Bus Átha Cliath

Annual Report and Financial Statements 1999

Tuarascáil Bhliantúil agus Ráitis Airgeadais
don Bhliain 1999

Directors

at 28th March, 2000

Chairman

Mr. M. P. McDonnell

Managing Director

Dr. A. R. Westwell (UK)

Directors

Mr. D. Egan
Mr. M. Faherty
Mr. B. McCamley
Ms. S. Spence

Secretary and Registered Office

Ms. K. Murphy
59 Upper O'Connell Street
Dublin 1

Telephone

+353 1 872 0000

Facsimile

+353 1 873 1195

Website

www.dublinbus.ie

Registered Number

119569

Auditors

PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
Wilton Place
Dublin 2

The directors present their annual report together with the audited financial statements for the year ended 31st December, 1999.

Principal activities and business review

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

The year 1999 was a pivotal year for Bus Átha Cliath that saw the introduction of 150 EU/Exchequer funded buses in addition to the on-going fleet replacement programme. These additional buses were introduced as part of the Dublin Transportation Office (DTO) strategy to increase peak carryings. Further capacity augmentation is scheduled for the year 2000 to meet this objective. As these buses are primarily for peak only operation, the company is pursuing the need for increased revenue support from the Department of Public Enterprise, to offset the shortfall due to the sub-optimal utilisation of these vehicles.

The launch of the Stillorgan Quality Bus Corridor (QBC) was an outstanding success. It demonstrated that given dedicated road space, good quality vehicles and a frequent service, commuters are willing to switch to bus transport. The commitment of the DTO, local authorities, the Gardaí and the company showed that significant progress can be made to easing the continuing gridlock that is stifling the city. This brings to three, along with Lucan and Malahide, the number of QBCs in the network. However, buses on the remainder of the network experience delays of up to 40 minutes at peak times. This highlights the need for the urgent completion of the remaining QBCs.

New services introduced during the year, including the XPRESSO concept, have utilised the QBCs in providing cross-city services. Enhanced services, using good quality buses, have also been provided to Dublin Airport and Heuston Station and have been well received by customers using this type of service.

As part of Customer Focus 2000 the Customer Charter was launched in 1999. The Charter sets out the company's commitment to its customers by delivering continuous improvements in both quality of product and reliability of service. Customer satisfaction is viewed as a primary objective.

The company has now successfully concluded negotiations with the majority of the staff on the Strategy for Investment and Competitiveness. Despite this, a claim for further wage increases, submitted in the latter half of the year, threatens to undermine the foundation on which the company, in partnership with the trade unions, planned to build in order to contribute to the positive development of Dublin city. The number of employees has increased to 3,004.

Results and reserves

The financial statements for the year ended 31st December, 1999 are set out in detail on pages 8 to 20 and a summary of the results is as follows:

	1999 IR£000
Surplus for the year after State grant	2,611
Transfer to reserve	(1,277)
Decrease in accumulated deficit during the year	1,334

Year 2000 and the introduction of the euro

The company experienced no disruption or malfunction since the start of the year 2000 from its computer and embedded systems. The lack of disruption is attributed to an analysis of the risks carried out in prior years and consequential modifications to, or replacement of, hardware and software not deemed to be year 2000 compliant. The total cost is part of the overall costs of computer upgrading over a number of years to enhance the company systems.

There is a committee in place at group level to assess the implications of the introduction of the euro and the lead up to the introduction of notes and coins in the year 2002. Plans and resources are in place to achieve such euro compliance.

08.50

Employee participation

Under viability plans concluded with the trade unions it was agreed to set up a working party to discuss the concept of continued partnership which would best suit the company using, if necessary, the services of the Partnership Centre set up under the terms of the Partnership 2000 Agreement. Two employees served on the board during the year as provided for under the Worker Participation (State Enterprises) Act, 1988.

Health and safety

The company is committed to complying with the Safety, Health and Welfare at Work Act, 1989. The Safety Statement adopted by the company in February 1991 is kept under review on an ongoing basis. Safety councils set up in previous years continue to involve employees in all aspects of safety and risk management.

Equal opportunities

The company continues its active participation in the Equal Opportunities Network for State Sponsored Bodies. The company also encourages further study to equip staff for future opportunities for promotion, and its systems and procedures for recruiting, training and developing staff are under constant review.

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 names of persons who were directors during the year ended 31st December, 1999 are as set out below. Except where indicated, they served as directors for the whole year.

09.20

Mr. M. P. McDonnell	Chairman
Dr. A. R. Westwell (UK)	Managing Director
Mr. D. Egan	(Appointed 1st March, 1999)
Mr. M. Faherty	
Ms. L. Magahy	(Retired 28th February, 1999)
Mr. B. McCamley	
Mr. A. O'Daly	(Retired 28th February, 1999)
Ms. S. Spence	(Appointed 1st March, 1999)

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

The auditors, PricewaterhouseCoopers, 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**
Dr. A. R. Westwell **Managing Director**

28th March, 2000.

10.25

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 are prepared in accordance with accounting standards generally accepted in Ireland and comply with the requirements of the Irish Companies Acts, 1963 to 1999. 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.

11.50

12.50

To the members of Bus Átha Cliath - Dublin Bus

We have audited the financial statements on pages 8 to 20.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report, and as described on page 4 for preparing the financial statements in accordance with Accounting Standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 1999. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account. We also report to you our opinion as to:

- whether the company has kept proper books of account;
- whether the directors' report is consistent with the financial statements; and
- whether at the balance sheet date there existed a financial situation which may require the company to convene an extraordinary general meeting; such a financial situation may exist if the net assets of the company, as stated in the balance sheet, are not more than half of its called up share capital.

We also report to you if, in our opinion, any information required by law regarding directors' remuneration or directors' transactions is not disclosed.

Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1999 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1999.

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

In our opinion, the information given in the directors' report on pages 2 to 3 is consistent with the financial statements.

The net assets of the company, as stated in the balance sheet on page 11, 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, 1999, 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.

PricewaterhouseCoopers,
Chartered Accountants and
Registered Auditors,
Dublin.

28th March, 2000.


DO NOT
PROCEED
INTO WASH
UNTIL
GREEN LIGHT
SHOWS


MOBILE

(A) Basis of accounting

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 1999. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The financial statements are prepared under the historic cost convention and are expressed in Irish pounds, denoted by the symbol IR£.

(B) Tangible assets, depreciation and 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

Road passenger vehicles are depreciated on the basis of the historical cost of vehicles in the fleet spread over their expected useful lives on a reducing percentage basis which reflects the vehicles' usage throughout their lives. 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 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

(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 profit and loss account over the primary period of the lease.

(ii) 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

(i) EU/Exchequer grants

European Union (EU)/Exchequer grants, which relate to capital expenditure on specific projects, are credited to deferred income as they become receivable. They are amortised to the profit and loss account on the same basis as the related assets are depreciated. EU/Exchequer 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 grant

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

(F) 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 currency are translated at the exchange rates ruling at the balance sheet date or at contract rates where applicable.

(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.

Year ended 31st December	Notes	1999 IR£000	1998 IR£000
Revenue		**107,415**	105,127
Costs			
Payroll and related costs	*1*	**(72,310)**	(67,291)
Materials and services	*2*	**(32,753)**	(31,638)
Depreciation	*3*	**(10,584)**	(10,586)
Exceptional operating costs	*4*	**(2,000)**	(2,303)
Total operating costs		**(117,647)**	(111,818)
Deficit before loss on disposal of tangible assets, interest and State grant		**(10,232)**	(6,691)
Loss on disposal of tangible assets		**(183)**	-
Deficit before interest and State grant		**(10,415)**	(6,691)
Interest payable	*5*	**(218)**	(266)
Deficit for the year before State grant		**(10,633)**	(6,957)
State grant	*6*	**13,244**	8,895
Surplus for the year after State grant		**2,611**	1,938
Transfer to reserve	*16*	**(1,277)**	(673)
Change in the profit and loss account for the year		**1,334**	1,265
Accumulated deficit at beginning of the year		**(29,206)**	(30,471)
Accumulated deficit at end of the year		**(27,872)**	(29,206)

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

M. P. McDonnell Chairman
Dr. A. R. Westwell Managing Director

As at 31st December	Notes	1999 IR£000	1998 IR£000
Fixed assets			
Tangible assets	7	86,569	60,818
Current assets			
Stocks	8	1,564	1,596
Debtors	9	15,058	10,818
Cash at bank and in hand		949	106
		17,571	12,520
Creditors (amounts falling due within one year)	10	(19,078)	(22,291)
Net current liabilities		(1,507)	(9,771)
Total assets less current liabilities		85,062	51,047
Financed by:			
Creditors (amounts falling due after more than one year)	11	3,088	3,928
Provision for liabilities and charges	13	38,959	35,609
Deferred income	14	29,325	431
		71,372	39,968
Capital and reserves			
Called up share capital	15	25,000	25,000
Asset replacement reserve	16	16,562	15,285
Profit and loss account		(27,872)	(29,206)
Shareholders' funds	17	13,690	11,079
		85,062	51,047

On behalf of the Board

M. P. McDonnell Chairman
Dr. A. R. Westwell Managing Director

Year ended 31st December	Notes	1999 IR£000	1998 IR£000
Net cash inflow from operating activities	*18 (A)*	**17,227**	14,371
Returns on investments and servicing of finance	*18 (B)*	**(218)**	(266)
Capital expenditure	*18 (B)*	**(17,088)**	(10,337)
Cash (outflow)/inflow before use of liquid resources and financing		**(79)**	3,768
Net management of liquid resources		**2,170**	(4,343)
Financing	*18 (B)*	**(761)**	(841)
Increase/(decrease) in cash in the year		**1,330**	(1,416)

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

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash in the year	*18 (C)*	**1,330**	(1,416)
Cash (inflow)/outflow from holding company balance and lease financing	*18 (C)*	**(1,409)**	5,184
Movement in net debt in the year		**(79)**	3,768
Net debt at 1st January	*18 (C)*	**940**	(2,828)
Net debt at 31st December	*18 (C)*	**861**	940

		1999 IR£000	1998 IR£000
1	**PAYROLL AND RELATED COSTS**		
	Staff costs		
	Wages and salaries	63,440	58,585
	Social welfare costs	6,202	6,093
	Other pension costs	2,471	2,445
	Net staff costs	72,113	67,123
	Directors' remuneration		
	Emoluments		
	- for services as directors	2	-
	- for other services	195	168
	Total directors' remuneration and emoluments	197	168
	Total payroll and related costs	72,310	67,291

	Staff Numbers 1999	Staff Numbers 1998
The average number of employees during the year was:	3,004	2,901

		1999 IR£000	1998 IR£000
2	**MATERIALS AND SERVICES**		
	Fuel and lubricants	4,399	4,138
	Materials	8,567	8,120
	Road tax and licences	314	387
	Rent and rates	277	272
	Auditors' remuneration	20	20
	Operating lease rentals	206	93
	Third party and employer's liability claims	9,915	10,264
	Other services	9,055	8,344
		32,753	31,638
3	**DEPRECIATION**		
	Depreciation *(note 7)*	11,513	10,610
	Amortisation of EU/Exchequer capital grants *(note 14)*	(929)	(24)
		10,584	10,586
4	**EXCEPTIONAL OPERATING COSTS**		
	Restructuring costs	2,000	2,303

		1999 IR£000	1998 IR£000
5	**INTEREST PAYABLE**		
	On balances with holding company	(41)	(122)
	On finance leases	185	359
	Other interest payments	74	29
		218	266

6 **STATE GRANT**

The grant payable to the company through the holding company, Córas Iompair Éireann, is in accordance with EU Regulation No.1107/70 governing State aid to transport undertakings.

Under this regulation a State grant of IR£13,244,000 was made to Bus Átha Cliath - Dublin Bus for the year ended 31st December, 1999 (1998 - IR£8,895,000).

7	**TANGIBLE FIXED ASSETS**	Road Passenger Vehicles IR£000	Plant & Machinery IR£000	Total IR£000
	Cost			
	At 1st January, 1999	126,291	10,300	136,591
	Additions	36,069	1,378	37,447
	Disposals	(12,347)	-	(12,347)
	At 31st December, 1999	150,013	11,678	161,691
	Depreciation			
	At 1st January, 1999	69,155	6,618	75,773
	Charge for the year	10,687	826	11,513
	Disposals	(12,164)	-	(12,164)
	At 31st December, 1999	67,678	7,444	75,122
	Net book amounts			
	At 31st December, 1999	82,335	4,234	86,569
	At 31st December, 1998	57,136	3,682	60,818

(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	10

(b) Road passenger vehicles at a cost of IR£19,384,000 (1998 -IR£11,525,000) were fully depreciated but still in use at the balance sheet date.

(c) Included in tangible fixed assets are amounts, as stated below, in respect of road passenger vehicles which are held under finance leases, whereby the company has beneficial ownership, i.e. substantially all the risks and rewards associated with the ownership of an asset, other than the legal title:

	1999 IR£000	1998 IR£000
Road passenger vehicles		
Cost	7,942	7,942
Accumulated depreciation	(4,559)	(3,749)
Net book amounts at 31st December	3,383	4,193
Depreciation for the year	(810)	(821)

(d) Included in additions above are IR£4,207,250 (1998 - IR£1,638,724) in respect of road passenger vehicles, being assets in the course of construction and assets not yet in service.

		1999 IR£000	1998 IR£000
8	**STOCKS**		
	Maintenance materials and spare parts	1,132	1,014
	Fuel, lubricants and other sundry stocks	432	582
		1,564	1,596

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.

		1999 IR£000	1998 IR£000
9	**DEBTORS**		
	Trade debtors	2,074	3,016
	Amounts owed by holding company	4,682	6,852
	EU/Exchequer grants receivable	7,582	121
	Other debtors and accrued income	720	829
		15,058	10,818
10	**CREDITORS** (amounts falling due within one year)		
	Bank overdraft	886	1,373
	Trade creditors	1,684	1,276
	Finance lease obligations *(note 12)*	796	717
	Income tax deducted under PAYE	1,675	2,690
	Pay related social insurance	1,175	1,672
	Value added tax and other taxes	146	270
	Other creditors	653	635
	Accruals	2,077	3,451
	Provision for restructuring costs	2,254	3,085
	Third party and employer 's liability claims *(note 13)*	7,732	7,122
		19,078	22,291
	Creditors for taxation and social welfare included above	2,996	4,632

	1999 IR£000	1998 IR£000
11 CREDITORS (amounts falling due after more than one year)		
Finance lease obligations *(note 12)*	3,088	3,928

12 LEASE OBLIGATIONS

(A) Finance leases

Net obligations under finance leases fall due as follows:

	1999 IR£000	1998 IR£000
Within one year *(note 10)*	796	717
Between one and five years	3,088	3,928
After five years	-	-
	3,088	3,928
	3,884	4,645

(B) Operating leases

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

	1999 IR£000	1998 IR£000
Within one year	84	50
Between one and five years	166	95
	250	145

13 PROVISION FOR LIABILITIES AND CHARGES

	1999 IR£000	1998 IR£000
Third party and employer's liability claims		
Balance at 1st January	42,731	38,544
Utilised during the year	(5,796)	(5,914)
Transfer from profit and loss account	9,756	10,101
Balance carried forward	46,691	42,731
Less amount classified as current liability *(note 10)*	(7,732)	(7,122)
Balance at 31st December	38,959	35,609

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

13 **PROVISION FOR LIABILITIES AND CHARGES** (continued)

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£111,000,000 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£110,050,000 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;

(iii) road transport third party liabilities in excess of a self insured retention of IR£8,820,000 in aggregate in the twelve month period, April 1999 to March 2000; and

(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 the provision for liabilities and charges.

	1999 IR£000	1998 IR£000
14 **DEFERRED INCOME**		
This account represents EU/Exchequer grants which are accounted for in accordance with accounting policy E.		
European Union/Exchequer capital grants		
Balance at 1st January	**431**	198
Received and receivable	**29,823**	257
Transfer to profit and loss account	**(929)**	(24)
Balance at 31st December	**29,325**	431
15 **SHARE CAPITAL**		
Authorised:		
Ordinary shares of IR£1 each	**30,000**	30,000
Allotted, called up and fully paid:		
Ordinary shares of IR£1 each	**25,000**	25,000
16 **ASSET REPLACEMENT RESERVE**		
Balance at 1st January	**15,285**	14,612
Transfer from profit and loss account	**1,277**	673
Balance at 31st December	**16,562**	15,285

This reserve represents the excess of depreciation based on the replacement cost of vehicles over that based on historical cost (*accounting policy B*).

	1999 IR£000	1998 IR£000

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1999 IR£000	1998 IR£000
Surplus for the year after State grant	2,611	1,938
Opening equity shareholders' funds	11,079	9,141
Closing equity shareholders' funds	13,690	11,079

18 CASH FLOW STATEMENT

(A) Reconciliation of operating deficit to operating cash flows

	1999 IR£000	1998 IR£000
Operating deficit before State grant	(10,415)	(6,691)
State grant *(note 6)*	13,244	8,895
	2,829	2,204
Exceptional operating costs *(note 4)*	2,000	2,303
Restructuring payments made	(2,831)	(5,285)
Depreciation *(note 7)*	11,513	10,610
Decrease in stocks	32	43
Decrease/(increase) in debtors	1,051	(1,598)
Increase in creditors and provisions	2,633	6,094
Net cash inflow from operating activities	17,227	14,371

(B) Analysis of cash flows for headings netted in the cash flow statement

	1999 IR£000	1998 IR£000
Servicing of finance		
Interest received	41	122
Interest element of finance lease rentals	(185)	(359)
Other interest payments	(74)	(29)
Net cash outflow from servicing of finance	(218)	(266)
Capital expenditure		
Purchase of tangible fixed assets	(38,521)	(10,444)
EU/Exchequer capital grants	21,433	107
Net cash outflow from capital expenditure	(17,088)	(10,337)
Financing		
Debt due within one year:		
Repayment	-	(173)
Capital element of finance lease rentals	(761)	(668)
Net cash outflow from financing	(761)	(841)

18 **CASH FLOW STATEMENT** (continued)

(C) Analysis of net debt

	At 1st Jan 1999 IR£000	Cash Flow IR£000	At 31st Dec 1999 IR£000
Cash in hand and at bank	106	843	949
Overdraft	(1,373)	487	(886)
		1,330	
Finance leases	(4,645)	761	(3,884)
Holding company balance	6,852	(2,170)	4,682
		(1,409)	
Total	940	(79)	861

19 **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 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 group pension schemes' assets at 31st December, 1999 was IR£1,070,900,000.

An actuarial review of the amalgamated schemes was carried out as at 31st December, 1996. The market value of the assets of the group 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 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 available for public inspection.

The pensions cost for the year was IR£2,471,000 (1998 - IR£2,445,000).

As at 31st December, 1999 a provision for the capital cost of *ex gratia* pensions of IR£850,000 (1998 - IR£250,000) is included in the provision for restructuring costs in creditors.

	1999 IR£000	1998 IR£000
20 **CAPITAL COMMITMENTS**		
Contracted for	**21,576**	37,705
Authorised by the directors but not contracted for	**34,070**	2,142
	55,646	39,847

21 **CONTINGENT LIABILITIES**

(A) **Pending Litigation**

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.

(B) **Finance Leases**

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

22 **RELATED PARTY TRANSACTIONS**

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, 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 (Related Party Disclosures) concerning transactions between that company, its subsidiaries and the Irish Government.

23 **MEMBERSHIP OF CÓRAS IOMPAIR ÉIREANN GROUP**

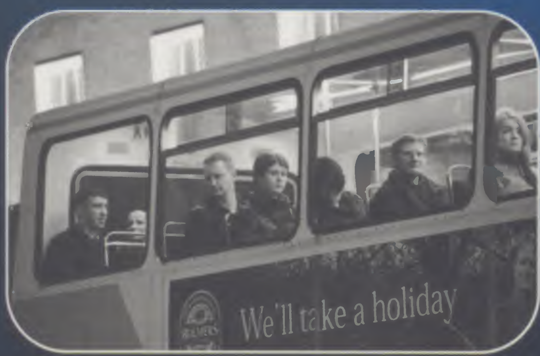
Bus Átha Cliath - Dublin Bus is a wholly owned subsidiary of Córas Iompair Éireann (the group) and the financial statements reflect the effects of group membership.

24 **APPROVAL OF FINANCIAL STATEMENTS**

The directors approved the financial statements on 28th March, 2000.

www.dublinbus.ie

Designed and Produced by BFK - www.bfk.ie
Photography by Neil Warner



PN No. 8375