i>	<i>IR£000</i>
On Loan from Holding Company	534	1,085



Notes to the Financial Statements

5. State Grant

The Grant payable to the company via the Holding Company, C oras Iompair  ireann, is in accordance with EU Regulations governing State aid to transport undertakings. EU Regulation No. 1107/70 is availed of to make a grant in respect of deficits on road passenger services.

Under this Regulation a State Grant of IRE4,000,000 was made to Bus  ireann-Irish Bus for the year ended 31st December, 1994 (1993 - IRE4,000,000)

6. Tangible Assets

	<i>Road Passenger Vehicles IRE000</i>	<i>Plant and Machinery IRE000</i>	<i>Total IRE000</i>
Cost			
At 1st January, 1994	70,297	2,373	72,670
Additions	4,688	90	4,778
Disposals	(947)	-	(947)
At 31st December, 1994	74,038	2,463	76,501
Depreciation			
At 1st January, 1994	34,764	1,529	36,293
Charge for the Year	4,739	146	4,885
Disposals	(947)	-	(947)
At 31st December, 1994	38,556	1,675	40,231
Net Book Amounts			
At 31st December, 1994	35,482	788	36,270
At 31st December, 1993	35,533	844	36,377

(a) The depreciation charge shown for road passenger vehicles includes IRE32,000 (1993-IRE32,000) depreciation on school buses. The amount is wholly offset by the amortisation of monies received from the Department of Education (Note 16).

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

	<i>Lives (Years)</i>
Road Passenger Vehicles	5-16
Plant and Machinery	5-10

(c) Road passenger vehicles at a cost of IRE4,735,000 (1993 - IRE5,315,000) were fully depreciated but still in use at the balance sheet date.



Notes to the Financial Statements

7. Stocks

	1994 IR£000	1993 IR£000
Maintenance Materials and Spare Parts	3,365	3,381
Fuel, Lubricants and Other Sundry Stocks	384	378
	3,749	3,759

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 (Amounts falling due within one year)

	1994 IR£000	1993 IR£000
Trade Debtors	3,803	4,567
Amounts owed by Holding and Fellow Subsidiary Companies	10,767	5,304
Other Debtors and accrued income	1,226	707
	15,796	10,578

9. Creditors (Amounts falling due within one year)

	1994 IR£000	1993 IR£000
Bank Overdraft	799	903
Trade Creditors	1,635	1,596
Loan from Holding Company (Note 11)	220	400
Income Tax deducted under P.A.Y.E.	663	725
Pay Related Social Insurance	544	615
Value Added Tax and other taxes	25	31
Other Creditors	760	711
Accruals	3,969	4,334
Third Party and Employer's Liability Claims (Note 12)	3,250	2,200
	11,865	11,515
Creditors for taxation and social welfare included above	1,232	1,371



Notes to the Financial Statements

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

	1994 IR£000	1993 IR£000
Loan from Holding Company (Note 11)	2,780	2,600

11. Loan from Holding Company

	1994 IR£000	1993 IR£000
This loan is repayable as follows:-		
Within one year (Note 9)	220	400
Between one and two years	921	200
Between two and five years	1,859	1,000
After five years	-	1,400
	2,780	2,600
	3,000	3,000

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



Notes to the Financial Statements

12. Provision For Liabilities and Charges

	1994 IRE000	1993 IRE000
Third Party and Employer's Liability Claims		
Balance at 1st January	14,883	12,622
Utilised during the year	(3,311)	(2,085)
Transfer from Profit and Loss Account	3,893	4,346
Balance carried forward	15,465	14,883
Less: Transfer to current liabilities (Note 9)	3,250	2,200
Balance at 31st December	12,215	12,683

Provision is made for the estimated ultimate cost of all third party and employer's liability claims which are not covered by the Board's 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 IRE1,000,000 and up to IRE81,000,000 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 US\$3,000,000;
- (ii) third party liability in excess of IRE50,000 and up to IRE80,050,000 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 US\$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 IRE4,410,000 in aggregate in a twelve month period, April 1995 to March 1996; and
- (iv) fire and special perils, including storm damage, to the Board's property in excess of IRE200,000 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.



Notes to the Financial Statements

13. Equity Share Capital

	1994 IRE000	1993 IRE000
Authorised:		
Ordinary Shares of IRE1 each	32,000	32,000
Allotted and Fully Paid:		
Ordinary Shares of IRE1 each	23,000	23,000

14. Asset Replacement Reserve

	1994 IRE000	1993 IRE000
Balance at 1st January	2,816	2,481
Transfer from Profit and Loss Account	206	335
Balance at 31st December	3,022	2,816

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

15. Reconciliation of Movements in Equity Shareholders' Funds

	1994 IRE000	1993 IRE000
Surplus for the Year after State Grant	5,071	3,388
Opening Equity Shareholders' Funds	23,881	20,493
Closing Equity Shareholders' Funds	28,952	23,881

16. Department of Education – Funding of School Buses

	1994 IRE000	1993 IRE000
Balance at 1st January	52	84
Released to Profit and Loss Account	(32)	(32)
Balance at 31st December	20	52



Notes to the Financial Statements

17. Cash Flow Statement

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

	1994 IR£000	1993 IR£000
Surplus before State Grant and Servicing of Finance	1,605	473
State Grant	4,000	4,000
Surplus for the Year before Servicing of Finance	5,605	4,473
Depreciation	4,853	4,352
Profit on Disposal of Tangible Assets	(8)	(9)
Decrease in Stocks	10	40
(Increase)/Decrease in Debtors	(5,218)	154
Increase in Creditors and Provisions	166	1,216
Net Cash Inflow from Operating Activities before Servicing of Finance	5,408	10,226

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

	1994 IR£000	1993 IR£000
Balance at 1st January	(886)	(869)
Net Cash Inflow / (Outflow)	104	(17)
Balance at 31st December	(782)	(886)

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

	1994 IR£000	1993 IR£000	Change in 1994 IR£000	Change in 1993 IR£000
Cash at Bank and in Hand	17	17	—	—
Bank Overdraft	(799)	(903)	104	(17)
	(782)	(886)	104	(17)



Notes to the Financial Statements

18. Lease Obligations

	1994 IR£000	1993 IR£000
Operating Leases		
Commitments under non-cancellable operating leases payable in the coming year expire as follows:-		
Within one year	72	10
Between one and five years	229	89
	301	99

19. Pensions

(A) Current Pension Arrangements

The Board operates defined benefit pension schemes for the established employees of itself and of its subsidiary companies, including Bus Éireann-Irish Bus. 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 pensions cost for the year was IR£2,638,000 (1993 - IR£2,377,000)

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

- C.I.E. Superannuation Scheme, 1951 31st December, 1993
- C.I.E. Pension Scheme for Regular Wages Staff 31st December, 1993
- G.N.R. Co. (Ireland) Pension Fund for Wages Staff 31st December, 1993
- C.I.E. Spouses' and Children's Superannuation Scheme 31st December, 1993
- C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977 31st December, 1993
- C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme 31st December, 1993



Notes to the Financial Statements

19. Pensions (continued)

(A) Current Pension Arrangements (continued)

The actuarial valuations of the pension schemes show on a combined basis that the assets of the schemes represent 164% of the liabilities which had accrued up to the above date 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. There were shortfalls in the cash resources of the C.I.E. Salaried Officers' and Clerks' (G.S.R.) Superannuation Scheme in 1994 of IRE1,310,000 (1993 - IRE1,385,000), and in the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977 in 1994 of IRE389,000 (1993 - IRENil).

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 the C.I.E. Salaried Officers' and Clerks' (G.N.R., C.D.R. and I.R.C.H.) Superannuation Scheme, 1977 and benefit amendments will be incorporated in the amalgamated schemes. In relation to the proposed scheme for regular wages grade employees, the employees and the Minister have accepted the proposed new arrangements, and the necessary Statutory Instrument is in the process of being drafted. In the case of the proposed scheme for salaried employees the matter is still subject to discussion and negotiation with representatives of the members of the affected schemes, and then with the Minister.

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



Notes to the Financial Statements

20. Capital Commitments

	1994 IR£000	1993 IR£000
Contracted for	5,529	4,070
Authorised by the Directors but not contracted for	483	525
	6,012	4,595

21. 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.

22. Net Surplus/(Deficit) by Sector

The surplus for the year after the transfer to asset replacement reserve is split between City Services and Other Services as follows:

(a) City Services

	1994 IR£000	1993 IR£000
Revenue		
Customer Receipts	11,612	11,316
Miscellaneous Receipts	51	49
Total Revenue	11,663	11,365
Expenditure		
Maintenance of Buildings	174	198
Maintenance of Vehicles and Equipment	2,820	2,994
Fuel	469	460
Road Tax and Licences	32	29
Operating and Other Expenses	9,094	8,792
Operating Depreciation	1,009	941
Total Expenditure before Interest Payable	13,598	13,414
Operating Deficit before Interest Payable and State Grant	(1,935)	(2,049)
Interest Payable	(92)	(202)
Deficit before State Grant	(2,027)	(2,251)
State Grant	2,029	2,141
Surplus/(Deficit) for the Year after State Grant	2	(110)



Notes to the Financial Statements

22. Net Surplus/(Deficit) by Sector (continued)

(b) Other Services

	1994 IR£000	1993 IR£000
Revenue		
Customer Receipts	82,696	80,248
Miscellaneous Receipts	368	278
Exceptional Operating Income	1,642	–
Total Revenue	84,706	80,526
Expenditure		
Maintenance of Buildings	579	687
Maintenance of Vehicles and Equipment	17,483	16,814
Fuel	3,759	3,663
Road Tax and Licences	235	235
Operating and Other Expenses	55,265	53,194
Operating Depreciation	4,051	3,746
Total Expenditure before Interest Payable	81,372	78,339
Operating Surplus before Interest Payable and State Grant	3,334	2,187
Interest Payable	(442)	(883)
Surplus before State Grant	2,892	1,304
State Grant	1,971	1,859
Surplus for the Year after State Grant	4,863	3,163

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

23. Membership of Córas Iompair Éireann Group

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

24. Approval of Financial Statements

The directors approved the financial statements on the 28th March, 1995.



Value Added Statement

	Year ended 31st December			
	1994		1993	
	IRE000	IRE000	IRE000	IRE000
Value Added Generated				
Revenue		96,369		91,891
State Grant (Note 5)		4,000		4,000
Own Work Capitalised and Engineering				
Work for Group Companies		465		458
Profit on Disposal of Tangible Assets		8		9
Less: Cost of Materials and Services Utilised	(45,049)		(44,297)	
Exceptional Operating Costs	(48)	(45,097)	(306)	(44,603)
		55,745		51,755
Application of Value Added				
Net Compensation of Employees including				
pension costs		32,367		30,542
Government-Payroll Taxes		12,920		12,388
Providers of Capital (Note 4)		534		1,085
Provision for Future Investment-Depreciation (Note 3)		4,853		4,352
Surplus for the Year		5,071		3,388
		55,745		51,755

