

Annual Report
and Financial Statements 1997

Tuarascáil Bhliantúil agus
Ráitis Airgeadais don Bhliain go 31ú Nollaig 1997





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Directors And Other Information

Directors

Mr. M. P. McDonnell, Chairman

Mr. W. Lilley, Managing

Mr. P. Cullen

Mr. M. Faherty

Ms. T. Honan

Mr. B. Murtagh

Secretary and Registered Office

Mr. J. P. Lynch,
Broadstone,
Dublin 7.

Telephone (01) 703 3447
Facsimile (01) 703 3486

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, 1997

Introduction

The directors present their annual report together with the audited financial statements for the year ended 31st December, 1997.

Principal Activities and Business Review

The company's principal activities are the operation of its network of "Expressway" scheduled inter-urban coach services, the operation of city bus services in Cork, Limerick, Galway and Waterford cities, local stage carriage bus services throughout the country and nationwide school transport services under contract for the Department of Education.

The following is a summary of the passenger journeys and vehicle kilometres operated by the company on scheduled services:

	Year ended 31st December	
	1997 000s	1996 000s
Passenger journeys		
Provincial city services	18,938	19,711
Other scheduled services	18,499	18,787
School transport scheme	47,761	48,782
	85,198	87,280
Vehicle kilometres		
Provincial city services	5,750	5,842
Other scheduled services	57,085	57,618
	62,835	63,460

Passenger numbers declined across all city services, with the exception of the high frequency "Imp" service introduced in Waterford in late 1995. It is planned to implement similar services in the other cities during 1998. Passenger numbers were static on "Expressway" services, and declined slightly on rural stage carriage services. In line with previously identified demographic trends, passenger numbers on the school transport scheme continued to decline in line with the school-going population.

During 1997 the company continued its policy of investing in the fleet, putting 95 new "Expressway" coaches (including 35 under short term lease), 1 low-floor city single-deck bus and a school minibus specially adapted for the mobility-impaired into service.

Results and Reserves

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. Those for the year ended 31st December, 1997 are set out in detail on pages 6 to 20 and a summary of the results is as follows :

	1997 IR £000
Surplus for the year after State Grant	3,599
Transfer to Reserve	(212)
Decrease in Accumulated Deficit during the Year	3,387



Report of the Directors

Employee Participation

A joint management/trade union committee under an independent chairman is currently examining the matter of the sub-board participation provisions of the Worker Participation (State Enterprises) Act, 1988, and the process towards implementation of the Act is continuing.

Health and Safety

The company's policy is 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.

Equal Opportunities

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.

Directors

The directors of the company are appointed by the chairman of Córas Iompair Éireann with the consent of the Minister for Public Enterprise. The directors during the year ended 31st December, 1997 are set out below. Except where indicated, they served as directors for the entire year.

Mr. M. P. McDonnell, Chairman

Mr. W. Lilley, Managing Director
Appointed 2nd January, 1997

Mr. P. Cullen,
Appointed 30th May, 1997

Mr. M. Faherty,
Appointed 1st December 1997

Mr. S. Feeley
Retired 31st January, 1997

Ms. T. Honan

Mr. D. Mangan,
Resigned 1st January, 1997

Mr. B. Murtagh

Mr. A. J. O'Brien
Appointed 5th February, 1997,
Retired 30th November, 1997

None of the directors or the secretary held any interest in any shares or debentures of the company, its holding company or its fellow subsidiaries at any time during the year.

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

M. P. McDonnell,	Chairman
W. Lilley,	Managing Director
31st March, 1998.	



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 apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 requirements of 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 20 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 these 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 relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 1997 and of its surplus and cash flow 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 considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

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, 1997 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.
31st March, 1998.**



Principal Accounting Policies

A. Basis of Accounting:

The financial statements have been 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 historical cost 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

The historical costs of road passenger vehicles other than school buses are depreciated over their expected useful lives on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The historical costs of school buses are depreciated in equal annual instalments over their expected useful lives.

In addition, the excess of depreciation based on the replacement cost of 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.

(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 the lower of average cost and net realisable value. Stocks which are known to be obsolete at the balance sheet date are written off, and provision is made in respect of stocks which may become obsolete in the future.

E. Grants:

State Grants

State grants received during the year in respect of public service obligations are dealt with in the profit and loss account.

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.



Principal Accounting Policies

G. 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 scheme. 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.

H. Goodwill on Acquisition:

Goodwill on acquisitions in previous years, being the excess of consideration payable over the fair value of net assets acquired at the date of acquisition, was written off against reserves immediately on acquisition.



Profit and Loss Account

	Notes	Year ended 31st December	
		1997 IR £000	1996 IR £000
Revenue		102,239	100,132
Costs			
Payroll and related costs	1	46,898	46,720
Materials and services	2	50,406	49,218
Depreciation and profit on disposal of tangible assets	3	7,172	6,697
Exceptional restructuring costs	10	—	10,500
Total Operating Costs		104,476	113,135
Operating deficit		(2,237)	(13,003)
Interest receivable		336	457
Deficit for the Year before State Grant		(1,901)	(12,546)
State grant		5,500	3,400
Surplus/(Deficit) for the Year after State Grant		3,599	(9,146)
Transfer to reserve	12	(212)	(190)
Change in the Profit and Loss Account for the Year		3,387	(9,336)
Goodwill on acquisition written off	5	—	(753)
Accumulated Deficit at Beginning of the Year		(13,587)	(3,498)
Accumulated Deficit at End of the Year		(10,200)	(13,587)

All figures relate to the continuing activities of the company.

There were no recognised gains or losses other than those included in the profit and loss account for the years 1997 and 1996.

On behalf of the board

M. P. McDonnell, Chairman
W. Lilley, Managing Director

**Balance Sheet**

		As at 31st December	
	Notes	1997	1996
		IR £000	IR £000
Fixed Assets			
Tangible assets	4	38,616	36,517
Intangible assets	5	—	—
		38,616	36,517
Current Assets			
Stocks	6	3,292	3,246
Debtors	7	17,502	16,326
Cash at bank and in hand		18	56
		20,812	19,628
Creditors (amounts falling due within one year)	8	(22,983)	(22,617)
Net Current Liabilities		(2,171)	(2,989)
Total Assets less Current Liabilities		36,445	33,528
Financed by:—			
Creditors (amounts falling due after more than one year)	9	—	859
Provisions for Liabilities and Charges	10	19,875	19,698
		19,875	20,557
Capital and Reserves			
Called up share capital	11	23,000	23,000
Asset replacement reserve	12	3,770	3,558
Profit and loss account		(10,200)	(13,587)
Shareholders' Funds	13	16,570	12,971
		36,445	33,528

On behalf of the board

M. P. McDonnell, Chairman
W. Lilley, Managing Director



Cash Flow Statement

	Notes	Year ended 31st December	
		1997 IR £000	1996 IR £000
Net Cash Inflow from Operating Activities	15(A)	10,898	8,142
Returns on Investment and Servicing of Finance			
Interest receivable		336	457
		11,234	8,599
Capital Expenditure			
Additions to tangible assets	4	(9,317)	(10,708)
Proceeds from disposal of tangible assets		46	74
		(9,271)	(10,634)
Acquisition			
Slattery Travel - consideration paid		(216)	(291)
Cash Inflow/(Outflow) before use of Liquid Resources and Financing		1,747	(2,326)
Management of Liquid Resources			
Movement in amounts owed by holding company	15(B)	(309)	3,045
Financing			
Repayment on loan from holding company	15(B)	(1,002)	(921)
Increase/(Decrease) in cash	15(B)	436	(202)

Liquid resources comprise amounts owed by the holding company, which represent cash generated not immediately required for operations, and made available to the holding company repayable on demand.

	15(B)	1997	1996
		IR £000	IR £000
Increase/(decrease) in cash in the year		436	(202)
Cash used to repay loan from holding company		1,002	921
Cash from change in liquid resources		309	(3,045)
Change in net funds		1,747	(2,326)
Net funds at 1st January		7,645	9,971
Net funds at 31st December		9,392	7,645



Notes to the Financial Statements

1. PAYROLL AND RELATED COSTS

	1997 IR £000	1996 IR £000
Staff Costs		
Wages and salaries	41,879	41,285
Social welfare costs	3,529	3,480
Other pension costs	1,824	2,337
	47,232	47,102
Own work capitalised, and engineering work for Group companies	(449)	(413)
Net Staff Costs	46,783	46,689
Directors' Remuneration		
Emoluments		
- for services as directors	—	3
- for other services	115	28
Total Directors' Remuneration and Emoluments	115	31
Payroll and Related Costs	46,898	46,720

The average numbers of employees during the year were as follows:

	Staff Numbers	
	1997	1996
Full-time	1,885	1,910
Part-time school bus drivers	636	651
Total	2,521	2,561

2. MATERIALS AND SERVICES

	1997 IR £000	1996 IR £000
Fuels and lubricants	4,415	4,245
School contractors	19,504	18,774
Road tax and licences	259	268
Operating lease rental of vehicles	1,671	867
Third party and employer's liability claims	4,904	4,939
Rates	359	350
Auditors' remuneration	29	29
Materials and other services	19,265	19,746
	50,406	49,218



Notes to the Financial Statements

3. DEPRECIATION AND PROFIT ON DISPOSAL OF TANGIBLE FIXED ASSETS

	Notes	1997 IR £000	1996 IR £000
Depreciation of tangible fixed assets	4	7,212	6,778
Department of Education funding of school buses	14	—	(7)
Profit on disposal of tangible fixed assets		(40)	(74)
		7,172	6,697

4. TANGIBLE FIXED ASSETS

	Road Passenger Vehicles IR £000	Plant and Machinery IR £000	Total IR £000
Cost			
at 1st January, 1997	81,246	2,767	84,013
Additions	8,464	853	9,317
Disposals	(1,585)	—	(1,585)
At 31st December, 1997	88,125	3,620	91,745
Depreciation			
at 1st January, 1997	45,513	1,983	47,496
Charge for the year	7,061	151	7,212
Disposals	(1,579)	—	(1,579)
At 31st December, 1997	50,995	2,134	53,129
Net Book Amounts			
At 31st December, 1997	37,130	1,486	38,616
At 31st December, 1996	35,733	784	36,517

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

	Lives (Years)
Road passenger vehicles	8 - 16
Plant and machinery	5 - 10

(b) Road passenger vehicles at a cost of IR £7,569,989 (1996 - IR £7,141,000) were fully depreciated but still in use at the balance sheet date.

(c) Tangible fixed assets at 31st December, 1997 include an amount of IR £4,095,758 in respect of tangible fixed assets not yet in service.



Notes to the Financial Statements

5. INTANGIBLE FIXED ASSETS

	1997 IR £000	1996 IR £000
Balance at 1st January	—	—
Arising during the year	—	753
Written off to reserves	—	(753)
Balance at 31st December	—	—

On 2nd February, 1996 the company acquired the goodwill of Slattery Travel, a cross-channel coach operator, at a total cost of IR £753,000, comprising fixed payments totalling IR £570,000, performance related payments (over 3 years) not to exceed IR £150,000 and transaction costs of IR £33,000.

6. STOCKS

	1997 IR £000	1996 IR £000
Maintenance materials and spare parts	2,741	2,786
Fuels, lubricants and sundry stocks	551	460
	3,292	3,246

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.

7. DEBTORS

	1997 IR £000	1996 IR £000
Trade debtors	4,908	5,232
Amounts owed by holding company (Note 15(B))	10,275	9,966
Other debtors and accrued income	2,319	1,128
	17,502	16,326



Notes to the Financial Statements

8. CREDITORS (amounts falling due within one year)

	1997 IR £000	1996 IR £000
Bank overdraft	44	518
Trade creditors	1,677	1,191
Loan from holding company (Note 9)	857	1,000
Income tax deducted under PAYE	582	759
Pay-related social insurance	413	514
Value added tax and other taxes	1,634	145
Other creditors	1,650	1,270
Accruals	4,866	5,470
Restructuring provision (Note 10)	7,460	8,500
Third party and employer's liability claims (Note 10)	3,800	3,250
	22,983	22,617
Creditors for taxation and social welfare included above	2,629	1,418

9. CREDITORS (amounts falling due after more than one year)

	1997 IR £000	1996 IR £000
Loan from holding company	—	859
This loan is repayable as follows:		
Within one year (Note 8)	857	1,000
Between one and two years	—	859
	857	1,859

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



Notes to the Financial Statements

10. PROVISIONS FOR LIABILITES AND CHARGES

	Restructuring Provision IR £000	Third Party and Employer's Liability Claims IR £000	Total IR £000
Balance at 1st January	12,558	18,890	31,448
Utilised during the year	(1,323)	(3,786)	(5,109)
Transfer from profit and loss account	—	4,796	4,796
Balance carried forward	11,235	19,900	31,135
Less amount classified as current liability (Note 8)	(7,460)	(3,800)	(11,260)
Balance at 31st December	3,775	16,100	19,875

(A) Restructuring provision

A major review of the company's operations was carried out during 1996 and a viability plan was drawn up. Exceptional restructuring costs, representing the estimated cost of voluntary severance (including related pension costs) and other measures associated with the viability plan, were provided for in the 1996 financial statements.

(B) Third party and employer's liability claims

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

- (i) third party liability in excess of IR £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.
- (ii) 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 the case of actions for All Other Risks claims subject to United States jurisdiction where the excess is US \$100,000.
- (iii) road transport third party liabilities in excess of a self-insured retention of IR £4,410,000 in aggregate in the twelve month period, April 1997 to March 1998.



Notes to the Financial Statements

10. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

(B) Third party and employer's liability claims (continued)

- (iv) fire and special perils, including storm damage, to property in excess of IR £200,000 on any one loss.

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

11. SHARE CAPITAL

	1997 IR £000	1996 IR £000
Authorised		
Ordinary shares of IR £1 each	32,000	32,000
Allotted, Called Up and Fully Paid		
Ordinary shares of IR £1 each	23,000	23,000

12. ASSET REPLACEMENT RESERVE

	1997 IR £000	1996 IR £000
Balance at 1st January	3,558	3,368
Transfer from profit and loss account	212	190
Balance at 31st December	3,770	3,558

This reserve represents the excess of depreciation based on replacement cost over that based on historical cost.

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997 IR £000	1996 IR £000
Surplus/(deficit) for the year after State grant	3,599	(9,146)
Goodwill on acquisition written off	—	(753)
Opening Shareholders' Funds	12,971	22,870
Closing Shareholders' Funds	16,570	12,971



Notes to the Financial Statements

14. DEPARTMENT OF EDUCATION FUNDING OF SCHOOL BUSES

	1997 IR £000	1996 IR £000
Balance at 1st January	—	7
Released to profit and loss account	—	(7)
Balance at 31st December	—	—

15. CASH FLOW STATEMENT

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

	1997 IR £000	1996 IR £000
Operating Deficit	(2,237)	(13,003)
Exclude:		
Depreciation and profit on disposal of tangible fixed assets	7,172	6,697
Exceptional restructuring costs	—	10,500
Adjusted Surplus for the year	4,935	4,194
State grant	5,500	3,400
Restructuring payments made	(1,323)	(1,078)
(Increase)/decrease in stocks	(46)	641
(Increase) in debtors	(867)	(954)
Increase in creditors	1,689	580
Increase in provision for liabilities and charges	1,010	1,359
Net Cash Inflow from Operating Activities	10,898	8,142

(B) Analysis of Change in Net Funds

	At 1st Jan. 1997 IR £000	Cash flows IR £000	Other changes IR £000	At 31st Dec. 1997 IR £000
Cash at bank and in hand	56	(38)	—	18
Bank overdraft	(518)	474	—	(44)
	(462)	436		(26)
Debt due within one year	(1,000)	1,002	(859)	(857)
Debt due after one year	(859)	—	859	—
Amounts owed by holding company	9,966	309	—	10,275
	7,645	1,747	—	9,392



Notes to the Financial Statements

16. OPERATING LEASE OBLIGATIONS

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

	1997 IR £000	1996 IR £000
Within one year	721	259
Between one and five years	762	935
	1,483	1,194

17. PENSIONS

The majority of the company's employees participate in defined benefit pension schemes based on final pensionable pay. Contributions by the company and the employees are invested in trustee-administered funds.

Proposals for the amalgamation of the CIE Group's six pension schemes into two schemes have been accepted. Statutory Instrument No. 115 of 1996 confirmed the CIÉ Pension Scheme for Regular Wages Staff (Amendment) Scheme, 1996. The CIÉ Superannuation Scheme 1951 (Amendment) Scheme is awaiting confirmation.

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 Group pension schemes' assets at 31st December, 1997 was IR £766,760,000.

An actuarial review of the amalgamated schemes was carried out as at 31st December, 1996. The market value of the assets of the schemes at that date was IR £580,104,000 and this exceeded 100% of the benefits which had accrued to members based on service to and pensionable pay at the valuation date. After allowing for future pay and pension increases the level of funding was 94%. 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. Actuarial reports are available to scheme members but are not available for public inspection.

The pensions cost for the year was IR £1,824,000 (1996 - IR £2,337,000).

As at 31st December, 1997 a provision for the capital cost of *ex gratia* pensions of IR £5,479,000 (1996 - IR £5,700,000) is included under provisions for liabilities and charges (Note 10).



Notes to the Financial Statements

18. CAPITAL COMMITMENTS

	1997 IR £000	1996 IR £000
Contracted for	3,432	6,115
Authorised by the directors, but not contracted for	1,044	2,180
	4,476	8,295

19. 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 materially in excess of provisions made in the financial statements.

20. NET SURPLUS/(DEFICIT) BY ACTIVITY

The surplus/(deficit) for the year after the transfer to asset replacement reserve is split between city services and other services as follows:

	City services		Other services	
	1997 IR £000	1996 IR £000	1997 IR £000	1996 IR £000
Revenue	11,536	11,816	90,703	88,316
Expenditure				
Maintenance of buildings	229	204	831	1,206
Maintenance of vehicles and equipment	2,627	2,816	16,254	16,608
Fuel	453	442	4,516	3,803
Road tax and licences	18	19	241	249
Operating and other expenses	9,308	12,639	62,673	68,378
Operating depreciation	1,240	1,012	6,298	5,949
Total Expenditure before Interest	13,875	17,132	90,813	96,193
Operating Deficit before Interest and State Grant	(2,339)	(5,316)	(110)	(7,877)
Interest receivable	32	60	304	397
(Deficit)/Surplus before State Grant	(2,307)	(5,256)	194	(7,480)
State grant	2,600	1,768	2,900	1,632
Surplus/(Deficit) for the Year after State Grant	293	(3,488)	3,094	(5,848)

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



Notes to the Financial Statements

21. RELATED PARTIES

Entities controlled by the Irish Government are related parties of the company by virtue of the Irish Government's control of the holding company, Córas Iompair Éireann.

In the ordinary course of business the company purchases goods and services from entities controlled by the Irish Government, the principal of these being the ESB, Telecom Éireann, An Post and Bord Gáis. The directors are of the opinion that the quantum of these purchases is not material in relation to the company's business.

The financial statements of Córas Iompair Éireann provide the information required by Financial Reporting Standard No. 8 concerning transactions between that company, its subsidiaries and the Irish Government.

22. 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.

23. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 31st March, 1998.

PN 5178

