



Comhairle Cathrach  
& Contae **Luimnigh**

**Limerick City**  
& County Council

18<sup>th</sup> April 2019

**To: The Mayor and Each Member of Limerick City and County Council**

**Unaudited Annual Financial Statement for Financial Year ended 31st December, 2018**

Dear Councillor,

The Annual Financial Statement has been prepared in accordance with the statutory requirements governing the accounts of Local Authorities and in compliance with the Accounting Code of Practice for Local Authorities. The Financial Statement and this report, are presented to the Members in accordance with the provisions of Section 108 of the Local Government Act 2001 as amended by the Local Government Reform Act 2014, and will be due for consideration by the Members at the April meeting, to be held on the 29<sup>th</sup> April 2019.

Section 104 of the Local Government Act 2001 as amended by the Local Government Reform Act 2014 requires that Members' approval be sought for over-expenditure.

The Annual Financial Statement includes:-

- The Statement of Accounting Policies (Pages 7-11).
- Income and Expenditure Account Statement (Page 13).
- Balance Sheet (Page 14).
- Funds Flow Statement (Page 15)
- Notes to the Accounts (Pages 16-26).
- Appendices 1 to 8 (Pages 27-42).

### **Income and Expenditure Account**

The total Revenue Expenditure (including transfer to reserves) amounted to €518.268 million, and Income amounted to €518.279 million, leaving a surplus for the year of €11,141. At 31<sup>st</sup> December 2018, the statements show a general reserve balance of €823,400 surplus.

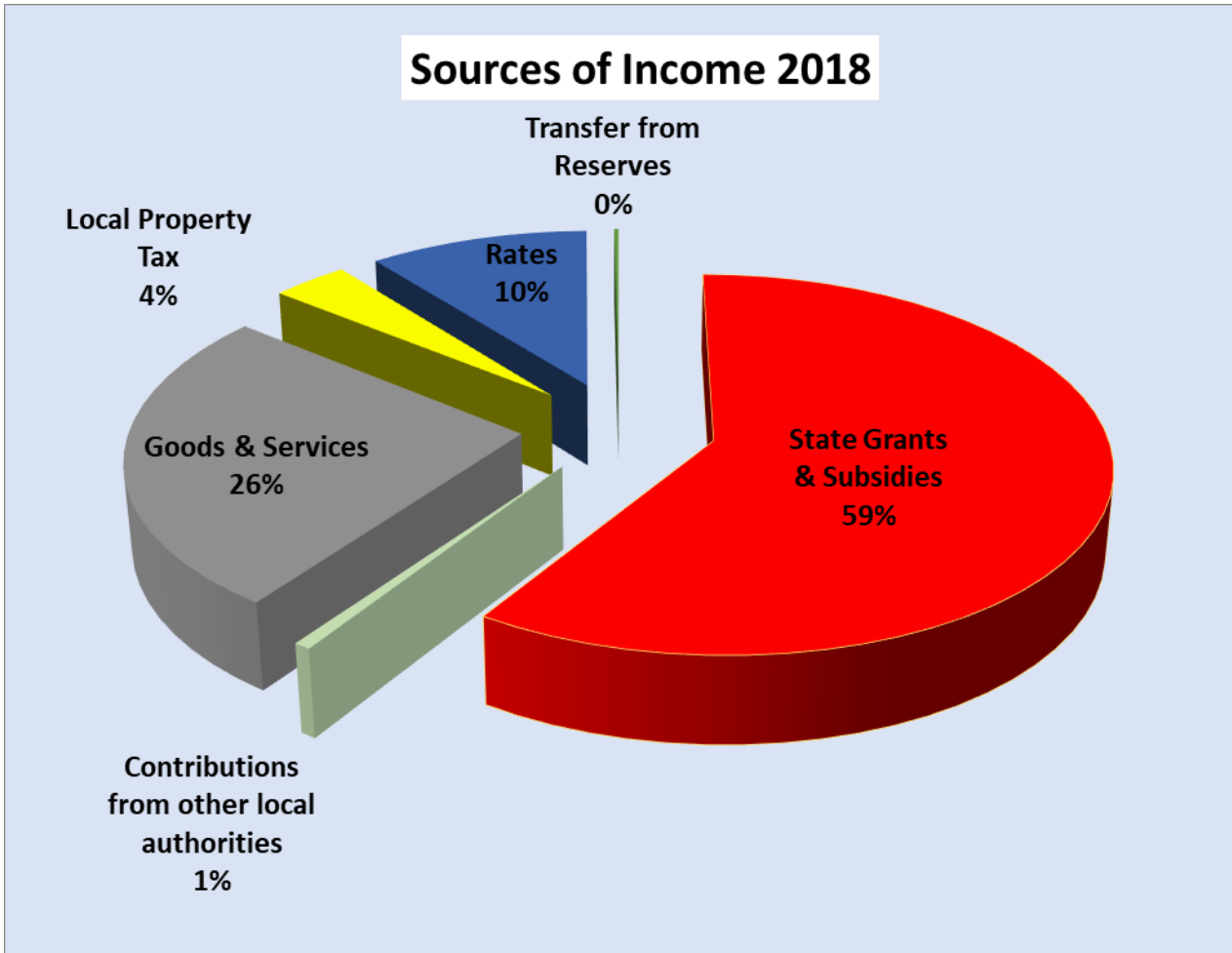
The following table sets out the net out-turn at Division Level, compared to the Adopted Budget:-

Division		Net Position	
		Out-Turn (€)	Budget (€)
<b>A.</b>	<b>Housing and Building</b>	(1,262,513)	(2,483,356)
<b>B.</b>	<b>Road Transportation &amp; Safety</b>	(20,916,591)	(19,413,648)
<b>C.</b>	<b>Water Services</b>	(157,973)	(241,935)
<b>D.</b>	<b>Development Management</b>	(11,118,231)	(11,389,910)
<b>E.</b>	<b>Environmental Services</b>	(23,556,544)	(24,090,873)
<b>F.</b>	<b>Recreation &amp; Amenity</b>	(12,869,354)	(12,320,667)
<b>G.</b>	<b>Agric., Education, Health &amp; Welfare</b>	(642,481)	(714,392)
<b>H.</b>	<b>Miscellaneous Services</b>	(2,193,176)	(3,036,834)
<b>Total:</b>		<b>(72,716,864)</b>	<b>(73,691,615)</b>
<b>A.</b>	<b>Local Property Tax</b>	18,730,912	18,730,914
<b>B.</b>	<b>Commercial Rates</b>	53,997,093	54,960,701
		<b>72,728,005</b>	<b>73,691,615</b>
<b>Surplus / (Deficit) for Year:</b>		<b>11,141</b>	<b>Nil</b>

Expenditure is summarised as follows:

	2018 €'m	%	2017€'m	%
Payroll	73.845	14.25	68.599	19.4
Operational Expenses	404.918	78.13	248.712	70.4
Administration Expenses	14.097	2.72	11.427	3.2
Establishment Expenses	2.597	0.5	2.797	0.8
Financial Expenses	5.138	0.99	4.041	1.2
Miscellaneous	5.315	1.03	5.095	1.4
Transfer to Reserves	12.358	2.38	12.831	3.6
<b>Total Expenditure</b>	<b>518.268</b>	<b>100</b>	<b>353.503</b>	<b>100</b>

The total revenue income for the year of €518.279 million can be summarised in the following major headings:



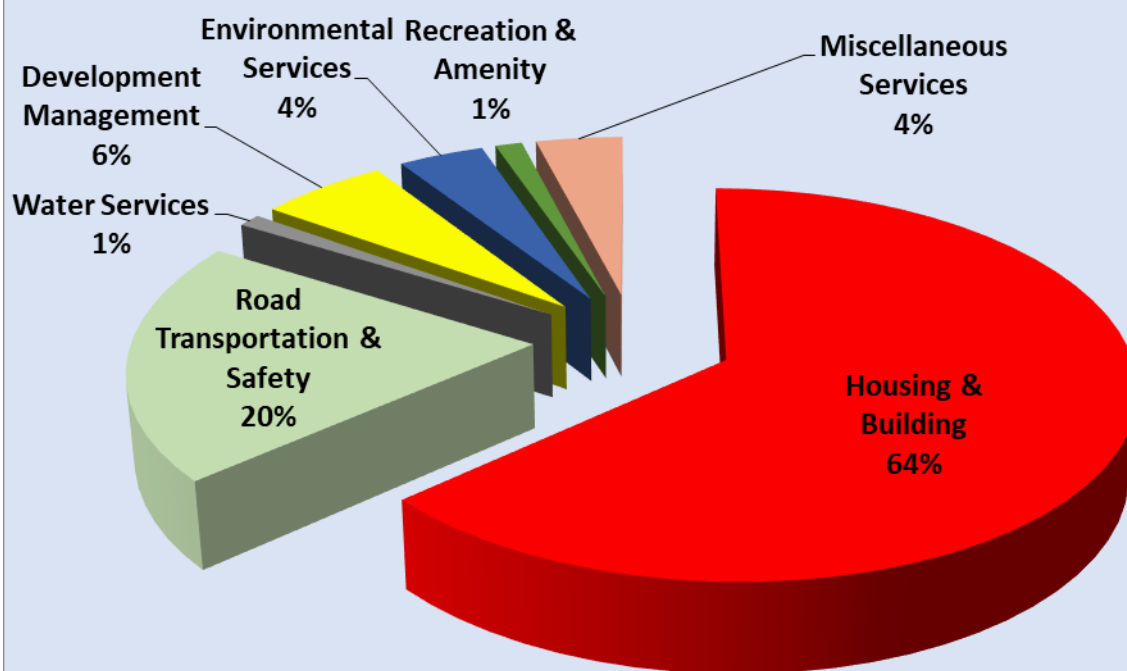
Overall, the out-turn on the Revenue Account is in line with the financial reports presented to the Members during 2018 and particularly the out-turn figures included in Budget 2019.

***Capital Account***

The total expenditure on the Capital Account for the year amounted to €95.680 million (excluding transfers), and Income for the same period was €108.613 million.

The main areas of expenditure were:-

## Analysis of Capital Expenditure 2018



### ***Balance Sheet***

The net book value of Fixed Assets at 31<sup>st</sup> December 2018 was €3.308 billion and work in progress €52.942 million.

Due to their physical nature, the vast majority of the Assets are unique to the Council and are not subject to disposal and are currently not re-valued, which is in line with Departmental guidelines.

The total indebtedness of the Council in respect of loans payable at 31<sup>st</sup> December 2018 was €92.286 million, an increase of €1.608 million on the 2017 figure.

The major collection accounts are shown at Appendix 7, and the following table shows a comparison with the 2017 figures:-

	<b>2018</b>	<b>2017</b>
• Commercial Rates	85%	82%
• Rents and Annuities	95%	96%
• Housing Loans	75%	78%

The increase in the % yields, for Commercial Rates in particular, reflects a positive trend and has been helped by the focused incentive schemes adopted by the Council. Limerick City & County

Council continues to engage with customers who may be experiencing difficulties, with a view to agreeing payment plans that are acceptable to both parties.

***Conclusion***

The retention of a cumulative surplus is a very positive reflection of the continuous efforts of the elected members and the staff of the Council in achieving better value for money and increasing overall efficiencies.

I am satisfied that the Annual Financial Statement for year ended 31<sup>st</sup> December 2018, now presented, gives a true and fair view of the Council's financial position at 31<sup>st</sup> December 2018.

I ask the members to consider the Annual Financial Statement under Section 108 of the Local Government Act 2001 (as amended by Local Government Reform Act, 2014).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Conn Murray', written in a cursive style.

**Conn Murray  
Chief Executive**