NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of March 2018 (Quarter 1)

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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 March 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 first quarter with a deficit of Euro 6,300. 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 whilst keeping in mind the activities undertaken by the Council during this quarter. In fact, the key activity for the first quarter for the Nadur locality is the Nadur Carnival. As from this year, the Nadur Local Council to have better control of the carnival activity, undertook under its wing and inputted more effort in the organisation of the bands and sound systems thereof. Such control created some extra costs which though partially aided with governmental funds were mainly borne by the Nadur Local Council. This explains the deficit figure for this quarter. In fact, the expenditure for the current quarter amounts to approximately 27% of the annual budget. Such deficit is however expected to be set-off and reversed to surplus in the coming quarters.

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 repay part of its deficit as per planned repayment shedules. 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 March 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) since in spite of the vast expenditure during this quarter, the FSI remained stable as expected and in line with that as at end of year 2017.

Mayor Executive Secretary

Surplus / Deficit

(6,301)

35,126

Statement of Income and Expenditure

1st January till End of March 2018 (Quarter 1)

| DESCRIPTION | | Annual Budget 2018 |
|--------------------------------------------|---------|-----------------------|
| | € | € |
| Income | | |
| Funds received from Central Government (1) | 132,031 | 555,137 |
| Income raised from Bye-Laws (2) | 5,482 | 18,850 |
| Income raised from LES (3) | 400 | 2,593 |
| Investment Income (4) | 6 | 31 |
| Other Income (5) | 6,953 | 16,599 |
| TOTAL | 144,872 | 593,210 |
| Expenditure | | |
| Personal Emoluments (6) | 20,284 | 86,801 |
| Operations and Maintenance (7) | 82,615 | 288,623 |
| Administration (8) | 15,369 | 47,929 |
| Finance Cost (9) | - | 1,987 |
| Other Expenditure (10) | 32,905 | 132,744 |
| TOTAL | 151,173 | 558,084 |
| | | |

Balance Sheet as at end of March 2018 (Quarter 1)

| DESCRIPTION | Annual Budget 2018 | | | |
|-------------------------------------------------------|--------------------|-----------|--|--|
| | € | € | | |
| Non-current Assets | | | | |
| Property, Plant and Equipment (17) | 1,473,808 | 1,373,001 | | |
| roporty, riant and Equipment (17) | 1,110,000 | 1,010,001 | | |
| Current Assets | | | | |
| Inventories (11) | - | - | | |
| Receivables (12) | 28,794 | 20,624 | | |
| Cash and Cash Equivalents (13) | 175,266 | 31,266 | | |
| | | | | |
| Total Current Assets | 204,060 | 51,890 | | |
| Command Linkilidia | | | | |
| Current Liabilities | 976,831 | 696,495 | | |
| Payables (14) Current portion of Long-Term Borrowings | 9,448 | 9,448 | | |
| Current portion of Long-Term Borrowings | 3,440 | 3,440 | | |
| Total Current Liabilities | 986,279 | 705,943 | | |
| | 550,210 | | | |
| Net Current Assets | (782,219) | - 654,053 | | |
| | | | | |
| Non-current liabilities (15) | 33,359 | 26,344 | | |
| | | | | |
| Net Assets | 658,230 | 692,604 | | |
| | | | | |
| Reserves | 050,000 | 000 004 | | |
| Retained Funds | 658,230 | 692,604 | | |
| Financial Situation Indicator | | | | |
| DESCRIPTION | | | | |
| Current Assets | 204,060 | 51,890 | | |
| Current Liabilities | 986,279 | 705,943 | | |
| Total Long Term Liabilities | 33,359 | 26,344 | | |
| Commitments approved by Ministry | , , | ´- | | |
| | (815,578) | (680,397) | | |
| Total Government Allocation | 471,929 | 471,929 | | |
| | -173% | -144.17% | | |
| | | | | |

Cash Flow Statement

| | € |
|---------------------------------------------------------------------------|----------|
| Cash flow from operating activities | |
| Surplus for the year | (6,301) |
| · | |
| Adjustments for: | |
| Depreciation | 32,905 |
| Increase / (Decrease) in Allowance for Bad Debts Interest receivable | - (6) |
| Interest receivable Interest payable | (6) |
| (Profit) / Loss on disposal of asset | _ |
| (i remy / 2000 on anoposar or asset | |
| | |
| Increase / (Decrease) in payables | 4664 |
| Increase / (Decrease) in accruals | -35323 |
| Decrease / (Increase) in receivables Decrease / (Increase) in inventories | -5288 |
| Decrease / (Increase) in inventories |]] |
| Cash generated from operations | (9,349) |
| Interest paid | 0 |
| | |
| Net cash from operating activities | (9,349) |
| Cash flows from investing activities | |
| Purchase of property, plant & equipment | -33807 |
| Proceeds from sale of property, plant & equipment | 0 |
| Grants received | -1574 |
| Interest received | 6 |
| | |
| Net cash used in investing activities | -35375 |
| Cash flows from financing activities | |
| Proceeds from long-term borrowings | 0 |
| Interest Paid | 0 |
| Bank Loan Repayments | |
| Not each from financing activities | |
| Net cash from financing activities | 0 |
| Net increase/(decrease) in cash & cash equivalents | (44,724) |
| Cash & cash equivalents at beginning of year | 219990 |
| Cash & cash equivalents at end of Quarter | 175266 |

Quarterly Financial Report 1st January till End of March 2018 (Quarter 1)

| | | 1st January till End of M |
|-----------|---------------------------------------------------------|---------------------------|
| | DESCRIPTION | € |
| | Income | |
| 1 | Funds received from Cental Government: | |
| | In terms of section 55 CAP 363 | 125,482 |
| | In terms of section 58 CAP 363 | 6,549 |
| | Other income | - |
| 0000 0010 | | 132,031 |
| 2 | Income raised from Bye-Laws | 102,001 |
| | Community Services | 372 |
| | Income from Permits | 5,110 |
| 0020 0000 | moomo nom r omiko | 5,482 |
| 3 | Local Enforcement Income | 0,102 |
| | Commission from Regional Committees | |
| | Contraventions | 400 |
| 0036-0033 | Contraventions | 400 |
| 4 | Investment Income | 400 |
| 4 | Investment Income | 1 61 |
| | Bank interest Income received from Governmet Securities | 6 |
| 0096-0099 | income received from Governmet Securities | - 6 |
| _ | | |
| | Sponsorships | 1,500 |
| | Documents & Information | 5 |
| | EU funds | - |
| | Twinning | - |
| | Insurance Claims | - |
| | Donations Contributions | - |
| | Contributions General Income | - E 440 |
| 0120-0129 | General income | 5,448 6,953 |
| | Total | |
| | Total | 144,872 |
| 6 i) | Personal Emoluments | |
| | Mayor's Allowance | 1,866 |
| | Employees' Salaries & Wages | 14,975 |
| | Bonuses | - |
| | Income Supplements | 819 |
| | Social Security Contributions | 1,357 |
| | Allowances Overtime | 491 |
| 1700 | Overtime | 776 |
| ••• | | 20,284 |
| ii) | Number of Employees | |
| | Full time | |
| | Executive Secretary | 1 |
| | Clerk General Hand | 1 1 |
| | General Hand | ! |
| | | |
| | | 3 |
| | Part time | |
| | Mayor | 1 |
| | Councillors | 4 |
| | | |
| | | 5 |
| | | |
| | Total number of employees | 8 |

| | · | ist January un End of w |
|-----------|---------------------------------------------|---------------------------------------|
| | DESCRIPTION | € |
| 7 | Operations and Maintenance | |
| = | Public Utilities | 434 |
| | Public Materials & Supplies | 1,967 |
| | Repairs & upkeep | 7,503 |
| 2400-2449 | | 636 |
| | Street Lightning | 1,167 |
| | Lease of Equipment | 18,752 |
| | Insurance | 877 |
| | Bank Charges | 35 |
| | Penalties | |
| | Refuse Collection | 13,409 |
| | Bulky Refuse Collection | 1,701 |
| | Bins on wheels | ,,, - |
| | Bring in sites | _ |
| | Road & Street Cleaning | 786 |
| | Cleaning & Maintenance of Non-Urban Areas | 104 |
| | Cleaning of Public Conveniences | 522 |
| | Cleaning of Council Premises | 464 |
| | Waste Disposal | 4,468 |
| | Cleaning & Maintenance of Parks & Gardens | 1,724 |
| | Cleaning & Maintenance of Soft Areas | , |
| | Cleaning & Maintenance of Beaches & CA | _ |
| | Cleaning & Maintenance of Country Non-Urban | _ |
| | Other contractual Services | 4,377 |
| | Consultation Fees | 3,324 |
| | Contract & Project Management | 5,307 |
| | Hospitality | 14,377 |
| | Community | 60 |
| | Donations | |
| | Local Enforcement Expenses | 621 |
| | EU Projects | |
| | Twinning | |
| | 3 | |
| | | 82,615 |
| 8 | Administration | _ |
| 2150-2199 | Office Utilities | 558 |
| | Office Materials & Supplies | - |
| | Office Rent | _ |
| 2500-2599 | National & International Memberships | 1,236 |
| | Office Services | 1,765 |
| | Transport | 2,788 |
| 2800-2899 | · | 1,521 |
| 2900-2999 | Information Services | 1,341 |
| 3050 | Office Cleaning | 747 |
| | Professional Services | 5,320 |
| 3200-3299 | | · · · · · · · · · · · · · · · · · · · |
| | Office Hospitality | - |
| | Incidental Expenses | 93 |
| | | |
| | | 15,369 |
| 9 | Finance Costs | |
| 3036 | Interest on Bank Loan | |
| | | |
| | | |

| | DESCRIPTION | € |
|-------------|--------------------------------------------------|-------------------|
| 10 | Other Expenditure | |
| | D Loss / (Profit) on Disposal of asset | - |
| | 5 Increase/(Decrease) in allowance for bad debts | - |
| 8000-8099 | Depreciation | 32,905 |
| | | 32,905 |
| | Total | 151,173 |
| 11 | Inventories | |
| | Stationery | _ |
| | Onsumables | - |
| | | - |
| | | - |
| 12 | Receivables | |
| | Receivables Receivables | 20,635 |
| | ES Receivables | - |
| | Receivables from EU | - |
| 0250 | Prepayments & Accrued income | 8,159 |
| | | 22 724 |
| | | 28,794 |
| 13 | Cash & Equivalents | |
| 5001-5099 | Bank & Cash Balances | 175,266 |
| | | 175,266 |
| 14 | Payables | 050.000 |
| | Payables Accruals | 252,369 14,627 |
| | Deferred Income | 709,835 |
| 4100 | Current portion of long term borrowings | 9,448 |
| | | , - |
| | | 986,279 |
| 15 | Non Current Liabilities | |
| 4200 | Long Term Borrowing | 33,359 |
| | | 20.050 |
| | | 33,359 |

| 16 | Capital Commitments DESCRIPTION | € |
|----|---------------------------------------------------------------------------------------------------------------------|------------------------------|
| | Approved but not yet contracted for: Embellishment of Playing Fields Restructuring of Roads Other Projects | 25,000 161,000 100,000 |
| | Contracted for but not provided for in Quarterly Fir | 286,000 nancial Statements: |
| | | |
| | | - |

Others

17 Deprecition 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 | € | 8% € | 20% - 25% € | 20% € | 10% _€ | 0% € | 10% € | 10% _€ | 1% € | |
| Cost | | | | | | | e | | | |
| As at 1st January 2018 Additions Disposals | 6,812 | 32,674 | 32,271 | 32,625 | 556,551 7,220 | 13,942 | 2,464,311 26,587 | 136,328 | 138,150 | 3,413,664 33,807 - |
| As at end of March 2018 | 6,812 | 32,674 | 32,271 | 32,625 | 563,771 | 13,942 | 2,490,898 | 136,328 | 138,150 | 3,447,471 |
| Grants/ other reimbursements As at 1st January 2018 Additions | - | - | - | - | - | - | 229,616 | 68,341 | - | 297,957 - |
| As at end of March 2018 | - | - | - | - | - | - | 229,616 | 68,341 | - | 297,957 |
| Accumulated Deprecition | | | | | | | | | | |
| As at 1st January 2018 Charge for the period Released on disposal | - | 21,695 180 | 24,657 409 | 30,017 143 | 366,817 5,056 | 13,942 - | 1,122,070 26,595 | 54,835 200 | 8,768 322 | 1,642,801 32,905 - |
| As at end of March 2018 | - | 21,875 | 25,066 | 30,160 | 371,873 | 13,942 | 1,148,665 | 55,035 | 9,090 | 1,675,706 |
| NBV As at end of March 2018 | 6,812 | 10,800 | 7,205 | 2,465 | 191,899 | - | 1,112,617 | 12,952 | 129,060 | 1,473,808 |