

NADUR

Local Council

Quarterly Financial Report

for the Period

1st January till End of June 2018 (Quarter 2)

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Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till June 2018, which depicts the financial status of the Local Council for this period. It is important to understand that the quarterly report was presented on the accruals principle. Such principle is highly prominent when considering expenses. This is so since when applying such principle not only the expenditure which was paid during the period is taken into consideration, but also those expenses which have been incurred by the Council during the period but were still due as at the end of this said period. In this way, income is matched with the corresponding expenditure, resulting in a more reliable and wholesome picture of the financial situation being considered.

As can be seen from the Statement of Income and Expenditure, the Local Council ended the second quarter of the year with a surplus of Euro 3,507. It is good to point out that this result implies that the Local Council managed to turn a deficit of Euro 6,300 in the first quarter to a surplus in the second quarter notwithstanding the numerous activities which the Local Council undertook during this quarter. Another positive thing to note is that the Nadur Local Council managed to keep up with budgeted figures. In fact, actual expenses for January to June 2018 are in line with budget and in fact exceed projected expenses very slightly, by less than 0.5% of budget. With respect to income, it is important to point out that income is less than budget in view of that fact that budgeted figures were based on actual figures featuring in financial statements for 2017, which income figures had incorporated in them deferred income. Such income, being mainly an accounting adjustment, is included in the financial statements at the end of the year.

Another important fact to note is that in spite of the day-to-day expenditure and all other activity related expenditure that the Council incurs, the Local Council still managed to repay part of its deficit as per planned repayment schedules. In fact, even though when comparing to 2017, creditors in absolute terms increased, such increase arose from day-to-day and activity related suppliers whilst amounts owed to deficit suppliers decreased. Such day-to-day and activity related suppliers were eventually paid after the end of quarter from funds which the Local Council held at bank as at the end of June 2018 which funds are shown in the Statement of Affairs under Cash and Cash Equivalents.

Such effective management of the Local Council's finances were also reflected in the Financial Situation Indicator (FSI). In fact, when compared to end of year 2017, FSI continued to decrease as planned in line with the deficit plan drafted by the Local Council. It is vital to keep in mind that the Nadur Local Council managed to keep in line with the repayment plan to correct its deficit situation whilst at the same time continuing to deliver its services and also managing to obtain necessary finance from alternative sources for new capital projects.

Statement of Income and Expenditure**1st January till End of June 2018 (Quarter 2)**

DESCRIPTION	Annual Budget 2018	
	€	€
Income		
Funds received from Central Government (1)	248,244	555,137
Income raised from Bye-Laws (2)	10,562	18,850
Income raised from LES (3)	825	2,593
Investment Income (4)	6	31
Other Income (5)	24,242	16,599
TOTAL	283,879	593,210
Expenditure		
Personal Emoluments (6)	43,281	86,801
Operations and Maintenance (7)	141,623	288,623
Administration (8)	28,783	47,929
Finance Cost (9)	866	1,987
Other Expenditure (10)	65,819	132,744
TOTAL	280,372	558,084
Surplus / Deficit	3,507	35,126

Balance Sheet as at end of June 2018 (Quarter 2)

DESCRIPTION	Annual Budget 2018	
	€	€
Non-current Assets		
Property, Plant and Equipment (17)	1,441,098	1,373,001
Current Assets		
Inventories (11)	-	-
Receivables (12)	36,687	20,624
Cash and Cash Equivalents (13)	197,635	31,266
Total Current Assets	234,322	51,890
Current Liabilities		
Payables (14)	966,858	696,495
Current portion of Long-Term Borrowings	9,448	9,448
Total Current Liabilities	976,306	705,943
Net Current Assets	(741,984)	- 654,053
Non-current liabilities (15)	31,075	26,344
Net Assets	668,039	692,604
Reserves		
Retained Funds	668,039	692,604

Financial Situation Indicator

DESCRIPTION		
Current Assets	234,322	51,890
Current Liabilities	976,306	705,943
Total Long Term Liabilities	31,075	26,344
Commitments approved by Ministry		-
	(773,059)	(680,397)
Total Government Allocation	471,929	471,929
	-164%	-144.17%

Cash Flow Statement

	€
Cash flow from operating activities	
Surplus for the year	3,507
Adjustments for:	
Depreciation	65,819
Increase / (Decrease) in Allowance for Bad Debts	-
Interest receivable	(6)
Interest payable	866
(Profit) / Loss on disposal of asset	-
Increase / (Decrease) in payables	-21193
Increase / (Decrease) in accruals	-19439
Decrease / (Increase) in receivables	-13181
Decrease / (Increase) in inventories	-
Decrease / (Increase) in inventories	-
Cash generated from operations	16,373
Interest paid	0
<i>Net cash from operating activities</i>	16,373
Cash flows from investing activities	
Purchase of property, plant & equipment	-34011
Proceeds from sale of property, plant & equipment	0
Grants received	0
Interest received	6
<i>Net cash used in investing activities</i>	-34005
Cash flows from financing activities	
Proceeds from long-term borrowings	0
Interest Paid	-866
Bank Loan Repayments	-3857
<i>Net cash from financing activities</i>	-4723
Net increase/(decrease) in cash & cash equivalents	(22,355)
Cash & cash equivalents at beginning of year	219990
Cash & cash equivalents at end of Quarter	197635

DESCRIPTION	€
Income	
1 Funds received from Cental Government:	
0001 In terms of section 55 CAP 363	240,965
0002-0004 In terms of section 58 CAP 363	7,279
0005-0019 Other income	-
	248,244
2 Income raised from Bye-Laws	
0021-0025 Community Services	636
0026-0035 Income from Permits	9,926
	10,562
3 Local Enforcement Income	
0037 Commission from Regional Committees	-
0038-0055 Contraventions	825
	825
4 Investment Income	
0091-0095 Bank interest	6
0096-0099 Income received from Governmet Securities	-
	6
5	
0056-0065 Sponsorships	12,500
0066-0069 Documents & Information	9
0070-0075 EU funds	-
0076-0080 Twinning	-
0081-0089 Insurance Claims	-
0100-0109 Donations	-
0110-0119 Contributions	-
0120-0129 General Income	11,733
	24,242
Total	283,879
6 i) Personal Emoluments	
1100 Mayor's Allowance	6,932
1200 Employees' Salaries & Wages	29,948
1300 Bonuses	-
1400 Income Supplements	819
1500 Social Security Contributions	2,719
1600 Allowances	638
1700 Overtime	2,225
	43,281
ii) Number of Employees	
Full time	
Executive Secretary	1
Clerk	1
General Hand	1
	3
Part time	
Mayor	1
Councillors	4
	5
Total number of employees	8

DESCRIPTION	€
7 Operations and Maintenance	
2100-2149 Public Utilities	4,156
2200-2259 Public Materials & Supplies	5,121
2300-2399 Repairs & upkeep	10,976
2400-2449 Rent	1,035
3010 Street Lightning	1,901
3020 Lease of Equipment	20,975
3030 Insurance	1,027
3035 Bank Charges	121
3038 Penalties	-
3041 Refuse Collection	29,752
3042 Bulky Refuse Collection	3,287
3043 Bins on wheels	-
3045 Bring in sites	-
3051 Road & Street Cleaning	6,323
3052 Cleaning & Maintenance of Non-Urban Areas	208
3053 Cleaning of Public Conveniences	1,564
3055 Cleaning of Council Premises	718
3040 Waste Disposal	10,189
3060 Cleaning & Maintenance of Parks & Gardens	3,802
3061 Cleaning & Maintenance of Soft Areas	-
3062 Cleaning & Maintenance of Beaches & CA	-
3063 Cleaning & Maintenance of Country Non-Urban	-
6064 Other contractual Services	8,371
3070-3090 Consultation Fees	5,555
3100-3139 Contract & Project Management	5,307
3300-3379 Hospitality	20,554
3380-3389 Community	60
3390-3394 Donations	-
3600-3694 Local Enforcement Expenses	621
3700-3799 EU Projects	-
3800-3899 Twinning	-
	141,623
8 Administration	
2150-2199 Office Utilities	1,273
2260-2299 Office Materials & Supplies	-
2450-2499 Office Rent	-
2500-2599 National & International Memberships	1,283
2600-2699 Office Services	3,812
2700-2799 Transport	5,897
2800-2899 Travel	1,660
2900-2999 Information Services	3,595
3050 Office Cleaning	1,731
3410-3199 Professional Services	9,376
3200-3299 Training	-
3345 Office Hospitality	-
3400-3499 Incidental Expenses	156
	28,783
9 Finance Costs	
3036 Interest on Bank Loan	866
	866

DESCRIPTION	€
10 Other Expenditure	
1500-3599 Loss / (Profit) on Disposal of asset	-
3695 Increase/(Decrease) in allowance for bad debts	-
8000-8099 Depreciation	65,819
	65,819
Total	280,372
11 Inventories	
5201-5249 Stationery	-
5250-5299 Consumables	-
	-
	-
12 Receivables	
0201-0209 Receivables	11,137
0210-0219 LES Receivables	-
0220-0229 Receivables from EU	-
0250 Prepayments & Accrued income	25,550
	36,687
13 Cash & Equivalents	
5001-5099 Bank & Cash Balances	197,635
	197,635
14 Payables	
4000 Payables	241,344
4100 Accruals	15,679
4150 Deferred Income	709,835
Current portion of long term borrowings	9,448
	976,306
15 Non Current Liabilities	
4200 Long Term Borrowing	31,075
	31,075

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Capital Commitments

DESCRIPTION

€

Approved but not yet contracted for:

Embellishment of Playing Fields
Other Projects

25,000
100,000
125,000

Contracted for but not provided for in Quarterly Financial Statements:

Restructuring of Roads

161,000
161,000

Others

17 Depreciation of Property, Plant and Equipment

Asset	Trees	Office Furniture / Fittings	Office & Computer Equipment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	Total
% of depreciation	0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
Cost	€	€	€	€	€	€	€	€	€	
As at 1st January 2018	6,812	32,674	32,271	32,625	556,551	13,942	2,464,311	136,328	138,150	3,413,664
Additions		204			7,220		26,587			34,011
Disposals										-
As at end of June 2018	6,812	32,878	32,271	32,625	563,771	13,942	2,490,898	136,328	138,150	3,447,675
Grants/ other reimbursements										
As at 1st January 2018	-	-	-	-	-	-	229,616	68,341	-	297,957
Additions										-
As at end of June 2018	-	-	-	-	-	-	229,616	68,341	-	297,957
Accumulated Depreciation										
As at 1st January 2018	-	21,695	24,657	30,017	366,817	13,942	1,122,070	54,835	8,768	1,642,801
Charge for the period		366	818	287	10,111	-	53,191	402	644	65,819
Released on disposal										-
As at end of June 2018	-	22,061	25,475	30,304	376,928	13,942	1,175,261	55,237	9,412	1,708,620
NBV As at end of June 2018	6,812	10,817	6,796	2,321	186,843	-	1,086,021	12,750	128,738	1,441,098