

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of September 2020 (Quarter 3)



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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 September 2020, 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 this quarter with a deficit of Euro 454. However, this is only an absolute figure and to better understand the overall financial situation of the Local Council, one needs to look at the wider picture. It is important to point out that when compared to budget, income was 75% of budgeted income whereas expenditure as at end of September 2020 was around 67% of the budgeted expenditure. The main reason why actual expenditure was less than budget is in view of the COVID-19 special circumstances since the Council for health reasons had to cancel or postpone a number of its activities during this period, in particular most of the activities in relation to Mnarja 2020 and the Delicata Wine Festival. However, it is important to note that during this period the Nadur Local Council took the opportunity to use the money which would have been utilised to fund the cancelled activities to renovate and repair various spots and items in the Nadur locality. When looking at the quarterly report, one also has to keep in mind that the deficit figure includes depreciation for the quarter amounting to Euro 117,224. Such depreciation is not an actual expense but rather an apportionment of the wear and tear costs of the fixed assets of the Local Council purchased over the years. In fact, if such depreciation cost is reversed the Local Council would end up with a surplus for the quarter.

Another important fact to point out 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 improve its deficit during this quarter. In fact, such effective management of the Local Council's finances was also reflected in the Financial Situation Indicator (FSI) since up till end of September 2020, the FSI improved by 17% from that recorded as at end of year 2019. In fact, as at end of quarter, the FSI stands at -2%, which actual figure exceeds the budgeted projection for the FSI.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure
1st January till End of September 2020 (Quarter 3)

DESCRIPTION	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
Income				
Funds received from Central Government (1)	416,282	552,585	-	552,585
Income raised from Bye-Laws (2)	13,969	19,364	-	19,364
Income raised from LES (3)	957	1,520	-	1,520
Investment Income (4)	11	57	-	57
Other Income (5)	26,836	42,362	-	42,362
TOTAL	458,055	615,888	-	615,888
Expenditure				
Personal Emoluments (6)	72,105	102,812	-	102,812
Operations and Maintenance (7)	231,867	348,479	-	348,479
Administration (8)	36,763	77,432	-	77,432
Finance Cost (9)	550	1,206	-	1,206
Other Expenditure (10)	117,224	155,202	-	155,202
TOTAL	458,509	685,131	-	685,131
Surplus / Deficit	(454)	(69,243)	-	(69,243)

Statement of Financial Position as at end of September 2020 (Quarter 3)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	514,226	450,819	-	450,819
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	108,833	48,173	-	48,173
Cash and Cash Equivalents (13)	496,078	146,882	-	146,882
Total Current Assets	604,911	195,055	-	195,055
Current Liabilities				
Payables (14)	613,172	210,861	-	210,861
Total Current Liabilities	613,172	210,861	-	210,861
Net Current Assets	(8,261)	(15,806)	-	(15,806)
Non-current liabilities (15)	21,933	20,234	-	20,234
Net Assets	484,032	414,779	-	414,779
Reserves				
Retained Funds	484,032	414,779	-	414,779

Financial Situation Indicator

DESCRIPTION				
Current Assets	604,911	195,055	-	195,055
Current Liabilities	613,172	210,861	-	210,861
Working Capital	(8,261)	(15,806)	-	(15,806)
Government Allocation	513,572	513,572	-	513,572
FSI	(2) %	(3) %		(3) %

Cash flow Statement

DESCRIPTION	Actual for the Period €	Annual Budget 2020 €	Virements for the Period €	Revised Annual Budget 2020 €
Cash flow from operating activities				
Surplus for the year	(454)	(69,243)	-	(69,243)
Adjustments for:				
Depreciation	117,224	155,202	-	155,202
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(11)	(57)	-	(57)
Interest payable	550	1,206	-	1,206
(Profit) / Loss on disposal of asset	-	-	-	-
Transfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(8,881)	(417,581)	-	(417,581)
Increase / (Decrease) in accruals	(15,944)	(9,557)	-	(9,557)
Decrease / (Increase) in receivables	4,445	65,104	-	65,104
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	96,929	(274,926)	-	(274,926)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	96,929	(274,926)	-	(274,926)
Cash flows from investing activities				
Purchase of property, plant & equipment	(77,267)	(697,959)	-	(697,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	51,837	697,959	-	697,959
Interest received	11	57	-	57
<i>Net cash used in investing activities</i>	(25,419)	57	-	57
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(550)	(1,206)	-	(1,206)
Bank Loan Repayments	(6,543)	(8,242)	-	(8,242)
<i>Net cash from financing activities</i>	(7,093)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	64,417	(284,317)	-	(284,317)
Cash & cash equivalents at beginning of year	431,661	431,199	-	431,199
Cash & cash equivalents at end of Quarter	496,078	146,882	-	146,882

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Income				
1 Funds received from Central Government:				
0001 In terms of section 55 CAP 363	385,179	514,585	-	514,585
0002-0004 In terms of section 58 CAP 363	31,103	30,000	-	30,000
0005-0019 Other income	-	8,000	-	8,000
	416,282	552,585	-	552,585
2 Income raised from Bye-Laws				
0021-0025 Community Services	20	1,707	-	1,707
0026-0035 Income from Permits	13,949	17,657	-	17,657
	13,969	19,364	-	19,364
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	957	1,520	-	1,520
	957	1,520	-	1,520
4 Investment Income				
0091-0095 Bank interest	11	57	-	57
0096-0099 Income received from Government Securities	-	-	-	-
	11	57	-	57
5				
0056-0065 Sponsorships	-	5,200	-	5,200
0066-0069 Documents & Information	-	5	-	5
0070-0075 EU funds	-	-	-	-
0076-0080 Twinning	-	-	-	-
0081-0089 Insurance Claims	-	-	-	-
0100-0109 Donations	-	-	-	-
0110-0119 Contributions	-	-	-	-
0120-0129 General Income	26,836	37,157	-	37,157
	26,836	42,362	-	42,362
Total	458,055	615,888	-	615,888

Detailed Expenditure

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
6 i) Personal Emoluments				
1100 Mayor's Allowance	17,553	23,404	-	23,404
1200 Employees' Salaries & Wages	47,424	63,601	-	63,601
1300 Bonuses	-	4,847	-	4,847
1400 Income Supplements	-	-	-	-
1500 Social Security Contributions	4,771	5,903	-	5,903
1600 Allowances	660	880	-	880
1700 Overtime	1,697	4,177	-	4,177
	72,105	102,812	-	102,812
7 Operations and Maintenance				
2100-2149 Public Utilities	15,040	14,659	-	14,659
2200-2259 Public Materials & Supplies	11,901	9,619	-	9,619
2300-2399 Repairs & upkeep	24,923	38,612	-	38,612
2400-2449 Rent	4,770	4,400	-	4,400
3010 Street Lightning	2,395	10,583	-	10,583
3020 Lease of Equipment	31,139	55,230	-	55,230
3030 Insurance	2,617	1,876	-	1,876
3035 Bank Charges	149	263	-	263
3038 Penalties	34	-	-	-
3041 Refuse Collection	45,757	62,133	-	62,133
3042 Bulky Refuse Collection	5,177	9,196	-	9,196
3043 Bins on wheels	-	-	-	-
3045 Bring in sites	-	-	-	-
3051 Road & Street Cleaning	14,597	33,410	-	33,410
3052 Cleaning & Maintenance of Non-Urban Areas	8,352	1,719	-	1,719
3053 Cleaning of Public Conveniences	2,436	3,236	-	3,236
3055 Cleaning of Council Premises	1,003	1,055	-	1,055
3040 Waste Disposal	16,539	20,091	-	20,091
3060 Cleaning & Maintenance of Parks & Gardens	7,164	4,626	-	4,626
3061 Cleaning & Maintenance of Soft Areas	-	-	-	-
3062 Cleaning & Maintenance of Beaches & CA	-	-	-	-
3063 Cleaning & Maintenance of Country Non-Urban	-	-	-	-
6064 Other Contractual Services	10,915	14,780	-	14,780
3070-3090 Consultation Fees	8,257	12,097	-	12,097
3100-3139 Contract & Project Management	3,552	3,815	-	3,815
3300-3379 Hospitality	15,131	45,969	-	45,969
3380-3389 Community	-	-	-	-
3390-3394 Donations	-	-	-	-
3600-3694 Local Enforcement Expenses	19	1,110	-	1,110
3700-3799 EU Projects	-	-	-	-
3800-3899 Twinning	-	-	-	-
	231,867	348,479	-	348,479
8 Administration				
2150-2199 Office Utilities	1,540	2,461	-	2,461
2260-2299 Office Materials & Supplies	-	-	-	-
2450-2499 Office Rent	-	-	-	-
2500-2599 National & International Memberships	1,685	2,216	-	2,216
2600-2699 Office Services	6,825	8,818	-	8,818
2700-2799 Transport	3,129	8,325	-	8,325
2800-2899 Travel	1,175	8,677	-	8,677
2900-2999 Information Services	6,328	18,518	-	18,518
3050 Office Cleaning	-	-	-	-
3410-3199 Professional Services	15,658	28,131	-	28,131
3200-3299 Training	10	274	-	274
3345 Office Hospitality	-	-	-	-
3400-3499 Incidental Expenses	413	12	-	12
	36,763	77,432	-	77,432
9 Finance Costs				
3036 Interest on Bank Loan	550	1,206	-	1,206
	550	1,206	-	1,206

Detailed Statement of Financial Position

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
10 Other Expenditure				
3500-3599 Loss / (Profit) on Disposal of asset	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	-	-
8000-8099 Depreciation As at end of September 2020	117,224	155,202	-	155,202
Depreciation	117,224	155,202	-	155,202
Total	458,509	685,131	-	685,131
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	66,000	45,992	-	45,992
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	42,833	2,181	-	2,181
	108,833	48,173	-	48,173
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	496,078	146,882	-	146,882
	496,078	146,882	-	146,882
14 Payables				
4000 Payables	142,230	184,434	-	184,434
4100 Accruals	20,040	26,427	-	26,427
4150 Deferred Income	450,902	-	-	-
Short-term Borrowings	-	-	-	-
	613,172	210,861	-	210,861
15 Non Current Liabilities				
4200 Long Term Borrowing	21,933	20,234	-	20,234
	21,933	20,234	-	20,234

16	Total Commitments (Recurrent and Capital)			
	DESCRIPTION	€	€	€
	Recurrent and Capital	-	-	-
		-	-	-
		-	-	-
		-	-	-
	Long Term Loans			
		-	-	-
	Others			
		-	-	-

17 Depreciation of Property, Plant and Equipment

Asset	Trees / Assets Under Construction	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 2020	6,812	34,072	32,241	32,625	633,480	13,942	2,208,903	136,328	138,150	3,236,553
Additions	-	-	2,314	-	36,714	-	38,239	-	-	77,267
Disposals										-
As at end of September 2020	6,812	34,072	34,555	32,625	670,194	13,942	2,247,142	136,328	138,150	3,313,820
Grants/ other reimbursements										
As at 1st January 2020	-	-	-	-	92,444	-	565,096	68,341	-	725,881
Additions	-	-	-	-	29,824	-	22,013	-	-	51,837
As at end of September 2020	-	-	-	-	122,268	-	587,109	68,341	-	777,718
Accumulated Depreciation										
As at 1st January 2020	-	26,710	31,029	32,625	468,667	13,942	1,252,157	67,987	11,534	1,904,651
Charge for the period	-	1,917	443	-	37,712	-	76,461	-	692	117,224
Released on disposal										-
As at end of September 2020	-	28,627	31,472	32,625	506,379	13,942	1,328,618	67,987	12,226	2,021,875
NBV As at end of September 2020	6,812	5,445	3,083	-	41,547	-	331,416	-	125,924	514,226