

14<sup>th</sup> May 2021

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

**Unaudited Annual Financial Statement for Financial Year ended 31st December, 2020**

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 next full Council meeting.

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 7-12).
- Income and Expenditure Account Statement (Page 14).
- Balance Sheet (Page 15).
- Funds Flow Statement (Page 16)
- Notes to the Accounts (Pages 17-28).
- Appendices 1 to 8 (Pages 29-44).

### ***Income and Expenditure Account***

The total Revenue Expenditure (including transfer to reserves) amounted to €849.324 million, and Income amounted to €849.378 million, leaving a surplus for the year of €53,860. At 31<sup>st</sup> December 2020, the statements show a general reserve balance of €887,563 surplus.

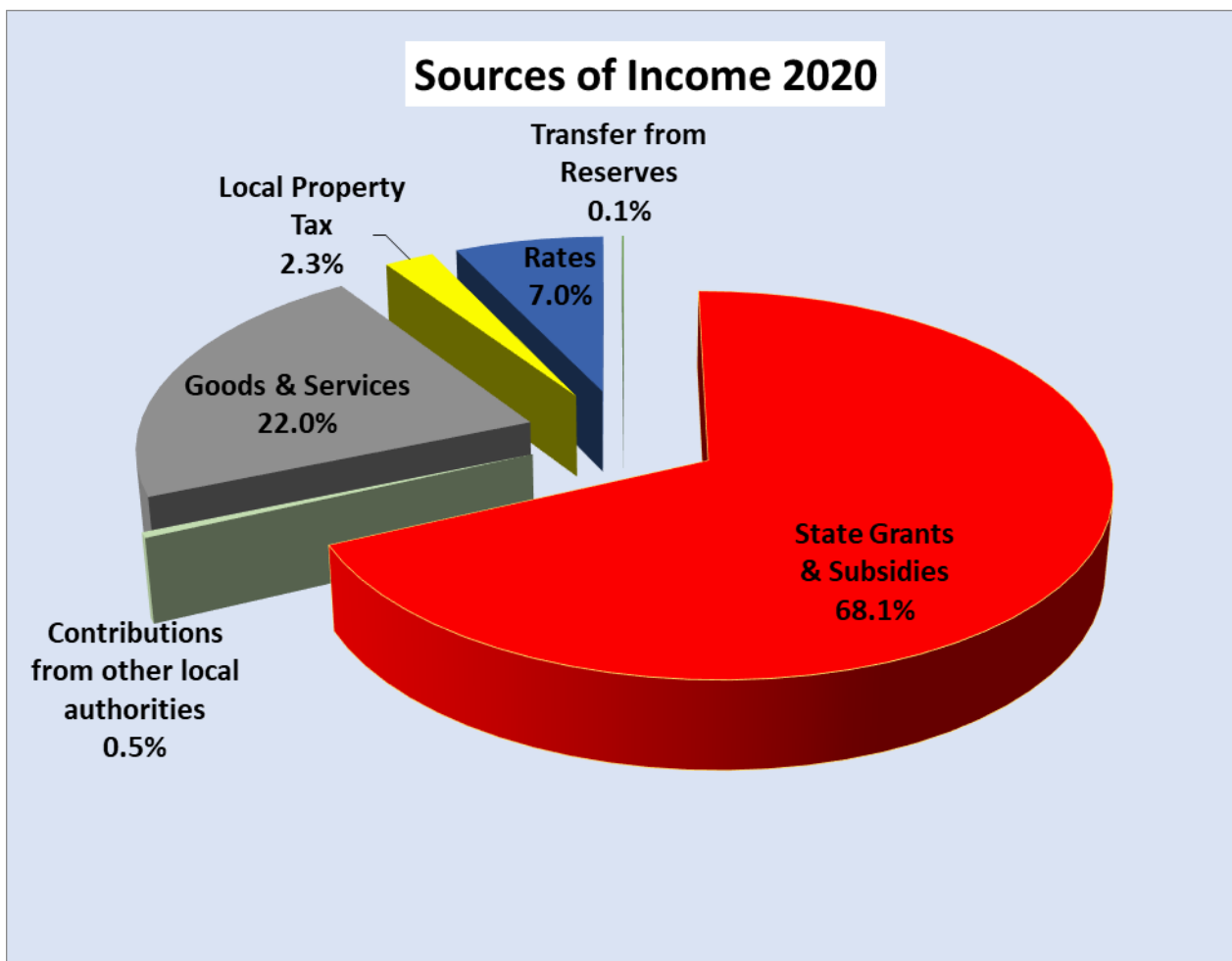
The following table sets out the net out-turn at Division Level, compared to the Adopted Budget:-

Division		Net Position	
		Out-Turn (€)	Budget (€)
<b>A.</b>	<b>Housing and Building</b>	(4,347,245)	(2,626,424)
<b>B.</b>	<b>Road Transportation &amp; Safety</b>	(21,241,865)	(19,369,052)
<b>C.</b>	<b>Water Services</b>	(731,627)	(301,140)
<b>D.</b>	<b>Development Management</b>	(12,187,938)	(12,573,862)
<b>E.</b>	<b>Environmental Services</b>	(26,720,514)	(24,762,778)
<b>F.</b>	<b>Recreation &amp; Amenity</b>	(13,306,049)	(13,521,711)
<b>G.</b>	<b>Agric., Education, Health &amp; Welfare</b>	(713,280)	(720,504)
<b>H.</b>	<b>Miscellaneous Services</b>	(356,424)	(4,606,601)
<b>Total:</b>		<b>(79,604,942)</b>	<b>(78,482,073)</b>
<b>A.</b>	<b>Local Property Tax</b>	19,914,252	19,914,250
<b>B.</b>	<b>Commercial Rates</b>	59,744,550	58,567,823
		<b>79,658,802</b>	<b>78,482,073</b>
<b>Surplus / (Deficit) for Year:</b>		<b>53,860</b>	<b>Nil</b>

Expenditure is summarised as follows:

	2020 €'m	%	2019 €'m	%
Payroll	77.155	9.1	75.929	11.5
Operational Expenses	721.669	85.0	542.418	81.9
Administration Expenses	17.168	2.0	17.578	2.7
Establishment Expenses	2.794	0.3	2.588	0.4
Financial Expenses	5.149	0.6	7.511	1.1
Miscellaneous	7.797	0.9	5.719	0.9
Transfer to Reserves	17.592	2.1	10.159	1.5
<b>Total Expenditure</b>	<b>849.324</b>	<b>100</b>	<b>661.933</b>	<b>100</b>

The total revenue income for the year of €849.378 million can be summarised in the following major headings:



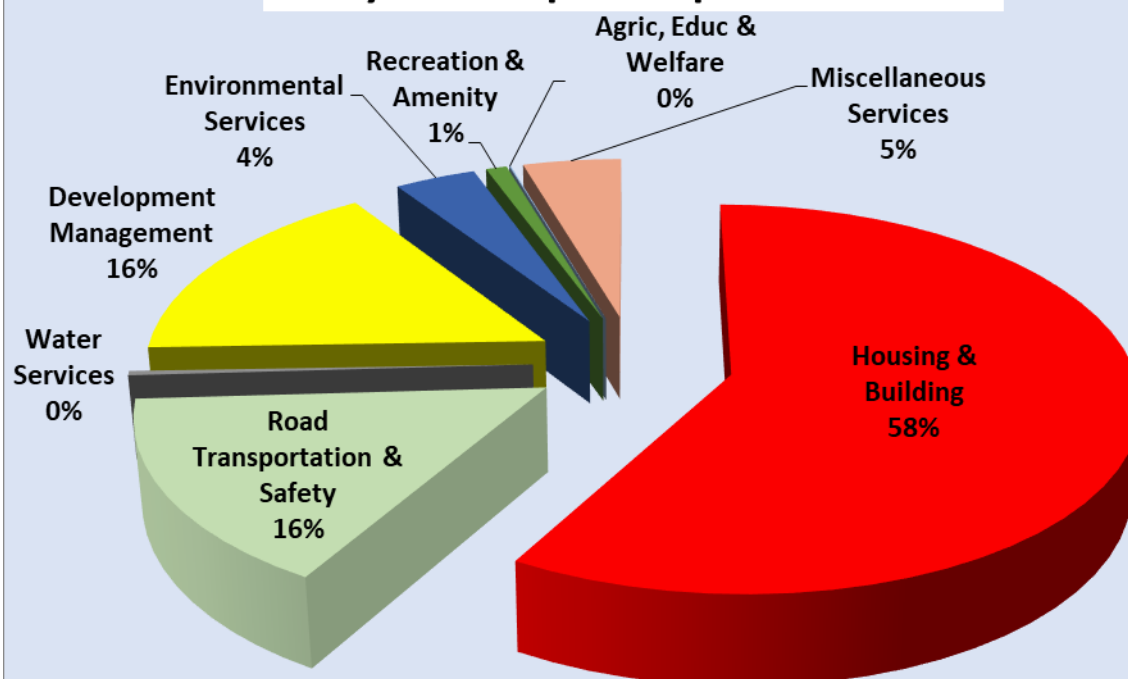
Overall, the out-turn on the Revenue Account is in line with the financial reports presented to the Members during 2020 and particularly the out-turn figures included in Budget 2021.

#### ***Capital Account***

The total expenditure on the Capital Account for the year amounted to €113.423 million (excluding transfers), and Income for the same period was €129.229 million (excluding transfers).

The main areas of expenditure were:-

## Analysis of Capital Expenditure 2020



### **Balance Sheet**

The net book value of Fixed Assets at 31<sup>st</sup> December 2020 was €3.326 billion and work in progress €96.759 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 2020 was €128.222 million, an increase of €34.54million on the 2019 figure.

The major collection accounts are shown at Appendix 7, and the following table shows a comparison with the 2019 figures:-

	2020	2019
• Commercial Rates	81%	88%
• Rents and Annuities	96%	96%
• Housing Loans	84%	78%

These collection percentages are in a backdrop of a Covid-19 global pandemic.

### ***Global Pandemic: Covid-19***

The impact of Covid during 2020 impacted on service delivery and created financial uncertainty for the Council. The Government however provided significant financial supports to the local authority sector particularly in the areas of Commercial Rates and funding for additional costs associated with Covid along with the impact on Goods and Services income. These financial supports have proved to be critical to the presenting of a positive outturn for the annual financial statement for 2020.

2020 was a very challenging year for the Council's Ratepayers. The following supports from central government and our Council support schemes have provided assistance to these Businesses.

- Restart Grant: Equivalent to the Rates Bill for 2019 with a minimum payment of €2,000 and maximum payment of €10,000
- Restart Grant Plus: Equivalent to the Rates Bill for 2019 with a minimum payment of €4,000 and maximum payment of €25,000
- 30% Additional Top-Up Payment
- 9 Month Rates Waiver
- Local Authority support schemes (SME & Tourism)

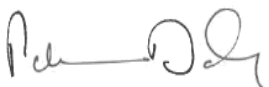
### ***Conclusion***

The revenue surplus for 2020 is €53,860. As a result, the accumulated revenue surplus at the end of 2020 is increased to €887,563 compared to €833,703 at the end of 2019. The retention of cumulative surplus is a very positive reflection of the efforts of the elected members and staff to manage the financial situation of Limerick City & County Council in a very challenging year, and is also reflective of the continuous efforts of the staff of Limerick City & County Council in achieving better value for money and increasing overall efficiencies, which is an important foundation for the difficult year ahead in 2021.

I am satisfied that the Annual Financial Statement for year ended 31<sup>st</sup> December 2020, now presented, gives a true and fair view of the Council's financial position at 31<sup>st</sup> December 2020.

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,



**Dr Pat Daly**  
**Chief Executive**