Bus Éireann

Annual Report and Financial Statements 1999

Tuarascáil Bhliantúil agus Ráitis Airgeadais don Bhliain 1999

Contents

Directors

at 28th March, 2000

Chairman

Mr. M. P. McDonnell

Managing Director

Mr. W. Lilley

Directors

Mr. P. Cullen
Mr. M. Faherty
Mrs. T. Honan
Mr. G. Duggan

Secretary and Registered Office

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

A summary of the passenger journeys and vehicle kilometres operated by the company on scheduled services is shown in the table to the right.

Passenger numbers on provincial city services declined by 1% compared with 1998. However, the second half of 1999 showed an increase of 1% compared with the same period in 1998 and this coincided with the introduction of new buses into the fleet. Passenger numbers on Expressway and stage carriage showed a healthy growth of almost 5%. Passenger numbers on the School Transport Scheme continue to decline in line with the fall in the school-going population.

During 1999 the company continued its policy of investing in its fleet, putting into service 68 new Expressway coaches (including a further 35 under short term lease). In the provincial cities 40 new low-floor single deck buses were introduced (including 20 on loan pending delivery of new specification vehicles in the year 2000).

Year ended 31st December	1999 000	1998 000
Passenger Journeys		
Provincial city services	**18,731**	18,900
Other scheduled services	**19,525**	18,610
School transport scheme	**45,593**	46,882
	83,849	84,392
Vehicle Kilometres		
Provincial city services	**5,927**	5,856
Other scheduled services	**60,605**	58,739
	66,532	64,595

Results and reserves

The financial statements continue to be prepared on a going concern basis as the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future. Those for the year ended 31st December, 1999 are set out in detail on pages 8 to 19 and a summary of the results is shown on right.

	1999 IR£000
Surplus for the year after public service obligation receipt	**3,915**
Transfer to reserve	**(842)**
Decrease in accumulated deficit during the year	**3,073**

Year 2000 and the introduction of the euro

The company experienced no disruption or malfunction since the start of the year 2000 from its own computer systems 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 held 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 to assess the implications of the euro in the lead up to its introduction in the year 2002. Plans and resources are in place to achieve such euro compliance.

Employee participation

A joint management/trade union committee under an independent chairman was set up to examine the matter of the sub-board participation provisions of the Worker Participation (State Enterprises) Act, 1988. During 1998 this committee agreed a "Scheme For Enterprise Partnership". The company is awaiting a response from the trade unions on the scheme.

Health and safety

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

Equal opportunities

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

Directors

The directors of the company are appointed by the chairman of Córas Iompair Éireann with the consent of the Minister for Public Enterprise. The directors during the year ended 31st December, 1999 are as set out below. Except where indicated, they served as directors for the whole year.

Mr. M. P. McDonnell	Chairman
Mr. W. Lilley	Managing Director
Mr. P. Cullen	
Mr. M. Faherty	
Mrs. T. Honan	(Reappointed 1st March, 1999)
Mr. B. Murtagh	(Retired 28th February, 1999)
Mr. G. Duggan	(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**
W. Lilley **Managing Director**

28th March, 2000.

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 for that year.

In preparing those financial statements the directors are required to:

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with 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.

04.25

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05.00

To the members of Bus Éireann - Irish Bus

We have audited the financial statements on pages 8 to 19.

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 are 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 company balance sheet, are not more than half of its called up share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and 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 as at 31st December, 1999 and of its surplus and cash flow for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 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 report of the directors 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.


BUS EIRE


Bus
Éireann

(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 historical cost convention and are expressed in Irish pounds, denoted by the symbol IR£.

(B) Tangible assets, depreciation and asset replacement reserves

Tangible assets are stated at historical cost less accumulated depreciation based on that historical cost.

The bases of calculation of depreciation and asset replacement reserve are as follows:

(i) Road passenger vehicles

The historical costs of road passenger vehicles, other than school buses, are depreciated over their expected useful lives on a reducing percentage basis which reflects the vehicles' usage throughout their lives. The historical costs of school buses are depreciated by equal annual instalments over their expected useful lives. In addition, the excess of depreciation based on the replacement cost of vehicles (at the beginning of the year) over the historical cost depreciation is shown separately as a transfer to reserve from the profit and loss account.

(ii) Plant and machinery

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

(C) Leased assets

Operating leases

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

(D) Stocks

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

(E) Grants

State grants

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

(F) Foreign currency

Transactions denominated in a foreign currency are translated into Irish pounds at the rate ruling at the date of the transaction, or at contract rates where the amounts payable or receivable are covered by forward contracts.

Realised exchange gains or losses on transactions settled during the year are treated as part of the surplus or deficit for the year from ordinary activities.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date or at contract rates where applicable.

(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		**111,776**	105,523
Costs			
Payroll and related costs	*1*	**(51,923)**	(49,448)
Materials and services	*2*	**(55,656)**	(51,112)
Depreciation and profit on disposal of tangible assets	*3*	**(6,451)**	(6,567)
Total operating costs		**(114,030)**	(107,127)
Deficit before interest and State grant		**(2,254)**	(1,604)
Interest receivable		**359**	457
Deficit before State grant		**(1,895)**	(1,147)
State grant		**5,810**	5,600
Surplus for the year after State grant		**3,915**	4,453
Transfer to reserve	*10*	**(842)**	(863)
Change in the profit and loss account for the year		**3,073**	3,590
Accumulated deficit at beginning of the year		**(6,610)**	(10,200)
Accumulated deficit at end of the year		**(3,537)**	(6,610)

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
W. Lilley Managing Director

As at 31st December	*Notes*	**1999** **IR£000**	1998 IR£000
Fixed assets			
Tangible assets	*4*	**37,999**	40,898
Current assets			
Stocks	*5*	**2,489**	2,721
Debtors	*6*	**28,672**	19,670
Cash at bank and in hand		**30**	22
		31,191	22,413
Creditors (amounts falling due within one year)	*7*	**(22,937)**	(19,461)
Net current assets		**8,254**	2,952
Total assets less current liabilities		**46,253**	43,850
Financed by:			
Provisions for liabilities and charges	*8*	**21,315**	22,827
Capital and reserves			
Called up share capital	*9*	**23,000**	23,000
Asset replacement reserve	*10*	**5,475**	4,633
Profit and loss account		**(3,537)**	(6,610)
Shareholders' funds	*11*	**24,938**	21,023
		46,253	43,850

On behalf of the Board

M. P. McDonnell Chairman
W. Lilley Managing Director

Year ended 31st December	Notes	1999 IR£000	1998 IR£000
Net cash inflow from operating activities	*12(A)*	**9,865**	12,106
Returns on investment and servicing of finance			
Interest receivable		**187**	161
Capital expenditure			
Additions to tangible assets	*4*	**(3,642)**	(8,856)
Proceeds from disposal of tangible assets		**89**	7
		(3,553)	(8,849)
Acquisition			
Slattery Travel - deferred purchase payments		**(65)**	(181)
Net cash inflow before use of liquid resources and financing		**6,434**	3,237
Management of liquid resources			
Movement in amounts owed by holding company	*12(B)*	**(8,945)**	(2,650)
Financing			
Repayment of loan from holding company	*12(B)*	**-**	(857)
Decrease in cash for the year	*12(B)*	**(2,511)**	(270)

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

Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year	·	**(2,511)**	(270)
Cash outflow to repay loan from holding company		**-**	857
Cash from change in liquid resources		**8,945**	2,650
Movement in net funds in the year		**6,434**	3,237
Net funds at 1st January		**12,629**	9,392
Net funds at 31st December	·	**19,063**	12,629

	1999 IR£000	1998 IR£000
1 PAYROLL AND RELATED COSTS		
Staff costs		
Wages and salaries	**45,907**	44,190
Social welfare costs	**3,886**	3,705
Other pension costs	**2,348**	1,826
	52,141	49,721
Own work capitalised, and engineering work for group companies	**(338)**	(392)
Net staff costs	**51,803**	49,329
Directors' remuneration		
Emoluments		
- for services as directors	-	-
- for other services	**120**	119
Total directors' remuneration and emoluments	**120**	119
Total payroll and related costs	**51,923**	49,448

	Staff Numbers 1999	1998
The average numbers of employees during the year were as follows:		
Full-time	**1,861**	1,896
Part-time school bus drivers	**601**	627
Total	**2,462**	2,523

	1999 IR£000	1998 IR£000
2 MATERIAL AND SERVICES		
Fuels and lubricants	**3,955**	4,203
School contractors	**22,612**	20,790
Road tax and licences	**257**	259
Operating lease rental of vehicles	**3,283**	2,226
Third party and employer's liability claims	**4,181**	4,660
Rates	**386**	383
Auditors' remuneration	**29**	29
Other materials and services	**20,953**	18,562
	55,656	51,112

3 DEPRECIATION AND (PROFIT)/LOSS ON DISPOSAL OF TANGIBLE FIXED ASSETS

	1999 IR£000	1998 IR£000
Depreciation of tangible fixed assets *(note 4)*	**6,483**	6,484
(Profit)/Loss on disposal of tangible fixed assets	**(32)**	83
	6,451	6,567

4 TANGIBLE FIXED ASSETS

	Road Passenger Vehicles IR£000	Plant & Machinery IR£000	Total IR£000
Cost			
At 1st January, 1999	**92,223**	**4,597**	**96,820**
Additions	**2,946**	**696**	**3,642**
Disposals	**(1,350)**	**(160)**	**(1,510)**
At 31st December, 1999	**93,819**	**5,133**	**98,952**
Depreciation			
At 1st January, 1999	**53,441**	**2,481**	**55,922**
Charge for the year	**6,236**	**247**	**6,483**
Disposals	**(1,292)**	**(160)**	**(1,452)**
At 31st December, 1999	**58,385**	**2,568**	**60,953**
Net Book Amounts			
At 31st December, 1999	**35,434**	**2,565**	**37,999**
At 31st December, 1998	38,782	2,116	40,898

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

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

(b) Road passenger vehicles at a cost of IR£3,229,094 (1998 - IR£3,984,945) were fully depreciated but still in use at the balance sheet date.

(c) Tangible fixed assets at 31st December, 1999, include an amount of IR£3,572,156 (1998 - IR£6,664,670) in respect of tangible fixed assets not yet in service.

5 STOCKS

	1999 IR£000	1998 IR£000
Maintenance materials and spare parts	**1,934**	2,080
Fuels, lubricants and sundry stocks	**555**	641
	2,489	2,721

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

6 **DEBTORS**

	1999 IR£000	1998 IR£000
Trade debtors	**5,107**	4,735
Amounts owed by holding company (*note 12(B)*)	**21,870**	12,925
Other debtors and accrued income	**1,695**	2,010
	28,672	19,670

7 **CREDITORS** (amounts falling due within one year)

	1999 IR£000	1998 IR£000
Bank overdraft	**2,837**	318
Trade creditors	**2,560**	2,907
Income tax deducted under PAYE	**880**	585
Pay related social insurance	**482**	428
Value added tax and other taxes	**472**	14
Other creditors	**1,118**	1,779
Accruals	**4,338**	4,436
Restructuring provision (*note 8*)	**6,750**	5,494
Third party and employer's liability claims (*note 8*)	**3,500**	3,500
	22,937	19,461
Creditors for taxation and social welfare included above	**1,834**	1,027

8 **PROVISIONS FOR LIABILITIES AND CHARGES**

	Restructuring Provision IR£000	Third Party & Employer's Liability Claims IR£000	Total IR£000
Balance at 1st January, 1999	10,574	21,247	31,821
Utilised during the year	(1,562)	(2,875)	(4,437)
Transfer from profit and loss account	-	4,181	4,181
Balance carried forward	9,012	22,553	31,565
Less amount classified as current liability (*note 7*)	(6,750)	(3,500)	(10,250)
Balance at 31st December, 1999	2,262	19,053	21,315

(A) **Restructuring Provision**

The directors consider that Bus Eireann has a constructive obligation in respect of the costs of staff restructuring. The restructuring costs derive from the company's business plan, which is in the course of implementation in respect of some categories of staff and is at an advanced stage of negotiation with staff representatives for other categories. The directors expect that the current programme will be completed in the year 2000. The amount of the provision is based on agreements reached and on discussions to date with staff and their representative unions.

8 **PROVISIONS FOR LIABILITIES AND CHARGES** (continued)

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

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

Córas Iompair Éireann has, on behalf of the company, the following external insurance cover:

(i) third party liability in excess of IR£1,000,000 and up to IR£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 for all other risks claims subject to United States jurisdiction where the excess is US$100,000;

(iii) road transport third party liabilities in excess of a self-insured retention of IR£4,410,000 in aggregate in the twelve month period, April 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 provisions for liabilities and charges.

		1999	1998
		IR£000	IR£000
9	**SHARE CAPITAL**		
	Authorised:		
	Ordinary shares of IR£1 each	**32,000**	32,000
	Allotted, called up and fully paid:		
	Ordinary shares of IR£1 each	**23,000**	23,000

		1999	1998
10	**ASSET REPLACEMENT RESERVE**		
	Balance at 1st January	**4,633**	3,770
	Transfer from profit and loss account	**842**	863
	Balance at 31st December	**5,475**	4,633

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

		1999	1998
11	**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**		
	Surplus for the year	**3,915**	4,453
	Opening equity shareholders' funds	**21,023**	16,570
	Closing equity shareholders' funds	**24,938**	21,023

	1999 IR£000	1998 IR£000

12 CASH FLOW STATEMENT

(A) **Reconciliation of operating deficit to net cash inflow from operating activities**

	1999 IR£000	1998 IR£000
Operating deficit before State grant	(2,254)	(1,604)
State grant	5,810	5,600
	3,556	3,996
Depreciation and profit on disposal of tangible fixed assets	6,451	6,567
Restructuring payments made	(1,562)	(661)
Decrease in stocks	232	571
Decrease in debtors	116	778
Decrease in creditors	(234)	(492)
Increase in provisions for liabilities and charges	1,306	1,347
Net cash inflow from operating activities	9,865	12,106

(B) **Analysis of change in net funds**

	At 1st Jan 1999 IR£000	Cash Flows IR£000	At 31st Dec 1999 IR£000
Cash at bank and in hand	22	8	30
Bank overdraft	(318)	(2,519)	(2,837)
		(2,511)	
Amounts owed by holding company	12,925	8,945	21,870
	12,629	6,434	19,063

13 OPERATING LEASE OBLIGATIONS

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

	1999 IR£000	1998 IR£000
Within one year	478	325
Between one and five years	2,371	1,148
	2,849	1,473

14 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£2,348,000 (1998 - IR£1,826,000).

As at 31st December, 1999 a provision for the capital cost of *ex gratia* pensions of IR£5,189,373 (1998 - IR£5,404,000) is included under provisions for liabilities and charges (*note 8*).

15 CAPITAL COMMITMENTS

	1999 IR£000	1998 IR£000
Contracted for	**7,076**	2,569
Authorised by the directors, but not contracted for	**1,180**	590
	8,256	3,159

16 CONTINGENT LIABILITIES

The company, from time to time, is party to various legal proceedings. It is the opinion of the directors that losses, if any, arising in connection with these matters will not be materially in excess of provisions made in the financial statements.

17 NET (DEFICIT)/SURPLUS BY ACTIVITY

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

	City Services		Other Services	
	1999	1998	**1999**	1998
	IR£000	IR£000	**IR£000**	IR£000
Revenue	**11,675**	11,652	**100,101**	93,871
Expenditure				
Maintenance of buildings	**128**	147	**533**	812
Maintenance of vehicles and equipment	**2,886**	2,673	**17,683**	16,558
Fuel	**478**	424	**3,478**	3,762
Road tax and licences	**9**	8	**248**	241
Operating and other expenses	**10,505**	9,431	**71,599**	66,587
Operating depreciation	**1,725**	1,957	**5,600**	5,390
Total expenditure before interest	**15,731**	14,640	**99,141**	93,350
Operating (deficit)/surplus before interest	**(4,056)**	(2,988)	**960**	521
Interest receivable	**45**	58	**314**	399
(Deficit)/surplus before State grants	**(4,011)**	(2,930)	**1,274**	920

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

18 RELATED PARTIES

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

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

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

19 MEMBERSHIP OF CÓRAS IOMPAIR ÉIREANN GROUP

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

20 APPROVAL OF FINANCIAL STATEMENTS

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

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Designed and Produced by BFK - www.bfk.ie

Photography by Neil Warner

PN No. 8374