





# Córas Iompair Éireann

Repositioning public transport





## Contents

*To the Minister for Public Enterprise*

*The board of Córas Iompair Éireann herewith presents the group Annual Report and Accounts for the year ended 31st December, 1998 in accordance with Section 34 of the Transport Act, 1950.*

2	<i>Chairman's Statement</i>
4	<i>Operations Review</i>
18	<i>Group Structure</i>
20	<i>Members of the Board and Group Management</i>
22	<i>Statement of the Board's Responsibilities</i>
23	<i>Auditors' Report</i>
24	<i>Principal Accounting Policies</i>
26	<i>Consolidated Profit and Loss Account</i>
27	<i>Consolidated Balance Sheet</i>
28	<i>Company Balance Sheet</i>
29	<i>Consolidated Cash Flow Statement</i>
30	<i>Notes to the Financial Statements</i>

During 1998 the CIE group recorded a further substantial improvement in its financial performance:

- Profits rose by 130 percent to almost IR £12 million;
- IR £68 million was invested in new track, trains, buses and new facilities;
- Borrowings were reduced by IR £1.5 million to IR £152.5 million.

These results were due both to the board's policy of continuing cost containment and to revenue growth resulting from a further improvement in the quality of product and service. I would like to thank our customers, both old and new, for their support and all the staff in the CIE group for delivering this improved service during 1998.

Much more remains to be done to further improve the quality of our product if we are to attract more car users to public transport which is a core business objective for the group. This will require substantial investment over the next five years, much of it financed from increased profits and resources generated from within the group. It is therefore essential to maintain and possibly accelerate group profits. Cost containment is vital and we must focus more on existing and potential customers.

Increases in profits are also critically dependent on commercial freedom to adjust prices in response to changing conditions in our markets. We expect to obtain this, as part of the public service contracts which the Government has promised will be negotiated during the current year.

Investment is most needed in our rail business where the poor quality, speed and reliability of some services are the inevitable consequence of a long and sustained period of under-investment. Because this under-investment could also impact on safety, which is paramount for CIE, the board during 1998 commissioned an independent study from Arthur D. Little & Co. to assess risk levels associated with the ageing rail infrastructure and to provide recommendations on maintenance and renewal. The board of CIE accepted the consultants' recommendations in June 1998.

The Minister for Public Enterprise commissioned a separate review of all aspects of rail safety from International Risk Management Services. Following this she established a High Level Task Force to prepare a report with prioritised recommendations for safety investment and management in our rail system. The board welcomes the report of this high level group and acknowledges the measures promised by Government to finance the safety programme recommended.

To complement the safety programme, the board has approved a five-year development programme for improved rolling stock and facilities for our customers. This development programme, designed to bring the quality of Irish mainline rail services up to the norm for all industrialised countries, could be financed from

our own resources if we were given commercial freedom to increase fares in line with inflation. The Government has promised this as part of the public service contracts.

While solutions to Dublin's traffic gridlock must be primarily bus based, suburban rail also has an important role to play. The chronic shortage of commuter trains in recent years was alleviated in part during 1998 with the acquisition of some new Arrow trains. This, together with upgraded stations and real time customer information, will bring some suburban rail services up to international standards.

Despite substantial progress in modernising our bus fleet, with Government and EU assistance, the bus service we offer our customers in Dublin city is still being adversely affected by increasing traffic congestion. This also has a severe impact on the commercial performance of Bus Atha Cliath, affecting fleet utilisation during peak hours. Improved traffic management has eased traffic in the city centre. However, congestion has now shifted to the suburbs where delays of up to 30 minutes are being regularly experienced. There is an overwhelming case for the extension of Operation Freeflow to the suburbs not just at Christmas time but all year round.

Traffic gridlock is not just a Dublin problem. All our provincial cities are also grinding to a halt. It is therefore essential that we also get dedicated road space for our buses in these cities. While this will improve reliability and frequency of services, we also need new buses to bring the quality and age profile of our provincial city fleets into line with customer expectations. The group is discussing with the Government means by which this can best be done.

#### Board changes

Mr. Pat Lynch, Ms. Laura Magahy, Mr. Brendan Murtagh and Mr. Arthur O'Daly retired from the board in November 1998. I wish to thank them for the valued and substantial contribution they made to the CIE group. Four new members, Mr. Gerry Duggan, Mr. David Egan, Mr. Paul Kiely and Ms. Susan Spence were appointed to the board in December 1998.

#### Acknowledgements

I would like to thank the Minister for Public Enterprise Mrs. Mary O'Rourke, T.D., the Minister for Finance Mr. Charlie McCreevy, T.D. and their officials for their support and advice to Córas Iompair Éireann during 1998.

I also thank the officials of the European Union for their support, particularly for the group's investment programmes.



Brian A. Joyce



PLATFORMS 1 2 R  
TICKETS  
TOILETS  
LEFT LUGGAGE  
LAVY  
PHONE

3





4







### Group results

The overall profit on the group's operations in 1998 was IR £11.7 million compared to a profit of IR £5.1 million in 1997. The following table gives further details:

	1998 IR £m	1997 IR £m	Increase IR £m
Customer revenue	358.3	341.2	17.1
State grants	107.0	104.9	2.1
<b>Total</b>	<b>465.3</b>	<b>446.1</b>	<b>19.2</b>
Payroll and related costs	228.6	217.6	11.0
Other operating costs	201.7	199.1	2.6
Financial charges	10.8	13.5	(2.7)
Transfer to reserves	12.5	10.8	1.7
<b>Total</b>	<b>453.6</b>	<b>441.0</b>	<b>12.6</b>
<b>Profit for the year</b>	<b>11.7</b>	<b>5.1</b>	<b>6.6</b>

### Revenue

Customer revenue increased by IR £17.1 million with Iarnród Éireann showing an increase of IR £7.6 million, Bus Éireann IR £3.3 million, Bus Átha Cliath IR £2.6 million and the holding company IR £3.6 million.

The increase in revenue is attributable to increases in service levels as the group did not get a fares increase during the year.

### State grants

State grants for public service obligations for the year increased by IR £2.1 million to IR £107.0 million, an increase of 2 percent.

### Payroll and related costs

These costs increased by IR £11.0 million (5.05 percent) in the year due to:

- An increase in the numbers employed in Iarnród Éireann to resource the Infrastructure Safety Investment Programme;
- Payments arising from concluding restructuring negotiations in Bus Átha Cliath; and
- Payments due under the Partnership 2000 Agreement.

### Other operating costs

Other operating costs increased marginally despite a substantial increase in the level of activity in all operating companies.

### Financial charges

Financial charges decreased by IR £2.7 million to IR £10.8 million reflecting the downward trend in interest rates during the year.

### Capital expenditure

Capital expenditure in the year amounted to IR £67.9 million compared to IR £64.1 million in 1997.

The group generated a cash flow (surplus plus depreciation) of IR £55.4 million during the year, IR £8 million more than in 1997, all of which was used in financing the group's capital investment programme.

### Economic costs and benefits of CIE services

The statutory accounts of CIE show the financial performance of the group. However, there are also many other beneficial economic and social effects which cannot be included in financial statements. These include travel time savings to public transport and road users, road accident savings, environmental and health cost reductions etc. To quantify the magnitude of these 'external benefits', CIE commissioned Indecon International Consultants to prepare an independent report on these issues. Their findings are summarised in the following table:

	1998 IR £m	1997 IR £m
Sales revenue	358	341
Cost of operations including depreciation and exceptional operating costs	(455)	(440)
Estimated opportunity cost of capital	(16)	(16)
Net economic cost of providing CIE services	(113)	(115)
Economic social benefits	736	715
Estimated net economic and social benefit from CIE services	623	600
State grants	107	105

### Investment strategy

CIE's core business objective is to attract more customers to public transport. This requires substantial additional investment to ensure both fleet and customer facilities and safety standards for our customers and staff are up to best international standards.

Over the past three years, with Exchequer and EU assistance, the substantial historical investment deficit in public transport has been alleviated. During this period programmes which have been and are being financed include:

- 26 new units for the DART service.
- 47 new diesel rail cars.
- The development of Heuston, Connolly, Barrow Street, Kilkenny, Killarney and Galway rail stations.
- Upgrading of mainline rail stations.
- Opening of new and upgrading of existing suburban rail stations.
- Provision of real time information for customers at suburban rail stations.
- Park-and-ride facilities at suburban rail stations.
- DART extension to Malahide and Greystones.
- Purchase of over 600 new buses including low-floor wheelchair accessible single deck buses.
- Mainline track renewal: 140 miles on the Galway, Sligo, Belfast, Waterford and Mallow/Tralee lines.
- Resignalling of Galway, Sligo, Tralee and Waterford rail lines.

An IR£654 million rail investment plan was proposed by CIE in early 1999 covering renewal and upgrading as well as safety. The full safety element amounting to IR£430 million was approved by the Government in March 1999. Discussions are continuing with the Department in relation to the funding of this programme.

Work has also commenced within the group on the suburban rail investments needed to comply with the strategic planning guidelines for the greater Dublin area. The type of projects being evaluated are rail links to Dublin Airport and Navan, new stations south and west of Dublin, a new centre city river crossing, upgraded signalling and additional rolling stock.





TIME	DESTINATION	PLATFORM NUMBER	CALLING AT
17:00	GALWAY	5	BALLINASLOE, ATHENRY GALWAY.
17:20	CORK	3	SERVICE DINING CAR
17:30	LIMERICK	2	SERVICE SUPER STANDARD
17:37	LIMERICK	4	LIMERICK.
17:43	KILDARE	1	KILDARE.
18:10	WESTPORT	5	BALLYHAUNIS, CLAREMORRIS.

ALL INFORMATION ON THIS BOARD  
IS FOR DEPARTURES ONLY

LIMERICK

CALLING AT  
THIS STOP  
FROM LIMERICK.



# 8







A five year development programme is also being drawn up for Bus Átha Cliath, the two core elements of which are a fleet replacement programme to reduce the average age of the fleet to six years and also the acquisition of additional capacity to meet increased customer demand. While it involves substantial additional expenditure, company policy is that all new fleet should be accessible for mobility impaired customers. Other elements in the programme are a much higher level of traffic priority throughout the network, improved customer facilities and enhanced ticket integration with other CIE services.

Bus Éireann's investment programme will also provide for enhanced services in the greater Dublin area. However, the main investment priority for this company is a substantial improvement in the quality of its bus fleet in provincial cities.

These programmes will be funded from the group's internal resources (profits plus depreciation). The extent of this will be primarily determined by the commercial freedom given to the group by the Government. Property sales and leveraged borrowings on income streams will also make major contributions. The balance of the funding is currently the subject of discussion with the Department of Public Enterprise.

The 1999 investment programme approved by the board of CIE, subject to availability of resources, is as follows:

	IR £m
<i>Iarnród Éireann</i>	
Safety investment	79
Upgrading/investment	72
<i>Bus Átha Cliath</i>	
<i>Bus Éireann</i>	12
Iarnród Éireann have ordered the following rail equipment:	
47 Railcars	20
26 DART cars	16

The introduction of DART services to Greystones and Malahide will take place over the next year.

Bus Átha Cliath's fleet investment programme which is being assisted by EU and Exchequer grants involves the acquisition of 150 double deck buses and 20 low-floor midibuses.

Bus Éireann's plans provide for increased frequency and higher quality services along with investment in fleet for provincial cities and commuter routes which will enhance the role of public transport and assist in the reduction of traffic congestion. Bus Éireann's fleet investment programme involves the acquisition of 95 buses and CIE will be seeking Exchequer and EU funding to implement these plans during 1999 and 2000.



### Iarnród Éireann

Iarnród Éireann's principal activities are national rail passenger and freight services, road freight and catering businesses and the management of Rosslare Harbour.

### Results

Company profits increased by almost 150 percent from IR £1.8 million in 1997 to IR £4.4 million in 1998. This substantial improvement in performance was based on strong mainline and suburban passenger revenue growth and continuing tight cost control.

Total customer revenue amounted to IR £136.6 million of which the mainline and suburban rail divisions generated IR £102.6 million. The 6.4 percent revenue increase from mainline and suburban services during the year, achieved without a general fares increase, is primarily due to increased customer satisfaction and usage of the improved quality of product offered by the company.

The Exchequer contribution for the upkeep of the rail infrastructure system and provision of socially necessary but non-commercial services increased marginally from IR £92.4 million to IR £92.5 million.





## Rail passenger services

### Passenger carryings

A record 32.1 million passengers travelled on Iarnród Éireann services during the year. This represents a 9.2 percent increase on the previous year. Annual passenger journeys on suburban services now exceed 22 million, while for mainline rail the number is approximately 10 million.

### Revenue

Customer revenue on mainline services increased to IR £86.5 million (9.8 percent) and on Bray/Howth suburban services to IR £16.1 million (10.3 percent).

A geographical analysis of rail passenger services in 1998 is set out in the following table:

Region	1998 IR £m	1997 IR £m
South West	30.6	27.2
West	14.0	13.1
South East	5.3	4.3
Belfast	6.1	4.4
Branch Lines	0.7	0.8
DART	16.1	14.6
Other Suburban	6.9	7.9
<b>Total</b>	<b>79.7</b>	<b>72.3</b>

## Safety

Following the Knockcroghery derailment in November 1997, the board of CIE commissioned an independent review of the safety of Iarnród Éireann's track, signalling and telecommunications systems from the international consultants A.D. Little. They reported that historically Iarnród Éireann has been a safe railway, with recorded accidents and casualties that compare very favourably with other European railway networks but concluded that there has been a shortfall in investment which is now impacting on safety.

During 1998 the Minister for Public Enterprise commissioned a strategic review of all aspects of railway safety from consultants I.R.M.S. Their report concluded that substantial essential investment is required urgently in infrastructure renewal and that it is necessary to introduce more formal systems and processes to further improve safety standards.

### Rail freight

Freight revenue decreased by 2.9 percent to IR £16.8 million during the year due to the cessation of some major traffics during 1997. However, new business has offset 70 percent of the loss of the Bell and Asahi traffics and overall revenue growth is expected to resume in 1999.

## Road freight

Profits in the company's road freight business increased by 50 percent from IR £0.8 million in 1997 to IR £1.2 million in 1998.

### Rosslare Harbour

Improvements in fleet and facilities at the port were reflected in higher volumes of business during 1998 when freight unit carryings increased by over 23 percent. Increases on the passenger side of the business were more modest giving rise to overall revenue growth of 8.8 percent during the year. Significant maintenance costs arising from storm damage were incurred during the year which curtailed growth in profitability. The outcome for the year was a profit of IR £2.8 million. Further significant growth is dependent on investment in volume capacity for the port.

### Network catering

Profits in Network Catering improved by 16 percent to almost IR £0.4 million.





### Bus 6ireann

Bus 6ireann's principal activities are the operation of its network of 'Expressway' interurban coach services, the operation of city bus services in Cork, Limerick, Galway and Waterford, local stage carriage bus services throughout the country and nationwide school transport services operated on behalf of the Department of Education. Total passenger numbers for 1998 in the school transport services were 86 million.

### Results

Company profits grew by 6 percent from IR 63.4 million in 1997 to IR 63.6 million in 1998, despite the fact that there was no general fares increase in 1998. Revenue from Expressway and stage carriage services showed a continued growth. Revenue on provincial city services showed a small increase despite the poor quality of the fleet in these cities and increased congestion.

### Services

The company started the first stage of a programme to provide high frequency quality services to and from key cities. The first such service, Galway/Dublin, performed exceptionally well and this concept has been extended to Rosslare/Dublin and Limerick/Dublin. Plans are being prepared to expand similar services to other routes.

In support of the Government's policy of rural renewal and development, Bus 6ireann in association with local communities, introduced a further seven innovative services in rural areas through the greater use of school bus resources.





# 13

## Bus Átha Cliath

The principal activity of the company is the provision of a comprehensive bus service for the city and county of Dublin and its hinterland.

### Results

The company made a profit of IR £1.3 million in the year compared with a profit of IR £1.5 million in 1997. Revenue grew by 2.5%, despite there being no fares increase during 1998. Operating expenditure grew by 2.7% due to payment of wage rounds and increases in materials and services due to volume increases.

The number of customers carried across the whole network of services increased by 400,000 to 189.5 million journeys during 1998.

## Service development

During 1998 Cityswift branded services were introduced along the Quality Bus Corridor routes in Swords and Santry/Rathfarnham. Cityswift routes now account for 24% of total mileage operated and nearly 27% of customer receipts, demonstrating that new customers can be attracted to good quality bus services. However, to achieve a top quality bus service in the Dublin region, much work remains to be done on traffic management priorities. Only two Quality Bus Corridors have been completed to date out of the eleven originally identified by Dublin Corporation some five years ago. It is imperative that the development of these corridors is undertaken as a priority by the local authorities in order that the city becomes more accessible to its citizens.

## Traffic congestion

Traffic congestion is a severe problem in the city and delivery of timetabled services is a daily struggle. Car registrations in the capital continue to rise, being up 10% (over 71,000 registrations) on 1997 - itself a record year. In the latter part of the year the Government announced a major initiative to co-fund with the EU an injection of 150 buses into the peak fleet to help alleviate traffic congestion in the city.

### Restructuring plans

The company concluded restructuring negotiations with most of its staff towards the year-end. It is expected that negotiations will be concluded with the remaining staff during 1999.

## Customer focused staff training

Under the Customer Focus 2000 initiative launched in April, all services are individually undergoing specific targeted attention, which includes high marketing profiles and public consultation programmes to improve network identity and operational efficiency. Staff are undergoing retraining with specific emphasis on quality improvement standards, safer driving and greater customer awareness. A middle management development programme was also progressed in the year enhancing the company's commitment to providing key support to its operations.



### Luas

CIE is implementing the Luas project on behalf of the Government. During 1999 the Light Rail Office continued work on the detailed design of the Light rail system. In April consultants appointed by the Minister for Public Enterprise reported on a study of an underground option for the project. In May the Government decided on a revised LRT network for the city. An implementation programme was included as part of the Government's decision and work began immediately on revising the plans. In July, an application was made for a Light Rail Order for the construction of the first line from Tallaght to Abbey Street. A Public Inquiry was held in November and the Inspector approved the proposal in December. An application was also made for the second line from Sandyford to St. Stephen's Green and a Public Inquiry followed in 1999. Preliminary work on the other lines to Ballymun and Connolly Station was also begun.

### Group ancillary businesses

These businesses generated a profit of IR 65.5 million as compared to IR 62.1 million in 1997. All segments of the businesses performed well in 1998 with each business recording increased profits as compared to 1997. CIE Property and Commuter Advertising Network profits are allocated to the subsidiary companies.

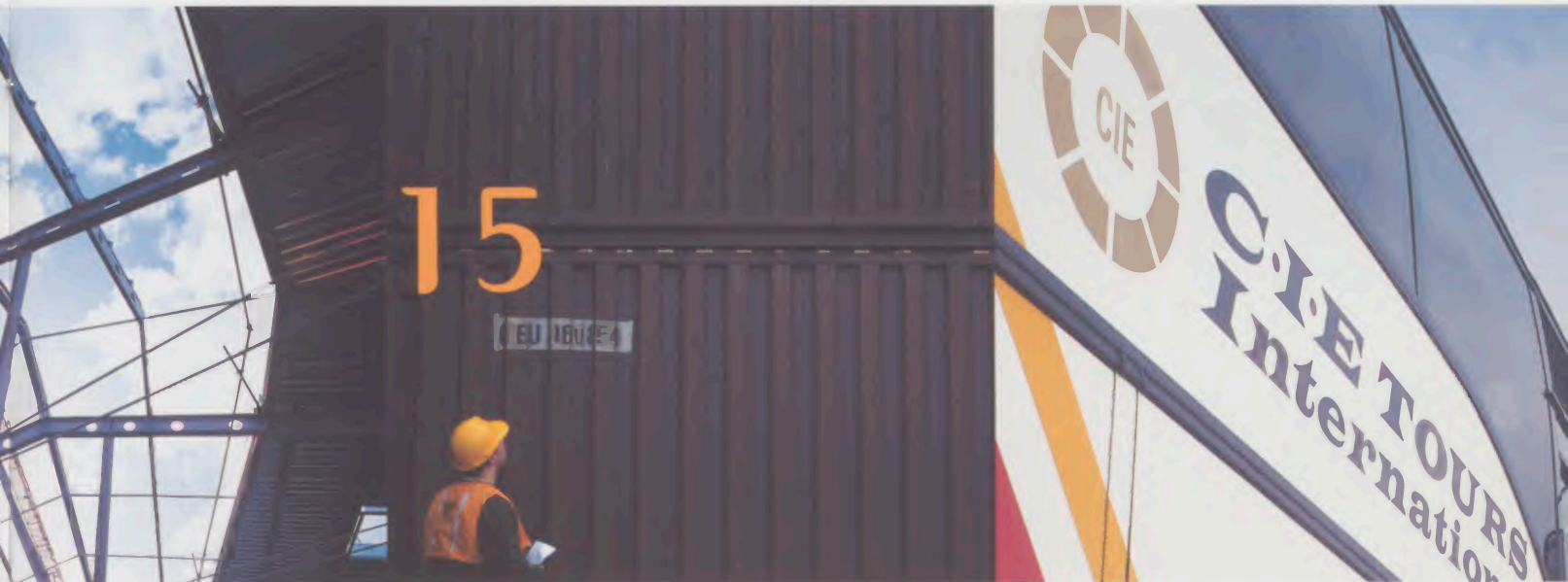
#### CIE Tours International

CIE Tours International is the largest incoming tour operator into Ireland with a gross turnover level in 1998 of IR 635.3 million, of which IR 624.8 million is attributable to its North American business. The company catered for 73,000 visitors in 1998 and purchased in excess of 500,000 bednights from the Irish tourism accommodation sector. It generated profits of IR 61.0 million in 1998 as compared with a small profit in 1997.

#### CIE Consult

The division experienced strong growth in 1998 with revenue increasing to IR 64.2 million as compared to IR 61.6 million in 1997. A profit of IR 60.4 million was achieved as compared to a loss of IR 60.1 million in 1997.





#### **Commuter Advertising Network**

The profit from this business in 1998 was IR £1.5 million as compared to IR £1.3 million in 1997. The division is continuing to add to its range of sites and products.

#### **CIE Property**

This division is involved in several major developments throughout the country including the North Wall developments, Connolly Station, Cork bus and the rail stations at Killarney, Tara Street and Barrow Street. The division is also actively involved in the sale of property in order to raise funds for future development of the rail network.

Rental income increased by IR £1.2 million to IR £3.4 million in 1998 and the division recorded a profit of IR £1.7 million as compared to IR £1.1 million in 1997.

## 16

**Employment**

The number of people employed by the group at year-end was 10,708, an increase of 36 as compared to 1997.

**Employee pensions**

The group operates defined benefit schemes based on fixed pensionable pay. Contributions by the board, its subsidiaries and the employees are invested in trustee administered funds. Proposals are in hand to amalgamate the board's six pension schemes into two schemes.

The market value of the schemes' assets as at 31st December, 1998 was IR  921 million, an increase of 32 percent on the value at 31st December, 1997.

**Staff participation**

CIE's main asset is its staff. It is group policy to utilise this asset to the fullest extent by progressively developing a teamwork and participative culture throughout the group. All staff are encouraged to participate in the running of the group through active involvement in project teams, working parties and customer focused service improvement initiatives. There are four worker directors on the CIE board.

**Equal opportunities**

The group continues to keep under review opportunities for enhancing equality of opportunities. It is a member of the partnership in the Employment of Disabled Persons Scheme which was established under the aegis of the Department of Equality and Law Reform. It also has regular consultations with representatives of organisations for the mobility impaired to establish priorities for investments in facilities for such groups.

**Safety, health and welfare**

The safety of customers and employees is paramount in all CIE businesses. The Board Safety Committee monitors the safety performance of each operating company against formal annual safety plans. It actively supports the safety programmes of each company and encourages the widest possible involvement in safety promotion and accident prevention.

**Payment practices**

CIE acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payment of Accounts Act, 1997. Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Act. The payment policy throughout the group in 1998 was to comply with the requirements of the Act.

**Year 2000 and euro compliance**

CIE recognises the importance of year 2000 and euro compliance. A full-time programme manager has been appointed and the issue has been established as a major component of management processes. The incremental costs of complying with these two issues are not significant in terms of the size of the company. The board believes that robust plans, resources and processes are in place to achieve year 2000 and euro compliance for all business areas and business critical systems and that work is well advanced towards achieving this objective.

The Irish pound has been retained as the reporting currency for this annual report. In order to facilitate gradual change an additional column showing 1998 in euro in the primary financial statements of the group has been included. The rate of exchange for the Irish pound against the euro was permanently fixed at 1 euro equals IR  0.787564.

**Procurement**

A group procurement policy is in place to ensure compliance with the EU Public Procurements and Utilities Directives, as well as board and government policies. All procurements over the qualifying thresholds were put to open tender and inserted in the EU Journal where appropriate.



17





Córas Iompair Éireann is the national statutory authority providing land public transport within the Republic of Ireland. The company is wholly owned by the Government of Ireland and reports to the Minister for Public Enterprise.

The group holding company is organised into five subsidiary operating companies, three business units and other ancillary service providers. Between them they provide services for:

- Rail passenger travel
- Rail freight carrying
- Train and ground catering
- City, inter-city, rural and school bus travel
- Road freight carrying
- Harbour management
- Event/holiday tours
- International consultancy
- Ancillary services:  
Project management, Property, Legal, Insurance/Liability management

Strategic direction, control and overall co-ordination is provided by the holding company whilst each subsidiary and business unit has a high degree of operating autonomy.



# 19



## Córas Iompair Éireann

CIE Tours Int. Inc.  
CIE Consult  
CIE Group Property  
Commuter Advertising (CAN)  
Insurance/Liability Management  
Legal

Intercity  
Suburban  
Long Distance Commuter  
Rail Freight  
Road Freight  
Rosslare Harbour  
Network Catering/(Dubel Ltd)



Expressway  
Rural Services  
Provincial City Services  
School Bus Services  
Vehicle Testing  
Private Hire



City Services  
Cityswift  
City Speed  
City Imp  
Nitelink  
Airlink  
Private Hire



20

**Members of the board**

The names of the persons who were board members at any time during the year ended 31st December, 1998 are set out here. Except where indicated they served as board members for the whole year.

Brian A. Joyce	<i>Chairman</i>
Tras Honan	<i>Deputy Chairperson</i>
• Jim Cullen	<i>Chief Financial Officer</i>
◦ Paul Cullen	
Gerry Duggan	<i>Appointed 9th December, 1998</i>
David Egan	<i>Appointed 9th December, 1998</i>
◦ Michael Faherty	
Paul Kiely	<i>Appointed 9th December, 1998</i>
Patrick J. Lynch	<i>Retired 27th November, 1998</i>
Laura Magahy	<i>Retired 27th November, 1998</i>
◦ Anne Marie Mannix	
◦ Bill McCamley	
• Michael P. McDonnell	<i>Group Chief Executive</i>
◦ Brendan Murtagh	<i>Retired 27th November, 1998</i>
Arthur O'Daly	<i>Retired 27th November, 1998</i>
Susan Spence	<i>Appointed 9th December, 1998</i>
• Executive board member	
◦ Worker director	

**Secretary of the board**

Geraldine Finucane,  
Heuston Station,  
Dublin 8.

Telephone:  
Facsimile:

00 353 - 0(1) 703 2008  
00 353 - 0(1) 703 2276



**Board committees**

**Audit committee**

Brian A. Joyce *Chairman*  
Paul Kiely  
Anne Marie Mannix  
Bill McCamley

**Finance committee**

Paul Kiely *Chairman*  
Jim Cullen  
David Egan  
Brian A. Joyce  
Bill McCamley  
Michael P. McDonnell

**Remuneration committee**

Brian A. Joyce *Chairman*  
Tras Honan  
Paul Kiely

**Safety committee**

Gerry Duggan *Chairman*  
Paul Cullen  
David Egan  
Michael Faherty

**Group management**

Michael P McDonnell *Group Chief Executive*  
Ray Byrne *Head of Programmes & Projects*  
Jim Cullen *Chief Financial Officer*  
Brian Dowling *Managing Director, CIE Tours International*  
Bill Lilley *Managing Director, Bus Éireann*  
Pat McDonagh *Head of Group Marketing*  
Joe Meagher *Managing Director, Iarnród Éireann*  
Alan Westwell (UK) *Managing Director, Bus Atha Cliath*

**Auditors** PricewaterhouseCoopers,  
Chartered Accountants and Registered  
Auditors,  
Wilton Place,  
Dublin 2.

**Solicitor** Michael Carroll,  
Bridgewater House,  
Islandbridge,  
Dublin 8.

**Principal banker** Bank of Ireland,  
College Green,  
Dublin 2.

The responsibilities of the members of the board of C oras Iompair  ireann 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 C oras Iompair  ireann) 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 C oras Iompair  ireann and of the surplus or deficit of C oras Iompair  ireann 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; and*
- *ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that C oras Iompair  ireann 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 C oras Iompair  ireann 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 C oras Iompair  ireann and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Corporate governance

It is the policy of the CIE group to comply as closely as possible with best practice in the area of corporate governance and financial disclosure. It is the board's policy to align its practice with those requirements of the Combined Code, published in June 1998 by the Committee on Corporate Governance, which the group considers appropriate for a State sponsored body. The group complies with the provisions of the Government Guidelines for commercial State companies.

C oras Iompair  ireann is a statutory body with a board of twelve members. The board 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 four subcommittees, Audit, Finance, Safety and Remuneration, for each of which specific terms of reference are in place.

A Property Advisory committee which is chaired by a board member advises the Group Chief Executive on property matters. Another board member chairs a Marketing and Public Relations committee which also advises the Group Chief Executive.



## 23

**Auditor's Report to the Minister  
for Public Enterprise**

As auditors appointed by C6ras Iompair 6ireann under Section 34(2) of the Transport Act, 1950 with your consent, we have audited the financial statements on pages 24 to 51 which have been prepared under the historical cost convention and the accounting policies set out on pages 24 and 25.

**Respective responsibilities of the  
members of the board and the auditors**

As described on page 22 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 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 affairs of C6ras Iompair 6ireann and of the group as at 31st December, 1998 and of the surplus 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 C6ras Iompair 6ireann. C6ras Iompair 6ireann's balance sheet is in agreement with the books of account.

PricewaterhouseCoopers,  
Chartered Accountants and  
Registered Auditors,  
Dublin.

5th May, 1999.

## 24

**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 12*). 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.

The historical costs of school buses are depreciated in equal annual instalments over their expected useful lives.

*(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.



# 25

## 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. Finance 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 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.

## G. Grants

### (i) 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.

### (ii) State grants

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

## H. 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 (closing rates) or at contract rates where applicable. Long-term foreign currency borrowings, including that portion payable within one year of the balance sheet date, are translated at the rates of exchange ruling at the balance sheet date with the resulting gains or losses included in the consolidated profit and loss account.

## I. 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.

## J. 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 I.A. to EU Regulation No. 2598/70.

Year ended 31st December

	Notes	1998 � 000	1998 IR �000	1997 IR �000
<b>Revenue</b>	1	454,884	358,250	341,200
<b>Costs</b>				
Payroll and related costs	3	(290,258)	(228,597)	(217,646)
Materials and services	4	(199,703)	(157,279)	(155,174)
Depreciation and railway lines renewals	5	(54,048)	(42,566)	(42,462)
Exceptional operating costs (net)	6	(2,924)	(2,303)	(1,522)
<b>Total operating costs</b>		(546,933)	(430,745)	(416,804)
<b>Deficit before profit on disposal of tangible assets, interest and State grants</b>		(92,049)	(72,495)	(75,604)
Profit on disposal of tangible assets	7	522	411	136
<b>Deficit before interest and State grants</b>		(91,527)	(72,084)	(75,468)
Interest receivable	8	674	531	496
Interest payable - Operational	9	(9,827)	(7,739)	(8,133)
- Railway Infrastructure	9	(5,231)	(4,120)	(4,470)
Gains/(losses) on foreign currency loans		697	549	(1,420)
<b>Deficit for the year before State grants</b>		(105,214)	(82,863)	(88,995)
State grants	10	135,862	107,000	104,900
<b>Surplus for the year after State grants</b>		30,648	24,137	15,905
Transfer to reserve	24	(15,850)	(12,483)	(10,836)
<b>Change in the profit and loss account for the year</b>		14,798	11,654	5,069
Accumulated deficit at beginning of the year		(134,652)	(106,047)	(111,116)
<b>Accumulated deficit at end of the year</b>		(119,854)	(94,393)	(106,047)

Movements in reserves are shown in notes 22 and 24 to the financial statements.

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.

*On behalf of the board*

Brian A. Joyce                      Chairman  
Michael P. McDonnell              Board Member



As at 31st December

	Notes	1998 � 000	1998 IR �000	1997 IR �000
<b>Fixed assets</b>				
Tangible assets	12	622,970	490,629	454,111
Financial assets	13	24	19	20
		622,994	490,648	454,131
<b>Current assets</b>				
Stocks	14	28,661	22,572	19,042
Debtors	15	64,527	50,819	47,007
Bank deposits	16	830	654	424
Cash at bank and in hand		1,912	1,506	782
		95,930	75,551	67,255
<b>Creditors (amounts falling due within one year)</b>	17	(252,812)	(199,106)	(188,201)
<b>Net current liabilities</b>		(156,882)	(123,555)	(120,946)
<b>Total assets less current liabilities</b>		466,112	367,093	333,185
<b>Financed by:</b>				
<b>Creditors (amounts falling due after more than one year)</b>	18	118,331	93,193	103,828
<b>Provisions for liabilities and charges</b>	20	107,083	84,335	72,966
<b>Deferred income</b>	21	98,824	77,830	68,793
		324,238	255,358	245,587
<b>Reserves</b>				
Insurance reserve	23	1,418	1,117	1,117
Asset replacement reserve	24	219,243	172,668	160,185
Capital reserve	25	28,556	22,490	22,490
Profit and loss account		(119,854)	(94,393)	(106,047)
Non-repayable State advances		12,511	9,853	9,853
	22	141,874	111,735	87,598
		466,112	367,093	333,185

On behalf of the board

Brian A. Joyce            Chairman  
Michael P. McDonnell   Board Member

As at 31st December

	Notes	1998 € 000	1998 IR 6000	1997 IR 6000
<b>Fixed assets</b>				
Tangible assets	12	97,670	76,921	58,173
Financial assets	13	332,250	261,668	265,694
		429,920	338,589	323,867
<b>Current assets</b>				
Debtors	15	31,208	24,578	16,888
Bank deposits	16	830	654	424
Cash at bank and in hand		1,685	1,327	564
		33,723	26,559	17,876
<b>Creditors (amounts falling due within one year)</b>	17	(215,847)	(169,993)	(137,149)
<b>Net current liabilities</b>		(182,124)	(143,434)	(119,273)
<b>Total assets less current liabilities</b>		247,796	195,155	204,594
<b>Financed by:</b>				
<b>Creditors (amounts falling due after more than one year)</b>	18	111,880	88,113	100,053
<b>Deferred income</b>	21	6,485	5,107	4,983
		118,365	93,220	105,036
<b>Reserves</b>				
Insurance reserve	23	1,418	1,117	1,117
Asset replacement reserve	24	108,643	85,563	85,563
Capital reserve	25	28,556	22,490	22,490
Profit and loss account		(21,697)	(17,088)	(19,465)
Non-repayable State advances		12,511	9,853	9,853
	22	129,431	101,935	99,558
		247,796	195,155	204,594

On behalf of the board

Brian A. Joyce      Chairman  
Michael P. McDonnell      Board Member

28



Year ended 31st December

	Notes	1998 � 000	1998 IR �000	1997 IR �000
Net cash inflow from operating activities	26(A)	77,214	60,811	69,564
Return on investments and servicing of finance	26(B)	(15,173)	(11,950)	(12,208)
Acquisitions		(230)	(181)	(216)
Capital expenditure and financial investment	26(B)	(63,469)	(49,986)	(50,324)
Cash (outflow)/inflow before use of liquid resources and financing		(1,658)	(1,306)	6,816
Financing - decrease in debt	26(B)	(1,243)	(979)	(6,513)
(Decrease)/increase in cash in the year		(2,901)	(2,285)	303

## Reconciliation of net cash flow to movement in net debt (note 26(C))

(Decrease)/increase in cash in the year		(2,901)	(2,285)	303
Cash outflow from decrease in debt and lease financing		1,243	979	6,513
Change in net debt resulting from cash flows		(1,658)	(1,306)	6,816
Translation difference		697	549	(1,420)
Movement in net debt in the year		(961)	(757)	5,396
Net debt at 1st January		(187,166)	(147,405)	(152,801)
Net debt at 31st December		(188,127)	(148,162)	(147,405)

	<i>Iarnr6d</i> <i>6ireann</i>	<i>Bus</i> <i>6ireann</i>	<i>Bus 6tha</i> <i>Cliath</i>		
<i>CIE</i>	<i>- Irish</i>	<i>- Irish</i>	<i>- Dublin</i>	<i>Total</i>	<i>Total</i>
	<i>Rail</i>	<i>Bus</i>	<i>Bus</i>	<i>1998</i>	<i>1997</i>
<i>IR 6000</i>	<i>IR 6000</i>	<i>IR 6000</i>	<i>IR 6000</i>	<i>IR 6000</i>	<i>IR 6000</i>

## 1. Profit and loss for year ended 31st December

## Revenue

## Railway

- Bray/Howth	16,062			16,062	14,628
- Other than Bray/Howth	86,494			86,494	81,314
	102,556			102,556	95,942

## Road freight

17,577

17,577

17,091

## Rosslare harbour

7,213

7,213

6,627

## Catering services

9,266

9,266

9,366

## Road passenger services

- Dublin city			105,127	105,127	102,534
- Provincial cities		11,652		11,652	11,536
- Other services		93,871		93,871	90,703

## Tours (Net)

6,799

6,799

5,768

## Consultancy

4,189

4,189

1,633

## Total revenue

10,988

136,612

105,523

105,127

358,250

341,200

## Expenditure

## Railway

## - Bray/Howth

Operational costs	17,132			17,132	19,058
Infrastructure costs	5,965			5,965	6,877

## - Other than Bray/Howth

Operational costs	107,639			107,639	107,248
Infrastructure costs	53,403			53,403	46,464
	184,139			184,139	179,647

## Road freight

16,377

16,377

16,263

## Rosslare harbour

4,392

4,392

3,842

## Catering services

8,897

8,897

9,049

## Road passenger services

- Dublin city			109,781	109,781	106,911
- Provincial cities		14,351		14,351	13,733
- Other Services		92,236		92,236	90,447

## Tours

5,761

5,761

5,723

## Consultancy

3,836

3,836

1,774

## Total expenditure

9,597

213,805

106,587

109,781

439,770

427,389



	<i>Iarnród Éireann</i>	<i>Bus Éireann</i>	<i>Bus Átha Cliath</i>	<i>Total</i>	<i>Total</i>
<i>CIE</i>	<i>- Irish Rail</i>	<i>- Irish Bus</i>	<i>- Dublin Bus</i>	<i>1998</i>	<i>1997</i>
<i>IR £000</i>	<i>IR £000</i>	<i>IR £000</i>	<i>IR £000</i>	<i>IR £000</i>	<i>IR £000</i>

## I. Profit and loss for year ended 31st December (continued)

### (Deficit)/surplus from

#### Railway

- Bray/Howth		(7,035)		(7,035)	(11,307)
- Other than Bray/Howth		(74,548)		(74,548)	(72,398)
		(81,583)		(81,583)	(83,705)

#### Road freight

		1,200		1,200	828
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#### Rosslare harbour

		2,821		2,821	2,785
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#### Catering services

		369		369	317
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#### Road passenger services

- Dublin city				(4,654)	(4,377)
- Provincial cities			(2,699)	(2,699)	(2,197)
- Other Services			1,635	1,635	256

#### Tours

	1,038			1,038	45
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#### Consultancy

	353			353	(141)
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#### Deficit before exceptional items, profit on

disposal of tangible assets and State grants	1,391	(77,193)	(1,064)	(4,654)	(81,520)	(86,189)
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#### Exceptional items (note 6)

				(2,303)	(2,303)	(1,522)
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Gains/(losses) on foreign currency loans	549			549	(1,420)
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Profit on disposal of tangible assets (note 7)	437	57	(83)	411	136
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#### Deficit before State grants

	2,377	(77,136)	(1,147)	(6,957)	(82,863)	(88,995)
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#### State grants

		92,505	5,600	8,895	107,000	104,900
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#### Surplus for the year after State grants

	2,377	15,369	4,453	1,938	24,137	15,905
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#### Transfer to reserve

		(10,947)	(863)	(673)	(12,483)	(10,836)
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#### Net surplus for the year

	2,377	4,422	3,590	1,265	11,654	5,069
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	1998	1997
	IR E000	IR E000
<b>2. Railway infrastructure costs</b>		
In compliance with EU Council Directive 91/440 these costs have been computed as follows:		
Maintenance of railway lines and works	28,840	23,350
Renewal of railway lines and works (note 5)	25,523	27,286
Operating (signalling) and other expenses	10,064	9,810
Depreciation (note 12 (i))	3,238	3,167
Amortisation of capital grants	(390)	(375)
<b>Total railway infrastructure costs before interest</b>	<b>67,275</b>	<b>63,238</b>
Interest payable (note 9)	4,120	4,470
<b>Total railway infrastructure costs before grants</b>	<b>71,395</b>	<b>67,708</b>
EU revenue grants	(12,027)	(14,367)
<b>Total railway infrastructure costs</b>	<b>59,368</b>	<b>53,341</b>
Apportionment:		
<b>Mainline railway services</b>	<b>53,403</b>	<b>46,464</b>
<b>Bray/Howth (DART) services</b>	<b>5,965</b>	<b>6,877</b>
	<b>59,368</b>	<b>53,341</b>
<b>3. Payroll and related costs</b>		
<b>Staff costs</b>		
Wages and salaries	212,371	202,559
Social welfare costs	19,045	17,776
Other pension costs	11,089	10,712
	242,505	231,047
Own work capitalised	(14,345)	(13,789)
<b>Net staff costs</b>	<b>228,160</b>	<b>217,258</b>
<b>Board members' remuneration</b>		
<b>Emoluments</b>		
- for services as board members	55	55
- for other services	382	333
<b>Total board members' remuneration and emoluments</b>	<b>437</b>	<b>388</b>
<b>Total payroll and related costs</b>	<b>228,597</b>	<b>217,646</b>
<b>Staff Numbers</b>		
	1998	1997
The average number of persons employed by company was as follows:		
CIE	299	311
Iarnr�d �ireann - Irish Rail	4,985	4,939
Bus �ireann - Irish Bus	2,523	2,521
Bus �tha Cliath - Dublin Bus	2,901	2,901
	<b>10,708</b>	<b>10,672</b>

The CIE figure includes those working on the Luas Project, which at 31st December, 1998 had a workforce of 43 and 37 in 1997.



	1998	1997
	IR £000	IR 1,000

#### 4. Materials and services

Fuel and electric traction	16,138	16,765
Road tax and licences	760	701
Rates	2,238	2,303
Auditors' remuneration	139	134
Operating lease rentals	3,398	2,977
School contractors	20,790	19,504
Third party and employer's liability costs	23,489	23,290
Materials and other services	90,327	89,500
	<u>157,279</u>	<u>155,174</u>

#### 5. Depreciation and railway lines renewals

Depreciation (note 12)	31,314	31,488
Amortisation of EU capital grants (note 21)	(2,244)	(1,945)
	<u>29,070</u>	<u>29,543</u>
Renewal of railway lines and works	25,523	27,286
Less EU revenue grants (note 21)	(12,027)	(14,367)
Total depreciation and railway lines renewals	<u>42,566</u>	<u>42,462</u>

#### 6. Exceptional operating costs (net)

##### Operating Costs

Restructuring costs	2,303	2,015
Fire insurance claim	-	(493)
	<u>2,303</u>	<u>1,522</u>

#### 7. Profit on disposal of tangible assets

Net proceeds on sale of surplus land and buildings	437	38
(Loss)/profit on disposal of rolling stock, vehicles, plant and machinery	(26)	98
	<u>411</u>	<u>136</u>

#### 8. Interest receivable

Short-term deposits	531	496
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	1998	1997
	IR �000	IR �000
<b>9. Interest payable</b>		
On loans and leases repayable wholly within five years:		
Loans	2,245	5,284
Leases	-	45
On other loans and leases not wholly repayable within five years:		
Loans	4,934	2,348
Leases	4,680	4,926
	<u>11,859</u>	<u>12,603</u>
Interest apportioned:		
Group operational costs	7,739	8,133
Railway infrastructure costs (note 2)	4,120	4,470
	<u>11,859</u>	<u>12,603</u>

#### 10. State grants - analysis by activity

The grants payable to C oras Iompair  ireann are in accordance with the relevant EU Regulations governing State aid to transport undertakings.

Particulars of the State grants of IR  107,000,000 received in 1998 under Sub-Head C1 of Vote 32 of Dail  ireann of 1998 are given in the following table.

#### State grants relating to 1998 activities

	Total
	IR �000
<b>Iarnrod �ireann - Irish Rail</b>	
Passenger - mainline services	30,201
Passenger - DART	2,936
Infrastructure	59,368
<b>Total Rail</b>	<u>92,505</u>
<b>Bus �tha Cliath - Dublin Bus</b>	8,895
<b>Bus �ireann - Irish Bus</b>	5,600
<b>Total</b>	<u>107,000</u>

#### 11. Net surplus for year

A summary of the financial results of the holding company and its subsidiaries is shown in note 1.

The holding company's surplus for the year, after exceptional items and profit on disposal of tangible assets, amounted to IR  2,377,000.



## 12. Tangible fixed assets

### Group

#### Cost

	1st Jan IR £000	Additions IR £000	Scrappings and disposals IR £000	31st Dec IR £000
Railway lines and works	11,416	283	-	11,699
Railway rolling stock	254,691	12,254	-	266,945
Road passenger vehicles	210,060	18,433	(9,979)	218,514
Road freight vehicles	5,641	-	(494)	5,147
Land and buildings	56,361	16,291	-	72,652
Plant and machinery	133,110	20,430	-	153,540
Catering equipment	688	136	-	824
Docks, harbours and wharves	32,550	117	-	32,667
<b>Total 1998</b>	<b>704,517</b>	<b>67,944</b>	<b>(10,473)</b>	<b>761,988</b>
Total 1997	649,872	64,141	(9,496)	704,517

#### Depreciation

	1st Jan IR £000	Charge for year IR £000	Scrappings and disposals IR £000	31st Dec IR £000
Railway rolling stock	62,090	6,915	-	69,005
Road passenger vehicles	116,604	15,880	(9,888)	122,596
Road freight vehicles	4,274	400	(473)	4,201
Plant and machinery	62,706	7,496	-	70,202
Catering equipment	439	53	-	492
Docks, harbours and wharves	4,293	570	-	4,863
<b>Total 1998</b>	<b>250,406</b>	<b>31,314</b>	<b>(10,361)</b>	<b>271,359</b>
Total 1997	228,159	31,488	(9,241)	250,406

#### Net book amounts

	31st Dec 1998 IR £000	31st Dec 1997 IR £000
Railway lines and works	11,699	16,214
Railway rolling stock	197,940	192,659
Road passenger vehicles	95,918	93,456
Road freight vehicles	946	1,513
Land and buildings	72,652	56,361
Plant and machinery	83,338	65,578
Catering equipment	332	73
Docks, harbours and wharves	27,804	28,257
<b>Total</b>	<b>490,629</b>	<b>454,111</b>

	1st Jan IR �000	Additions IR �000	Scrappings and disposals IR �000	31st Dec IR �000
<b>12. Tangible fixed assets (continued)</b>				
<b>Company</b>				
<b>Cost</b>				
Land and buildings	56,361	16,291	-	72,652
Plant and machinery	5,741	3,018	-	8,759
<b>Total 1998</b>	<b>62,102</b>	<b>19,309</b>	<b>-</b>	<b>81,411</b>
Total 1997	49,623	12,479	-	62,102
<b>Depreciation</b>				
Plant and machinery				
<b>Total 1998</b>	<b>3,929</b>	<b>561</b>	<b>-</b>	<b>4,490</b>
Total 1997	3,496	433	-	3,929
<b>Net book amounts</b>				
Land and buildings			72,652	56,361
Plant and machinery			4,269	1,812
<b>Total</b>			<b>76,921</b>	<b>58,173</b>

- (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 a transfer to reserve (note 24).
- (b) Road passenger vehicles at a cost of IR  15,510,000 (1997 - IR  19,574,000) were fully depreciated but still in use at the balance sheet date.
- (c) The expected useful lives of the various types of assets for depreciation purposes are as follows:

	Lives (Years)
Railway lines and works - (d) below	-
Railway rolling stock	20 to 50
Road passenger vehicles	5 to 16
Road freight vehicles	6 to 10
Land and buildings - (e) below	-
Plant and machinery	3 to 25
Docks, harbours and wharves	50
Catering equipment	4



## 12. Tangible fixed assets (continued)

- (d) Railway lines and works are not depreciated (*accounting policy D*).
- (e) No depreciation has been charged on buildings. The amount involved is not material.
- (f) Included in tangible fixed 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, whereby the company has substantially all the risks and rewards associated with the ownership of an asset, other than the legal title.

	Road			Total IR £000
	Rail Locomotives IR £000	Passenger Vehicles IR £000	Plant and Machinery IR £000	
<b>1998</b>				
Cost	66,746	7,942	-	74,688
Accumulated depreciation	(7,968)	(3,749)	-	(11,717)
<b>Net book value at 31st December, 1998</b>	<b>58,778</b>	<b>4,193</b>	<b>-</b>	<b>62,971</b>
Depreciation for 1998	(2,103)	(821)	-	(2,924)
<b>1997</b>				
Cost	66,641	7,942	2,104	76,687
Accumulated depreciation	(5,865)	(2,928)	(2,104)	(10,897)
<b>Net book value at 31st December, 1997</b>	<b>60,776</b>	<b>5,014</b>	<b>-</b>	<b>65,790</b>
Depreciation for 1997	(2,082)	(828)	-	(2,910)

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

	1998 IR £000	1997 IR £000
Railway rolling stock	20,674	14,630
Road passenger vehicles	8,303	5,620
	<b>28,977</b>	<b>20,250</b>

- (i) Tangible fixed assets include railway infrastructure assets as follows:

Cost	112,773	102,048
Accumulated depreciation	(45,072)	(41,806)
<b>Net book value at 31st December</b>	<b>67,701</b>	<b>60,242</b>
Depreciation for year ( <i>note 2</i> )	(3,238)	(3,167)

	Trade investments					
	Listed shares		Unlisted shares		Total	
	1998	1997	1998	1997	1998	1997
IR 6000	IR 6000	IR 6000	IR 6000	IR 6000	IR 6000	

## 13. Financial assets

## Group

Cost or valuation	77	77	10	10	87	87
Provision for permanent diminution in value	(58)	(57)	(10)	(10)	(68)	(67)
<b>Net book amounts</b>						
<b>At 31st December</b>	19	20	-	-	19	20
<b>Market value</b>						
<b>At 31st December</b>	77	58	-	-	77	58

	Subsidiary companies			Trade investments		Total
	Unlisted	Loans	Finance	Listed	Unlisted	
	Shares		Leases	Shares	Shares	
	IR 6000	IR 6000	IR 6000	IR 6000	IR 6000	IR 6000
<b>Company</b>						
<b>Cost or valuation</b>						
<b>At 1st January, 1998</b>	71,000	131,030	63,660	27	10	265,727
Less: Reduction in						
- finance leases			(2,995)			(2,995)
- loans		(1,030)				(1,030)
<b>At 31st December, 1998</b>	71,000	130,000	60,665	27	10	261,702
Provision for permanent diminution in value						
At 31st December, 1998	-	-	-	(24)	(10)	(34)
<b>Net book amounts</b>						
<b>At 31st December, 1998</b>	71,000	130,000	60,665	3	-	261,668
At 31st December, 1997	71,000	131,030	63,660	4	-	265,694
<b>Market value</b>						
<b>At 31st December, 1998</b>				39		39
At 31st December, 1997				29		29

Loans to subsidiary companies represent the net assets assigned to them by C6ras Iompair 6ireann less share capital issued by them on their establishment following the re-organisation of C6ras Iompair 6ireann in 1987, less loan repayments by them to date.

	1998	1997
	IR £000	IR £000

#### 14. Stocks

##### Group

Maintenance materials and spare parts	18,995	15,099
Fuel, lubricants and other sundry stocks	3,577	3,943
	<u>22,572</u>	<u>19,042</u>

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

#### 15. Debtors

##### Group

Trade debtors	19,232	16,797
LRT project	4,558	3,226
EU grants receivable	4,551	9,046
Other debtors and accrued income	22,478	17,938
	<u>50,819</u>	<u>47,007</u>

##### Company

Trade debtors	2,894	1,441
LRT project	4,558	3,226
Other debtors and accrued income	17,126	12,221
	<u>24,578</u>	<u>16,888</u>

#### 16. Bank deposits

##### Group and company

Demand deposits	<u>654</u>	<u>424</u>
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	1998	1997
	IR �000	IR �000
<b>17. Creditors (amounts falling due within one year)</b>		
<b>Group</b>		
Bank overdraft	7,655	4,416
Bank loans (note 19)	57,120	47,007
Finance lease obligations (note 30)	2,749	2,781
Trade creditors	22,834	20,766
Income tax deducted under PAVE	5,671	4,309
Pay related social insurance	3,470	2,646
Value added tax and other taxes	5,095	3,308
Value added tax on finance leases	328	302
Other creditors	8,986	6,705
Restructuring provisions-principally severance costs	41,344	49,508
Accruals	27,332	28,053
Third party and employer's liabilities (note 20)	16,522	18,400
	<u>199,106</u>	<u>188,201</u>
Creditors for taxation and social welfare included above	<u>14,564</u>	<u>10,565</u>
<b>Company</b>		
Bank overdraft	3,224	2,410
Bank loans (note 19)	57,120	47,007
Finance lease obligations (note 30)	2,749	2,781
Trade creditors	2,979	1,438
Amounts owed to subsidiary companies	80,562	63,544
Income tax deducted under PAVE	546	534
Pay related social insurance	68	63
Value added tax and other taxes	2,246	792
Value added tax on finance leases	328	302
Other creditors	4,766	2,639
Restructuring provisions	2,492	2,509
Accruals	12,913	13,130
	<u>169,993</u>	<u>137,149</u>
Creditors for taxation and social welfare included above	<u>3,188</u>	<u>1,691</u>

Included in creditors above is a provision of IR  41,344,000, the cost of implementing the plan entitled 'Building for the Future'. This cost relates to the cost of severance (including related pension costs) and other measures associated with the plan. While the restructuring provision has been classified as an amount falling due within one year the directors acknowledge that there is some uncertainty as to when the related negotiations will be finalised and, therefore, when the payments arising will be made.

	1998	1997
	IR £000	IR £000

#### 18. Creditors (amounts falling due after more than one year)

Bank loans (note 19)	30,525	39,276
Finance lease obligations (note 30)	52,273	55,131
Value added tax on finance leases	5,315	5,646
<b>Company</b>	<b>88,113</b>	<b>100,053</b>
Restructuring provisions	5,080	3,775
<b>Group</b>	<b>93,193</b>	<b>103,828</b>

#### 19. Bank Loans

##### Group and company

These loans are repayable as follows:

Within one year (note 17)	57,120	47,007
Between one and two years	5,717	18,577
Between two and five years	14,808	16,256
After five years	10,000	4,443
	30,525	39,276
<b>Total</b>	<b>87,645</b>	<b>86,283</b>

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 £52,000,000 (1997 - IR £37,500,000) relating to Irish Commercial Paper which are backed by committed medium term facilities which effectively extend the maturity of these instruments.

1998 1997  
'000 '000

### 19. Bank Loans (continued)

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

#### Current Liabilities

United States	USD	323	709
United Kingdom	GBP	1,713	1,423
Republic of Ireland	IR �	52,000	42,400
Germany	DEM	1,322	1,191
The Netherlands	NLG	5,778	4,650
European Union	EUR	594	529

#### Loan Capital

United States	USD	1,695	2,018
United Kingdom	GBP	6,628	8,341
Republic of Ireland	IR �	10,000	13,400
Germany	DEM	6,949	8,271
The Netherlands	NLG	19,410	25,188
European Union	EUR	3,212	3,806

The Minister for Finance has fully guaranteed the above loans.



	1998	1997
	IR £000	IR £000

## 20. Provisions for liabilities and charges

### Third party and employer's liability claims

#### Group and company

Balance at 1st January	91,366	87,070
Utilised during year	(13,825)	(18,723)
Transfer from profit and loss account	23,316	23,019
Balance carried forward	100,857	91,366
Less amount classified as current liability (note 17)	(16,522)	(18,400)
Balance at 31st December	84,335	72,966

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 1998 to March 1999, 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.

1st Jan 1998 IR �000	Received and receivable IR �000	Profit and loss a/c IR �000	31st Dec 1998 IR �000
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**21. 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****European Union grants****Revenue grants**

Renewal of railway lines and works

-	12,027	(12,027)	-
-	12,027	(12,027)	-

**Capital grants**

Railway lines and works

345	305	-	650
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Railway rolling stock

34,508	450	(1,005)	33,953
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Plant and machinery

16,305	8,412	(976)	23,741
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Docks, harbours and wharves

11,296	1,733	(239)	12,790
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Land and buildings

4,983	124	-	5,107
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Road passenger vehicles

198	257	(24)	431
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67,635	11,281	(2,244)	76,672
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**Total European Union grants**

67,635	23,308	(14,271)	76,672
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**Other deferred income**

1,158	-	-	1,158
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**Total**

68,793	23,308	(14,271)	77,830
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**Company****European Union grant****Capital grant**

Land and buildings

4,983	124	-	5,107
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1998

IR  000

1997

IR  000

**2.2. Reconciliation of movements in reserves****Group**

Surplus for the year

24,137	15,905
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Opening reserves

87,598	71,693
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Closing reserves

111,735	87,598
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**Company**

Surplus/(deficit) for the year

2,377	(1,699)
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Opening reserves

99,558	101,257
--------	---------

Closing reserves

101,935	99,558
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1998	1997
IR £000	IR £000

### 23. Insurance reserve

Group and company

Balance at 1st January and 31st December	1,117	1,117
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The group insurance fund was established to meet exceptional claims which may arise.

### 24. Asset replacement reserve

	Railway Rolling Stock IR £000	Road Passenger Vehicles IR £000	Total IR £000
<b>Group</b>			
Balance at 1st January, 1998	83,899	76,286	160,185
Transfer from profit and loss account	10,947	1,536	12,483
Balance at 31st December, 1998	94,846	77,822	172,668

**Company**

Balance at 31st December, 1998 and 1997		85,563
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This reserve represents the excess of depreciation based on replacement cost over that based on historical cost (*accounting policy D*).

1998	1997
IR £000	IR £000

### 25. Capital reserve

Group and company

Balance at 1st January and 31st December	22,490	22,490
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	1998	1997
	IR �000	IR �000
<b>2.6. Cash flow statement</b>		
<b>(A) Reconciliation of operating deficit to operating cash flows</b>		
Year ended 31st December		
Operating deficit before State grants	(72,084)	(75,468)
State grants	107,000	104,900
	34,916	29,432
Exceptional operating costs	2,303	1,522
Redundancy payments made	(5,946)	(10,951)
Depreciation	31,314	31,494
Amortisation of EU capital grants	(2,220)	(1,945)
Profit on disposal of tangible assets	(411)	(142)
Increase in stocks	(3,530)	(1,759)
Increase in EU revenue grants	(3,256)	12,883
Increase in debtors	(8,055)	(507)
Increase in creditors and provisions	15,696	9,537
<b>Net cash inflow from operating activities</b>	<b>60,811</b>	<b>69,564</b>
<b>(B) Analysis of cash flows for headings netted in the cash flow statement</b>		
<b>Returns on investments and servicing of finance</b>		
Interest received	531	496
Interest paid	(7,801)	(7,733)
Interest element of finance lease rental payments	(4,680)	(4,971)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(11,950)</b>	<b>(12,208)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible assets	(69,375)	(63,650)
Disposal of tangible assets	470	285
EU capital grants	18,919	13,041
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(49,986)</b>	<b>(50,324)</b>
<b>Financing</b>		
Repayment of debt due within one year	(60,089)	(3,741)
New loans	62,000	-
Capital element of finance lease rental payments	(2,890)	(2,772)
<b>Net cash outflow from financing</b>	<b>(979)</b>	<b>(6,513)</b>

46

	At 1st Jan 1998 IR £000	Cash flow IR £000	Other non-cash changes IR £000	Exchange movement IR £000	At 31st Dec 1998 IR £000
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(C) Analysis of net debt

Cash at bank and in hand	1,206	954		-	2,160
Bank overdrafts	(4,416)	(3,239)		-	(7,655)
		(2,285)			
Debt due after one year	(39,276)	(208)	8,751	208	(30,525)
Debt due within one year	(47,007)	(1,703)	(8,751)	341	(57,120)
Finance leases	(57,912)	2,890		-	(55,022)
		979			
<b>Total</b>	<b>(147,405)</b>	<b>(1,306)</b>	<b>-</b>	<b>549</b>	<b>(148,162)</b>

	At 1st Jan 1997 IR £000	Cash flow IR £000	Other non-cash changes IR £000	Exchange movement IR £000	At 31st Dec 1997 IR £000
Cash at bank and in hand	6,031	(5,297)		472	1,206
Bank overdrafts	(10,016)	5,600		-	(4,416)
		303			
Debt due after one year	(46,818)	1,574	7,542	(1,574)	(39,276)
Debt due within one year	(41,314)	2,167	(7,542)	(318)	(47,007)
Finance leases	(60,684)	2,772		-	(57,912)
		6,513			
<b>Total</b>	<b>(152,801)</b>	<b>6,816</b>	<b>-</b>	<b>(1,420)</b>	<b>(147,405)</b>

1998	1997
IR 6000	IR 6000

## 27. 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 have been accepted. Statutory Instrument No. 115 of 1996 confirmed the CIE Pension Scheme for Regular Wages Staff (Amendment) Scheme 1996. The CIE 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 schemes' assets at 31st December, 1998 was IR 6921,002,000.

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 6580,104,000 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 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 provided for public inspection.

The pensions cost for 1998 was IR 610,876,000 (1997 - IR 610,769,000).

At 31st December, 1998 a provision for the capital cost of *ex gratia* pensions of IR 613,454,000 (1997 - IR 613,837,000) is included under restructuring costs in creditors.

Prepaid contributions of IR 613,489,000 are included in debtors at 31st December, 1998 (1997 - IR 69,371,000).

## 28. Capital commitments

Contracted for	77,853	34,986
Authorised by board but not contracted for	11,446	68,920
	<u>89,299</u>	<u>103,906</u>

EU grants totalling IR 616.1 million have been approved in respect of IR 626.8 million of the above expenditure. (1997 - IR 630.4 million on IR 641.9 million).



1998	1997
IR £000	IR £000

## 29. 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 materially in excess of provisions in the financial statements.

### (B) Finance leases

Under the terms of the 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.

### (C) Letters of credit

Under lease agreements relating to railway rolling stock the company has certain obligations to the lessor which could arise in the event of early termination of the agreements. These obligations are covered by letters of credit which are indemnified by the company. No liability is expected to arise in respect of this indemnity.

## 30. Lease obligations

### (A) Finance leases

Net obligations under finance leases fall due as follows:

Within one year ( <i>note 17</i> )	2,749	2,781
Between one and five years	13,260	12,353
After five years	39,013	42,778
	52,273	55,131
<b>Total</b>	<b>55,022</b>	<b>57,912</b>

The Minister for Finance has fully guaranteed the above finance leases.

### (B) Operating leases

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

	<i>On other than land and buildings IR £000</i>	
Within one year		917
Between one and five years		1,818
		<u>2,735</u>

### 31. Related party transactions

#### (A) The ownership of the company

CIE is a statutory body set up under the Transport Act 1950. The members of the board are appointed by the Minister for Public Enterprise.

#### (B) Provision of services to entities owned by the Irish Government

The group provides rail and road transport services in the ordinary course of its business to Government departments and to entities controlled by the Irish Government, the principal of these being the Departments of Education and Social Welfare, Telecom  ireann, Coillte, Aer Lingus and An Post. Revenue from these services amounted to IR  70.7 million in 1998 and amounts due from these entities to the group at 31st December, 1998 for these services totalled IR  6.1 million.

#### (C) Purchase of services from entities owned by the Irish Government

In the ordinary course of its business the group purchases services from entities controlled by the Irish Government, the principal of these being Aer Lingus, the ESB, Great Southern Hotels and Telecom  ireann. Expenditure on these services amounted to IR  8.9 million in 1998 and amounts due to these entities by the Group at 31 December, 1998 for these services totalled IR  0.6 million.

#### (D) In the ordinary course of its business the group has finance leases for equipment with ACC Bank plc.

### 32. Group membership

Name	Principal Activity
<b>Holding Company</b>	
Córas Iompair Éireann	Public transport services
<b>Subsidiary Companies</b> (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.

### 33. Approval of financial statements

The board approved the financial statements on 5th May, 1999.







