

Córas Iompair Éireann



CIE

Tuarascáil Bhliantúil an Ghrúpa
agus Ráitis Airgeadais
don Bhliain go 31ú Nollaig 1995

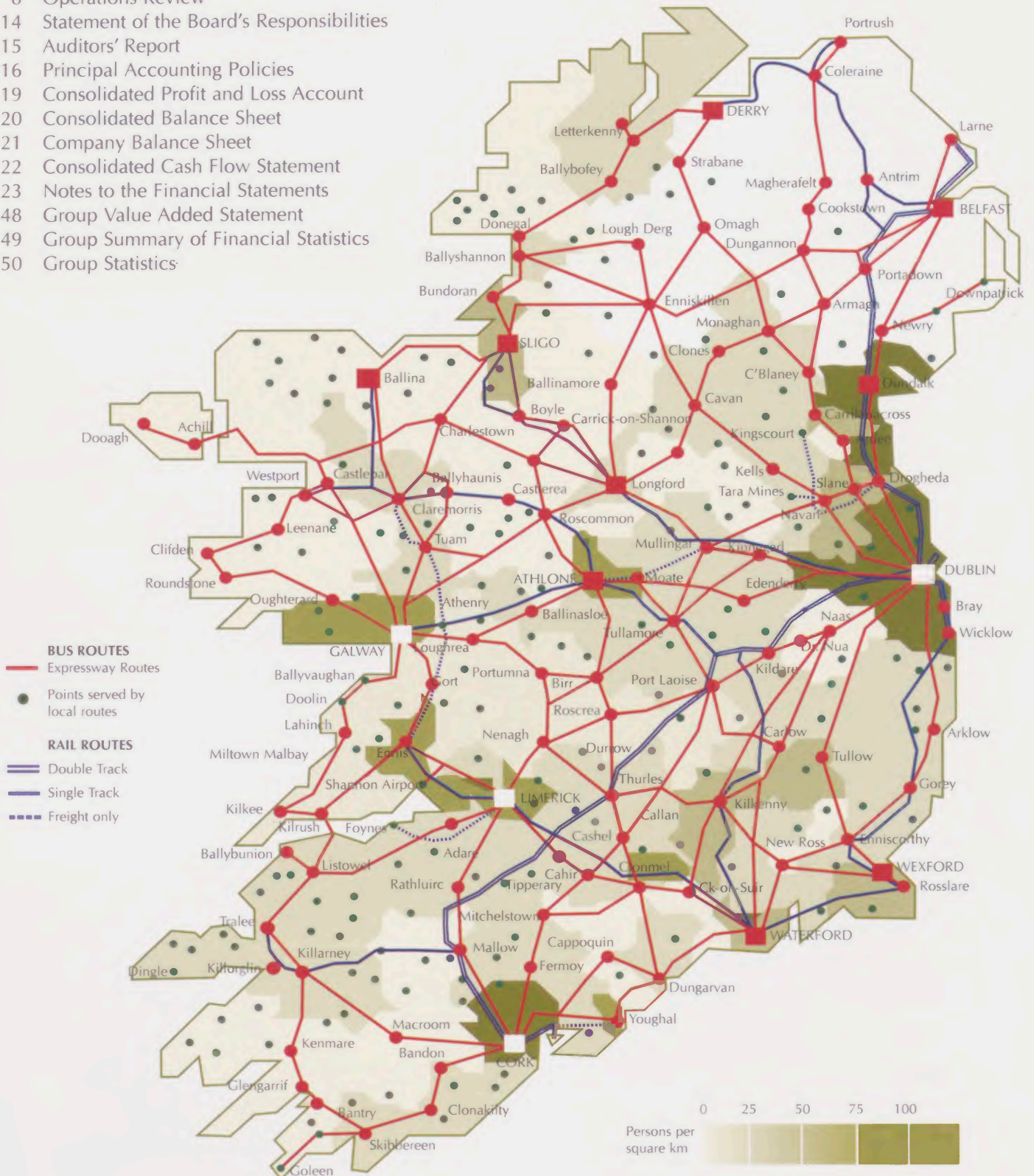
Group Annual Report
and Financial Statements 1995



Population density and CIE routes

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CIE provides national transport services which are funded in two ways

on commercially viable train and bus routes it provides services at competitive prices

on non-commercial routes it provides a social service for the people of Ireland which is supplemented by an annual payment by the State.

For both of these, the CIE Group aims to provide a national transport service which is customer orientated, safe, reliable, efficient and which gives value for money.

GRÚPA CIÉ / THE CIE GROUP

Is é Córas Iompair Éireann (CIÉ) an t-údarás náisiúnta iompair phoiblí laistigh de Phoblacht na hÉireann. Is le Rialtas na hÉireann an chuideachta ar fad trí scaireanna atá dílsithe san Aire Iompair, Fuinnimh agus Cumarsáide. Tá cúig fhochuideachta oibríochá agus trí aonad eile gnó ag cuideachta shealbhaíochta an Ghrúpa. Cuireann siad na seirbhísí seo a leanas ar fáil eatarthu:

- taisteal iarnróid do phaisinéirí
- lastas iarnróid
- busanna cathrach, idir chathracha, tuaithe agus scoile
- lastas bóthair
- bainistíocht chalafoirt
- camchuirteanna
- agus seirbhísí coimhdeacha eile

Is le go leor féinrialach a fheidhmíonn gach aon cheann de na cuideachtaí seo. Tugann an chuideachta shealbhaíochta i gCeannáras an Ghrúpa i Stáisiún Heuston an comhordú, an stiúir agus an treoir ghinearálta. Bhí 11,121 duine fostaithe ag CIÉ agus ag a chuid fochuideachtaí i 1995.

Córas Iompair Éireann (CIE) is the national public transport authority within the Republic of Ireland. The company is wholly owned by the Government of Ireland through shares vested in the Minister for Transport, Energy and Communications. The Group holding company has five subsidiary operating companies and three further business units. Between them they provide services of :-

- railway passenger travel
- railway freight
- city, inter city, rural and school buses
- road freight
- harbour management
- tours
- and other ancillary services.

Each of these companies operates with a high degree of autonomy. The holding company at Group Headquarters in Heuston Station gives overall co-ordination, control and strategic direction. CIE and its subsidiaries employed 11,121 people in 1995.

STRUCHTÚR AN GHRÚPA / GROUP STRUCTURE



Iarnród Éireann

Mainline Rail
Dart / Arrow
Rail Freight
Road Freight
Rosslare Harbour
Catering / Dubel Ltd

Bus Éireann

Expressway
Rural Services
Prov. City Services
School Bus
Vehicle Testing
Private Hire

Bus Átha Cliath

City Services
Cityswift
Cityspeed
City Imp
Nightlink
Airlink
Private Hire

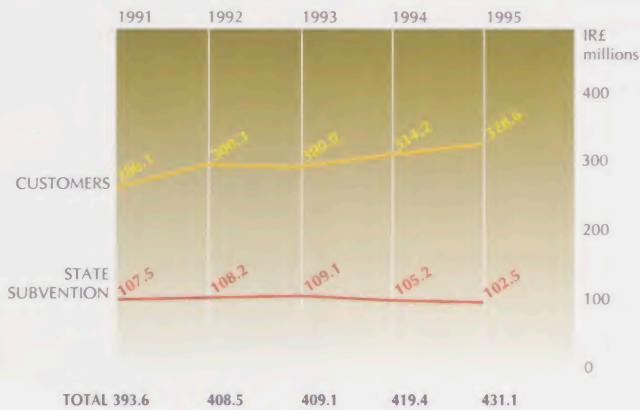
Ancillary Businesses

CIE Tours Int. Inc.
CIE Consult
C.A.N.
CIE Property

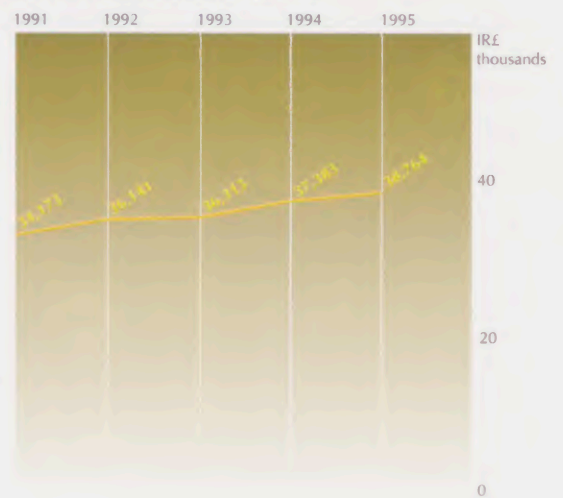


HIGHLIGHTS

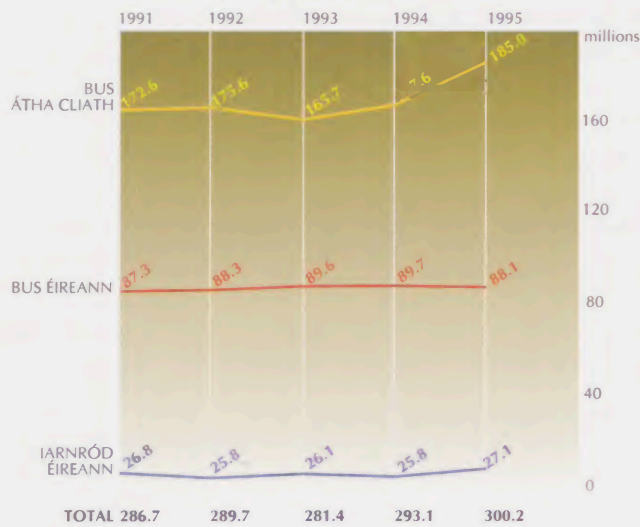
REVENUE



REVENUE PER EMPLOYEE



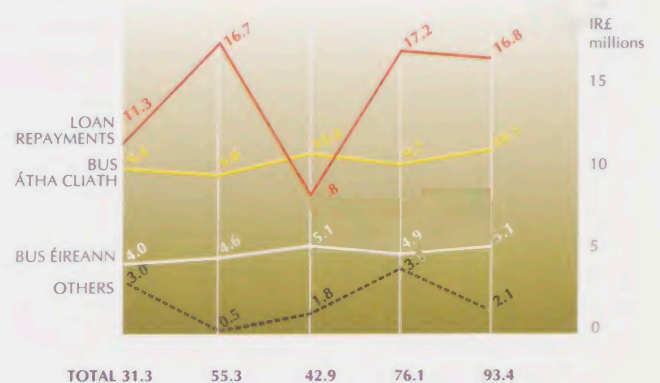
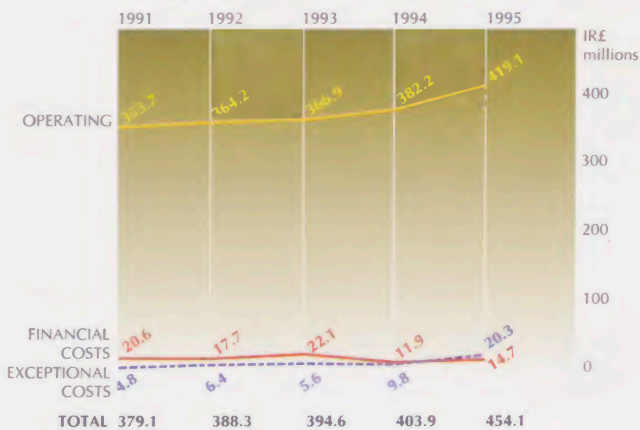
PASSENGER JOURNEYS



CAPITAL EXPENDITURE



OPERATING COSTS



CHAIRMAN'S STATEMENT

The accompanying accounts set out the results of the CIE Group of companies for the year ended 31st December, 1995.

I wish to record my appreciation of the contributions of Board, management and staff of the Group throughout 1995. I would also like to thank our customers for their continued loyal support.

The total deficit on the Group's operations for the year was almost IR £31 million. The deficit is attributable in large part to significant additional costs, some of them exceptional, which arose in 1995, principally increased depreciation charges, the cost of improving facilities and information technology, extra expenditure on track renewal and increased provisions for voluntary severance.

Córas Iompair Éireann has a specific mandate from its Shareholder, the Irish Government, to be a much more commercially driven and customer focussed organisation, delivering quality services at competitive rates. The Board in conjunction with management, have and are adapting company strategies to fulfil their mandate.

As a public transport provider, CIE faces intense competition both from other modes of transport and from other transport operators in all segments of its market. This competition will intensify over the next few years. New strategies are required to equip the Group to compete effectively and profitably in the more competitive marketplace in which we will have to operate. These are being prepared and discussed with the Group's staff representatives.

We can best service our existing customers and win new customers by improving the quality of our product, delivering a better quality service and rigidly controlling costs to ensure our customers continue to get value for money. The Board have approved a major investment programme for the Group over the next few years to substantially upgrade our bus and rail fleet and other facilities for our customers. This investment programme will be partly funded by grant aid from the European Union. The balance must be funded by the Group itself. The Board have decided that this funding will not be provided by increased Group borrowings which by the end of 1996 will be almost IR £200 million. Instead, investment must be financed by cash generated from the Group's operations. To this end, company management are undertaking a complete review of all costs within the Group to generate the necessary resources to finance its capital investment programme.



Brian A. Joyce
Chairman

Management on behalf of the Board are also negotiating public service contracts with Government for the provision of non-commercial but essential services and the provision and maintenance of the rail permanent way. The conclusion of such contracts will introduce much more transparency into Córas Iompair Éireann's Accounts and show the Irish tax-payer the value for money they obtain from the Group's services.

BOARD CHANGES

Mr. Eamon Walsh retired as Executive Chairman of CIE in November 1995. The Group is indebted to him for the valued and substantial contribution he made during his brief term of office.

Mr. Colm Brennan, Ms. Angela Coffey, Mr. John Maguire, Ms. Kaye Mulrooney, Mr. Noel O'Callaghan and Mr. Anthony Rooney ceased to be Board Members during the year. I wish to thank them for their services to Córas Iompair Éireann. Mr. Jim Cullen, Mr. Patrick Lynch, Ms. Laura Magahy, Mr. Michael P. McDonnell, Mr. Brendan Murtagh and Mr. Arthur O'Daly joined the Board in November 1995.

ACKNOWLEDGEMENTS

I would like to thank the Minister for Transport, Energy and Communications, Mr. Michael Lowry, T.D., the Minister for Finance, Mr. Ruairi Quinn, T.D. and their officials for their support and advice to Córas Iompair Éireann during 1995. I would also like to thank the officials of the European Union for their support, particularly for the Group's investment programme.

Brian A Joyce.

Brian A. Joyce,
Chairman.

Members of the Board

Brian A. Joyce

Appointed as Chairman of the Board of Córas Iompair Éireann on 28th November 1995. He is Chairman of the Board's Audit Committee and a member of the Remuneration Committee. A Chartered Management Accountant, he runs his own business consultancy company and currently holds a number of company directorships including Allegro Ltd., EBS Building Society and the Mater Private Hospital. He was formerly the Managing Director of An Bord Bainne.



Tras Honan

Appointed as a Member of the Córas Iompair Éireann Board in November 1994 and re-appointed in November 1995 as Deputy Chairperson. She is Chairperson of the Board's Remuneration Committee and is a Director of Bus Éireann and CIE Tours International Incorporated. She also acts as Chairperson of the Property Advisory Committee. Tras was a member of the Senate throughout the period 1977 to 1993. She was elected as Cathaoirleach for two terms, 1982 to 1983 and 1987 to 1989, and elected as Leas Cathaoirleach from 1983 to 1987.



Jim Cullen

Appointed as a Member of the Board of Córas Iompair Éireann in November 1995. Jim is a Chartered Accountant and joined CIE in July 1995 as Group Chief Financial Officer. He previously held Senior Executive positions in private industry including Chief Executive of Killen Investments / Toyota Motor Group.



Laura Magahy

Appointed as a Member of the Board of Córas Iompair Éireann in November 1995. She is a member of the Board's Audit Committee, is a Director of Bus Átha Cliath and is on the Property Advisory Committee. Laura is Managing Director of Temple Bar Properties.

Members of the Board

- | | |
|------------------------|-------------------------------|
| Brian A. Joyce | Chairman |
| Tras Honan | Deputy Chairperson |
| # Jim Cullen | Group Chief Financial Officer |
| * Michael Faherty | |
| * Shay Feely | |
| * Frank Kenny | |
| Patrick J. Lynch | |
| Laura Magahy | |
| # Michael P. McDonnell | Group Chief Executive |
| Brendan Murtagh | |
| * Anthony J. O'Brien | |
| Arthur O'Daly | |
- * Worker Director
Executive Member

Secretary of the Board

Brian P. Dowling,
Heuston Station,
Dublin 8.
Telephone: 01 677 1871.
Facsimile: 01 703 2276.

Group Management

Michael P. McDonnell
Group Chief Executive

Tony Bergin
Group Head of Human Resources

John Browne
Chief Executive, Bus Éireann

Ray Byrne
Head of Programmes and Projects

Jim Cullen
Group Chief Financial Officer

Eddie Lane
Group Head of Sales and Marketing

Donal Mangan
Chief Executive, Bus Átha Cliath.

David Waters
Chief Executive, Iarnród Éireann.



Michael Faherty

First appointed as a Member of the Board of Córas Iompair Éireann in December 1983 following election through the Worker Participation (State Enterprises) Act, 1977. He is a member of the Board's Audit Committee and is a Director of Bus Átha Cliath. Michael is also on the Property Advisory Committee and works as a bus driver with Bus Átha Cliath.

Shay Feely

First appointed as a Member of the Board of Córas Iompair Éireann in December 1989 following elections through the Worker Participation (State Enterprises) Act, 1977. He is a member of the Board's Audit Committee. Shay is also a Director of Iarnód Éireann and Bus Éireann. He is a gold medallion holder with the TSSA and is Executive in Charge of cash management at Bus Éireann.

Frank Kenny

First appointed as a Member of the Board of Córas Iompair Éireann in December 1989 following elections through the Worker Participation (State Enterprises) Act, 1977. He is a member of the Board's Safety Committee and is also a Director of Bus Átha Cliath. Frank works as a bus driver with Bus Átha Cliath.

Patrick J. Lynch

Appointed as a Member of the Board of Córas Iompair Éireann in November 1995. He is Chairman of the Board's Safety Committee and is a Director of Iarnód Éireann. Patrick is Chief Executive of Irish Shell Ltd. He was a former programme director with the National Board for Science and Technology, past President of the Institution of Engineers of Ireland and is currently Chairman of the Transport Council of IBEC.

**Michael P. McDonnell**

Joined Córas Iompair Éireann as Group Chief Executive in May 1995 and was appointed as a Member of the Board of Córas Iompair Éireann in November 1995. He is Chairman of Iarnód Éireann, Bus Éireann, Bus Átha Cliath and CIE Tours International Incorporated.

Brendan Murtagh

Appointed as a Member of the Board of Córas Iompair Éireann in November 1995. He is a member of the Board's Remuneration Committee and is a Director of Iarnód Éireann and Bus Éireann. Brendan is Deputy Chairman and Marketing Director of the Board of the Kingspan Group.

Anthony J. O'Brien

First Appointed as a Member of the Board of Córas Iompair Éireann in June 1991 following election through the Worker Participation (State Enterprises) Act, 1977. He is a member of the Board's Safety Committee, is a Director of Iarnód Éireann and Bus Éireann and is also on the Property Advisory Committee. Tony is currently President of the NATE Division of SIPTU and works as a Locomotive Inspector with Iarnod Éireann in Limerick.

Arthur O'Daly

Appointed as a Member of the Board of Córas Iompair Éireann in November 1995. He is a Member of the Board's Safety Committee and is a Director of Bus Átha Cliath. Arthur, a Chartered Accountant, is a board member of the National Rehabilitation Board and a Director of Dun Laoghaire Community Training Workshop Ltd.

Board Committees**Audit Committee**

Brian A. Joyce, *Chairman*
Michael Faherty
Shay Feely
Laura Magahy

Remuneration Committee

Tras Honan, *Chairperson*
Brian A. Joyce
Brendan Murtagh

Safety Committee

Patrick J. Lynch, *Chairman*
Frank Kenny
Anthony J. O'Brien
Arthur O'Daly

Officers / Advisers**Auditors**

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

Solicitor

Michael Carroll,
Bridgewater House,
Islandbridge,
Dublin 8.

Principle Banker

Bank of Ireland,
College Green,
Dublin 2.

GROUP RESULTS

The deficit of the Group’s operations for the year was almost IR £31 million. The difference of IR £40 million, as compared with the surplus of IR £9 million (after transfer to reserve) recorded in 1994, is mainly due to:

	IR £millions
Revenue	14
Operating Costs	(37)
Exceptional Operating Costs	(10)
Government Grants	(3)
Financial Costs	(3)
Transfer to Reserve	(1)
	(40)

Revenues increased by IR £14.4 million to IR £328.6 million in 1995. The Government Grant for the provision of social services and the upkeep of the rail permanent way, at IR £102.5 million, was IR £2.7 million lower than in 1994. As a result total Group receipts were, at IR £431.1 million, some IR £12 million higher than in 1994.

Operating costs rose by IR £36.8 million to IR £419 million. Some IR £21 million of this increase is attributable to two items:

- a revision in the depreciation method to reflect changing operating patterns and depreciation on newly acquired locomotives, were mainly responsible for the increased charge of IR £12.5 million in 1995. These increases will also affect the depreciation charge for future years.
- an increase in third party and employer liability claims provisions of IR £8.9 million.

Exceptional operating costs, mainly voluntary severance provisions, at IR £20.3 million were some IR £10.5 million higher than in 1994.

Financial costs, despite a reduction in interest rates, were some IR £2.9 million higher. This reflects a further substantial increase in Group borrowings and exchange rate movements.

The **transfer to reserve** of IR £7.9 million was over IR £1 million higher than in 1994. This reserve represents the excess of depreciation on replacement cost of assets over that based on historical cost.

The **total deficit** on Group operations in 1995 was IR £30.9 million.





IARNRÓD ÉIREANN

Iarnród Éireann operates national rail passenger and freight services, road freight, catering and port management businesses.

Customer revenues in 1995 increased by IR £7.8 million or 6.8% to IR £121.9 million. The Exchequer contribution towards the upkeep of the permanent way, interest subsidies and the provision of social services amounted to IR £97 million, an increase of IR £3.8 million on 1994. Total operating costs incurred in the same period rose by IR £20.3 million or 10.5% to IR £214.2 million. Overall, there was a net deficit of IR £15.9 million, after transfer to reserve, compared to IR £3.8 million in 1994.

Improving the Quality of Rail Services

Iarnród Éireann spent IR £59 million in 1995 in improving the quality of the product and the services offered to its customers.

- Twenty two new 201 class locomotives became operational.
- Additional 6-car DART services were introduced and a diesel railcar went into service on the Cork - Cobh line.
- 48 miles of track were renewed, mainly on the Belfast, Cork and Waterford lines.
- Further investment was also made in improving station facilities for the company's customers.

As a result of the company's investment programme, Iarnród Éireann in 1995 achieved record passenger carryings of 27.1 million: Intercity journeys increased by 6% while DART attracted 5% more passengers.

Road Freight tonnage carried increased by over 13%. Revenue rose by over IR £2 million to IR £20.7 million and the profit increased by IR £0.1 million to IR £0.7 million.

Rosslare Harbour had another record year when passenger numbers exceeded 1.4 million for the first time ever. Revenue from operations increased by 9% to IR £6 million. A further IR £5.4 million, partly funded by the European Union, was spent on improving berthing facilities at Rosslare to provide a better quality service for customers.

The company's **Catering Services** continued to expand and recorded profits of IR £0.4 million in 1995.



BUS ÉIREANN

Bus Éireann provides inter-city, rural, provincial city and school bus services.

Overall customer journeys, excluding school bus services, were down by 0.9 million to 38.7 million. This decline was mainly due to an industrial dispute in Cork. School bus journeys fell by 0.7 million to 49.4 million in line with the overall national trend of declining pupil numbers. Customer revenues increased by 3.5% to IR £99.8 million. The company recorded an overall deficit of IR £6.4 million after an Exchequer contribution of IR £1.7 million towards the operation of non-commercial services.

Improving the Quality of Bus Services

Bus Éireann is committed to continually improving the quality of its services to its customers. To this end, the company leased ten and purchased two new coaches and also purchased thirty seven other high quality coaches for its Expressway network. It also introduced a new high frequency mini bus service in Waterford City and has plans to introduce similar services for its customers in other provincial cities.

School Transport Services

The School Transport Service is operated throughout the country on a contract basis at cost for the Department of Education. Six thousand routes are operated nationally each day involving Bus Éireann regular and special school services and privately owned vehicles under contract. In 1995, the net cost was IR £36.5million. School going passenger carryings amounted to 49.4 million as compared with 50.1 million in 1994. During 1995 Bus Éireann continued its policy of upgrading its schoolbus fleet to provide a better quality service for its customers in this market. Seventy good quality second hand buses were purchased for this purpose.

BUS ÁTHA CLIATH

Bus Átha Cliath provides passenger bus services throughout the Greater Dublin Area.

The number of passenger carryings in 1994 was 185 million, an increase of 7.4 million or 4.2% on 1994. Revenue increased by IR £3.6 million to IR £99.7 million. Total operating costs increased by IR £12.4 million to IR £109.7 million. The Exchequer contribution towards providing non-commercial social services was IR £3.8 million as compared with IR £5 million in 1994. The overall deficit on operations was IR £7 million, a deterioration of IR £9.4 million on the 1994 outcome.



Improving the Quality of Bus Services

During 1995 the company purchased 60 new double deck buses, 12 single decks and 18 minibuses to improve the quality of its bus fleet for its customers. All bus bodies were sourced in Ireland.

The quality of the Dublin bus fleet is better than ever and the age of the fleet is at its lowest level. However, increased traffic congestion in Dublin is adversely affecting the quality of the service Bus Átha Cliath can give its customers. The company has consistently sought from the appropriate authorities more dedicated road space for public transport users by extending the number of quality bus corridors and bus lanes. Progress to date on these issues has been painfully slow but with the establishment of the Dublin Transportation Office, more progress is expected over the coming year.



Assaults on Bus Drivers

Over the past few years there has been an alarming increase in assaults on bus drivers in the Dublin area. As the safety of staff and passengers is paramount in all CIE companies, Bus Átha Cliath management were forced to withdraw services from certain bus routes during 1995 where the incidence of assaults was unacceptable. Assaults also have a heavy financial cost for Bus Átha Cliath and impact on the quality of services it can provide for its customers.

Following consultation and agreement with Bus Átha Cliath trade union representatives, the company has fitted assault screens on all buses. An Autofare system has also been introduced on a trial basis and, if successful, will be extended to all services. In addition, other measures have been taken in conjunction with the Gardaí to allow drivers provide services to their customers in a safe working environment.



ANCILLARY BUSINESSES

The Group's four ancillary businesses are operated as distinct profit centres responsible for their own revenue generation and financial performance. Total profits of IR £1.8 million were generated in 1995 as compared with IR £2.4 million in 1994.

CIE Tours International is the largest single contributor to inward tourism traffic to Ireland. It markets and sells an extensive range of holiday products, including coach tours, special interest holidays, self catering, car hire, accommodation and conference organisation. In 1995 it generated IR £32.4 million gross revenue, three-quarters of which is paid directly into the Irish economy to hotels, coach



companies, airlines and other services, creating and supporting jobs within the Irish economy. The company catered for over 88,000 tourists in 1995 an increase of 25% on 1994 levels, and achieved operating profits of IR £0.4 million.

CIE Consult is an international transportation consultancy agency which provides transport advisory and design services to utilities and private companies in three continents. Consultancy services provided include rail network design, rail engineering, civil engineering, signalling, safety programmes, privatisation studies, restructuring projects and a wide range of training programmes. Income earned in 1995 was IR £2.0 million and a net profit of IR £0.2 million was generated.

Commuter Advertising Network (CAN) markets and manages advertising placement for Irish and international advertisers on the Group's buses, trains and property sites on a national basis. In 1995 sales amounted to IR £2.3 million and profits of IR £1.1 million were recorded. In December 1995 the Group awarded a five year licence for the Group's poster and transit advertising business to TDI Metro Ltd in association with Metro Ireland Ltd. TDI are one of the leading transit advertising companies in the United States and the U.K. CIE will be working closely with them to expand and develop the business over the next five years.

CIE Property manages Group properties at five hundred and fifty locations nationwide. During 1995 it increased rental income by IR £0.3 million to IR £1.2 million and recorded profits of approximately IR £0.7million. To assist the Board in the commercial development of its property portfolio a Property Advisory Committee was established in 1996.

CORPORATE ISSUES

1. Personnel

Staff Numbers

The average number of people employed by the Group marginally decreased during the year and is as follows:-

	1995	1994
CIE Holding Co.	282	294
Iarnród Éireann	5,313	5,412
Bus Éireann	2,593	2,596
Bus Átha Cliath	2,933	2,917
	11,121	11,219





Staff Costs

The net cost to the Group of staff employed (excluding provisions for voluntary severance payments) amounted to IR 6213.5 million, up 1.7% on 1994 levels. Staff costs represent nearly 65% of revenue earned and are the Group's highest single cost area. Costs include IR 617.5 million in social welfare costs and IR 612.4 million being the Board's contributions to employee superannuation schemes.

Staff Pensions

The Group operates a number of superannuation schemes to meet pension liabilities to its existing and future pensioners. Proposals for the amalgamation of the Board's six pension schemes into two schemes, CIE Superannuation Scheme 1951 (Amendment) Scheme 1996 and CIE Pension Scheme for Regular Wages Staff (Amendment) Scheme 1996, have been accepted. The necessary amending schemes to implement the new arrangements are in course of preparation. Contributions from the Board, its subsidiaries and from employees are invested in Trustee administered funds.

The Market value of the schemes' assets at 31st December, 1995 was IR 6516.9 million.

2. Safety

The safety of customers and employees is paramount in all CIE businesses and its safety record compares very favourably with best results internationally. Because of the priority the Board attaches to safety, it has established a Board Safety Committee to monitor safety standards and ensure strict compliance with all obligations imposed on both employers and employees by the Safety, Health and Welfare at Work Act, 1989.

3. Staff Participation

The CIE Group believes its greatest asset is its dedicated workforce. The ethos of the Group is one of team culture where all employees can have an input into decision-making and the development of its businesses. CIE has had participation at Board level since the enactment of the Worker Participation (State Enterprises) Act, 1977. Discussions are taking place with the CIE Trade Unions to agree structures for more extensive participation by staff at sub-Board level.



Statement of the Board's Responsibilities

The responsibilities of the members of the Board of Córas Iompair Éireann are determined by the Transport Act, 1950 and subsequent amendments. The responsibilities of the directors of its subsidiaries are determined by company law and the Transport (Re-organisation of Córas Iompair Éireann) Act, 1986.

This legislation requires the members of the Board to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of Córas Iompair Éireann and of the surplus or deficit of Córas Iompair Éireann for that period.

In preparing those financial statements, the Members of the Board 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 the financial statements are prepared on the going concern basis unless it is inappropriate to presume that Córas Iompair Éireann will continue in business.

The members of the Board are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of Córas Iompair Éireann and enable them to ensure that the financial statements comply with the requirements of the Transport Act, 1950 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of Córas Iompair Éireann and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate Governance

It is the policy of the Córas Iompair Éireann Group to comply as closely as possible with best practice in the area of corporate governance and financial disclosure. During the year, the Board aligned its practices more closely with those recommendations of the Cadbury Report which the Group considers appropriate for a Commercial State Company and has taken cognisance of the recommendations of the Report of the Task Force to Review the Operations of the Guidelines for Commercial State Companies, issued in October 1995.

Córas Iompair Éireann is a statutory company with a Board of twelve members. The Board was restructured during 1995 and now consists of a Non-Executive Chairman, a Non-Executive Deputy Chairperson, four Non-Executive Members, two Executive Members and four Worker Directors.

The Board operates three subcommittees, Audit, Safety and Remuneration. Specific written terms of reference for each committee were reviewed and amended during 1995.

Auditors' Report to the Minister for Transport, Energy and Communications

As auditors appointed by Córas Iompair Éireann under Section 34 (2) of the Transport Act, 1950 with your consent, we have audited the financial statements on pages 16 to 47 which have been prepared under the historical cost convention and the accounting policies set out on pages 16 to 18.

Respective responsibilities of the members of the Board and the auditors

As described on page 14 the members of the Board 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 members of the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group'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 affairs of Córas Iompair Éireann and of the Group as at 31st December, 1995 and of the deficit and cash flows of the Group for the year then ended.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of accounts have been kept by Córas Iompair Éireann. Córas Iompair Éireann's balance sheet is in agreement with the books of account.

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

1st May, 1996.

Principal Accounting Policies

A. Basis of Consolidation:

The Group financial statements are a consolidation of the financial statements of Córas Iompair Éireann and the following subsidiaries :

Iarnród Éireann - Irish Rail and its subsidiary Dubel Limited

Bus Éireann - Irish Bus

Bus Átha Cliath - Dublin Bus

CIE Tours International Incorporated is treated as a branch of Córas Iompair Éireann for accounting purposes.

Dubel Limited is treated as a branch of Iarnród Éireann – Irish Rail for accounting purposes.

B. 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 £.

It is the Board's policy to comply with Statements of Standard Accounting Practice and Financial Reporting Standards.

C. Revenue

Revenue comprises the gross value of services provided, except in the case of CIE Tours International Incorporated where the net value is included.

D. 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 consolidated profit and loss account in the year in which it is incurred.

(ii) Railway Rolling Stock

Locomotives (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.

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

(iii) Road Passenger Vehicles

The historical cost of road passenger vehicles is depreciated over their expected useful lives on a reducing percentage basis which reflects the vehicles usage throughout their lives (Note 9). In addition, the excess of depreciation based on the replacement cost of the vehicles (at the beginning of the year) over this historical cost depreciation is shown separately as a transfer to reserve from the consolidated profit and loss account.

School buses 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.

Principal Accounting Policies

(iv) Road Freight Vehicles

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

(v) 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 their expected useful lives.

E. Leased Assets:

(i) Finance Leases

Assets held under finance leases are accounted for in accordance with SSAP 21 (Accounting for Leases and Hire Purchase Contracts). The capital cost of such assets is included in tangible assets and depreciated over the shorter of the lease term or the estimated useful life of the asset. The capital element of the outstanding lease obligations is included in creditors. Financial charges are charged to the consolidated profit and loss account over the primary period of the lease.

(ii) Operating Leases

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

F. Stocks:

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

G. 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 consolidated 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.

H. Department of Education – Funding of School Buses :

Those school buses which were funded by the Department of Education are included in tangible assets and are depreciated as described in (D) with a corresponding amortisation of the monies received from the Department of Education.

I. 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 or at contract rates where applicable.

Long-term foreign currency borrowings, including that portion payable within one year of balance sheet date, are translated at the rates of exchange ruling at the balance sheet date (closing rates) with the resulting gains or losses treated as an exceptional currency movement item in the consolidated profit and loss account .

Principal Accounting Policies

J. Non-Repayable State Grants :

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

K. Pensions:

The expected cost of providing pensions to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees. The cost is calculated, with the benefit of advice from independent actuaries, at what is expected to be a stable percentage of pensionable pay. Variations from regular pension costs, identified by periodic actuarial valuations, are spread over the expected average remaining service lives of the members of the schemes. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet. The capital cost of ex gratia pensions is provided for and charged to the profit and loss account in the year that the related employee severance is recognised and is included in the cost of severance.

This represents a change in accounting policy as in previous years :

- (i) the annual contributions charged to the profit and loss account for certain of the pension schemes were the annual contributions fixed under the schemes' rules, and
- (ii) the cost of ex gratia pensions was recognised in the years of payment and was included in the pension cost.

The effects of this change in accounting policy are disclosed in Note 23.

L. Railway Infrastructure Costs :

In accordance with EU Council Directive 91/440 Iarnród Éireann-Irish Rail is required to ensure that the accounts for the business of transport services and those for the business of management of the 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 28.

Consolidated Profit and Loss Account

	Notes	Year ended 31st December	
		1995 IR �000	1994 IR �000
Revenue			
Customer Receipts		322,099	308,452
Miscellaneous		4,499	4,119
Exceptional Operating Revenue		2,032	1,642
Total Revenue	1	328,630	314,213
Costs			
Operational Costs	2	367,880	339,494
Railway Infrastructure Operational Costs	2	51,796	43,350
Exceptional Operating Costs	3	20,297	9,763
Total Operating Costs		439,973	392,607
Deficit before Profit on Disposal of Tangible Assets, Interest and State Grants			
Profit on Disposal of Tangible Assets	4	(111,343)	(78,394)
Deficit before Interest and State Grants		(110,730)	(77,796)
Interest Receivable	5	182	159
Interest Payable - Operational	6	(8,496)	(7,280)
- Railway Infrastructure	6	(6,217)	(5,593)
Exceptional Currency Movements	3	(210)	837
Deficit for the Year before State Grants		(125,471)	(89,673)
State Grants	7	102,500	105,180
(Deficit)/Surplus for the Year after State Grants		(22,971)	15,507
Transfer to Reserve	20	(7,882)	(6,584)
(Increase)/Decrease in Accumulated Deficit during the Year		(30,853)	8,923
Accumulated Deficit at Beginning of the Year		(24,186)	(33,109)
Accumulated Deficit at End of the Year		(55,039)	(24,186)

Movements in other reserves are shown in Notes 18 and 20 to the financial statements.

All figures relate to the continuing activities of the Group.

There were no recognised gains or losses other than those included in the Consolidated Profit and Loss Account for the years 1995 and 1994.

On behalf of the Board

Brian A. Joyce, Chairman
Michael P. Mc Donnell, Board Member
1st May, 1996.

Consolidated Balance Sheet

	Notes	As at 31st December 1995 IR £000	1994 IR £000 (Restated)
Fixed Assets			
Tangible Assets	9	415,598	372,768
Financial Assets	10	23	25
		415,621	372,793
Current Assets			
Stocks	11	22,248	26,664
Debtors	12	65,457	31,149
Bank Deposits		500	11,047
Cash at Bank and in Hand		622	1,213
		88,827	70,073
Creditors (Amounts falling due within one year)	13	(143,466)	(134,466)
Net Current Liabilities		(54,639)	(64,393)
Total Assets Less Current Liabilities		360,982	308,400
Financed by:			
Creditors (Amounts falling due after more than one year)	14	124,798	92,393
Provision for Liabilities and Charges	16	68,722	47,919
Deferred Income	17	50,442	28,097
		243,962	168,409
Reserves			
Insurance Reserve	19	1,117	1,117
Asset Replacement Reserve	20	138,599	130,717
Capital Reserve	21	22,490	22,490
Profit and Loss Account		(55,039)	(24,186)
Non-Repayable State Advances		9,853	9,853
	18	117,020	139,991
		360,982	308,400

On behalf of the Board

Brian A. Joyce,

Chairman

Michael P. Mc Donnell,

Board Member

1st May, 1996.



Company Balance Sheet

	Notes	As at 31st December 1995 IR �000	1994 IR �000 (Restated)
Fixed Assets			
Tangible Assets	9	45,477	44,381
Financial Assets	10	272,927	231,305
		318,404	275,686
Current Assets			
Stocks		—	11
Debtors	12	11,899	4,243
Bank Deposits		500	11,047
Cash at Bank and in Hand		458	397
		12,857	15,698
Creditors (Amounts falling due within one year)	13	(106,589)	(97,820)
Net Current Liabilities		(93,732)	(82,122)
Total Assets Less Current Liabilities		224,672	193,564
Financed by :			
Creditors (Amounts falling due after more than one year)	14	124,614	92,393
Deferred Income	17	2,173	1,781
		126,787	94,174
Reserves			
Insurance Reserve	19	1,117	1,117
Asset Replacement Reserve	20	85,563	85,563
Capital Reserve	21	22,490	22,490
Profit and Loss Account		(21,138)	(19,633)
Non-Repayable State Advances		9,853	9,853
	18	97,885	99,390
		224,672	193,564

On behalf of the Board

Brian A. Joyce,

Chairman

Michael P. Mc Donnell,

Board Member

1st May, 1996.

Consolidated Cash Flow Statement

	Year ended 31st December			
	1995	1995	1994	1994
	IR £000	IR £000	IR £000	IR £000
Net Cash Inflow from Operating Activities (Note 22 (A))		40,306		53,909
Servicing of Finance				
Interest Received	182		159	
Interest Paid	(10,449)		(12,063)	
Interest Element of Finance Lease Rentals	(3,831)		(660)	
State Grant - DART Interest	7,837		8,180	
Net Cash Outflow from Servicing of Finance		(6,261)		(4,384)
Investing Activities				
Purchase of Tangible Assets	(75,659)		(56,149)	
Sale of Tangible Assets	651		1,191	
EU Capital Grants	9,532		11,147	
Net Cash Outflow from Investing Activities		(65,476)		(43,811)
Net Cash (Outflow)/Inflow before Financing		(31,431)		5,714
Financing (Note 22 (D))				
New Long Term Loan	—		(5,500)	
Repayments of Amounts Borrowed	20,177		24,090	
New Finance Leases	(40,000)		(24,219)	
Capital Element of Finance Lease Rentals	1,874		827	
Net Cash Inflow from Financing		(17,949)		(4,802)
(Decrease)/Increase in Cash and Cash Equivalents (Note 22 (B) and (C))		(13,482)		10,516
		(31,431)		5,714

Notes to the Financial Statements

1. GROUP REVENUE

Customer and Miscellaneous Receipts - analysis by company

	1995			
	Customer Receipts IR £000	Misc. IR £000	Exceptional Receipt (Note 3) IR £000	Total IR £000
CIE	7,220	—	—	7,220
Iarnród Éireann - Irish Rail	119,056	2,856	—	121,912
Bus Éireann - Irish Bus	97,152	597	2,032	99,781
Bus Átha Cliath - Dublin Bus	98,671	1,046	—	99,717
Total	322,099	4,499	2,032	328,630

	1994			
	Customer Receipts IR £000	Misc. IR £000	Exceptional Receipt (Note 3) IR £000	Total IR £000
CIE	7,572	—	—	7,572
Iarnród Éireann - Irish Rail	111,339	2,813	—	114,152
Bus Éireann - Irish Bus	94,308	419	1,642	96,369
Bus Átha Cliath - Dublin Bus	95,233	887	—	96,120
Total	308,452	4,119	1,642	314,213

Notes to the Financial Statements

2. OPERATING COSTS

	1995 IR £000	1994 IR £000
Staff Costs		
Wages and Salaries	196,110	190,461
Social Welfare Costs	17,541	17,312
Other Pension Costs (Note 23)	12,400	15,602
	226,051	223,375
Own Work Capitalised	(12,550)	(13,517)
Net Staff Costs	213,501	209,858
Materials and Services		
Fuel and Electric Traction	15,538	16,206
Road Tax and Licences	729	740
Rates	2,166	2,134
Auditors' Remuneration	138	135
Operating Lease Rentals	1,865	1,577
School Contractors	17,786	17,095
Third Party and Employer's Liability Costs	26,163	17,256
Materials and Other Services	97,501	87,727
	161,886	142,870
Board Members' Remuneration		
Emoluments		
- for services as Board Members	57	54
- for other services	178	166
	235	220
Depreciation (Note 9)	33,667	21,185
Amortisation of Capital Grants (Note 17)	(1,404)	(154)
	32,263	21,031
Renewal of Railway Lines and Works	11,791	8,865
Total Operating Costs	419,676	382,844
Costs Allocated :-		
Group Operational Costs	367,880	339,494
Railway Infrastructure Operational Costs (Note 28)	51,796	43,350
	419,676	382,844

Notes to the Financial Statements

2. OPERATING COSTS (continued)

	Staff Numbers	
	1995	1994
The average number of persons employed by company was as follows:-		
CIE	282	294
Iarnr6d 6ireann - Irish Rail	5,313	5,412
Bus 6ireann - Irish Bus	2,593	2,596
Bus 6tha Cliath - Dublin Bus	2,933	2,917
	11,121	11,219

3. EXCEPTIONAL ITEMS

	1995		1994	
	IR 6000	IR 6000	IR 6000	IR 6000
Operating Revenue				
Payment by Department of Education for Schools Transport Services in respect of earlier years		2,032		1,642
Operating Costs				
Voluntary Severance (Notes 13 and 23)	(18,024)		(5,910)	
Third Party Rail Accident Claims	(373)		(3,853)	
Other Restructuring Provisions	(1,900)	(20,297)	—	(9,763)
Currency Movements - unrealised (loss)/gain		(210)		837
		(18,475)		(7,284)

The charge for voluntary severance includes IR 66,798,000 (1994 - IR 6Nil) for the exceptional pension element of voluntary severance which arises due to the change in the accounting policy for pension costs (Note 23).

If the new accounting policy had been adopted in 1994 the charge for voluntary severance would have been IR 66,728,000

4. PROFIT ON DISPOSAL OF TANGIBLE ASSETS

	1995 IR 6000	1994 IR 6000
Net proceeds on sale of surplus land and buildings	517	619
Profit/(Loss) on disposal of vehicles, plant and machinery	96	(21)
	613	598

Notes to the Financial Statements

5. INTEREST RECEIVABLE

	1995 IR £000	1994 IR £000
Short-term Deposits	182	159

6. INTEREST PAYABLE

	1995 IR £000	1994 IR £000
On loans and leases repayable wholly within five years :-		
Loans	8,676	6,219
Leases	1,087	142
On other loans and leases not wholly repayable within five years :-		
Loans	1,415	5,994
Leases	3,535	518
	14,713	12,873
Interest apportioned :-		
Group Operational Costs	8,496	7,280
Railway Infrastructure Costs (Note 28)	6,217	5,593
	14,713	12,873

7. STATE GRANTS – analysis by activity

The Grants payable to Córas Iompair 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 due to 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.

Notes to the Financial Statements

7. STATE GRANTS (continued)

(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)).
- Deficits on road passenger services which cannot be recouped by fares increases, or eliminated by economies in operation (Article 3.2).
- Residual deficits on railway operation (Article 4).

The Grants payable under EU Regulation Nos. 1191/69 and 1192/69 are allocated to the railway activity.

The Grant payable under EU Regulation No. 1107/70 is allocated initially to the rail freight activity (50% of infrastructure costs) and to road passenger activities in respect of public service obligations (Bus Átha Cliath - Dublin Bus activities 39% of deficit for 1995, after transfer to reserve ; Bus Éireann - Irish Bus activities 17% of deficit for 1995, after transfer to reserve and before crediting IR £2,032,000 Schools revenue for earlier years). The residue under EU Regulation No. 1107/70 is allocated to the railway activity.

Particulars of the State Grants of IR £102,500,000 received in 1995 under Sub-Head C1 of Vote 18 of Dáil Éireann of 1995 are given in the following table, showing the relevant provisions of the EU Regulations.

State Grants relating to 1995 Activities

	EU Regulation Number			Total IR £000
	1191/69 IR £000	1107/70 Art.3.2 IR £000	1107/70 Art.4 IR £000	
Revenue Related				
Mainline Rail				
Operation of Passenger Services	55,088	—	—	55,088
Residual Deficits - State Grants	—	—	15,466	15,466
	55,088	—	15,466	70,554
Bray/Howth Services				
Operation of Passenger Services	5,579	—	—	5,579
Total Railway	60,667	—	15,466	76,133
Road Passenger				
Bus Átha Cliath - Dublin Bus	—	3,800	—	3,800
Bus Éireann - Irish Bus	—	1,700	—	1,700
	60,667	5,500	15,466	81,633

Notes to the Financial Statements

7. STATE GRANTS (continued)

State Grants relating to 1995 Activities (continued)

	EU Regulation Number		Total IR £000
	1192/69 IR £000	1107/70 Art.3.1(b) IR £000	
Expenditure Related			
Mainline Rail			
Normalisation of Accounts			
- Class III (Pensions)	3,771	—	3,771
- Class IV (Level Crossings)	2,058	—	2,058
Infrastructure Grant (Freight)	—	6,796	6,796
Bray/Howth Services			
Normalisation of Accounts			
- Class III (Pensions)	380	—	380
- Class IV (Level Crossings)	25	—	25
	6,234	6,796	13,030
Total			94,663
Add State Grant for DART Interest - EU Regulation Number 1191/69			7,837
Total State Grants Received			102,500

(i) The total Grants voted by Dáil Éireann in 1995 under Sub-Head C1 of Vote 18 were:

	IR £000
Grants for normal activities	94,663
Grant for DART interest	7,837
	102,500

(ii) The allocation of State Grants as between Córas Iompair Éireann and its subsidiaries is shown in Note 27.

8. NET DEFICIT FOR YEAR

A summary of the financial results of the Holding Company and its subsidiaries is shown in Note 27.

The Holding Company's deficit for the year, after exceptional items, profit on sale of tangible assets and State Grant, amounted to IR £1,505,000.

Notes to the Financial Statements

9. TANGIBLE ASSETS

Group	1st Jan. IR �000	Additions IR �000	Scrappings and Disposals IR �000	31st Dec. IR �000
Cost				
Railway Lines and Works	9,713	922	—	10,635
Railway Rolling Stock	185,263	48,138	(1,523)	231,878
Road Passenger Vehicles	184,714	14,597	(7,144)	192,167
Road Freight Vehicles	5,848	—	—	5,848
Land and Buildings	42,182	1,954	—	44,136
Plant and Machinery	107,544	9,375	(999)	115,920
Catering Equipment	370	61	—	431
Docks, Harbours and Wharves	26,551	1,539	—	28,090
Total 1995	562,185	76,586	(9,666)	629,105
Total 1994	513,099	58,886	(9,800)	562,185

Group	1st Jan. IR �000	Charge For Year IR �000	Scrappings and Disposals IR �000	31st Dec. IR �000
Depreciation				
Railway Rolling Stock	44,525	6,120	(1,514)	49,131
Road Passenger Vehicles	94,253	19,962	(7,098)	107,117
Road Freight Vehicles	2,816	758	—	3,574
Plant and Machinery	44,829	6,341	(978)	50,192
Catering Equipment	281	47	—	328
Docks, Harbours and Wharves	2,713	452	—	3,165
Total 1995	189,417	33,680	(9,590)	213,507
Total 1994	177,691	21,217	(9,491)	189,417

Equipment costing IR  3,820,000 and accumulated depreciation of IR  6,000 which were included in Docks, Harbours and Wharves have been re-classified and transferred to Plant and Machinery.

Notes to the Financial Statements

9. TANGIBLE ASSETS (continued)

Group	31st Dec. 1995 IR £000	31st Dec. 1994 IR £000
Net Book Amounts		
Railway Lines and Works	10,635	9,713
Railway Rolling Stock	182,747	140,738
Road Passenger Vehicles	85,050	90,461
Road Freight Vehicles	2,274	3,032
Land and Buildings	44,136	42,182
Plant and Machinery	65,728	62,715
Catering Equipment	103	89
Docks, Harbours and Wharves	24,925	23,838
Total	415,598	372,768

Company	1st Jan. 1995 IR £000	Additions IR £000	Scrappings and Disposals IR £000	31st Dec. 1995 IR £000
Cost				
Land and Buildings	42,182	1,954	—	44,136
Plant and Machinery	3,774	133	—	3,907
Total 1995	45,956	2,087	—	48,043
Total 1994	43,160	3,928	(1,132)	45,956

Depreciation	1st Jan. 1995 IR £000	Additions IR £000	Scrappings and Disposals IR £000	31st Dec. 1995 IR £000
Plant and Machinery				
Total 1995	1,575	991	—	2,566
Total 1994	2,170	537	(1,132)	1,575

Notes to the Financial Statements

9. TANGIBLE ASSETS (continued)

	31st Dec. 1995 IR 6000	31st Dec. 1994 IR 6000
Net Book Amounts		
Land and Buildings	44,136	42,182
Plant and Machinery	1,341	2,199
Total	45,477	44,381

- (a) In the case of certain railway rolling stock and road passenger vehicles, the excess of depreciation based on replacement cost over historical cost depreciation is shown separately as transfer to reserve (Note 20).
- (b) The 1995 depreciation charge shown for road passenger vehicles includes IR 613,000 (1994 - IR 632,000) depreciation on school buses. The amount is wholly offset by the amortisation of monies received from the Department of Education .
- (c) Road passenger vehicles at a cost of IR 613,969,000 (1994 - IR 67,417,000) were fully depreciated but still in use at the balance sheet date.
- (d) The expected useful lives of the various types of assets for depreciation purposes are as follows:-

	Lives (Years)
Railway Lines and Works ((e) below)	-
Railway Rolling Stock	20 to 50
Road Passenger Vehicles	5 to 16
Road Freight Vehicles	6 to 10
Land and Buildings ((f) below)	-
Plant and Machinery	3 to 25
Docks, Harbours and Wharves	50
Catering Equipment	4

The Board has reviewed the estimate of useful lives of road passenger vehicles and the allocation of depreciation over the vehicles' lives in the light of changing operating patterns. The Board has decided to reduce the estimate of the useful lives of most passenger road vehicles and to revise the allocation of depreciation to accounting periods over those lives with effect from 1st January, 1995. As a result of these changes most passenger road vehicles will be depreciated over 12 or 14 years rather than 16 years. Hitherto depreciation was charged in equal annual instalments but as a result of the changes now effected the depreciation charge will be allocated so that higher depreciation will be charged in the earlier years of operation, reflecting the relatively higher usage of newer vehicles. The effect of the changes in the estimate of useful lives and the allocation of depreciation over those lives is to increase the current year's depreciation by IR 66,365,000.

Planned changes in the use to which certain of the company's older long distance vehicles will be put has led to a revision in the estimate of the recoverable amount and has resulted in a write off in these financial statements of IR 6600,000.

- (e) Railway Lines and Works are not depreciated (Accounting Policy D)

Notes to the Financial Statements

9. TANGIBLE ASSETS (continued)

- (f) No depreciation has been charged on buildings. The amount involved is not material.
- (g) Included in tangible assets are amounts, as stated below, in respect of rail locomotives, road passenger vehicles and plant and machinery (computer equipment) which are held under finance leases, but which remain in the legal ownership of the lessors :-

	Rail Locomotives IR £000	Road Passenger Vehicles IR £000	Plant & Machinery IR £000	Total IR £000
1995				
Cost	64,301	7,942	2,104	74,347
Accumulated Depreciation	(966)	(1,277)	(1,552)	(3,795)
Net Book Value at 31st December, 1995	63,335	6,665	552	70,552
Depreciation for 1995	966	822	551	2,339
1994				
Cost	20,071	7,942	2,104	30,117
Accumulated Depreciation	—	(455)	(1,001)	(1,456)
Net Book Value at 31st December, 1994	20,071	7,487	1,103	28,661
Depreciation for 1994	—	113	300	413

- (h) 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.
- (l) All tangible assets, other than land and buildings, which related to its activity are vested in the relevant subsidiary company.
- (j) Included in the additions above are payments on account and assets in the course of construction and assets not yet in service as follows :-

	1995 IR £000	1994 IR £000
Railway Rolling Stock	10,556	8,457
Road Passenger Vehicles	2,736	4,581
	13,292	13,038

- (k) Tangible Assets include railway infrastructure assets as follows :-

	1995 IR £000	1994 IR £000
Cost	83,408	81,030
Accumulated Depreciation	(33,257)	(30,955)
Net Book Value at 31st December	50,151	50,075
Depreciation for Year (Note 28)	2,188	2,515

Notes to the Financial Statements

10. FINANCIAL ASSETS

Group	Trade Investments				Total	
	Listed Shares		Unlisted Shares		1995 IR £000	1994 IR £000
	1995 IR £000	1994 IR £000	1995 IR £000	1994 IR £000		
Cost or Valuation						
At 1st January	77	77	10	10	87	87
Provision for permanent diminution in value						
At 31st December	(54)	(52)	(10)	(10)	(64)	(62)
Net Book Amounts						
At 31st December	23	25	—	—	23	25
Market Value						
At 31st December	39	38			39	38

Company	Subsidiary Companies			Trade Investments		Total IR £000
	Unlisted Shares IR £000	Loans IR £000	Finance Leases IR £000	Listed Shares IR £000	Unlisted Shares IR £000	
Cost or Valuation						
At 1st January, 1995	71,000	133,729	26,567	27	10	231,333
New Finance Leases			40,000			40,000
Non-Recoverable VAT			3,780			3,780
Less: Reduction in						
- Finance Leases			(1,767)			(1,767)
- Loans		(389)				(389)
At 31st December, 1995	71,000	133,340	68,580	27	10	272,957
Provision for permanent diminution in value						
At 31st December, 1995	—	—	—	(20)	(10)	(30)
Net Book Amounts						
At 31st December, 1995	71,000	133,340	68,580	7	—	272,927
At 31st December, 1994	71,000	133,729	26,567	9	—	231,305
Market Value						
At 31st December, 1995				20		20
At 31st December, 1994				26		26

Loans to subsidiary companies represent the net assets assigned to them by Córas Iompair Éireann less share capital issued by them on their establishment following the re-organisation of Córas Iompair Éireann in 1987, less loan repayments by them to date.

Notes to the Financial Statements

11. STOCKS

	1995 IR £000	1994 IR £000
Group		
Maintenance Materials and Spare Parts	18,976	21,771
Fuel, Lubricants and Other Sundry Stocks	3,272	4,893
	22,248	26,664

These amounts include parts and components necessarily held to meet long-term operational requirements. The replacement value of stocks is not materially different from the book values shown above.

12. DEBTORS (Amounts falling due within one year)

	1995 IR £000	1994 IR £000
Group		
Trade Debtors	23,911	20,510
EU Grants Receivable	31,367	4,965
Other Debtors and accrued income	10,179	5,674
	65,457	31,149
Company		
Trade Debtors	5,609	2,513
Other Debtors and accrued income	6,290	1,730
	11,899	4,243

Notes to the Financial Statements

13. CREDITORS (Amounts falling due within one year.)

	1995 IR 6000	1994 IR 6000 (Restated)
Group		
Bank Overdraft	7,803	5,459
Bank Loans (Note 15)	48,704	60,286
Finance Lease Obligations (Note 26)	2,504	1,412
Trade Creditors	21,447	15,521
Income Tax deducted under P.A.Y.E.	4,257	4,336
Pay Related Social Insurance	2,898	2,896
Value Added Tax and other taxes	1,671	1,458
Value Added Tax on Finance Leases	165	154
Other Creditors	4,668	3,281
Voluntary Severance	13,042	1,563
Accruals	21,101	15,712
Third Party and Employer's Liabilities (Note 16)	15,206	22,388
	143,466	134,466
Creditors for taxation and social welfare included above	8,991	8,844
Company		
Bank Overdraft	2,533	1,431
Bank Loans (Note 15)	48,704	60,286
Finance Lease Obligations (Note 26)	2,504	1,412
Trade Creditors	926	824
Amounts owed to Subsidiary Companies	38,075	28,541
Income Tax deducted under P.A.Y.E.	553	706
Pay Related Social Insurance	55	66
Value Added Tax and other taxes	994	613
Value Added Tax on Finance Leases	165	154
Other Creditors	1,856	632
Voluntary Severance	2,716	—
Accruals	7,508	3,155
	106,589	97,820
Creditors for taxation and social welfare included above	1,767	1,539

Notes to the Financial Statements

14. CREDITORS (Amounts falling due after more than one year)	1995 IR £000	1994 IR £000 (Restated)
Group and Company		
Bank Loans (Note 15)	57,799	66,184
Finance Lease Obligations (Note 26)	60,494	23,460
Value Added Tax on Finance Leases	6,321	2,749
Total Company	124,614	92,393
Accruals	184	—
Total Group	124,798	92,393

15. BANK LOANS	1995 IR £000	1994 IR £000 (Restated)
Group and Company		
These loans are repayable as follows:-		
Within one year (Note 13)	48,704	60,286
Between one and two years	9,119	8,793
Between two and five years	33,811	36,935
After five years	14,869	20,456
	57,799	66,184
Total	106,503	126,470

The presentation of the maturity analysis of loans and other debt above complies with the provisions of FRS 4 (Capital Instruments). The standard requires that the maturity of debt should be determined by reference to the earliest date on which the lender can require repayment. Included in amounts repayable within one year are amounts of IR £39,700,000 (1994 - IR £52,400,000) relating to Irish Commercial Paper which are backed by committed medium term facilities which effectively extends the maturity of these instruments. In previous years, such borrowings were classified as being repayable after more than one year. Prior year figures have been restated to comply with the standard.

Notes to the Financial Statements

15. BANK LOANS (continued)

The following table shows the amount and type of currency in which these loans are to be repaid :-

		1995 '000	1994 '000
Current Liabilities			
United States	US \$	553	499
United Kingdom	Stg. �	647	582
Republic of Ireland	IR �	44,600	4,400
Germany	DM	4,076	3,644
The Netherlands	H.fl.	1,438	1,295
France	FF	2,491	2,222
European Union	ECU	418	372
Loan Capital			
United States	US \$	3,434	3,988
United Kingdom	Stg. �	11,020	11,666
Republic of Ireland	IR �	23,200	80,500
Germany	DM	10,532	14,608
The Netherlands	H.fl.	33,910	35,348
France	FF	—	2,491
European Union	ECU	4,806	5,224

The Minister for Finance has guaranteed loans included in the above table to the extent of IR  106,496,000 (1994 - IR  126,449,000).

16. PROVISION FOR LIABILITIES AND CHARGES

	1995 IR �000	1994 IR �000
Third Party and Employer's Liability Claims		
Group		
Balance at 1st January	70,307	62,646
Utilised during year	(12,192)	(12,757)
Transfer from Profit and Loss Account	25,813	20,418
Balance carried forward	83,928	70,307
Less: Transfer to current liabilities (Note 13)	(15,206)	(22,388)
Balance at 31st December	68,722	47,919

Notes to the Financial Statements

16. PROVISION FOR LIABILITIES AND CHARGES (continued)

Company	1995 IR £000	1994 IR £000
Balance at 1st January	—	5
Transfer to Profit and Loss	—	(5)
Balance at 31st December	—	—

Provision is made by the Board 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 Board has had regard to the results of an independent actuarial review.

The Board has the following external insurance cover :-

- (i) third party liability in excess of IR £3,000,000 and up to IR £83,000,000 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 £81,000,000 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;
- (iii) third party liability in excess of IR £50,000 and up to IR £80,050,000 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 US \$100,000;
- (iv) in addition each of the subsidiary companies within the Group has aggregate cover in a twelve month period, April 1996 to March 1997, for rail and road transport third party liabilities in excess of a self insured retention of :-

Iarnród Éireann - Irish Rail	IR £6,615,000
Bus Éireann - Irish Bus	IR £4,410,000
Bus Átha Cliath - Dublin Bus	IR £8,820,000

subject to an overall Group self insured retention of IR £15,435,000; and

- (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 consolidated profit and loss account and unsettled amounts are included in provision for liabilities and charges.

Notes to the Financial Statements

17. DEFERRED INCOME

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

Group	1st Jan. 1995 IR 6000	Received and Receivable IR 6000	Profit and Loss A/c IR 6000	31st Dec. 1995 IR 6000
European Union Grants				
Revenue Grants				
Renewal of Railway Lines and Works	—	14,747	(14,747)	—
Wheelchair Accessible Buses Project	—	49	(49)	—
	—	14,796	(14,796)	—
Capital Grants				
Railway Lines and Works	345	—	—	345
Railway Rolling Stock	9,416	18,299	(591)	27,124
Plant and Machinery	8,104	1,806	(532)	9,378
Docks, Harbours and Wharves	6,915	3,340	(281)	9,974
Land and Buildings	1,781	392	—	2,173
Road Passenger Vehicles	275	2	(49)	228
	26,836	23,839	(1,453)	49,222
Total European Union Grants	26,836	38,635	(16,249)	49,222
Other Deferred Income	1,261	—	(41)	1,220
Total	28,097	38,635	(16,290)	50,442
Company				
European Union Grant				
Capital Grant				
Land and Buildings	1,781	392	—	2,173

Notes to the Financial Statements

18. RECONCILIATION OF MOVEMENTS IN RESERVES

	1995 IR £000	1994 IR £000
Group		
(Deficit)/Surplus for the Year after State Grants	(22,971)	15,507
Opening Reserves	139,991	124,484
Closing Reserves	117,020	139,991
Company		
(Deficit)/Surplus for the Year after State Grants	(1,505)	5,409
Opening Reserves	99,390	93,981
Closing Reserves	97,885	99,390

19. INSURANCE RESERVE

	1995 IR £000	1994 IR £000
Group and Company		
Balance at 1st January and 31st December	1,117	1,117

The Group Insurance Fund was established to meet exceptional claims which may arise.

20. ASSET REPLACEMENT RESERVE

	Railway Rolling Stock IR £000	Road Passenger Vehicles IR £000	Total IR £000
Group			
Balance at 1st January, 1995	56,695	74,022	130,717
Transfer from Profit and Loss Account	7,472	410	7,882
Balance at 31st December, 1995	64,167	74,432	138,599
Company			
Balance at 31st December, 1995 and 1994			85,563

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

21. CAPITAL RESERVE

	1995 IR £000	1994 IR £000
Group and Company		
Balance at 1st January and 31st December	22,490	22,490



Notes to the Financial Statements

22. CASH FLOW STATEMENT

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

	1995 IR £000	1994 IR £000 (Restated)
Deficit before State Grant and Servicing of Finance	(110,730)	(77,796)
State Grant (excluding DART Interest)	94,663	97,000
(Deficit)/Surplus for the Year before Servicing of Finance	(16,067)	19,204
Depreciation	33,667	21,185
Amortisation of EU Capital Grants	(1,404)	(154)
Profit on Disposal of Tangible Assets	(613)	(598)
Decrease in Stocks	4,416	602
(Increase) in Debtors	(20,203)	(486)
Increase in Creditors and Provisions	40,510	14,156
Net Cash Inflow from Operating Activities before Servicing of Finance	40,306	53,909

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

	1995 IR £000	1994 IR £000
Balance at 1st January	6,801	(3,715)
Net Cash (Outflows)/Inflows	(13,482)	10,516
Balance at 31st December	(6,681)	6,801

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

	1995 IR £000	1994 IR £000	Change in 1995 IR £000	Change in 1994 IR £000
Cash at Bank and in Hand	1,122	12,260	(11,138)	10,659
Bank Overdraft	(7,803)	(5,459)	(2,344)	(143)
	(6,681)	6,801	(13,482)	10,516

(D) Analysis of Changes in Financing during the Year

	Finance Leases IR £000	Long Term Loans IR £000	1995 Total IR £000	1994 Total IR £000
Balance at 1st January	24,872	126,470	151,342	147,377
Cash Outflows from Financing	(1,874)	(20,177)	(22,051)	(24,917)
New Loans and Finance Leases	40,000	—	40,000	29,719
Translation Loss/(Gain)	—	210	210	(837)
Balance at 31st December	62,998	106,503	169,501	151,342

Notes to the Financial Statements

23. PENSIONS

The majority of the Group's employees participate in defined benefit pension schemes based on final pensionable pay. Contributions by the Board, its subsidiaries and the employees are invested in trustee administered funds.

Proposals for the amalgamation of the Board's six pension schemes into two schemes, CIE Superannuation Scheme 1951 (Amendment) Scheme 1996 and CIE Pension Scheme for Regular Wages Staff (Amendment) Scheme 1996, have been accepted. The necessary amending schemes to implement the new arrangements are in course of preparation.

Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions as incurred over employees' working lives with the Group as a stable percentage of expected future pay.

Contributions to the amalgamated schemes are determined by independent actuaries on the basis of annual reviews using the projected unit method.

The market value of the schemes' assets at 31st December, 1995 was IR £516,944,000.

An actuarial review of the amalgamated schemes was carried out as at 31st December, 1994. The market value of the schemes' assets at that date was IR £440,602,000 and this exceeded 100% of the benefits which had accrued to members based on service to and pensionable pay at the review date. After allowing for future pay and pension increases the level of funding was 86%. The principal assumption in this review was that investment returns would exceed the rate of increase in pensionable remuneration and of pensions in payment by 2.5% per annum. An actuarial

valuation of the amalgamated schemes will be carried out at 31st December, 1996. Actuarial reports are available to scheme members.

The pensions cost for 1995 was IR £12,407,000. As noted in the accounting policies on page 18 there has been a change in the accounting policy for pensions. As permitted by SSAP 24 the results and financial position in respect of 1994 have not been restated for the change in accounting policy for pension costs. If the new accounting policy had been used in 1994, it would have given rise to a charge for pensions in that year of IR £13,003,000.

The pensions cost for 1994 reported in the 1994 financial statements was IR £15,608,000. Under the previously applied accounting policy the pensions cost for 1995 would have been IR £16,809,000. Included in the charge for voluntary severance in Note 3 is IR £6,798,000 being the capital cost of the ex gratia pensions element of voluntary severance. Under the previously applied accounting policy this amount would not have been included in the charge for voluntary severance in 1995.

At 31st December, 1995 a provision for the capital cost of ex gratia pensions of IR £5,543,000 (1994 - IR £Nil) is included under voluntary severance in creditors.

A prepayment of IR £4,402,000 is included in debtors at 31st December, 1995 (1994 - IR £Nil) being prepaid contributions.

The charge for voluntary severance reported in the 1994 financial statements was IR £5,910,000. If the new accounting policy had been used in 1994 it would have given rise to a charge for voluntary severance in that year of IR £6,728,000.



Notes to the Financial Statements

24. CAPITAL COMMITMENTS

	IR 6000	IR 6000
Contracted for	23,699	77,693
Authorised by Board but not contracted for	25,621	30,486
	49,320	108,179

25. CONTINGENT LIABILITIES

(A) Pending Litigation

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

(B) Finance Leases

Under the terms of finance leases there are contingent liabilities whereby material tax changes affecting the lessors' tax liabilities on lease income will be offset by appropriate adjustments to lease rentals.

26. LEASE OBLIGATIONS

	1995 IR 6000	1994 IR 6000
(A) Finance Leases		
Net obligations under finance leases fall due as follows :		
Within one year (Note 13)	2,504	1,412
Between one and five years	11,106	6,338
After five years	49,388	17,122
	60,494	23,460
Total	62,998	24,872

The Minister for Finance has guaranteed finance leases included above to the extent of IR 662,094,000 (1994 - IR 623,664,000).

(B) Operating Leases

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

	On Other Than Land and Buildings IR 6000
Within one year	298
Between one and five years	1,265
	1,563

Notes to the Financial Statements

27. PROFIT AND LOSS FOR YEAR ENDED 31st DECEMBER

Net Surplus/(Deficit) from

	C.I.E. IR £000	Iarnród Éireann - Irish Rail IR £000	Bus Éireann - Irish Bus IR £000	Bus Átha Cliath - Dublin Bus IR £000	Total 1995 IR £000	Total 1994 IR £000
Railway						
– Bray/Howth		(13,291)			(13,291)	(13,851)
– Other than Bray/Howth		(85,070)			(85,070)	(72,043)
		(98,361)			(98,361)	(85,894)
Road Freight		729			729	632
Rosslare Harbour		2,249			2,249	2,310
Catering Services		427			427	413
Road Passenger Services						
– Dublin City				(6,995)	(6,995)	(870)
– Provincial Cities			(2,897)		(2,897)	(1,964)
– Other Services			(3,361)		(3,361)	1,433
Tours	424				424	725
Consultancy	176				176	228
Surplus/(Deficit) before Exceptional Items, Profit On Disposal of Tangible Assets and State Grants	600	(94,956)	(6,258)	(6,995)	(107,609)	(82,987)
Exceptional Items (Note 3)	(2,622)	(10,508)	(1,560)	(3,785)	(18,475)	(7,284)
Profit on Disposal of Tangible Assets (Note 4)	517	60	36	—	613	598
Deficit before State Grants	(1,505)	(105,404)	(7,782)	(10,780)	(125,471)	(89,673)
State Grants	—	97,000	1,700	3,800	102,500	105,180
(Deficit)/Surplus for the year after State Grants	(1,505)	(8,404)	(6,082)	(6,980)	(22,971)	15,507
Transfer to Reserves	—	(7,472)	(346)	(64)	(7,882)	(6,584)
(Deficit)/Surplus for the Year	(1,505)	(15,876)	(6,428)	(7,044)	(30,853)	8,923

Notes to the Financial Statements

27. PROFIT AND LOSS FOR YEAR ENDED 31st DECEMBER (continued)

	C.I.E. IR �000	Iarnr�d �ireann - Irish Rail IR �000	Bus �ireann - Irish Bus IR �000	Bus �tha Cliath - Dublin Bus IR �000	Total 1995 IR �000	Total 1994 IR �000
Revenue						
Railway						
- Bray/Howth		13,029			13,029	12,049
- Other than Bray/Howth		73,343			73,343	70,336
		86,372			86,372	82,385
Road Freight		20,673			20,673	18,580
Rosslare Harbour		6,009			6,009	5,510
Catering Services		8,858			8,858	7,677
Road Passenger Services						
- Dublin City				99,717	99,717	96,120
- Provincial Cities			11,848		11,848	11,663
- Other Services			85,901		85,901	83,064
Tours	5,238				5,238	5,139
Consultancy	1,982				1,982	2,433
Total Revenue	7,220	121,912	97,749	99,717	326,598	312,571
Expenditure						
Railway						
- Bray/Howth						
Operational Costs		18,862			18,862	18,146
Infrastructure Costs		7,458			7,458	7,754
- Other than Bray/Howth						
Operational Costs		107,858			107,858	101,190
Infrastructure Costs		50,555			50,555	41,189
		184,733			184,733	168,279
Road Freight		19,944			19,944	17,948
Rosslare Harbour		3,760			3,760	3,200
Catering Services		8,431			8,431	7,264
Road Passenger Services						
- Dublin City				106,712	106,712	96,990
- Provincial Cities			14,745		14,745	13,627
- Other Services			89,262		89,262	81,631
Tours	4,814				4,814	4,414
Consultancy	1,806				1,806	2,205
Total Expenditure	6,620	216,868	104,007	106,712	434,207	395,558

Notes to the Financial Statements

28. RAILWAY INFRASTRUCTURE COSTS

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

	1995 IR £000	1994 IR £000
Maintenance of Railway Lines and Works	26,102	21,774
Renewal of Railway Lines and Works (Note 2)	11,791	8,865
Operating (Signalling) and Other Expenses	11,715	10,196
Depreciation (Note 9 [K])	2,188	2,515
Total Railway Infrastructure Costs before Interest (Note 2)	51,796	43,350
Interest Payable (Note 6)	6,217	5,593
Total Railway Infrastructure Costs	58,013	48,943
Apportionment :-		
Mainline Railway Services	50,555	41,189
Bray/Howth (DART) Services	7,458	7,754
	58,013	48,943

Notes to the Financial Statements

29. GROUP MEMBERSHIP

Name	Principal Activity
Holding Company : Córas Iompair Éireann	– Public Transport Services
Subsidiary Companies (all wholly owned)	
Iarnród Éireann - Irish Rail	– Public Rail (Passenger and Freight) and Road Freight Services
Bus Éireann – Irish Bus	– Public Bus Passenger Services
Bus Átha Cliath – Dublin Bus	– Public Bus Passenger Services
CIE Tours International Incorporated	– Tours
Dubel Limited	– Catering Services

Iarnród Éireann - Irish Rail, Bus Éireann - Irish Bus and Bus Átha Cliath - Dublin Bus are incorporated and operate principally in the Republic of Ireland. These three companies are incorporated under the provisions of the Companies Acts 1963 - 1990, as wholly owned subsidiaries of Córas Iompair Éireann in accordance with Section 6 of the Transport (Re-organisation of Córas Iompair Éireann) Act, 1986. All of the Group's interests in the subsidiary companies consist of ordinary share capital.

CIE Tours International is incorporated in New York and operates in North America.

Dubel Limited is incorporated in Northern Ireland where it provides catering services for Northern Ireland Railways including their cross-border trains.

The registered offices of the subsidiary companies are as follows:

Iarnród Éireann - Irish Rail	Connolly Station, Dublin 1.
Bus Éireann - Irish Bus	Broadstone, Dublin 7.
Bus Átha Cliath – Dublin Bus	59, Upper O'Connell Street, Dublin 1.
CIE Tours International Incorporated	100, Hanover Avenue, PO Box 501 Cedar Knolls, New Jersey.
Dubel Limited	Central Station, East Bridge Street, Belfast.

30. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 1st May, 1996.

Group Value Added Statement

	Year ended 31st December			
	1995	1994		
	IR £000	IR £000	IR £000	IR £000
Value Added Generated				
Revenue		328,630		314,213
State Grants (Note 7)		102,500		105,180
Own Work Capitalised		12,550		13,517
Profit on Disposal of Tangible Assets		613		598
Less: Cost of Materials and Services Utilised	(163,853)		(142,870)	
Exceptional Items	(18,095)	(181,948)	(8,926)	(151,796)
		262,345		281,712
Application of Value Added				
Net Compensation of Employees including pension costs		157,793		152,977
Government – Payroll Taxes		68,938		70,618
Other providers of capital		14,531		12,714
Provision for future investment (Note 2)				
– Depreciation	33,667		21,185	
– Amortisation of Capital Grants	(1,404)		(154)	
– Renewal of Railway Lines and Works	11,791	44,054	8,865	29,896
(Loss)/Profit for the Year (Note 27)		(22,971)		15,507
		262,345		281,712

Profit and Loss Account

	Year ended 31st December				1995
	1991	1992	1993	1994	
	IR �Thousands				
Revenue	286,067	300,304	299,993	314,213	328,630
Expenditure	(379,131)	(388,295)	(394,558)	(403,886)	(454,101)
Deficit	(93,064)	(87,991)	(94,565)	(89,673)	(125,471)
Transfer to Reserve	(4,732)	(4,474)	(5,380)	(6,584)	(7,882)
Deficit After Transfer to Reserve	(97,796)	(92,465)	(99,945)	(96,257)	(133,353)
State Grants Received/Receivable	107,469	108,230	109,053	105,180	102,500
Surplus/(Deficit) - See Footnote	9,673	15,765	9,108	8,923	(30,853)

Balance Sheet

Fixed Assets	300,459	320,443	335,433	372,793	415,621
Net Current Liabilities	(80,365)	(77,417)	(73,549)	(64,393)	(54,639)
Net Assets	220,094	243,026	261,884	308,400	360,982
Provisions for Liabilities and Charges	32,942	49,297	61,789	76,016	119,164
Reserves	89,757	109,996	124,484	139,991	117,020
Other Loan Capital	97,395	83,733	75,611	92,393	124,798
Total Reserves and Borrowings	220,094	243,026	261,884	308,400	360,982
Average Number of Employees	11,518	11,303	11,266	11,219	11,121

Note: The (Deficit)/Surplus is after taking account of State Grants received, exceptional items and after transfer to reserve.

The Balance Sheet has been restated to comply with FRS 4 (Capital Instruments).

Financial Results by Business Sector

		Year ended 31st December				
		1991	1992	1993	1994	1995
		IR £Thousands				
Railway						
- Mainline Passenger, Freight and Other Services	Receipts	67,734	68,238	67,217	67,378	70,167
- Bray/Howth Suburban Services	Receipts	10,979	11,356	11,789	12,049	13,029
- Other Dublin Suburban Services	Receipts	2,694	2,802	2,911	2,958	3,176
Total	Receipts	81,407	82,396	81,917	82,385	86,372
	Deficit	(84,560)	(89,842)	(93,866)	(91,683)	(105,833)
Road Freight	Receipts	18,841	19,816	18,077	18,580	20,673
	Surplus	60	487	710	632	729
Rosslare Harbour	Receipts	5,346	5,526	4,913	5,510	6,009
	Surplus	2,671	2,437	2,168	2,310	2,249
Catering Services	Receipts	5,871	6,531	7,126	7,677	8,858
	Surplus	173	249	308	413	427
Road Passenger						
Dublin City Services	Receipts	87,003	93,094	90,357	96,120	99,717
	Deficit	(9,076)	(1,031)	(891)	(1,459)	(7,059)
Provincial Cities	Receipts	10,893	11,180	11,365	11,663	11,848
	Deficit	(2,151)	(2,090)	(2,111)	(2,005)	(2,959)
Other Services	Receipts	73,293	77,001	80,526	83,064	85,901
	(Deficit)/Surplus	421	1,347	1,461	1,268	(3,645)
Tours	Receipts	2,511	3,771	3,653	5,139	5,238
	Surplus	179	434	1,028	725	424
Consult	Receipts	870	989	2,059	2,433	1,982
	Surplus	35	52	243	228	176
Galway/Aran (Note 3)	Receipts	32	—	—	—	—
	Deficit	(143)	—	—	—	—
Total	Receipts	286,067	300,304	299,993	312,571	326,598
	Deficit	(92,391)	(87,957)	(90,950)	(89,571)	(115,491)

Notes : (1) Revenue and Surplus/(Deficits) are shown before State Grants.

(2) Revenues and Surplus/(Deficits) include transfers to reserve but exclude exceptional items and profit on disposal of tangible assets.

(3) The Board's involvement in Galway/Aran Services terminated on 31st March, 1991.



Rail Passenger Operations and Receipts

	Year ended 31st December				
	1991	1992	1993	1994	1995
	Thousands				
Passenger Journeys					
Mainline and Other Services	7,742	7,630	7,903	7,850	8,312
Bray/Howth Suburban Services (Note 1)	16,995	16,121	16,150	15,904	16,656
Other Dublin Suburban Services (Note 1)	2,100	2,086	2,090	2,059	2,156
Total	26,837	25,837	26,143	25,813	27,124
	IR �Thousands				
Receipts From Passenger Fares (Note 2)					
Mainline and Other Services	41,579	41,229	42,389	44,087	47,709
Bray/Howth Suburban Services	10,729	11,159	11,594	11,780	12,649
Other Dublin Suburban Services	2,694	2,802	2,911	2,958	3,176
Total	55,002	55,190	56,894	58,825	63,534
	Thousands				
Passenger Kilometres	1,290,198	1,225,589	1,273,664	1,260,327	1,291,214
Train Kilometres	9,615	9,717	9,735	9,585	9,966
	IR Pence				
Average Receipts					
Per Passenger Journey	204.95	213.61	217.63	227.89	234.24
Per Passenger Kilometre	4.26	4.50	4.47	4.67	4.92

Notes : (1) Restated to reflect changes in method of accounting for prepaid tickets journeys.

(2) Receipts from passengers only.

Rail Freight Operations and Receipts

	Year ended 31st December				
	1991	1992	1993	1994	1995
	Thousands				
Tonnes Carried					
Ale, Beer, Stout	215	201	215	209	209
Beet and Beet Pulp	158	181	156	166	173
Cement	604	554	583	659	679
Fertiliser	153	180	169	177	192
Mineral Ores	694	695	675	618	628
Petrol and Oil	45	46	48	50	49
General Freight	1,443	1,476	1,215	1,136	1,249
Total	3,312	3,333	3,061	3,015	3,179
	IR £Thousands				
Receipts	19,869	20,594	18,439	18,412	17,398
	Thousands				
Tonne Kilometres	602,581	633,267	574,568	569,318	602,457
Train Kilometres	4,142	4,144	4,032	4,124	4,417
	Tonnes				
Average Wagon Load	17.22	17.90	17.73	17.80	18.10
	IR Pence				
Average Receipts					
Per Tonne	599.91	617.88	602.38	610.68	547.28
Per Tonne Kilometre	3.30	3.25	3.21	3.23	2.89
Per Train Kilometre	479.70	496.96	457.32	446.46	393.89

Note: Freight trains only.

Road Freight Operations and Receipts

	Year ended 31st December				
	1991	1992	1993	1994	1995
	Thousands				
Tonnes Carried	1,056	1,081	1,011	973	915
Vehicle Kilometres	8,029	7,684	7,346	6,633	6,454
	IR £Thousands				
Receipts	10,953	10,312	9,873	9,847	9,674
	IR Pence				
Average Receipts Per Tonne	1,037.22	953.93	976.56	1,012.02	1057.27

Note: Excluding Contractors' Services



Rail Assets

	First Track Kilometres	Change on 1994	Total Track Kilometres	Change on 1994
Length Of Railway Lines				
Lines Owned by Board	1,872	—	2,682	- 8
Other Lines	73	+ 1	130	+ 9
Total	1,945	+ 1	2,812	+ 1
	Number		Kilometres (000)	
Motive Power				
Diesel Locomotives	114	+ 2	12,898	+ 1,282
E.M. Units (See Rail Passenger Vehicles)	80	—	3,582	+ 36
Total	194	+ 2	16,480	+ 1,318
Rail Service Vehicles				
Ballast Wagons, Tool Vans etc.	157	—		
	Number		Seats	
Rail Passenger Vehicles				
Passenger Carriages/Railcars	251	—	15,509	—
E.M. Units (See Motive Power)			5,760	—
Luggage Vans etc.	50	—		
Total	301	—	21,269	—
	Number		Tonnage Capacity	
Rail Freight Vehicles				
Flat Trucks	965	—	26,384	—
Specialised Wagons etc.	930	—	22,951	—
Total	1,895	—	49,335	—
Rail Freight Containers				
Covered Containers	1,218	- 6	15,179	- 60
Other Containers	177	—	2,412	—
Total	1,395	- 6	17,591	- 60

Road Passenger Operations and Receipts

	Year ended 31st December				
	1991	1992	1993	1994	1995
	Thousands				
Bus Éireann - Irish Bus Services					
Provincial Cities Scheduled Services					
Passenger Journeys	20,436	20,114	20,510	20,616	20,229
Vehicle Kilometres	5,369	5,380	5,475	5,496	5,502
	IR £Thousands				
Receipts	10,890	11,177	11,316	11,612	11,793
	IR Pence				
Average Receipts					
Per Passenger Journey	53.29	55.57	55.17	56.33	58.30
Per Vehicle Kilometre	202.83	207.75	206.68	211.28	214.34
	Thousands				
Other Scheduled Services (Notes 1 and 2)					
Passenger Journeys	44,282	45,141	45,549	45,339	44,619
Vehicle Kilometres (Note 3)	49,091	51,769	54,058	55,766	57,087
	IR £Thousands				
Receipts	53,664	56,689	59,588	61,721	63,804
	IR Pence				
Average Receipts					
Per Passenger Journey	121.19	125.58	130.82	136.13	143.00
Per Vehicle Kilometre	109.32	109.50	110.23	110.68	111.77
	Thousands				
Tours					
Passenger Journeys	53	60	60	70	89
Vehicle Kilometres (Note 3)	452	452	494	558	584
	IR £Thousands				
Receipts (Note 4)	3,134	4,414	4,362	5,937	6,132
	Thousands				
Bus Átha Cliath - Dublin Bus Services					
Passenger Journeys	172,600	175,641	165,714	177,557	184,988
Vehicle Kilometres	46,240	46,708	45,334	50,428	51,118
	IR £Thousands				
Receipts	85,942	92,206	89,548	95,233	98,671
	IR Pence				
Average Receipts					
Per Passenger Journey	49.79	52.50	54.04	53.64	53.34
Per Vehicle Kilometre	185.86	197.41	197.53	188.85	193.03

Notes: (1) Excludes Schools Transport Contractors' Services.

(2) Includes Stage Carriage, Expressway Services and Drogheda and Dundalk Town Centre.

(3) Board's vehicles only.

(4) Receipts before charge for coach hireage.

(5) Receipts exclude grants payable under EU Regulations and miscellaneous receipts.



Road Assets

	Number	Change on 1994	Seats	Change on 1994
Road Passenger Vehicles				
Bus 6ireann - Irish Bus Services				
Double Deck Buses	28	—	2,072	+ 2
Single Deck Buses	1,435	- 39	68,904	- 1,038
Mini Buses	28	+ 7	451	+ 157
Bus 6tha Cliath - Dublin Bus Services				
Double Deck Buses	553	- 23	40,326	- 1,908
Single Deck Buses	235	+ 12	9,105	+ 516
Mini Buses	90	+ 18	2,280	+ 564
Total	2,369	- 25	123,138	- 1,707
Service Vehicles Total	406	+ 15		
Road Freight Vehicles				
Power Units				
Lorries	15	—		
Tractors	114	—		
Vans etc.	18	—		
Total	147	—		
Trailers				
Articulated	318	—		

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