

ANNUAL FINANCIAL STATEMENT

DUBLIN CITY COUNCIL

For the year ended 31st December 2008



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Finance Intro to Annual Report

Introduction

The Annual Financial Statements provide the financial results of Dublin City Council's activities, both Revenue and Capital for the year ended 31st December 2008. Dublin has been recognised as an international city by the OECD (*Competitive Cities in the Global Economy 2006*). Dublin City Council is committed to strengthening our capital's position on a global platform. Critical to this is securing value for money across our services, with high quality at competitive cost. Dublin City Council promotes creativity and innovation through partnership arrangements with interested parties. Our staff are well trained and committed to their role in developing our city.

Review of Dublin City Council's Financial Performance in 2008

Dublin City Council was in overdraft at the end of 2008, to the value of €42m. This position represents a deterioration on the financial position at the end of 2007 but reflects the environment both in economic and fiscal terms in which Dublin City Council operated in throughout 2008.

Dublin City Council has taken actions over the course of 2008 and indeed into 2009 to adjust and match both operational day to day spend and its long-term capital investment programme with available funding and resources.

Central to all of Dublin City Council's service is the objective to maintain and support business and households through the provision of quality value driven services.

In November 2008 Dublin City Council set a commercial rate for 2009 below the prevailing rate of inflation in 2008. During 2008 significant cost pressures emerged in relation to oil related costs including energy. By year-end, these pressures had diminished as economic circumstances changed.

Accounting Statements, Notes & Appendices

The aim of the Annual Financial Statement is to fairly present the financial position of Dublin City Council as at the end of 2008. This is achieved through the production of Statements, Notes and Appendices, as required by the regulatory accounting framework set by the Minister for the Environment, Heritage and Local Government. The purpose of each of these documents is set out in the glossary.

Revenue Expenditure

During 2008, Revenue (i.e. day to day operations) Expenditure amounted to €926.8m with income of €923.4m, giving an excess of

expenditure over income of €3.4m. (See Table 1).

Revenue Expenditure on City Council Service	€926.8m
Revenue Income (Government Grants, Service Charges & Rates)	€923.4m
Balance	€3.4m

Table 1: Revenue Expenditure 2008

Transfers to Reserve Fund

As required by the regulatory accounting framework set by the Minister for the Environment, Heritage & Local Government, expenditure shown in the 2008 Income and Expenditure account is net of transfer to reserves i.e. transfer to reserves are excluded. Note 15 "Transfers to and from Reserves" provides greater detail on these transfers. The movement from gross expenditure to net expenditure indicated in the AFS is set out in Table 2.

	€M
Expenditure	926.8
Transfers to Reserve	25.2
Final Expenditure	901.6

Table 2: Movement from Gross to Net Expenditure 2008

Income is also expressed in the AFS net of transfers to reserves, as presented in Table 3.

	€M
Income	514.7
Rates Income	304.6
Local Government Fund	104.1
Income before Transfers	923.4
Less Transfers from Reserves	(8.2)
Final Income	915.2

Table 3: Movement from Gross to Net Income 2008

Accounting Policies

The Accounting Policies used in the preparation of the AFS are set out in the Statement of Accounting Policies. Dublin City Council is fully compliant with the regulatory accounting framework as determined by the Department of the Environment, Heritage and Local Government.

Capital Expenditure

Expenditure on Capital projects and investment net of internal transfers and before loan advances in 2008 was €928.8m. This spend forms part of the Capital Programme 2008 to 2010 of €2.191bn. This expenditure of €928.8m was funded through income net of transfers of €783.8m leaving a surplus of expenditure over income for the year of

€145.0m. This figure should be noted in conjunction with the Capital Programme 2008 – 2010 which identifies a funding shortfall of €29.5m over that three-year period. The value of capital expenditure in 2008 is reduced by €64.4m or almost 7% on 2007 levels.

The management on the Capital Account is set out in Table 4.

	€
Opening Balance (Credit)	157.2m
Expenditure as at 31 st December 2008	928.8m
Income	783.8m
Net Transfers (€25.2 - €8.2)	17.0m
Closing Balance 31 st December 2008 (Credit)	29.1m

Table 4: Capital Account

The key movements in Capital were in Housing, Water and the assignment of Development Contributions.

Development Contributions

Section 48 of the Planning and Development Act 2000 enables Dublin City Council when granting a planning permission under Section 34 of the Act to include conditions requiring the payment of a contribution. This contribution is in respect of public infrastructure and facilities benefiting development in the area of the planning authority and that is provided, or that is intended will be provided by or on behalf of a local authority (regardless of other sources of funding for the infrastructure and facilities). Dublin City Council's Development Contributions Scheme under the 2000 Act came into operation on 1st January 2004. The Annual Financial Statement for the financial year 2008 includes values for development contributions as set out in Table 5.

	€m
Value of invoices for Development Contributions since 2004	148
Value of invoices subject to phasing arrangements	121
Value of invoices due for payment within 12 months	27

Table 5 Development Contributions

Phasing arrangements for payments of development contributions are in place where considered appropriate. Site developments are subject to inspection to confirm that building works have commenced. The value of debt owed to Dublin City Council by way of development contributions will be reviewed continuously over 2009. Enforcement actions in respect of development sites where development contributions are due and remain unpaid include site inspections, warning letters, enforcement notices and legal proceedings.

Rates

Rates are a local property tax levied by Dublin City Council on the occupiers and owners (in

some cases) of commercial properties in Dublin City. Rates income in 2008 amounted to €304.5m, 32% of Dublin City Council's funding for day-to-day services.

Rates are based on rateable valuations of properties as set by the Commission of Valuation, and the annual rate on valuation (the multiplier) is determined each year by reserved function of the elected members of Dublin City Council (see Table 6).

	2005	2006	2007	2008
Commercial Rateable Valuation of City (M)	€4.69	€4.96	€5.06	€5.17
ARV (multiplier)	55.21	57.31	59.52	61.87
Rates Receipts (M)	€240.2	€266.1	€282.4	€296.6

Table 6 – Rates

Trading conditions for business in 2008 involved many pressures including oil and energy related costs, particularly in the first half of the year. Difficulties in the banking sector, the impact of the recession on trading and purchasing patterns and reduced confidence were all evident in the latter half of 2008. Rates forms the largest single income source of Dublin City Council's day to day activities. The rate collection in 2008 although it did not achieve the target as per the Adopted Budget performed robustly in the context of a weakening economic environment (see Table 7).

	€M
Income Raised	304.5
Bad Debt Provision	3.5
Income after bad debt provision	301.0
Rates Receipts	296.6
Target as per Adopted Budget	301.7
Rates collected below target	5.1

Table 7: Target Rate Collection 2007

Financial Management

System of Internal Controls

The Executive of Dublin City Council acknowledges its responsibility for systems of internal control in Dublin City Council including putting in place processes and procedures for the purpose of ensuring that control systems are effective. These systems can provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely period. Effective internal control systems enable Dublin City Council to meet its responsibilities for the integrity and accuracy of its accounting records.

Dublin City Council has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining and documenting Management responsibilities and powers

- Developing a strong culture of accountability across all levels of the organisation
- The work of Internal Audit
- The work of the Central Procurement office
- The work of the Risk Management Unit
- The work of the Ethics Officer
- The work of the Audit Committee

Financial management reporting in Dublin City Council is robust and thorough. A rigorous system of monthly financial monitoring ensures that any significant budget variances are identified and appropriate actions are taken to minimise any adverse financial impact. The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the elected members
- Regular financial reviews; weekly, monthly and quarterly financial reports which indicate financial performance against forecasts on both expenditure and income and variance analysis evaluation
- Setting targets to measure financial and other performances
- Clearly defined capital investment control guidelines
- Formal project management disciplines
- Strict policies and procedures for the receipt recording and control of monies. These procedures are regularly reviewed and audited

Internal Audit

The primary role of Internal Audit is to provide assurance to Senior Management and to the Audit Committee that the various risks facing the Council have been identified and appropriate internal controls are in place to manage those risks.

Internal Audit is a key player in the Corporate Governance process and makes a valuable contribution to the effective management of Dublin City Council. The concepts of accountability and transparency are important principles in responsible governance. They imply openness to scrutiny and a requirement to report on performance. Internal Audit facilitates this process by providing an independent review function to management, to assure them that services are being provided in an efficient, effective and economic manner and in conformity with legal requirements. In 2008, nine reports were issued covering a wide range of issues.

Management and Staff

Dublin City Council acknowledges the committed work of our staff. The high quality of our services, projects and interaction is due to their dedication and tremendous contribution. Dublin City Council is fully committed to the development of our staff. The Performance Management and Development System is supported by the provision of budgets for training and development programmes. Dublin City Council wishes to be considered as a destination employer, attracting the best staff to achieve our vision for Dublin City. Dublin City Council is an equal opportunities employer. The Finance Department and others operate a Continuing Professional Development support scheme for staff to assist in retaining and developing professional skills and knowledge.

Finance Strategic Policy Committee

The Finance Strategic Policy Committee provides leadership and direction on key areas relating to the financing of Dublin City Council. Key topics pursued during 2008:

Funding the Dublin City Region

This report captures the findings and conclusions of a review of the funding needs of the Dublin City Region (i.e. Dublin City and County), highlights the importance of Dublin as a driver of the national economy and puts forward a coherent rationale for sustained investment in Dublin as a basis for maximising national wealth creating opportunities.

Submission to the Commission on Taxation on the Funding of Local Government

This submission put forward a business case for a review of local government funding in the context of Dublin City Council which would reflect the demands of a capital city and support accountability and democracy.

Review of Net Commercial Valuations

This report considered trends in the commercial rates base of Dublin City Council, employment output across sectors and the potential growth scenarios.

Review of Workplace Skills

This report issued in December 2008 provided a review of the low skilled workplace from employer and employee, public and private perspectives.

Annual Financial Statement 2007

The annual Financial Statement of Dublin City Council for the financial year 2007 for both revenue and capital expenditure.

Statutory Local Government Audit Report for the Financial Year 2007

The report of the Local Government Auditor on the Financial Statements of Dublin City Council for the financial year 2007.

Risk Management

Presentation of progress made in the establishment of a risk management structure across each functional department within Dublin City Council. Consideration of the Risk Management Policy issued to staff to assist in the identification and mitigation of business risk.

Revaluation of Commercial Property

Presentation by the Valuation Office of issues arising from the revaluation of commercial property in South Dublin.

Audit Committee

Consideration of the formation of the Audit Committee, of nominations external to Dublin City Council and nominated elected members. The Committee met on 2nd October 2008 for the first time.

Development Contributions

Consideration of analysis of value of development contributions received at the end of 2007, the classes of public infrastructure development to which these contributions have been applied, and the balance of contributions assigned to specific classes and projects.

Financial Literacy Programme

All staff (current & retired) Dublin City Council finance department and Dubco Credit Union partnered to produce a handbook for all staff, current & retired, to explain financial terms and language in everyday use.

Non-Financial Managers

Dublin City Council Finance Department in conjunction with the Executive Education Centre of the Business School at Dublin City University provides a programme of financial literacy for non-financial managers to strengthen financial understanding within the City Council.

Draft City Development Plan

A presentation was made to the Finance Strategic Policy Committee on the Economic Issues Paper that will form part of the Draft Dublin City Development Plan.

Capital Budget

A scheme of training needs was devised at the commencement of the Financial Policy

Committee identifying areas which members would find training/presentations helpful. An information session was provided to members in this context.

Costing for Services

A revised format of presentation for the Annual Budget was introduced by the Department of the Environment. A presentation was made providing information on the key changes.

Business Improvement Districts (BIDs)

The Dublin city Centre BIDs company became operable in 2008 and provided the Finance SPC with a presentation of its activities.

BIDs services commenced in 2008, with invoices for the BID contribution levy issued from the Rates Office. The BID was created following a proposal by Dublin City Centre BID Company Ltd, which was passed by way of plebiscite by all ratepayers in the BID area. The BID Company provides additional services as determined by businesses such as street cleaning, street ambassadors, graffiti removal and marketing.

The Area Managers for the Central Area and South East Area are working closely with the BID Company to confirm the service requirements of the Company. Councillor Christy Burke and Councillor Kevin Humphreys represent Dublin City Council on the BID COMPANY. Both Area Managers are also directors of the BID Company. The Executive Manager, Rates Office is a member of the oversight committee of the BID company.

Funding the Dublin City Region

In September 2008 the report "Funding the Dublin city Region" was launched by the Lord Mayor Councillor Eibhlin Byrne. This report is the outcome of the work of the Funding Alliance, formed across political, business and sectoral interests, who share a common interest in the Dublin City region. The report expresses a vision for the city region around economic strengths, knowledge based social equity with an ambition for quality and design. The report echoes a view held internationally that cities are the economic engines of national economies. Maximising the competitive advantages of Dublin is likely to be the most successful means of maximising the wealth of Ireland as a whole.

Commission on Taxation

In 2008, the Finance Strategic Policy Committee made a submission to the Commission on Taxation on the funding of Local Government, and specifically Dublin City Council as the capital city. Basic principles of a revised funding system are:

- There should be a strong linkage between local spending decisions and

locally raised taxation, which would serve to strengthen the democratic process, enhance accountability on the part of local representatives, and provide a stronger input from citizens in general to local government.

- The local government funding system should provide adequate finances to enable the reasonable demands of the citizens, business and visitors to be met within the environment of local responsibility and local accountability
- User charges and local taxation should be linked to the services and the facilities provided by the local authority and this link should be transparent to all.
- The national taxation system should reflect that through their contribution to the cultural, social, leisure and general well being of the citizen. Local authorities make substantial contributions to the economy in general and therefore should benefit from the product of a strong economy namely various forms of taxation.
- The system of funding local government should promote efficiency not only on the part of the user and also on the part of the provider of services while generating sufficient revenue to meet the costs of the provision of those services.

Dublin City Council made specific recommendations to the Commission on Taxation namely:

- There should be a system of tax sharing between central and local government, which recognises Dublin city's contribution to the economic development of the region and the economy in general.
- There should be local control over taxes and user charges that are generated locally
- The current system of local government funding and the national system of taxation fails to recognise that local government is a very substantial provider of social services. Dublin City Council recommends that a National Waiver Scheme be established that not only funds the waivers, but ensures that the nature of these services and waivers is recognised
- Where it is government policy that local authorities should not charge for the provision of water to households, the state should accept and bear the full economic cost of providing those water services to households
- The current exemption for public properties from commercial rates

valuation such as Government departments situated in Dublin City should be changed and a transfer payment from Central Government to local authorities in respect of public buildings should be made. In 2008 prices, this transfer would amount to €29m for Dublin City Council

- Dublin City Council recommends that a system of funding through local taxation which is entirely at the discretion of the local authority and which would raise relatively modest amounts in the context of local government as a whole could provide a substantial amount of discretionary funding which could have significant impact on the social, cultural, living and leisure environment within the City.
- Specific consideration be given by Central Government to the funding of emergency services provided by local authorities

Overview of Priorities for 2009

The Revenue Budget for 2009 was adopted by the City Council on 24th November 2008. It provides for the maintaining and strengthening of all services, with specific focus in 2009 on:

- **New facilities**
Resources applied through capital works are available to users and communities and relate to both community and leisure and recreation facilities. These facilities will open and be operable during 2009. These include:

- The full operation of Ballyfermot Leisure Centre
- The operation of Father Collins Park (scheduled to open March 2009)
- The operation of Poppintree Sports Centre
- The operation of Clogher Road VEC Hall
- The operation of St Michaels Inchicore VEC Hall
- The operation of Ballybough Sports Centre
- The operation of Gloucester Street Sports Centre

An additional €2.5m has been provided to increase resources allocated to cleaning Dublin streets, raising the total spend on the service to over €37m. The number of street cleaning staff dedicated to the suburbs and villages has risen to 40. Dublin City Council now operates a facility, which provides for the recycling of plastic waste. The expansion of the Green Bin collection to a fortnightly service will greatly increase the volume of the waste, which can be channelled to recycling.

- **Waste Programme**

A full and complete rationalisation of the workforce has been achieved, with a reduction in the overall staffing levels and a switch to a more adaptive approach which will reduce the demand for and hence the cost of overtime. The provision of the Green Bin service was put out to tender during 2008, and the resulting competitiveness process yielded a new contract for Dublin City Council with lower costs. The cost base of the Waste Management Service and charges are more in sync. This has enabled Dublin City Council maintain the charge at the same rate as 2008.

- **Charter for Integration**

An initiative to improve integration, funded by the Department of Justice, will be commenced in 2009. This initiative will progress some of the ten aspects of the Charter for Integration.

- **Ambassador Cinema**

Work continues on the siting of the Central Library in the Ambassador Cinema, which will further strengthen the cultural quarter developing at Parnell Square. The Central Library at the Ambassador will be a literary anchor in O'Connell Street / Parnell Square area.

- **Capital Investment**

€171 million will be spent over the next three years on road and bridge improvements.

€26 million capital investment is provided for sports and leisure centres. Over the next 3 years €22 million is allocated for upgrading city parks.

€194.5 million capital investment in the public water network over the next three years will lead to significant improvements in this vital service. €18m will be expended on Flood Relief Works over the same period. The Ringsend wastewater treatment plant will be upgraded as part of €72 million investment in public sewerage schemes.

€1.14 billion will be spent on housing over the next three years, including €151 million on affordable housing for first time buyers, €247m supporting the voluntary housing agencies and €397m on social housing.

Conclusion

Dublin City Council services critically support business, residential and visitor life in the City. Service demand remained high in 2008 notwithstanding economic pressures, and this remains the case in 2009. Dublin City Council is open to movements in business and personal sentiment and confidence. Also the Council must take stock of government funding pressures and contractions. Dublin City Council will continue to closely link service provision with available resources. Notwithstanding movements in resources, services will be delivered to the highest quality and represent value for money.

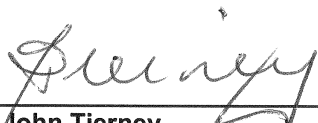
I would like to thank the staff of all departments for their co-operation and especially my colleagues in the Finance Department for their work in producing the Annual Financial Statement, in particular Antoinette Power, Head of Financial Accounting. I also wish to thank the members of the City Council in relation to their help and consideration in resolving the many financial issues, which arose during 2008. I would like to acknowledge the contribution made by members of the Audit Committee and its Chairperson, Tom McAleese.


I would like to thank the members of the Finance Strategic Policy Committee and the Funding Alliance for their contribution and commitment. In particular I would like to pay thanks to the Chairperson of the Finance Strategic Policy Committee and Funding Alliance, Councillor Michael Donnelly for his leadership and governance.

Kathy Quinn, CPFA
Head of Finance

Dublin City Council
Certificate of Manager/Head of Finance
for the year ended 31 December 2008

We certify that the financial statement of Dublin City Council for the year ended 31st December 2008 as set out in pages 15 to 42 are in agreement with the books of account and have been prepared in accordance with the accounting requirements as directed by the Minister for the Environment, Heritage and Local Government. We have also taken reasonable steps for the prevention and detection of fraud and other irregularities.

Signed: 
John Tierney
City Manager

Signed: 
Kathy Quinn, CPFA
Head of Finance

Dated: 26th March 2009

Audit Opinion

To the Members of Dublin City Council

I have audited the annual financial statements as set out on pages 15 to 28 for the year ended 31 December 2008 and have also issued a separate report in accordance with section 120 of the Local Government Act, 2001.

Responsibilities of the Council and the Local Government Auditor

The Council is by law, responsible for the maintenance of all accounting records including the preparation of the annual financial statements. It is my responsibility, based on my audit, to form an independent opinion on the statement and to report my opinion to you.

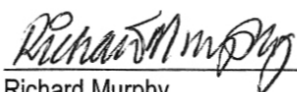
Basis of Opinion

I conducted my audit in accordance with the principles and practice of Local Government Audit. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide sufficient evidence to give reasonable assurance that the annual financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In my opinion the annual financial statements present fairly, in accordance with the Code of Practice and Accounting Regulations the financial position of the Dublin City Council at 31 December 2008 and its income and expenditure for the year then ended.

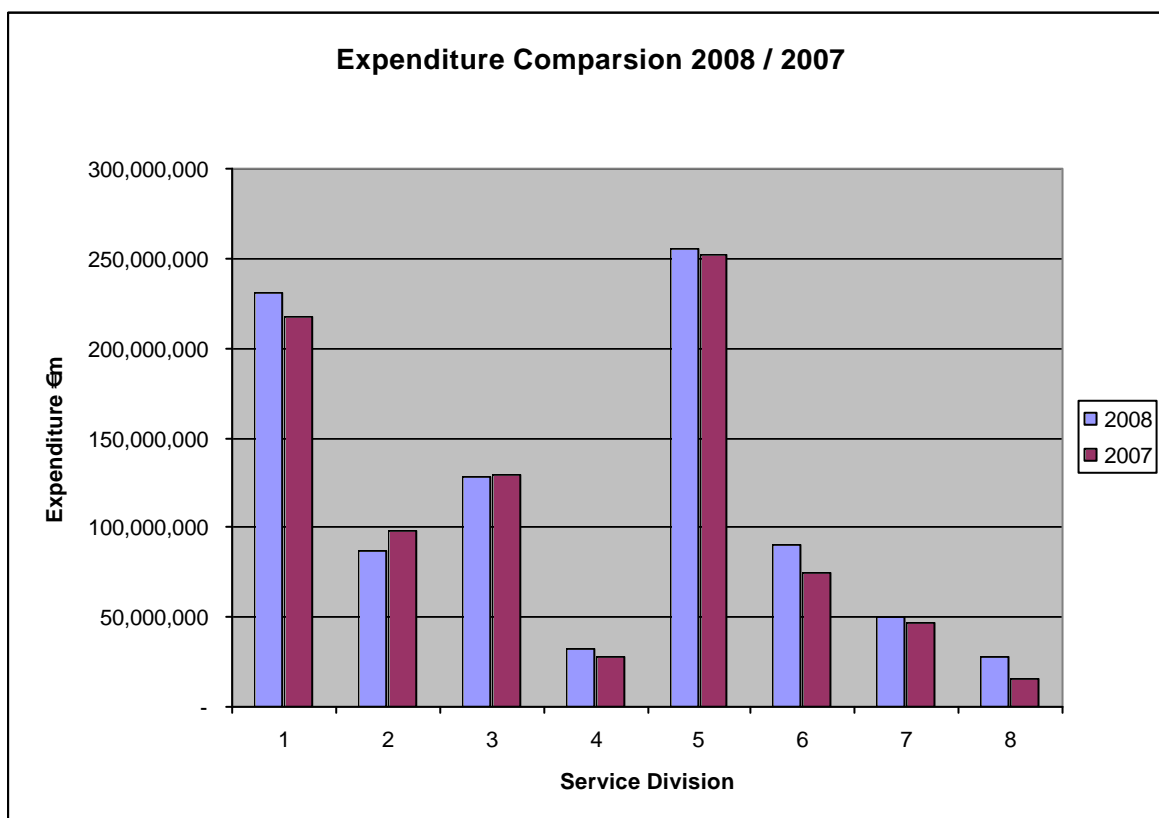


Richard Murphy
Principal Local Government Auditor
22 September 2009

GRAPHS

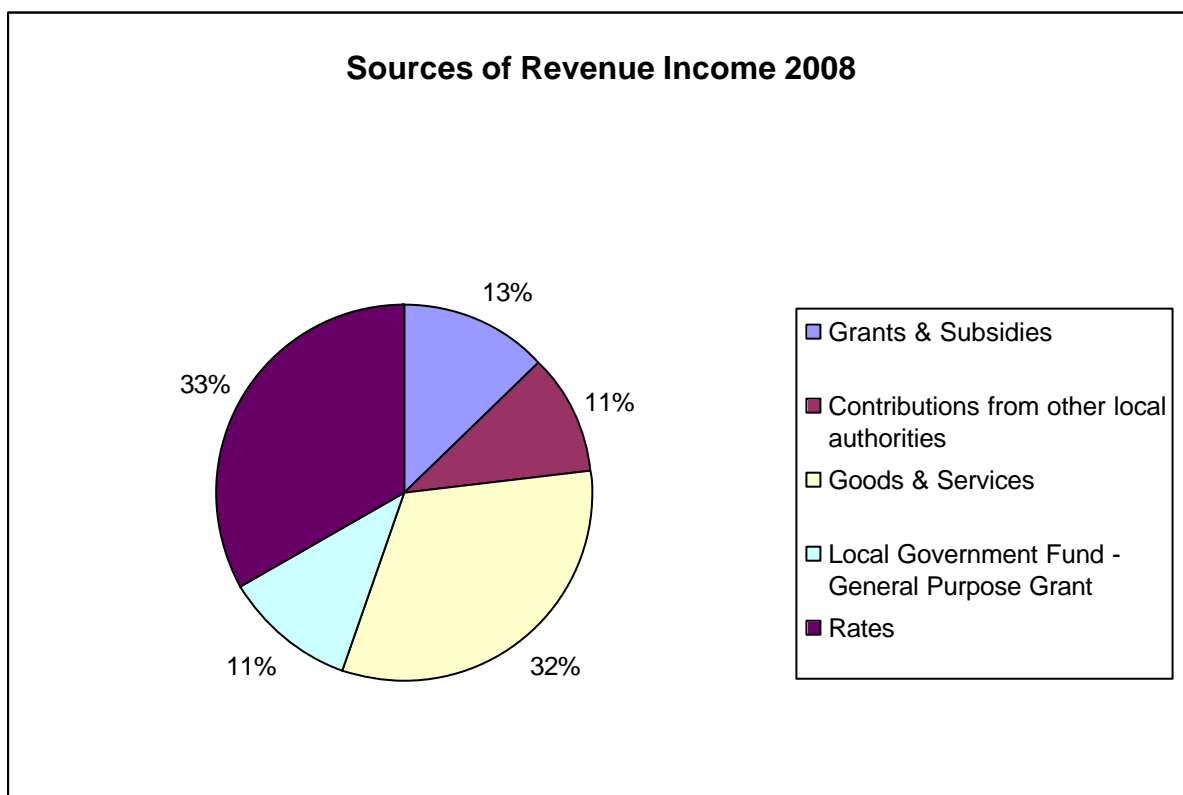
Revenue Accounts 2008 / Financial Profile at a glance

	Expenditure 2008 €	Expenditure 2007 €
Housing & Building	230,428,640	217,755,537
Roads Transportation & Safety	86,991,842	97,999,569
Water & Sewerage	128,380,664	129,132,485
Development Incentives & Controls	31,953,115	27,747,482
Environmental Protection	255,708,224	251,689,973
Recreation & Amenity	90,080,693	75,165,395
Agriculture, Education, Health & Welfare	50,244,920	46,382,863
Miscellaneous	27,747,340	15,717,428
Total Expenditure/Income	901,535,438	861,590,732



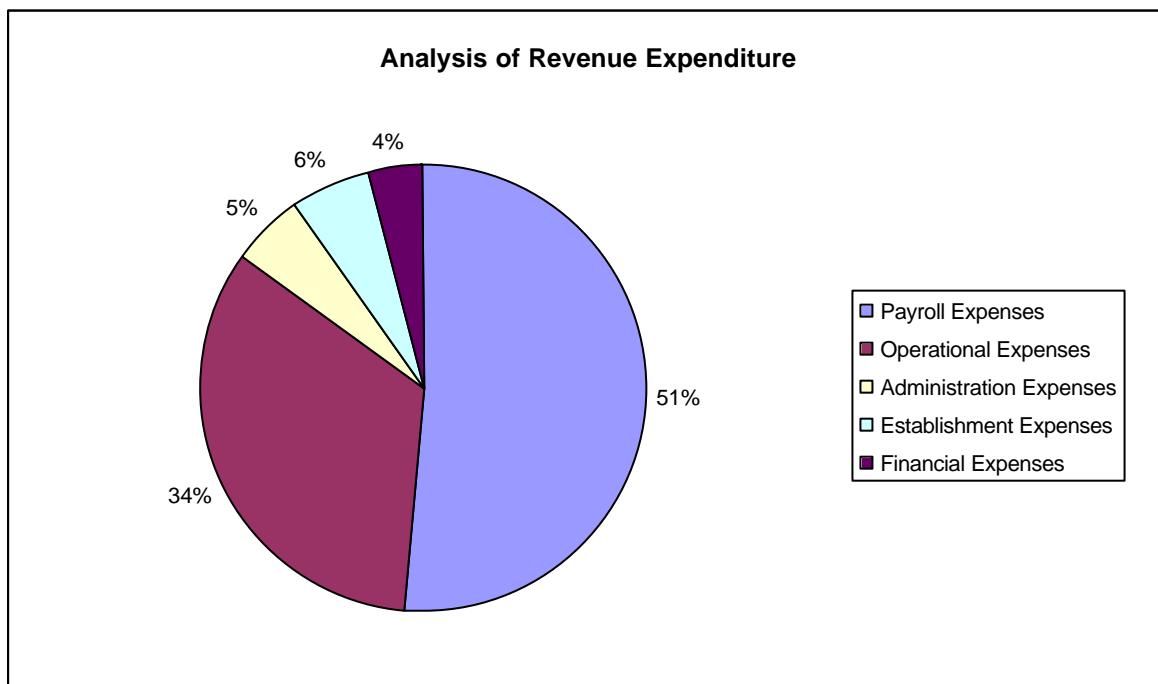
Main Sources of Revenue Income 2008

2008	
€	
Grants & Subsidies	117,278,043
Contributions from other local authorities	97,401,768
Goods & Services	291,782,365
Local Government Fund - General Purpose Grant	104,095,740
Rates	304,553,512
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<u>915,111,428</u>	



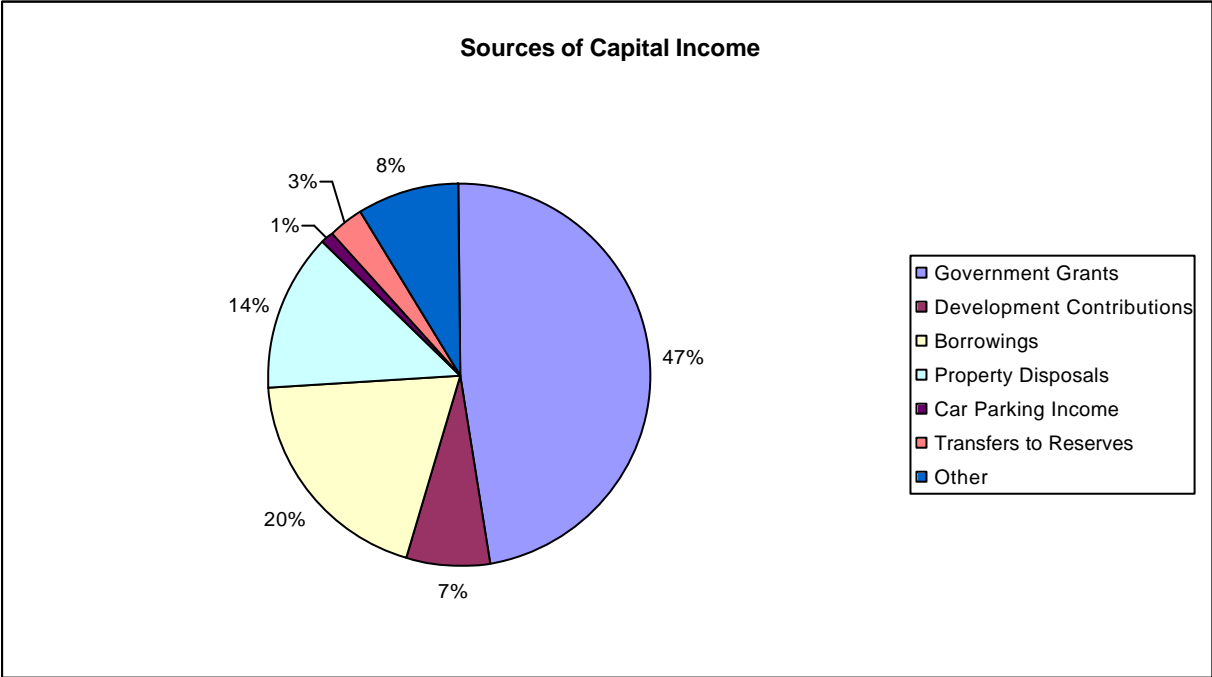
Main Categories of Revenue Expenditure

	2008
	€
Payroll Expenses	460,103,277
Operational Expenses	306,989,528
Administration Expenses	47,384,610
Establishment Expenses	51,887,167
Financial Expenses	35,170,855
Total Expenditure	<u>901,535,437</u>



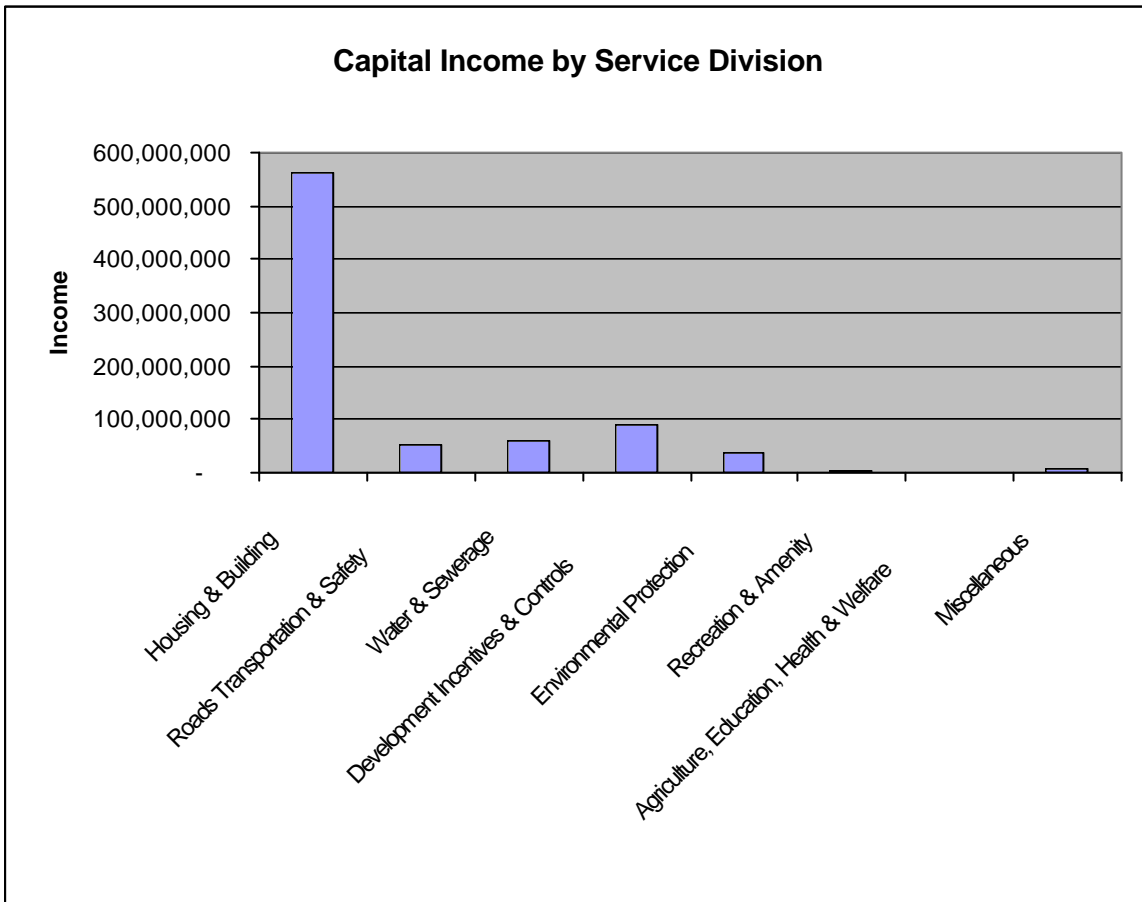
Sources of Capital Income

	2008
	€
Government Grants	381,843,859
Development Contributions	56,608,713
Borrowings	158,156,230
Property Disposals	109,961,694
Car Parking Income	8,534,666
Transfers to Reserves	25,246,601
Other	68,666,147
	<u><u>809,017,910</u></u>



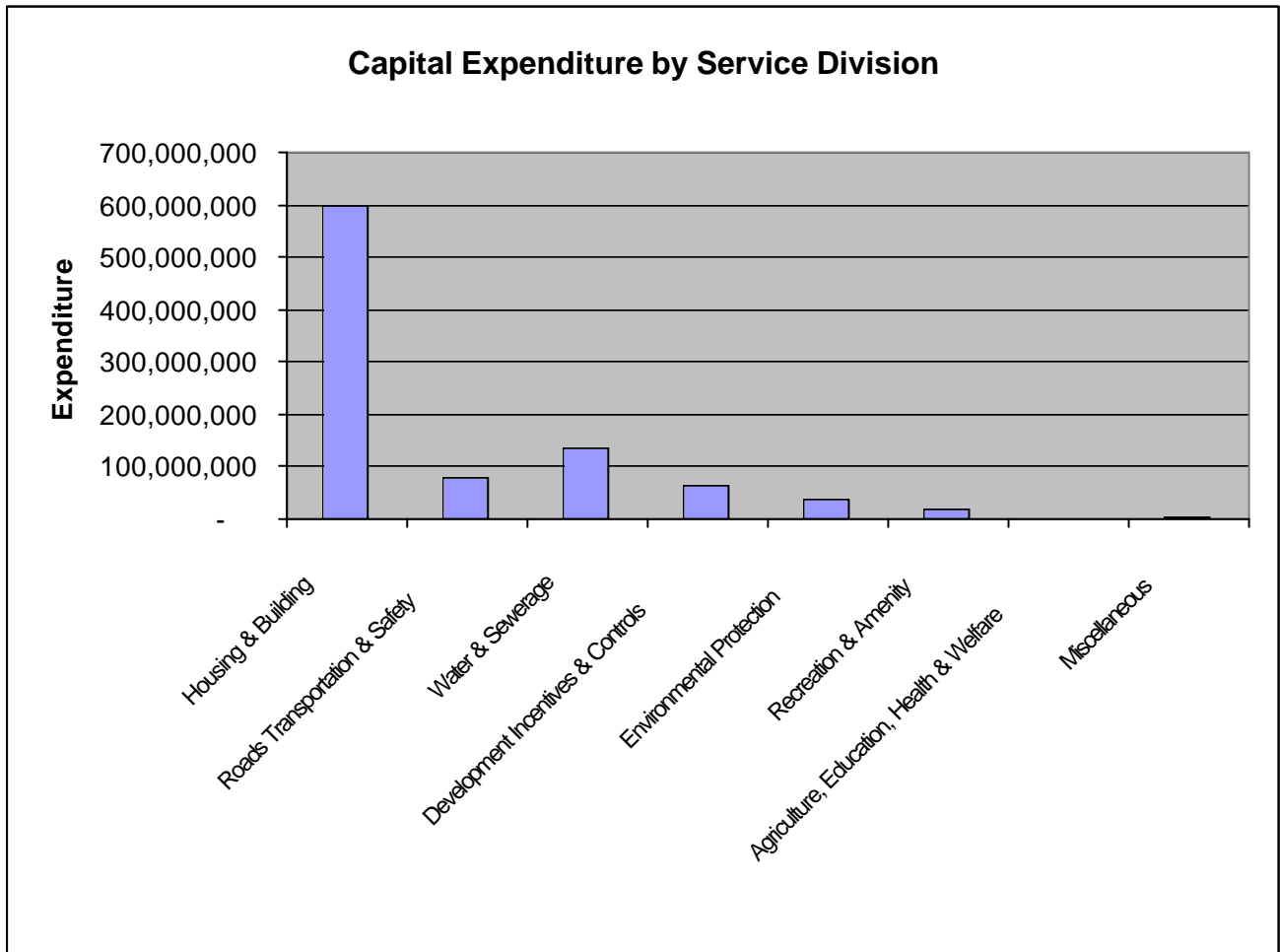
Capital Income by Service Division

	2008
	€
Housing & Building	562,447,812
Roads Transportation & Safety	51,460,892
Water & Sewerage	58,890,433
Development Incentives & Controls	90,866,558
Environmental Protection	37,086,467
Recreation & Amenity	2,155,408
Agriculture, Education, Health & Welfare	-
Miscellaneous	6,110,340
	809,017,910



Capital Expenditure by Service Division

	2008
	€
Housing & Building	597,524,185
Roads Transportation & Safety	79,565,806
Water & Sewerage	135,392,009
Development Incentives & Controls	62,269,179
Environmental Protection	39,049,378
Recreation & Amenity	20,615,961
Agriculture, Education, Health & Welfare	-
Miscellaneous	2,676,613
	937,093,131



Dublin City Council

FINANCIAL ACCOUNTS

STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the Accounting Code of Practice on local authority accounting, as revised by the Department of Environment, Heritage and Local Government (DEHLG) at 31st December 2008.

Exceptions to this are stated in the Policies and Notes to the Accounts.

2. Replacement of Programme Group Structure

Prior to 2008 the Annual Financial Statement was presented in a programme group structure. In 2008 it has been replaced with a service-based structure. The comparison between the programme and the new service structure is as follows.

Programme Structure	New Service Structure
Programme Groups	Divisions
Programmes	Services
Sub-programmes	Sub-services

The new service structure is a more up to date presentation of the key services provided by local authorities. Under the programme group structure overheads were allocated to programme group level. In the new service structure overheads are allocated to each service and identifies the full costs of the service.

3 . Accruals

The revenue and capital accounts have been prepared on an accrual basis in accordance with the Code of Practice.

4. Development Levies

Development Levies are accounted for on the accruals basis. Development Levies invoiced but not due for more than one year are deferred and treated as deferred income.

5. Interest Charges

Loans payable can be divided into the following two categories:

- Mortgage related loans
- Non- mortgage related loans

6.1 *Mortgage Related Loans*

Mortgage related loans have a corresponding stream of income from long term advances (i.e. monies lent by the local authorities to borrowers), for the purchase of houses. Only the interest element is charged or credited to the Income & Expenditure Statement.

6.2 *Non Mortgage Related Loans*

Note 8 to the accounts sets out the types of borrowing under this heading. Loans relating to assets/grants, revenue funding, inter local authority will not have a corresponding stream of income. Bridging finance will eventually become part of permanent funding. Loans in respect of the other headings will have a corresponding value in Note 3.

7. Pensions

Payments in respect of pensions and gratuities are charged to the revenue account in the accounting period in which the payments are made. The cost of salaries and wages in the accounts includes deductions in respect of superannuation (including Widows and Orphans) benefits. Such deductions are credited as receipts to the Income & Expenditure Statement. The requirement of current accounting standards relating to pensions and their application to local authority accounting is currently under consideration.

8. Overheads

Within the service division structure there are certain costs that can be attributed to more than one Service Division. These costs are defined as a Central Management Charge (CMC). The net expenditure of the CMC is allocated on an agreed percentage basis to each division.

9. Agency and Other Services

Expenditure on services provided or carried out on behalf of other local authorities is recouped at cost or in accordance with specific agreements.

10. Insurance

The City Council is its own insurer for the following amounts

Liability Cover €314,000

Asset Cover €500,000

Amounts in excess of the above are covered by a number of insurance companies. Our motor vehicles are covered by 3rd Party, fire and theft (driver excluded).

11. Provision for Bad & Doubtful Debts

Provision has been made in the relevant accounts for bad & doubtful debts.

12. Fixed Assets

12.1 Classification of Assets

Fixed assets are classified into categories as set out in the balance sheet. A further breakdown by asset type is set out in note 1 to the accounts.

12.2 Recognition

All expenditure on the acquisition or construction of fixed assets is capitalised on an accrual basis.

12.3 Measurement

A balance sheet incorporating all of the assets of the local authority was included for the first time in the Annual Financial Statement for 2003. The assets were valued based on the 'Valuation Guideline' issued by the DEHLG. All assets purchased or constructed as from 01/01/2004 have been included at historical cost. Accounting policies relating to leases are currently being developed and will be reflected in the financial statements in 2009.

12.4 Revaluation

As set out in the Accounting Code of Practice it will be the policy to revalue assets where appropriate, at intervals of not more than five years.

12.5 Disposals

In respect of disposable assets, income is credited to a specific reserve and is generally applied in the purchase of new assets. Proceeds of the sale of local authority houses are to be applied as directed by the DEHLG.

12.6 Depreciation

Under the current method of accounting, the charge for depreciation is offset by the amortisation of the source of funding the asset. This method has a neutral impact on the Income & Expenditure and consequently the charge for depreciation and the corresponding credit from amortisation is excluded from the Income & Expenditure Statement.

The policies applied to assets subject to depreciation are as follows:

Asset Type	Bases	Depreciation Rate
Plant & Machinery		
- Long Life	S/L	10%
- Short Life	S/L	20%
Equipment	S/L	20%
Furniture	S/L	20%
Heritage Assets		Nil
Library Books		Nil
Playgrounds	S/L	20%
Parks	S/L	2%
Land Fill Sites *		
Water Assets		
- Water Schemes	S/L	Asset life over 70 years
- Drainage Schemes	S/L	Asset life over 50 years

The Council does not charge depreciation in the year of disposal and will charge a full year's depreciation in the year of acquisition.

- There are no land fill sites in Dublin City Council

13. Government Grants

Government grants are accounted for on an accrual basis. Grants received to cover day to day operations are credited to the Income & Expenditure Statement. Grants received, relating to the construction of assets, are shown as part of the income of work-in-progress. On completion of the project the income is transferred to a capitalisation account.

14. Debt Redemption

The proceeds from the early redemption of loans by borrowers, are applied to the redemption of mortgage related borrowings from the HFA and OPW.

15. Lease Schemes

Rental payments under operating leases are charged to the Income & Expenditure. Assets acquired under a finance lease are included in fixed assets. The amount due on outstanding balances is shown under current liabilities and long-term creditors.

16. Stock

Stocks are valued on an average cost basis.

17. Work-in-Progress & Preliminary Expenditure

Work-in progress and preliminary expenditure is the accumulated historical cost of various capital related projects. The income accrued in respect of these projects is shown in the Balance Sheet as 'Income WIP'.

18. Debtors and Creditors

18.1 Debtors

At the close of the financial year, debtors represent income due but not yet received.

18.2 Creditors

At the close of the financial year, creditors represent payments due in respect of goods received and services rendered but not yet paid.

19. Interest in Local Authority Companies

The interest in the companies limited by guarantee listed in Appendix 8 has not been incorporated in the financial statements. Interest in other associated companies is included in Note 3.

INCOME & EXPENDITURE ACCOUNT STATEMENT FOR YEAR ENDED 31st DECEMBER 2008

CITY COUNCILS

The Income and Expenditure Account Statement brings together all the revenue related income and expenditure. It shows the surplus/(deficit) for the year.

Expenditure by Division

Notes	Gross Expenditure 2008 €	Income 2008 €	Net Expenditure 2008 €	Net Expenditure 2007 €
Housing & Building	230,428,640	170,818,403	59,610,237	54,163,940
Roads Transportation & Safety	86,991,842	51,786,926	35,204,916	45,945,435
Water Services	128,380,664	78,478,205	49,902,459	54,018,678
Development Management	31,953,115	10,081,779	21,871,336	16,428,886
Environmental Services	255,708,224	128,164,350	127,543,874	114,938,271
Recreation & Amenity	90,080,693	12,016,746	78,063,947	64,664,054
Agriculture, Education, Health & Welfare	50,244,920	47,581,736	2,663,184	3,250,640
Miscellaneous Services	27,747,340	7,534,031	20,213,309	4,807,367
Total Expenditure/Income	901,535,438	506,462,176	395,073,262	358,217,271
Net cost of Divisions to be funded from Rates & Local Government Fund				
Rates			304,553,512	286,358,133
Local Government Fund - General Purpose Grant			104,095,740	99,402,208
Surplus/(Deficit) for Year before Transfers			13,575,990	27,543,070
Transfers from/(to) Reserves			(16,997,010)	(22,440,934)
Overall Surplus/(Deficit) for Year			(3,421,020)	5,102,136
General Reserve @ 1st January 2008			7,747,035	2,644,899
General Reserve @ 31st December 2008			4,326,015	7,747,035

BALANCE SHEET AT 31st DECEMBER 2008

	Notes	2008 €	2007 €
Fixed Assets	1		
Operational		6,432,892,046	6,311,258,860
Infrastructural		4,493,729,502	4,517,476,242
Community		274,934,046	274,411,848
Non-Operational		309,777,542	316,592,840
		11,511,333,136	11,419,739,790
Work in Progress and Preliminary Expenses	2	936,605,806	911,728,583
Long Term Debtors	3	934,201,093	739,851,940
Current Assets			
Stocks	4	5,063,003	5,357,155
Trade Debtors & Prepayments	5	367,138,005	381,017,172
Bank Investments		-	6,000,000
Cash at Bank			8,070,665
Cash on Hand			
Urban Account	7		-
		372,201,008	400,444,992
Current Liabilities (Amounts falling due within one year)			
Bank Overdraft		41,636,443	-
Creditors & Accruals	6	393,489,493	227,286,116
Urban Account	7	-	-
Finance Leases		-	-
		435,125,936	227,286,116
Net Current Assets / (Liabilities)		(62,924,928)	173,158,876
Creditors (Amounts falling due after more than one year)			
Loans Payable	8	991,306,241	924,228,177
Finance Leases			-
Refundable deposits	9	6,105,056	3,617,325
Other			
		997,411,296	927,845,502
Net Assets		12,321,803,810	12,316,633,688
Financed by			
Capitalisation Account	10	11,511,333,136	11,419,739,790
Income WIP	2	907,587,431	913,411,032
Specific Revenue Reserve			
General Revenue Reserve		4,326,015	7,745,908
Other Balances	11	(101,442,773)	(24,263,042)
Total Reserves		12,321,803,810	12,316,633,688

NOTES TO AND FORMING PART OF THE ACCOUNTS

1. Fixed Assets

	Land €	Parks * €	Housing €	Buildings €	Plant & Machinery (Long & Short Life) €	Computers, Furniture & Equipment €	Heritage €	Roads & Infrastructure €	Water & Sewerage Network €	Total €
Costs										
Accumulated Costs @ 1/1/2008	187,120,840	2,499,000	5,684,817,855	742,834,442	20,261,899	16,307,795	274,411,849	2,351,488,704	3,292,451,051	12,572,193,436
Additions										
- Purchased	2,402,000		109,306,061	4,100,000	2,696,764	1,363,264	476,921		-	120,345,010
- Transfers WIP		1,018,646	105,780,505	24,911,547				4,008,875	-	135,719,573
Disposals	(210,000)		(108,905,619)	(12,905,500)	(225,397)	(1,653,320)			-	(123,899,836)
Revaluations	2,195,000						37,276		-	2,232,276
Historical Cost Adjustments	(3,239,298)		(465,470)	(8,511,123)			8,000		-	(12,207,891)
Accumulated Costs @ 31/12/2008	188,268,542	3,517,646	5,790,533,332	750,429,366	22,733,266	16,017,739	274,934,046	2,355,497,579	3,292,451,051	12,694,382,568
Depreciation										
Depreciation @ 1/1/2008	-	2,107,000	-	-	10,454,887	13,428,244	-	-	1,126,463,513	1,152,453,645
Provision for Year	-	703,529	-	-	1,961,310	1,828,652	-	-	27,755,615	32,249,106
Disposals						(1,653,319)			-	1,653,319.00
Accumulated Depreciation @ 31/12/2008	-	2,810,529	-	-	12,416,197	13,603,577	-	-	1,154,219,128	1,183,049,432
Net Book Value @ 31/12/2008	188,268,542	707,117	5,790,533,332	750,429,366	10,317,069	2,414,162	274,934,046	2,355,497,579	2,138,231,923	11,511,333,136
Net Book Value @ 31/12/2007	187,120,840	392,000	5,684,817,855	742,834,442	9,807,012	2,879,551	274,411,849	2,351,488,704	2,165,987,538	11,419,739,791
Net Book Value by Category										
Operational		707,117	5,790,533,332	628,920,366	10,317,069	2,414,162				6,432,892,046
Infrastructural								2,355,497,579	2,138,231,923	4,493,729,502
Community							274,934,046			274,934,046
Non-Operational	188,268,542			121,509,000						309,777,542
Net Book Value @ 31/12/2008	188,268,542	707,117	5,790,533,332	750,429,366	10,317,069	2,414,162	274,934,046	2,355,497,579	2,138,231,923	11,511,333,136

* Parks heading only contains assets that are playgrounds, depreciation applied is 20%

NOTES TO AND FORMING PART OF THE ACCOUNTS

2. Work in Progress and Preliminary Expenses

A summary of work in progress and preliminary expenditure by asset category is as follows:

	Funded	Unfunded	Total	Total
	2008	2008	2008	2007
	€	€	€	€
Expenditure				
Work in Progress	793,335,541	-	793,335,541	784,946,463
Preliminary Expenses	143,270,265	-	143,270,265	126,782,120
	936,605,806	-	936,605,806	911,728,583
Income				
Work in Progress	764,979,120	-	764,979,120	791,229,893
Preliminary Expenses	142,608,311	-	142,608,311	122,181,139
	907,587,431	-	907,587,431	913,411,032
Net Expended				
Work in Progress	28,356,421	-	28,356,421	6,283,430
Preliminary Expenses	661,954	-	661,954	4,600,981
Net Over/(Under) Expenditure	29,018,375	-	29,018,375	(1,682,449)

*Balances for 2008 work in progress expenditure and income are reinstated by €204,635,439 to reflect completed Local Authority Housing Stock, the Housing stock was incorporated into the Historical Fixed Assets in the Annual Financial Statements for 2003.

3. Long Term Debtors

A breakdown of the long-term debtors is as follows:

	Balance @	Loans	Principal	Early	Other	Balance @	Balance @
	1/1/2008	Issued	Repaid	Redemptions	Adjustments	31/12/2008	31/12/2007
	€	€	€	€	€	€	€
Long Term Mortgage Advances*	222,298,303	23,527,278	7,417,684	16,698,497	26,590,922	248,300,322	222,298,303
Tenant Purchases Advances	20,003,590	-	3,048,221	-	-	16,955,369	20,003,590
Shared Ownership Rented Equity	145,629,141	18,267,757	-	10,512,530	(25,279,405)	128,104,963	145,629,141
	387,931,034	41,795,035	10,465,905	27,211,027	1,311,518	393,360,654	387,931,034
Voluntary Housing						219,219,184	162,996,677
Development Levy Debtors						120,710,720	
Inter Local Authority Loans							
Social Housing						21,880,354	-
Cash						-	
Interest in associated companies						-	
Other						191,530,180	201,424,229
						946,701,093	752,351,940
Less: Amounts falling due within one year (Note 5)						12,500,000	12,500,000
Total Amounts falling due after more than one year						934,201,093	739,851,940

* Includes HFA Agency Loans

NOTES TO AND FORMING PART OF THE ACCOUNTS

4. Stocks

(a) A summary of stock is as follows:

	2008 €	2007 €
Central Stores		
Other Depots	5,063,003	5,357,155
Total	5,063,003	5,357,155

(b) A summary of the movement in stock is as follows:

	2008 €	2007 €
Opening Stock at 1 January	5,357,155	6,285,415
Purchases	9,985,368	8,976,575
Returns to Stores	1,114,415	674,965
Issues from Stores	(11,397,084)	(10,514,000)
Stocktake Adjustments	1,451	(17,089)
Other adjustments	1,698	(48,711)
Closing Stock at 31 December	5,063,003	5,357,155

5. Trade Debtors & Prepayments

A breakdown of debtors and prepayments is as follows:

	2008 €	2007 €
Government Debtors	211,629,754	211,649,143
Commercial Debtors	58,966,166	52,051,052
Non-Commercial Debtors	49,124,001	51,093,609
Development Levy Debtors	27,018,933	67,290,965
Other Services	40,588,819	47,980,757
Other Local Authorities	20,043,307	9,735,060
TRS Refundable	-	-
Agent Works Recoupable	(22,036,498)	(24,044,496)
Other	-	679,650
Add: Amounts falling due within one year (Note 3)	12,500,000	12,500,000
Total Gross Debtors	397,834,481	428,935,740
Less: Provision for Doubtful Debts	30,806,068	49,318,829
Total Trade Debtors	367,028,413	379,616,911
Prepayments	109,592	1,400,261
	367,138,005	381,017,172

NOTES TO AND FORMING PART OF THE ACCOUNTS

6. Creditors and Accruals

A breakdown of creditors and accruals is as follows:

	2008 €	2007 €
Trade creditors	44,215,585	29,197,358
Grants		
Revenue Commissioners	11,598,081	1,864,005
Other Local Authorities	5,010,374	200,252
Other Creditors	4,506,806	10,237,936
	65,330,846	41,499,551
Accruals	55,598,277	43,649,719
Deferred Income	224,560,370	117,136,846
Add: Amounts falling due within one year (Note 8)	48,000,000	25,000,000
	393,489,493	227,286,116

7. Urban Account

A summary of the Intercompany account is as follows:

	2008 €	2007 €
Balance at 1 January	-	-
Charge for Year	-	-
Received /Paid	-	-
Balance at 31 December	-	-

8. Loans Payable

(a) Movement in Loans Payable

	HFA €	OPW €	Other €	Balance @ 31/12/2008 €	Balance @ 31/12/2007 €
Balance @ 1/1/2008	915,769,212	-	33,533,338	949,302,550	683,590,315
Borrowings	221,532,939	-	-	221,532,939	373,510,077
Repayment of Principal	14,993,792	-	2,600,001	17,593,793	15,718,484
Early redemptions	120,199,879	-	-	120,199,879	94,889,117
Other Adjustments	6,264,424	-	-	6,264,424	2,735,387
Balance @ 31/12/2008	1,008,372,904	-	30,933,337	1,039,306,241	949,228,177

(b) Application of Loans

An analysis of loans payable is as follows:

	HFA €	OPW €	Other €	Balance @ 31/12/2008 €	Balance @ 31/12/2007 €
Mortgage loans*	241,660,814	-	-	241,660,814	232,084,119
Non-Mortgage loans					
Asset/Grants	156,203,524	-	30,933,337	187,136,861	191,672,714
Revenue Funding	-	-	-	-	-
Bridging Finance	191,530,180	-	-	191,530,180	201,424,229
Recoupable	-	-	-	-	-
Shared Ownership – Rented Equity	177,878,847	-	-	177,878,847	161,050,438
Inter-Local Authority					
Voluntary housing	219,219,184	-	-	219,219,184	162,996,677
Social Housing	21,880,354	-	-	21,880,354	-
	1,008,372,904	-	30,933,337	1,039,306,241	949,228,177

Less: Amounts falling due within one year (Note 6)

	48,000,000	25,000,000
Total Amounts falling due after more than one year	991,306,241	924,228,177

NOTES TO AND FORMING PART OF THE ACCOUNTS

9. Refundable Deposits

The movement in refundable deposits is as follows:

	2008 €	2007 €
Opening Balance at 1 January	3,617,325	7,506,946
Deposits received	2,618,964	402,020
Deposits repaid	132,363	4,300,000
Interest Received	1,130	8,359
Closing Balance at 31 December	6,105,056	3,617,325

10. Capitalisation Account

The capitalisation account shows the funding of the assets as follows:

	Balance @ 1/1/2008 €	Purchased €	Transfers WIP €	Disposals €	Revaluations €	Historical Cost Adj €	Balance @ 31/12/2008 €	Balance @ 31/12/2007 €
Grants	1,745,921,879	105,871,061	132,113,573	(4,386,619)	-	-	1,979,519,894	1,745,921,879
Loans	-	-	-	-	-	-	-	-
Revenue funded	8,770,848	4,133,528	-	(1,709,332)	-	-	11,195,044	8,770,848
Leases	-	-	-	-	-	-	-	-
Development Levies	-	-	-	-	-	-	-	-
Tenant Purchase Annuities	-	-	-	-	-	-	-	-
Unfunded	-	-	-	-	-	-	-	-
Historical	10,575,865,774	-	-	(115,211,385)	37,276	(457,470)	10,460,234,195	10,575,865,774
Other	241,634,934	10,340,421	3,606,000	(2,592,500)	2,195,000	(11,750,421)	243,433,434	241,634,934
Total Gross Funding	12,572,193,435	120,345,010	135,719,573	(123,899,836)	2,232,276	(12,207,891)	12,694,382,567	12,572,193,435
Less: Amortised							1,183,049,431	1,152,453,645
Total *							11,511,333,136	11,419,739,790

* Must agree with Note 1

NOTES TO AND FORMING PART OF THE ACCOUNTS

11. Other Balances

A breakdown of other balances is as follows:

Note	Balance @ 1/1/2008 €	Capital re-classification * €	Expenditure €	Income €	Transfer from Revenue €	Transfer to Revenue €	Internal Transfers €	Balance @ 31/12/2008 €	Balance @ 31/12/2007 €
Tenant Purchase Annuities									
- Realised (a)	36,134,992	36,134,992	(82,269)	12,486,342	-	-	(27,266,301)	21,272,764	36,134,992
- UnRealised (b)	20,003,590	20,003,590	-	(3,048,222)	-	-	-	16,955,368	20,003,590
Development Levies (c)	108,902,746	108,902,746	(27,618,479)	56,055,259	265,000	-	(60,984,283)	76,620,242	108,902,746
Unfunded Balances									
- Project Balances (d)	-	-	-	-	-	-	-	-	-
- Non-Project Balances (e)	-	-	-	-	-	-	-	-	-
Funded Balances									
- Project Balances (f)	(75,702,891)	(284,094,723)	(233,008,302)	429,018,665	(100,000)	(83,687)	26,637,325	(61,630,722)	(75,702,891)
- Non-Project Balances (g)	(139,533,606)	(133,077,543)	(169,695,444)	88,888,198	2,185,992	(2,727,103)	61,109,845	(153,316,055)	(139,533,606)
Other Balances									
- Assets (h)									
- Insurance Fund (i)	14,262,156	14,262,156	-	-	3,122,533	(182,237)	-	17,202,452	14,262,156
- General (j)	187,419,102	181,048,920	(23,468,652)	67,107,707	1,023,714	(4,956,900)	(84,787,362)	135,967,427	187,419,102
Net Capital Balances	151,486,089	(56,819,862)	(453,873,146)	650,507,949	6,497,239	(7,949,928)	(85,290,777)	53,071,476	151,486,089
Non-Mortgage Loans - Principal to be Amortised (k)								(187,136,861)	(191,672,714)
Lease Repayment - Principal to be Amortised (l)								128,864	(710,453)
Historical Opening Mortgage Funding Surplus/(Deficit) (m)								25,462,517	17,384,414
Shared Ownership Rented Equity Account (n)								(5,873,972)	(8,066,464)
Debtors Introduction Reserve								14,800,000	-
Loans & Grants Uncashed Cheques								(1,894,797)	7,316,086
								(154,514,248)	(175,749,131)
Total Other Balances								(101,442,773)	(24,263,042)

* represents a change in the status and/or funding of opening capital balances

Note (a) Accrued Repayments of annuities by borrowers who have purchased local authority houses.

Note (b) Future repayments of annuities by borrowers, not yet due, who have purchased local authority houses.

Note (c) Development contributions to be applied to either specific or general developments.

Note (d) Balances relating to completed asset codes for which funding has yet to be identified.

Note (e) Balances relating to capital codes not resulting in assets for which funding has yet to be identified.

Note (f) Balances relating to completed asset codes for which funding has been identified but not yet received.

Note (g) Balances relating to capital codes not resulting in assets for which funding has been identified but not yet received.

Note (h) Relates to reserves provisions and advance funding for future Local Authority assets.

Note (i) Relates to reserves provisions for future insurance liabilities.

Note (j) Relates to reserve provisions and miscellaneous credit balances.

Note (k) Both the principal and interest of non-mortgage loans are funded through the Income and Expenditure account.

This represents the outstanding principal on all such loans.

Note (l) Similar to (k), it represents the future lease liability that remains to be funded.

Note (m) Relates to the funding position on the Mortgage Loan book on change to Balance Sheet accounting, net of timing differences and subsequent write offs to Revenue.

Note (n) Under the shared ownership scheme both the equity element and the corresponding borrowings are indexed linked to the CPI.

This reserve represents the cumulative difference between the value of both indexations and can be attributed mainly to timing differences.

NOTES TO AND FORMING PART OF THE ACCOUNTS

12. Capital Account Analysis

The capital account has been de-aggregated and is comprised of the following accounts in the balance sheet:

	2008	2007
	€	€
Net WIP & Preliminary Expenses (Note 2)	(29,018,375)	1,682,449
Net Capital Balances (Note 11)	53,071,476	151,486,089
Agent Works Recoupable (Note 5)	22,036,498	24,044,496
Tenant Purchase Annuities Unrealised	(16,955,368)	(20,003,590)
Capital Balance Surplus/(Deficit) @ 31 December	29,134,230	157,209,451

A summary of the changes in the Capital account (See Appendix 6) is as follows:

	2008	2007
	€	€
Opening Balance @ 1 January	157,209,451	90,317,777
Expenditure	928,843,540	995,747,789
Income		
- Grants	381,843,859	346,256,924
- Loans	158,156,230	263,128,473
- Other	243,771,220	430,813,132
Total Income	783,771,309	1,040,198,529
Net Revenue Transfers	16,997,010	22,440,934
Closing Balance @ 31 December	29,134,230	157,209,451

13. Mortgage Loan Funding Surplus/(Deficit)

The mortgage loan funding position on the balance sheet is as follows:

	2008	2008	2008	2007
	Loan Annuity	Rented Equity	Total	Total
	€	€	€	€
Mortgage Loans/Equity Receivable (LT Mortgage Shared Own Note)	248,299,248	128,104,963	376,404,211	367,927,444
Mortgage Loans/Equity Payable (Mort Loans - Shared Own Note 8)	240,660,814	178,878,847	419,539,661	393,134,557
Surplus/(Deficit) in Funding @ 31 December	7,638,434	(50,773,884)	(43,135,450)	(25,207,113)

NOTE: Cash on Hand relating to Redemptions and Relending

€

14. Summary of Plant & Materials Account

A summary of the operations of the Plant & Machinery account is as follows:

	2008	2008	2008	2007
	Plant & Machinery	Materials	Total	Total
	€	€	€	€
Expenditure	-	-	-	-
Charged to Jobs	-	-	-	-
Transfers from/(to) Reserves	-	-	-	-
Surplus/(Deficit) for the Year	-	-	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

15. Transfers from/(to) Reserves

A summary of transfers to/from Reserves is as follows:

	2008 Transfers from Reserves €	2008 Transfers to Reserves €	2008 Net €	2007 €
Loan Repayment Reserve	-	8,084,846	8,084,846	4,974,314
Lease Repayment Reserve	-	717,675	717,675	683,500
Historical Mortgage Funding Write-off	-	-	-	-
Development Levies	-	-	-	-
Other	(8,249,591)	16,444,080	8,194,489	16,783,120
Surplus/(Deficit) for Year	(8,249,591)	25,246,601	16,997,010	22,440,934

16. Analysis of Revenue Income

A summary of the major sources of revenue income is as follows:

	Appendix No	2008		2007	
		€	%	€	%
Grants & Subsidies	3	117,278,043	12.8%	111,883,688	12.6%
Contributions from other local authorities		97,401,768	10.6%	94,622,989	10.6%
Goods & Services	4	291,782,365	31.9%	296,866,783	33.4%
		506,462,176	55.3%	503,373,460	56.6%
Local Government Fund - General Purpose Grant		104,095,740	11.4%	99,402,208	11.2%
Rates		304,553,512	33.3%	286,358,133	32.2%
County Charge		0			
Total Income		915,111,428	100.0%	889,133,801	100%

17. Over/Under Expenditure

The following table shows the difference between the adopted budgets and the actual outturn in respect of both expenditure and income:

	Expenditure (Over)/Under Budgets €	Income (Over)/Under Budgets €	Net Position €
Housing & Building	3,714,633	1,785,355	5,499,988
Roads Transportation & Safety	1,458,774	224,952	1,683,726
Water Services	461,981	1,432,670	1,894,651
Development Management	1,403,401	(115,387)	1,288,014
Environmental Services	(9,561,170)	6,443,703	(3,117,467)
Recreation & Amenity	2,329,731	(877,202)	1,452,529
Agriculture, Education, Health & Welfare	6,253,977	(5,898,777)	355,200
Miscellaneous Services	6,919,844	3,669,697	10,589,541
Total Divisions	12,981,171	6,665,011	19,646,182
Local Government Fund - General Purpose Grant			(1,404,260)
Rates			2,858,252
County Charge			
Transfers from/(to) Reserves			(16,997,010)
Dr/Cr Balance			(7,524,184)
(Deficit)/Surplus for Year			(3,421,020)

APPENDICES

APPENDIX 1
ANALYSIS OF EXPENDITURE
FOR YEAR ENDED 31ST DECEMBER 2008

	Notes	2008 €	2007 €
Payroll Expenses			
Salary & Wages		356,751,229	334,983,841
Pensions (incl Gratuities)		103,352,048	94,589,249
Other costs			
Total		460,103,277	429,573,090
Operational Expenses			
Purchase of Equipment		23,529,845	19,970,487
Repairs & Maintenance		23,020,261	25,942,238
Contract Payments		23,495,564	11,033,882
Agency services		-	2,678,872
Machinery Yard Charges incl. Plant Hire		44,650,325	21,210,400
Purchase of Materials & Issues from Stores		9,288,837	8,292,092
Payment of Grants		24,495,876	26,330,923
Members Costs		425,154	457,708
Travelling & Subsistence Allowances		1,870,393	1,588,577
Consultancy & Professional Fees Payments		5,093,365	5,151,404
Energy Costs		15,707,249	18,038,634
Other		135,412,660	173,421,832
Total		306,989,529	314,117,049
Administration Expenses			
Communication Expenses		13,397,420	11,153,946
Training		4,820,658	3,799,849
Printing & Stationery		6,465,535	6,395,062
Contributions to other Bodies		8,597,202	7,790,676
Other		14,103,795	14,284,445
Total		47,384,610	43,423,978
Establishment Expenses			
Rent & Rates		30,568,144	30,670,678
Other		21,319,023	10,151,422
Total		51,887,167	40,822,100
Financial Expenses		35,170,855	33,654,515
Miscellaneous Expenses		-	-
Total Expenditure		901,535,437	861,590,732

APPENDIX 2
SERVICE DIVISION A
HOUSING and BUILDING

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
A01	Maintenance/Improvement of LA Housing	75,906,800	1,992,330	(1,762,470)	-	229,860
A02	Housing Assessment, Allocation and Transfer	5,806,457	-	6,887,925	-	6,887,925
A03	Housing Rent and Tenant Purchase Administration	7,866,207	-	73,435,041	-	73,435,041
A04	Housing Community Development Support	26,244,205	144,441	688,664	-	833,105
A05	Administration of Homeless Service	49,027,871	37,171,168	1,508,752	1,080,066	39,759,986
A06	Support to Housing Capital & Affordable Prog.	7,960,071	-	289,626	-	289,626
A07	RAS Programme	11,650,959	677,600	12,284,092	-	12,961,692
A08	Housing Loans	30,600,698	493,242	23,046,242	-	23,539,484
A09	Housing Grants	15,344,234	8,706,172	32,742	-	8,738,914
A10	Voluntary Housing Scheme	22,599	-	1,710	-	1,710
A11	Agency & Recoupable Services	(1,463)	-	4,141,059	-	4,141,059
SERVICE DIVISION TOTAL		230,428,638	49,184,953	120,553,383	1,080,066	170,818,402

SERVICE DIVISION B
ROAD TRANSPORTATION and SAFETY

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
B01	NP Road - Maintenance and Improvement	2,925,443	1,261,021	37,513	-	1,298,534
B02	NS Road - Maintenance and Improvement	119,328	-	-	-	-
B03	Regional Road - Maintenance and Improvement	8,343,611	60,000	14,657	-	74,657
B04	Local Road - Maintenance and Improvement	23,495,359	6,467,632	1,272,073	-	7,739,705
B05	Public Lighting	11,470,108	-	14,437	-	14,437
B06	Traffic Management Improvement	18,812,979	327	6,239,325	157,083	6,396,735
B07	Road Safety Engineering Improvement	45,725	-	-	-	-
B08	Road Safety Promotion/Education	3,054,689	94,819	14,437	-	109,256
B09	Maintenance & Management of Car Parking	13,908,640	-	33,495,302	-	33,495,302
B10	Support to Roads Capital Prog.	3,609,658	-	2,000	-	2,000
B11	Agency & Recoupable Services	1,206,301	-	2,503,934	152,368	2,656,302
SERVICE DIVISION TOTAL		86,991,842	7,883,799	43,593,678	309,451	51,786,928

**SERVICE DIVISION C
WATER SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
C01	Operation and Maintenance of Water Supply	55,514,178	1,875,750	21,127,119	15,247,485	38,250,354
C02	Operation and Maintenance of Waste Water Treatment	70,012,916	625,250	12,239,812	23,854,642	36,719,704
C03	Collection of Water and Waste Water Charges	560,880	-	-	-	-
C04	Operation and Maintenance of Public Conveniences	150,543	-	3,387	-	3,387
C05	Admin of Group and Private Installations	-	-	-	-	-
C06	Support to Water Capital Programme	177,348	-	-	-	-
C07	Agency & Recoupable Services	1,964,800	-	1,774,108	1,730,652	3,504,760
SERVICE DIVISION TOTAL		128,380,664	2,501,000	35,144,426	40,832,779	78,478,205

**SERVICE DIVISION D
DEVELOPMENT MANAGEMENT**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
D01	Forward Planning	4,280,198	-	133,335	-	133,335
D02	Development Management	8,500,058	-	4,132,684	-	4,132,684
D03	Enforcement	3,192,461	-	264,666	-	264,666
D04	Op & Mtce of Industrial Sites & Commercial Facilities	5,196,846	-	1,430,952	892,240	2,323,192
D05	Tourism Development and Promotion	828,207	-	-	-	-
D06	Community and Enterprise Function	2,572,010	406,324	180,161	-	586,485
D07	Unfinished Housing Estates	30,483	-	-	-	-
D08	Building Control	1,365,356	-	49,712	-	49,712
D09	Economic Development and Promotion	2,176,120	-	82,538	-	82,538
D10	Property Management	230,847	-	396,615	-	396,615
D11	Heritage and Conservation Services	3,569,998	1,293,000	28,431	-	1,321,431
D12	Agency & Recoupable Services	10,531	-	791,122	-	791,122
SERVICE DIVISION TOTAL		31,953,114	1,699,324	7,490,216	892,240	10,081,780

**SERVICE DIVISION E
ENVIRONMENTAL SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
E01	Operation, Maintenance and Aftercare of Landfill	23,516,265	-	8,000,027	-	8,000,027
E02	Op & Mtce of Recovery & Recycling Facilities	8,288,361	1,231,450	3,370,404	831,129	5,432,983
E03	Op & Mtce of Waste to Energy Facilities	15,242	-	-	-	-
E04	Provision of Waste to Collection Services	50,468,703	18,346	30,704,161	-	30,722,507
E05	Litter Management	5,046,208	100,000	662,519	284,309	1,046,828
E06	Street Cleaning	39,682,602	-	321,202	-	321,202
E07	Waste Regulations, Monitoring and Enforcement	3,337,819	982,000	2,594,458	-	3,576,458
E08	Waste Management Planning	58,250	-	2,063	-	2,063
E09	Maintenance and Upkeep of Burial Grounds	78,936	-	3,739	-	3,739
E10	Safety of Structures and Places	2,880,222	824,217	2,090,117	244,360	3,158,694
E11	Operation of Fire Service	117,852,765	1,186,057	19,743,233	52,786,295	73,715,585
E12	Fire Prevention	2,825,340	-	11,250	-	11,250
E13	Water Quality, Air and Noise Pollution	1,657,511	-	25,685	-	25,685
E14	Agency & Recoupable Services	-	-	2,147,329	-	2,147,329
SERVICE DIVISION TOTAL		255,708,224	4,342,070	69,676,187	54,146,093	128,164,350

**SERVICE DIVISION F
RECREATION and AMENITY**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
F01	Operation and Maintenance of Leisure Facilities	7,617,563	-	2,440,073	-	2,440,073
F02	Operation of Library and Archival Service	28,447,452	394,256	966,051	-	1,360,307
F03	Op, Mtce & Imp of Outdoor Leisure Areas	29,132,288	-	1,033,922	11,099	1,045,021
F04	Community Sport and Recreational Development	14,204,994	2,539,327	1,113,210	-	3,652,537
F05	Operation of Arts Programme	10,691,476	576,957	1,215,896	-	1,792,853
F06	Agency & Recoupable Services	(13,082)	18,571	1,707,384	-	1,725,955
SERVICE DIVISION TOTAL		90,080,693	3,529,111	8,476,536	11,099	12,016,746

**SERVICE DIVISION G
AGRICULTURE, EDUCATION, HEALTH and WELFARE**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
G01	Land Drainage Costs	-	-	-	-	-
G02	Operation and Maintenance of Piers and Harbours	-	-	-	-	-
G03	Coastal Protection	-	-	-	-	-
G04	Veterinary Service	1,193,425	625,641	116,484	-	742,125
G05	Educational Support Services	49,051,495	46,718,384	121,227	-	46,839,611
G06	Agency & Recoupable Services	-	-	-	-	-
SERVICE DIVISION TOTAL		50,244,920	47,344,025	237,711	-	47,581,736

**SERVICE DIVISION H
MISCELLANEOUS SERVICES**

		EXPENDITURE	INCOME			
DIVISION		TOTAL	State Grants & Subsidies	Provision of Goods and Services	Contributions from other local	TOTAL
		€	€	€	€	€
H01	Profit/Loss Machinery Account	(84,415)	-	8,351	-	8,351
H02	Profit/Loss Stores Account	-	-	-	-	-
H03	Administration of Rates	4,820,148	-	5,117,736	-	5,117,736
H04	Franchise Costs	1,192,278	-	13,120	-	13,120
H05	Operation of Morgue and Coroner Expenses	2,553,095	(88,500)	193	-	(88,307)
H06	Weighbridges	-	-	-	-	-
H07	Operation of Markets and Casual Trading	1,338,475	-	1,243,439	-	1,243,439
H08	Malicious Damage	59,740	59,658	-	-	59,658
H09	Local Representation/Civic Leadership	4,178,777	-	67,935	-	67,935
H10	Motor Taxation	16,162,463	-	44,957	-	44,957
H11	Agency & Recoupable Services	(2,473,202)	822,603	114,497	130,040	1,067,140
SERVICE DIVISION TOTAL		27,747,342	793,761	6,610,228	130,040	7,534,029
TOTAL ALL DIVISIONS		901,535,437	117,278,043	291,782,365	97,401,768	506,462,176

APPENDIX 3

ANALYSIS OF INCOME FROM GRANTS AND SUBSIDIES

	2008 €	2007 €
Department of the Environment, Heritage and Local Government		
Road Grants	327	6,551,571
Housing Grants & Subsidies	49,279,975	48,006,320
Library Services	394,256	508,864
Local Improvement Schemes	-	-
Urban and Village Renewal Schemes	-	-
Water Services Group Schemes	2,501,000	1,778,000
Environmental Protection/Conservation Grants	3,523,838	4,917,090
Miscellaneous	4,685,592	1,791,985
	60,384,988	63,553,830
Other Departments and Bodies		
Road Grants	7,883,472	2,273,733
Higher Education Grants	12,592,597	12,634,088
VEC Pensions and Gratuities	33,398,370	29,417,061
Community Employment Schemes	-	-
Civil Defence	-	-
Miscellaneous	3,018,616	4,004,977
	56,893,056	48,329,859
Total	117,278,044	111,883,689

APPENDIX 4

ANALYSIS OF INCOME FROM GOODS AND SERVICES

	2008 €	2007 €
Rents from Houses	79,526,341	74,413,303
Housing Loans Interest & Charges	20,796,868	20,257,702
Domestic Water	-	-
Commercial Water	23,124,757	21,775,237
Domestic Refuse	20,171,484	21,526,198
Commercial Refuse	15,001,168	27,882,702
Domestic Sewerage	-	-
Commercial Sewerage	-	-
Planning Fees	4,143,360	4,008,299
Parking Fines/Charges	33,236,583	33,279,122
Recreation & Amenity Activities	4,089,851	-
Library Fees/Fines	778,262	294,456
Agency Services	57,408,164	54,659,834
Pension Contributions	15,643,147	14,867,389
Property Rental & Leasing of Land	3,191,479	3,209,746
Landfill Charges	-	-
Fire Charges	2,098,819	2,899,873
Miscellaneous	12,572,082	17,792,922
	291,782,365	296,866,783

APPENDIX 5

SUMMARY OF CAPITAL EXPENDITURE AND INCOME

	2008 €	2007 €
EXPENDITURE		
Payment to Contractors	439,716,898	391,344,971
Purchase of Land		
Purchase of Other Assets/Equipment	187,840,626	352,808,371
Professional & Consultancy Fees	33,995,995	44,367,282
Other	267,290,021	195,602,998
Total Expenditure (Net of Internal Transfers)	928,843,540	984,123,622
Transfers to Revenue	8,249,591	11,624,167
Total Expenditure (Incl Transfers) *	937,093,131	995,747,789
INCOME		
Grants	381,843,859	346,256,925
Non - Mortgage Loans	158,156,230	263,128,473
Other Income		
(a) Development Contributions	56,608,713	67,591,484
(b) Property Disposals		
- Land	43,016,782	48,042,971
- LA Housing	66,944,912	67,134,739
- Other property	-	-
(c) Purchase Tenant Annuities	3,048,222	3,652,243
(d) Car Parking	8,534,666	9,561,536
(e) Other	65,617,922	223,205,991
Total Income (Net of Internal Transfers)	783,771,309	1,028,574,362
Transfers from Revenue	25,246,601	34,065,101
Total Income (Incl Transfers) *	809,017,910	1,062,639,463
Surplus\ (Deficit) for year	(128,075,221)	66,891,674
Balance (Debit)\Credit @ 1 January	157,209,451	90,317,777
Balance (Debit)\Credit @ 31 December	29,134,230	157,209,451

* Excludes internal transfers, includes transfers to and from Revenue account

APPENDIX 6
ANALYSIS OF EXPENDITURE AND INCOME ON CAPITAL ACCOUNT

Summary by Service Division	BALANCE @	EXPENDITURE	INCOME				TRANSFERS			BALANCE @
	1/1/2008		Grants	Non-Mortgage Loans	Other	Total Income	Transfer from Revenue	Transfer to Revenue	Internal Transfers	31/12/2008
	€	€	€	€	€	€	€	€	€	€
Housing & Building	20,866,898	594,509,306	263,690,918	158,156,230	133,777,363	555,624,512	6,823,300	3,014,879	4,832,054	(9,377,421)
Road Transportation & Safety	984,734	77,544,684	40,021,142	-	6,197,328	46,218,470	5,242,422	2,021,122	28,991,107	1,870,927
Water Services	17,624,634	135,392,009	59,662,505	-	(4,429,269)	55,233,235	3,657,198	-	36,604,126	(22,272,816)
Development Management	112,013,607	61,778,179	3,888,171	-	86,099,791	89,987,962	878,596	491,000	(101,818,864)	38,792,122
Environmental Services	(46,548,306)	39,049,378	12,227,804	-	24,343,748	36,571,552	514,915	-	14,220,191	(34,291,026)
Recreation & Amenity	(4,688,224)	19,659,982	2,370,582	-	(1,751,534)	619,047	1,536,361	955,979	17,171,387	(5,977,390)
Agriculture, Education, Health & Welfare	-	-	-	-	-	-	-	-	-	-
Miscellaneous Services	56,956,107	910,003	(17,263)	-	(466,205)	(483,468)	6,593,809	1,766,612	-	60,389,833
TOTAL	157,209,450	928,843,541	381,843,859	158,156,230	243,771,221	783,771,311	25,246,601	8,249,591	0	29,134,230

Note: Mortgage-related transactions are excluded

APPENDIX 7

SUMMARY OF MAJOR REVENUE COLLECTIONS FOR 2008

	Arrears @ 1/1/2008 €	Accrued €	Write Off €	Waivers €	Total for Collection €	Collected €	Arrears @ 31/12/2008 €	% Collected*
Rates	34,722,452	304,549,465	5,616,183		333,655,735	296,591,099	37,064,636	89%
Rents & Annuities	11,473,606	73,399,874	500,000		84,373,480	70,433,841	13,939,639	83%
Commercial Water	17,333,535	22,277,969	2,118,483		37,493,021	18,516,590	18,976,431	49%
<u>Refuse</u>								
Domestic	36,900,555	27,467,254	4,519,603	8,647,762	51,200,444	18,951,021	32,249,424	37%
Housing Loans	2,742,431	26,925,863			29,668,294	26,672,691	2,995,602	90%

Appendix No. 8

Interest of Local Authorities in Companies

Name of Company	Principal Activities	Share Ownership (beneficial)	L.A. reps on Board	Guarantees, By L.A. For borrowings	Financial Information	Securities of L.A. in moneys advanced	CO's reflection in L.A. Accounts
Ballymun Regeneration Ltd.	The social, physical and economic regeneration of Ballymun in accordance with the objectives set out in the 1998 Masterplan agreed with the Department of Environment and Local Government and with Dublin City Council	Company Limited by Guarantee and not having a share capital	2 City Councillors and 3 officials	None		None	The results of the company are included in the capital account
Ballymun Business and Technology Park (Management) Limited	The management of any elements of the development provided by the Ballymun Business and Technology Park (Development) Ltd which remain in public ownership	Wholly owned subsidiary of Ballymun Regeneration Limited	2 DCC officials	None		None	This company is dormant but its results will be included in the capital accounts of Dublin City Council through the inclusion of the results of BRL
Ballymun Homes (Management) Limited	The provision of a management company for the sale of apartments to private purchasers where transfer of title is by way of lease and not freehold.	Wholly owned subsidiary of Ballymun Regeneration Limited	1 DCC official and the Company Secretary for BRL, who is on secondment from DCC to BRL	None		None	This company is dormant but its results will be included in the accounts of Dublin City Council through the inclusion of the results of BRL

Name of Company	Principal Activities	Share Ownership (beneficial)	L.A. reps on Board	Guarantees, By L.A. For borrowings	Financial Information	Securities of L.A. in moneys advanced	CO's reflection in L.A. Accounts
Poppintree Neighbour Centre Management Company Ltd	The company will provide the management structure for the Carrig Court neighbourhood centre on completion of the development and provide the vehicle for leasehold apartment purchasers to own the buildings and manage the operational and legal affairs of the scheme in which their apartments are situated	Company limited by Guarantee and not having a share capital	2 officials of Dublin city council	None		None	No trading from date of incorporation to 31/12/06
Coultry Neighbourhood Centre Management Company Ltd	The company will provide the management structure for the Coultry Court neighbourhood centre on completion of the development and provide the vehicle for leasehold apartment purchasers to own the buildings and manage the operational and legal affairs of the scheme in which their apartments are situated	Company limited by Guarantee and not having a share capital	2 officials of Dublin city council	None		None	No trading from date of incorporation to 31/12/06
Shangan Neighbourhood Centre Management Company Ltd	The company will provide the management structure for the Shangan Court neighbourhood centre on completion of the development and provide the vehicle for leasehold apartment purchasers to own the buildings and manage the operational and legal affairs of the scheme in which their apartments are situated	Company limited by Guarantee and not having a share capital	2 officials of Dublin City Council	None		None	No trading from date of incorporation to 31/12/2006

Name of Company	Principal Activities	Share Ownership (beneficial)	L.A. reps on Board	Guarantees, By L.A. For borrowings	Financial Information	Securities of L.A. in moneys advanced	CO's reflection in L.A. Accounts
City of Dublin Energy Management Agency Ltd. (CODEMA)	Not for profit local energy agency service for energy efficiency, renewable energy and clean transport	Total Share capital of 100 ordinary shares, 60 held by DCC	5 officials		2008 Turnover 684,165 Loss (2,927) Reserves 37,005	None	CODEMA produces its own accounts. They are not reflected in DCC accounts
Dublin Chinatown Festival Committee Ltd.	Organisation of the Dublin Chinatown Festival	A not for profit company with no share capital	2 officials	None		None	The results are included in DCC accounts
Dublin City Childcare Committee Ltd.	Co-ordination of childcare services in the City	A company limited by guarantee and not having a Share Capital	1 official	None		None	Dublin City Childcare Ltd. produces it own accounts. The results are not included in the account of DCC
Hugh Lane Gallery Trust Limited	To advance education in the Arts by operating and managing the Hugh Lane Municipal Gallery of Modern Art	A company limited by guarantee and not having a share capital	4 Councillors and 2 officials	None		None	The results are reflected in DCC accounts
Temple Bar Cultural Trust	Property Managers / Cultural Developers in the Temple Bar Area	DCC have the only share	4 Councillors and 2 officials	None	2008 Turnover 3,365,016 Loss (449,171) Reserves 9,190,641	None	The results are not included in the accounts of DCC
Fatima Regeneration Board	To oversee the physical and social regeneration of Fatima	None	1 Councillor and 2 officials	None		None	The results are reflected in DCC accounts

Name of Company	Principal Activities	Share Ownership (beneficial)	L.A. reps on Board	Guarantees, By L.A. For borrowings	Financial Information	Securities of L.A. in moneys advanced	CO's reflection in L.A. Accounts
Mansion House Ltd.	To ensure the Public Rooms at the Mansion House are operated on a fully commercial basis to ensure these protected structures are maintained to the highest standards	Issued Share Capital of 2 shares of which DCC have one and the operators have the other	3 officials	None		None	The Mansion House Ltd. produce their own accounts. The results are not included in the accounts of DCC
Urban Ballyfermot Ltd.	To implement a physical and social regeneration programme in the Ballyfermot Area	A company limited by guarantee having no share capital	3 local committees and 4 officials	None		None	DCC liabilities in respect of this company are reflected in DCC accounts

Glossary of Terms

Accruals (Matching)

The concept that income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Capital Expenditure

Expenditure on the acquisition of a fixed asset or expenditure that adds to and not merely maintains the value of an existing fixed asset

Community Assets

Assets that the local authority intends to hold in perpetuity, that have no determinable useful life, and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Contingency

A condition which exists at the balance sheet date, where the outcome will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate and Democratic Services

The corporate and democratic services comprises all activities which local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities are thus over and above those which would be incurred by a series of independent, single purpose, nominated bodies managing the same services. There is therefore no logical basis for apportioning these costs to services.

Deferred Charges

Expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. Examples of deferred charges are expenditure on items such as preliminary expenses on proposed capital schemes.

Depreciation

The measure of the wearing out, consumption, or other

reduction in the useful economic life of a fixed asset, whether arising from use, effluxion of time or obsolescence through technological or other changes.

Exceptional Items

Material items which arise from events or transactions that fall within the ordinary activities of the authority and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts. Example - redundancies, uninsured damage, uninsured structural failure of operational buildings, deficits arising on the settlement of uninsured claims, cost of industrial action and losses on investments.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the asset.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

Fixed Assets

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future compliance with certain conditions relating to the activities of the authority.

Infrastructure Assets

Fixed assets that are inalienable, expenditure on which is recoverable only by continued use of the asset created. Examples of infrastructure assets are highways and footpaths.

Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments which do not meet the above criteria should be classified as current assets.

Investment Properties

Interest in land and/or buildings:

(a) in respect of which construction work and development have been completed; and

(b) which is held for its investment potential, any rental income being negotiated at arm's length.

Long-Term Contracts

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken substantially to complete the contract is such that the contract activity falls into different accounting periods. Some contracts with a shorter duration than one year should be accounted for as long-term

contracts if they are sufficiently material to the activity of the period.

Net Book Value

The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation. Current value can be either "net current replacement cost" or "net realisable value"

Net Current Replacement Cost

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

The open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising the asset.

Non-Operational Assets

Fixed assets held by a local authority but not directly occupied, used or consumed in the delivery services. Examples of non-operational assets are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operating Leases

A lease other than a finance lease.

Operational Assets

Fixed assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Post Balance Sheet Events

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the AFS is

signed by the responsible financial officer.

Prior Year Adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors.

Prudence

The concept that revenue is not anticipated but is recognised only when realised in the form either of cash or of other assets the ultimate cash realisation of which can be assessed with reasonable certainty.

Stocks

Comprise the following categories:

- (a) goods or other assets purchased for resale;
- (b) consumable stores;
- (c) raw materials and components purchased for incorporation into products for sale;

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.