



Tionól Réigiúnach an Deiscirt Southern Regional Assembly

ANNUAL FINANCIAL STATEMENTS

FOR YEAR ENDED 31ST DECEMBER 2015



Ireland's European Structural and
Investment Funds Programmes
2014-2020

Co-funded by the Irish Government
and the European Union



European Union
European Regional
Development Fund



CONTENTS

Certificate of Director	Page 2
Audit Opinion	Page 3
Statement of Accounting Policies	Page 4
Accounts 2015	Pages 5-6

Notes to Accounts:

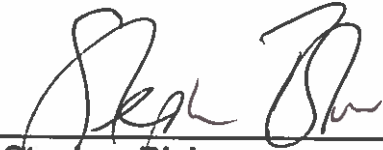
1. Analysis of Income and Expenditure Statements and Balance Sheets for the following accounts:	Pages 7-9
▪ Assembly (General Administration)	
▪ Technical Assistance (General)	
▪ Interreg	
▪ EU Projects	
▪ Gateways & Hubs Fund	
▪ Project Payments (Ireland-Wales)	
▪ Technical Assistance (Ireland-Wales)	
2. Tangible Fixed Asset Register and Depreciation	Page 10
3. Schedule of Apportionment of Expenditure (Local Authority Contributions)	Page 11

**CERTIFICATE OF DIRECTOR FOR THE YEAR ENDED
31ST DECEMBER 2015**

I certify that the financial statements, as attached, of the Southern Regional Assembly for the year ended 31st December 2015, are in agreement with the books of accounts and have been prepared in accordance with the accounting requirements as directed by the Minister for the Environment, Community and Local Government.

I am satisfied that there were satisfactory systems, procedures and controls in place to ensure that all the records and registers are accurately and fully recorded in those records and registers of the Southern Regional Assembly relevant to 2015.

Signed:



Stephen Blair
Director

Date:

29/3/16

AUDIT OPINION

Independent Auditor's Opinion to the Members of Southern Regional Assembly

I have audited the annual financial statement of Southern Regional Assembly for the year ended 31 December 2015.

Responsibilities of the Assembly and the Local Government Auditor

The Assembly, in accordance with Section 107 of the Local Government Act, 2001, is responsible for the maintenance of all accounting records including the preparation of the Annual Financial Statement. 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 Code of Audit Practice, as prescribed under Section 117 of the Local Government Act, 2001. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the annual financial statement. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statement, and of whether the accounting policies are appropriate to the Assembly'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 statement is free from material misstatement, whether caused by fraud or error.

Opinion on the financial statement

In my opinion the annual financial statement presents fairly, in accordance with the Local Government Act, 1991 (Regional Assemblies) (Establishment) Order 2014, the financial position of the Southern Regional Assembly at 31 December 2015 and its income and expenditure for the year then ended.

Statutory Audit Report

I have also prepared an associated audit report as provided for in Section 120(1)(c) of the Local Government Act, 2001.


Local Government Auditor

Date: 24 March, 2016

STATEMENT OF ACCOUNTING POLICIES

1. The Annual Financial Statement has been prepared in accordance with LG09/2014 Local Government Reform Act 2014 – Regional Structures Reorganisation, the Local Government Act, 1991 (Regional Authorities) (Amendment) Order, 2014, S.I. No. 228 of 2014 and the Local Government Act, 1991 (Regional Authorities) (Establishment) Order, 2014, S.I. No. 573 of 2014 and all other relevant circulars.
2.
 - (i) The accounts are prepared on an Accruals basis in the format of an Income and Expenditure Account and Balance Sheet.
 - (ii) Expenditure is defined as all payments made in year to 31/12/2015 & Creditors appropriate to 2015.
 - (iii) Income is those monies actually received in the twelve months to 31/12/2015 and Debtors, appropriate to 2015 but not received at 31/12/2015
 - (iv) At the close of the financial year, Debtors represent income due but not yet received.
 - (v) At the close of the financial year, Creditors represent payments due in respect of goods received and services rendered but not yet paid.
 - (vi) The Debtors and Creditors as shown on the Balance Sheet includes €73,136 relating to inter-account claims, as follows:

	AFS 2015	Regional Assembly	Technical Assistance	Interreg	EU Projects	Ire-Wales TA
Inter-Account Debtors	€73,136	€36,828	€0	€0	€0	€36,308
Inter-Account Creditors	€73,136	€36,308	€17,635	€4,025	€9,822	€5,347

3.
 - (i) Fixed Assets are classified into categories as set out in Note 2 to Accounts and are incorporated in the balance sheet. All expenditure in the acquisition of assets is recognised on an accrual basis.
 - (ii) Depreciation is calculated on a straight line basis and charged in the Income and Expenditure account, commencing in year of acquisition. The net book value of the assets appears in the Balance Sheet. Depreciation rates are as follows:

<i>Property</i>	<i>2%</i>	<i>Furniture & Fittings</i>	<i>10%</i>
<i>IT Equipment</i>	<i>33%</i>	<i>Office Equipment</i>	<i>10%</i>
4. The Regional Assembly is responsible for the management of EU funds in addition to the day to day operation of administering the Assembly functions as detailed in the Assembly's Establishment Order and Directions. During 2015, the Assembly Account operated for the latter, while the Technical Assistance, Interreg, EU Projects, Gateways & Hubs Fund, Ireland-Wales Project Payments and the Ireland-Wales Technical Assistance Account operated for the management of ERDF funded activities. The annual accounts of these funds are included as part of the Assembly's Account. It is envisaged that further funds and accounts of a similar nature will be introduced over the period of the Regional OP 2014 - 2020 and these will be treated in a similar manner in the Assembly's accounts.
5. Expenditure incurred by the Regional Assembly in carrying out its managing, monitoring and evaluation function is funded via the Technical Assistance Priority of the Operational Programme. When reclaimed from TA, this income is offset against appropriate expenditure codes in the Assembly accounts. Likewise, when expenditure in relation to involvement in other EU programmes/projects is reclaimed, this income is also offset against appropriate expenditure codes. During 2015, an amount of €250,388.10 was reclaimed to main assembly account under TA and €92,637.94 under Interreg.
6. All costs associated with the South-West Regional Authority office at Ballincollig, Co. Cork continued to be paid by the Regional Assembly during 2015, including an element of salaries of former SWRA Staff.
7. The Regional Assembly has provided a contingency reserve fund as it is considered prudent that sufficient funds are held to ensure adequate cashflow for operational purposes and to provide a reserve for future pension payments and other specific purposes. The amount held in Reserves at year end is €740,004 (excluding excess of income over expenditure).
The acquisition and refurbishment of the new Assembly Offices was funded from the general reserve during 2015. This capital expenditure of €360,000 was not recorded as an expenditure item under our revenue budget but is shown as a fixed asset on the balance sheet. The major refurbishment works will be undertaken in 2016 and will be funded from this reserve.

Southern Regional Assembly
Income and Expenditure Account as at 31st December 2015

Income	2014 €	2015 €
Local Authority Contributions	2,345,284	1,625,447
IRO Income	76,086	0
Interreg Recoupment /Other (DPER)	20,678	0
EU Programme Recoupment	10,698,143	5,741,885
Dept of Public Expenditure & Reform	1,324,940	323,767
Technical Assistance Recoupment	708,975	893,846
First Level Control Receipts	85,112	62,601
Bank Interest Receivable	11,026	924
Inter-Company Transfer	105,818	163,339
Miscellaneous	36,604	12,206
Total	<u>15,412,665</u>	<u>8,824,015</u>
Expenditure		
Payroll Costs	2,415,573	1,289,775
Pension Related Deduction	45,707	60,788
Superannuation	38,696	39,433
Travel & Subsistence – Staff	156,509	96,995
Members Annual Allowance - Art 35 (1)	197,577	75,378
Members Travel & Subsistence - Art 35 (2) (A)	45,527	24,701
Members Training	0	4,647
Association of Irish Regions (AIR)	0	1,000
Conference Fees	13,346	2,416
Office Equipment & Supplies	83,252	24,138
Repairs, Maintenance & Office Costs	42,991	48,849
Annual Contracts	17,918	15,722
Energy Costs	26,324	22,888
Post & Phone	60,903	25,746
Rent, Rates & Water Charges	189,683	118,865
Insurance	12,986	13,752
Annual Report	2,316	4,162
Consultancy/Professional Fees	64,727	25,212
Public Relations	32,480	47,735
Contributions – LGMA 2015	381,878	8,471
Health and Safety	1,682	1,785
Technical Assistance - Regional Authorities	7,461	0
EU Programmes – Project Payments	11,329,927	8,227,237
Gateway Grant Scheme – Project Payments	1,099,565	323,767
Match Funding	179,849	0
IE Network	66,403	0
Regional Planning Guidelines	154,150	0
Depreciation Charge	18,230	21,014
Territorial Co-operation Operating Programme	2,923	18,093
Inter-Company / Bank Transfer	50,000	60,083
Bank Charges	8,775	1,451
VAT	23,639	2,531
Bad debts written off (FLC)	2,217	0
Miscellaneous	55,761	13,675
Total Expenses	<u>16,828,974</u>	<u>10,620,310</u>
Excess of Income over Expenditure	-1,416,310	-1,796,295

Southern Regional Assembly
Balance Sheet as at 31st Dec 2015

	2014	2015
	€	€
Fixed Assets	67,060	419,926
Current Assets		
Cash at Bank	5,726,073	3,794,904
Debtors	1,748,034	1,068,483
	7,474,107	4,863,388
Current Liabilities		
Creditors & Accruals	973,347	410,868
Credit Card	2,675	1,525
	976,022	412,392
Net Current Assets	6,498,085	4,450,995
Net Assets	6,565,146	4,870,921
<u>Financed by</u>		
Balance @ beginning of year	7,947,053	6,627,782*
Excess of Income over Expenditure	-1,381,907	-1,796,293
Pension Reserve	0	39,433
	6,565,146	4,870,921

**Incoming balance 2015 does not include -€62,635 transferred to Eastern & Midland Regional Assembly*

SOUTHERN REGIONAL ASSEMBLY
Analysis of Income & Expenditure 2015

NOTE 1	Analysis of Income 2015									
	AFS 2015	Assembly Account 2015	Technical Assistance Account 2015	Interreg Account 2015	EU Projects Account 2015	Gateways & Hubs Account 2015	Ire-Wales Project Payments Account 2015	Ire-Wales Technical Assistance Account 2015	Regional Offices Account 2015	
INCOME										
Local Authority Contributions	€ 1,625,447	€ 1,625,447	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
Technical Assistance Recoupment (DPER)	€ 893,846	€ -	€ 402,676	€ -	€ -	€ -	€ 491,170	€ -	€ -	
Salary Recoupment from EU Programmes	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
Travel Recoupment from EU Programmes	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
Interreg Staff Travel Recoupments (DPER)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
First Level Control Receipts	€ 62,601	€ -	€ -	€ 62,601	€ -	€ -	€ -	€ -	€ -	
EU Programme Recoupment	€ 5,741,885	€ -	€ -	€ 81,583	€ 10,155	€ -	€ 5,652,181	€ -	€ -2,033	
Dept. of Public Expenditure & Reform	€ 323,767	€ -	€ -	€ -	€ -	€ 323,767	€ -	€ -	€ -	
Superannuation	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
Intercompany Transfer	€ 163,339	€ 163,339	€ -	€ -	€ -	€ -	€ -	€ -	€ -	
Bank Interest	€ 924	€ 2	€ -	€ -	€ -	€ -	€ 909	€ 0	€ 13	
Miscellaneous	€ 12,206	€ 2,878	€ -	€ -	€ -	€ -	€ -	€ -	€ 9,328	
Total	€ 8,824,015	€ 1,791,665	€ 402,676	€ 144,184	€ 10,155	€ 323,767	€ 5,653,090	€ 491,170	€ 7,308	

NOTE 1

Analysis of Expenditure 2015

	AFS 2015	Assembly Account 2015	Technical Assistance Account 2015	Interreg Account 2015	EU Projects Account 2015	Gateways& Hubs Account 2015	Ire-Wales Project Payments Account 2015	Ire-Wales Technical Assistance Account 2015	Regional Offices Account 2015
EXPENDITURE									
Payroll Costs*	€ 1,289,775	€ 805,744	€ 163,557	€ 71,805	€ 7,784	€ -	€ -	€ 240,885	€ -
Pension Related Deduction	€ 60,788	€ 48,690	€ -	€ -	€ -	€ -	€ -	€ 12,098	€ -
Superannuation	€ 39,433	€ 39,433	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Travel & Subsistence	€ 96,995	€ 30,955	€ 24,030	€ 21,846	€ 1,095	€ -	€ -	€ 18,558	€ 511
Members Ann. Alls. Art 35 (1)	€ 75,378	€ 75,378	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Members Travel Art 35 (2) (A)	€ 24,701	€ 7,781	€ 16,921	€ -	€ -	€ -	€ -	€ -	€ -
Members Training	€ 4,647	€ 4,647	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Conference Fees	€ 2,416	€ 2,416	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Office Eqp & Supplies	€ 24,138	€ 15,826	€ 3,808	€ -	€ -	€ -	€ -	€ 4,271	€ 234
Energy Costs	€ 22,888	€ 22,183	€ -	€ -	€ -	€ -	€ -	€ -	€ 705
Post & Telephone	€ 25,746	€ 17,077	€ 41	€ -	€ -	€ -	€ -	€ 7,186	€ 1,442
Rent, Rates & Water Charges	€ 118,865	€ 96,444	€ -	€ 3,243	€ -	€ -	€ -	€ 19,177	€ -
Repairs, Maintenance & Office Costs	€ 48,849	€ 35,509	€ -	€ -	€ -	€ -	€ -	€ 12,241	€ 1,099
Annual Contracts	€ 15,722	€ 15,722	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Insurance	€ 13,752	€ 12,619	€ -	€ -	€ -	€ -	€ -	€ 1,133	€ -
Annual Report	€ 4,162	€ 4,162	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Consultancy/Professional Fees	€ 25,212	€ 25,212	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Public Relations	€ 47,735	€ 5,014	€ 34,739	€ -	€ -	€ -	€ -	€ 7,982	€ -
Contributions & Fees	€ 9,471	€ 9,471	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Bank Charges	€ 1,451	€ 843	€ 52	€ -	€ -	€ -	€ 19	€ 331	€ 207
Health and Safety	€ 1,785	€ 1,686	€ -	€ -	€ -	€ -	€ -	€ 99	€ -
EU Programmes - Project Payments	€ 8,227,237	€ -	€ -	€ -	€ -	€ -	€ 8,227,237	€ -	€ -
Gateway Grant Scheme - Project Payments	€ 323,767	€ -	€ -	€ -	€ -	€ 323,767	€ -	€ -	€ -
Depreciation Charge	€ 21,014	€ 17,312	€ -	€ -	€ -	€ -	€ -	€ 3,702	€ -
Territorial Co-operation Operating Programme	€ 18,093	€ -	€ -	€ -	€ -	€ -	€ -	€ 18,093	€ -
VAT	€ 2,531	€ 332	€ -	€ -	€ -	€ -	€ -	€ 2,199	€ -
Inter-bank transfer	€ 60,083	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ 60,083
Miscellaneous	€ 13,675	€ 2,226	€ 7,292	€ -	€ 943	€ -	€ -	€ 200	€ 3,014
Total Expenditure	€ 10,620,310	€ 1,296,681	€ 250,440	€ 96,895	€ 9,822	€ 323,767	€ 8,227,256	€ 348,155	€ 67,295
Excess of Income over Expenditure	-€ 1,796,295	€ 494,984	€ 152,236	€ 47,290	€ 333	€ -	-€ 2,574,166	€ 143,016	-€ 59,987

*Payroll Costs include Staff Training & Recruitment

NOTE 1 (continued)

Analysis of Balance Sheet as at 31/12/2015

	AFS 2015	Regional Assembly Account 2015	Technical Assistance Account 2015	Interreg Account 2015	EU Projects (Atlant-kis) Account 2015	Gateways & Hubs Account 2015	Ire-Wales Project Payments Account 2015	Ire-Wales Technical Assistance Account 2015	Regional Offices Account 2015
Fixed Assets	€ 419,926	€ 413,140	€ -	€ -	€ -	€ -	€ -	€ 6,786	€ -
Current Assets									
Cash at Bank	€ 3,794,984	€ 610,782	€ 576,497	€116,169	€ 180,829	€ 24	€2,053,138	€ 223,785	€ 33,680
Debtors	€ 1,068,483	€ 516,294	€ -	€ 38,326	€ -	€ -	€ 462,038	€ 36,308	€ 15,517
	€ 4,863,388	€1,127,076	€ 576,497	€154,495	€ 180,829	€ 24	€2,515,176	€ 260,093	€ 49,197
Current Liabilities									
Creditors & Accruals	€ 410,868	€ 303,702	€ 17,635	€ 4,025	€ 9,822	€ -	€ 50,144	€ 25,540	€ -
Credit Card	€ 1,525	€ 1,525	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	€ 412,392	€ 305,227	€ 17,635	€ 4,025	€ 9,822	€ -	€ 50,144	€ 25,540	€ -
Net Current Assets	€ 4,450,995	€ 821,849	€ 558,863	€150,470	€ 171,007	€ 24	€2,465,032	€ 234,553	€ 49,197
Net Assets	€ 4,870,921	€1,234,989	€ 558,863	€150,470	€ 171,008	€ 24	€2,465,032	€ 241,339	€ 49,197
Financed by									
Balance @ 1/1/2015	€ 6,627,782	€ 700,572	€ 406,627	€103,180	€ 170,675	€ 24	€5,039,199	€ 98,323	€ 109,182
Excess of Income over Exp	-€ 1,796,293	€ 494,984	€ 152,236	€ 47,290	€ 333	€ -	-€2,574,166	€ 143,016	-€ 59,985
Pension Reserve	€ 39,433	€ 39,433	€ -	€ -	€ -	€ -	€ -	€ -	€ -
	€ 4,870,921	€1,234,989	€ 558,863	€150,470	€ 171,008	€ 24	€2,465,032	€ 241,339	€ 49,197

Southern Regional Assembly
Consolidated Fixed Asset Register and Depreciation

Note 2

Value	Leasehold Improvements	Furniture & Fittings	Heritage Assets	Property	Office Equipment	IT Equipment	Total
O/B 1st January 2015	€ 508	€ 40,230	€ 40,850	€ -	€ 16,102	€ 170,858	€ 268,548
Additions	€ -	€ -	€ 860	€ 360,000	€ -	€ 13,020	€ 373,880
Disposals	€ -	€ -	€ -	€ -	€ -	€ -	€ -
C/B 31st December 2015	€ 508	€ 40,230	€ 41,710	€ 360,000	€ 16,102	€ 183,879	€ 642,428
Accumulated Depreciation							
O/B 1st January 2015	€ 508	€ 24,152	€ -	€ -	€ 11,453	€ 165,374	€ 201,488
Charge for the year 2015	€ -	€ 3,809	€ -	€ 7,200	€ 1,545	€ 8,460	€ 21,014
Write-Offs 2015	€ -	€ -	€ -	€ -	€ -	€ -	€ -
C/B 31st December 2015	€ 508	€ 27,961	€ -	€ 7,200	€ 12,999	€ 173,834	€ 222,502
Net Book Value							
1st January 2015	€ -	€ 16,077	€ 40,850	€ -	€ 4,648	€ 5,484	€ 67,060
31st December 2015	€ -	€ 12,269	€ 41,710	€ 352,800	€ 3,103	€ 10,044	€ 419,926

Southern Regional Assembly

Local Authority Contributions 2015

<i>Charge 2015: €1,625,446.70</i>			Total Income Charge 2015	Total Paid
<i>Received 2015: €1,203,855.68</i>	<i>*Census 2011 Population</i>	<i>Total %</i>	€	€
Carlow County Council	54,612	3.54%	€57,588.32	€57,588.32
Clare County Council	117,196	7.60%	€123,583.12	€123,583.12
Cork City Council	119,230	7.74%	€125,727.98	€125,727.98
Cork County Council	399,802	25.94%	€421,591.02	€0.00*
Kerry County Council	145,502	9.44%	€153,431.80	€153,431.80
Kilkenny County Council	95,419	6.19%	€100,619.30	€100,619.30
Limerick City & County Council	191,809	12.44%	€202,262.50	€202,262.50
Tipperary County Council	158,754	10.30%	€167,406.02	€167,406.02
Waterford City & County Council	113,795	7.38%	€119,996.77	€119,996.77
Wexford County Council	145,320	9.43%	€153,239.87	€153,239.87
Total	1,541,439	100%	€1,625,446.70	€1,203,855.68

*Cork County Council appears as a Debtor at year-end. However, the outstanding contribution of €421,591.02 was paid in January 2016.