

# **NADUR Local Council**

## **Quarterly Financial Report**

**for the Period**

**1st January till End of December 2019 (Quarter 4)**





# Table of Contents

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Overview and Summary	<i>Page 3</i>
Statement of Income and Expenditure	<i>Page 4</i>
Statement of Financial Position	<i>Page 5</i>
Cash flow Statement	<i>Page 6</i>
Detailed Income	<i>Page 7</i>
Detailed Expenditure	<i>Page 8</i>
Detailed Statment of Financial Position	<i>Page 10</i>
Depreciation of Property, Plant and Equipment	<i>Page 11</i>

***Overview and Summary***

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till December 2019, 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 third quarter with a deficit of Euro 76,309. 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 both income and expenditure as at end of December 2019 were around 7% to 8% higher than those budgeted and thus it can be concluded that the increase in expenditure was counteracted by the increase in income. In addition to this, it is also very important to note that the deficit figure includes depreciation for the quarter amounting to Euro 155,161. 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 position especially when compared to that budgeted. In fact, such effective management of the Local Council's finances was also reflected in the Financial Situation Indicator (FSI) since in spite of the expenditure during this quarter, the FSI improved more than expected and in fact exceeded budgeted expectations.

Mr. Edward Said  
Mayor

Ms. Sue Ellen Bugeja  
Executive Secretary

**Statement of Income and Expenditure**  
**1st January till End of December 2019 (Quarter 4)**

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
<b>Income</b>				
Funds received from Central Government (1)	532,977	514,041	-	514,041
Income raised from Bye-Laws (2)	19,172	16,635	-	16,635
Income raised from LES (3)	1,505	1,685	-	1,685
Investment Income (4)	56	85	-	85
Other Income (5)	51,154	34,887	-	34,887
<b>TOTAL</b>	<b>604,864</b>	<b>567,333</b>	<b>-</b>	<b>567,333</b>
<b>Expenditure</b>				
Personal Emoluments (6)	97,110	92,388	-	92,388
Operations and Maintenance (7)	345,099	300,828	-	300,828
Administration (8)	82,463	78,256	-	78,256
Finance Cost (9)	1,340	1,641	-	1,641
Other Expenditure (10)	155,161	160,009	-	160,009
<b>TOTAL</b>	<b>681,173</b>	<b>633,122</b>	<b>-</b>	<b>633,122</b>
<b>Surplus / Deficit</b>	<b>(76,309)</b>	<b>(65,789)</b>	<b>-</b>	<b>(65,789)</b>

## Statement of Financial Position as at end of December 2019 (Quarter 4)

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
<b>Non-current Assets</b>				
Property, Plant and Equipment (17)	606,021	712,635	-	712,635
<b>Current Assets</b>				
Inventories (11)	-	-	-	-
Receivables (12)	95,709	32,309	-	32,309
Cash and Cash Equivalents (13)	431,199	290,323	-	290,323
<b>Total Current Assets</b>	<b>526,908</b>	<b>322,632</b>	<b>-</b>	<b>322,632</b>
<b>Current Liabilities</b>				
Payables (14)	620,430	511,941	-	511,941
<b>Total Current Liabilities</b>	<b>620,430</b>	<b>511,941</b>	<b>-</b>	<b>511,941</b>
<b>Net Current Assets</b>	<b>(93,522)</b>	<b>(189,309)</b>	<b>-</b>	<b>(189,309)</b>
<b>Non-current liabilities (15)</b>	<b>28,476</b>	<b>28,783</b>	<b>-</b>	<b>28,783</b>
<b>Net Assets</b>	<b>484,023</b>	<b>494,543</b>	<b>-</b>	<b>494,543</b>
<b>Reserves</b>				
Retained Funds	484,023	494,543	-	494,543

## Financial Situation Indicator

DESCRIPTION				
Current Assets	526,908	322,632	-	322,632
Current Liabilities	620,430	511,941	-	511,941
<b>Working Capital</b>	<b>(93,522)</b>	<b>(189,309)</b>	<b>-</b>	<b>(189,309)</b>
Government Allocation	497,241	497,241	-	497,241
<b>FSI</b>	<b>(19) %</b>	<b>(38) %</b>		<b>(38) %</b>

## Cash flow Statement

## DESCRIPTION

	Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
	€	€	€	€
<b>Cash flow from operating activities</b>				
Surplus for the year	(76,309)	(65,789)	-	(65,789)
Adjustments for:				
Depreciation	155,161	160,009	-	160,009
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(56)	(85)	-	(85)
Interest payable	1,340	1,641	-	1,641
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(88,277)	(134,075)	-	(134,075)
Increase / (Decrease) in accruals	8,494	275	-	275
Decrease / (Increase) in receivables	(46,973)	16,428	-	16,428
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	(46,620)	(21,596)	-	(21,596)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	(46,620)	(21,596)	-	(21,596)
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(370,062)	(432,832)	-	(432,832)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	482,398	379,232	-	379,232
Interest received	56	85	-	85
<i>Net cash used in investing activities</i>	112,392	(53,515)	-	(53,515)
<b>Cash flows from financing activities</b>				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(1,340)	(1,641)	-	(1,641)
Bank Loan Repayments	(8,114)	(7,807)	-	(7,807)
<i>Net cash from financing activities</i>	(9,454)	(9,448)	-	(9,448)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	56,318	(84,559)	-	(84,559)
Cash & cash equivalents at beginning of year	374,881	374,881	-	374,881
<b>Cash &amp; cash equivalents at end of Quarter</b>	431,199	290,322	-	290,322



**Detailed Income**

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
<b>Income</b>				
<b>1 Funds received from Cental Government:</b>				
0001 In terms of section 55 CAP 363	497,241	497,241	-	497,241
0002-0004 In terms of section 58 CAP 363	30,000	13,300	-	13,300
0005-0019 Other income	5,736	3,500	-	3,500
	<b>532,977</b>	<b>514,041</b>	<b>-</b>	<b>514,041</b>
<b>2 Income raised from Bye-Laws</b>				
0021-0025 Community Services	1,690	645	-	645
0026-0035 Income from Permits	17,482	15,990	-	15,990
	<b>19,172</b>	<b>16,635</b>	<b>-</b>	<b>16,635</b>
<b>3 Local Enforcement Income</b>				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	1,505	1,685	-	1,685
	<b>1,505</b>	<b>1,685</b>	<b>-</b>	<b>1,685</b>
<b>4 Investment Income</b>				
0091-0095 Bank interest	56	85	-	85
0096-0099 Income received from Governnet Securities	-	-	-	-
	<b>56</b>	<b>85</b>	<b>-</b>	<b>85</b>
<b>5</b>				
0056-0065 Sponsorships	5,200	10,500	-	10,500
0066-0069 Documents & Information	5	11	-	11
0070-0075 EU funds	9,160	-	-	-
0076-0080 Twinning	-	-	-	-
0081-0089 Insurance Claims	-	-	-	-
0100-0109 Donations	-	-	-	-
0110-0119 Contributions	-	-	-	-
0120-0129 General Income	36,789	24,376	-	24,376
	<b>51,154</b>	<b>34,887</b>	<b>-</b>	<b>34,887</b>
<b>Total</b>	<b>604,864</b>	<b>567,333</b>	<b>-</b>	<b>567,333</b>

## Detailed Expenditure

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
<b>6 i) Personal Emoluments</b>				
1100 Mayor's Allowance	19,090	13,984	-	13,984
1200 Employees' Salaries & Wages	61,753	61,754	-	61,754
1300 Bonuses	4,707	3,669	-	3,669
1400 Income Supplements	841	865	-	865
1500 Social Security Contributions	5,703	5,703	-	5,703
1600 Allowances	880	880	-	880
1700 Overtime	4,136	5,534	-	5,534
	<b>97,110</b>	<b>92,388</b>	-	<b>92,388</b>
	€	€	€	€
<b>7 Operations and Maintenance</b>				
2100-2149 Public Utilities	14,514	9,186	-	9,186
2200-2259 Public Materials & Supplies	9,524	8,131	-	8,131
2300-2399 Repairs & upkeep	38,230	30,602	-	30,602
2400-2449 Rent	4,386	2,544	-	2,544
3010 Street Lightning	10,478	7,151	-	7,151
3020 Lease of Equipment	54,683	50,631	-	50,631
3030 Insurance	1,857	1,610	-	1,610
3035 Bank Charges	260	185	-	185
3038 Penalties	41	-	-	-
3041 Refuse Collection	61,518	53,929	-	53,929
3042 Bulky Refuse Collection	9,105	9,071	-	9,071
3043 Bins on wheels	-	-	-	-
3045 Bring in sites	-	-	-	-
3051 Road & Street Cleaning	33,079	18,968	-	18,968
3052 Cleaning & Maintenance of Non-Urban Areas	1,702	469	-	469
3053 Cleaning of Public Conveniences	3,204	3,048	-	3,048
3055 Cleaning of Council Premises	1,045	1,434	-	1,434
3040 Waste Disposal	19,892	22,742	-	22,742
3060 Cleaning & Maintenance of Parks & Gardens	4,580	6,311	-	6,311
3061 Cleaning & Maintenance of Soft Areas	-	-	-	-
3062 Cleaning & Maintenance of Beaches & CA	-	-	-	-
3063 Cleaning & Maintenance of Country Non-Urban	-	-	-	-
6064 Other Contractual Services	14,634	14,846	-	14,846
3070-3090 Consultation Fees	11,977	11,631	-	11,631
3100-3139 Contract & Project Management	3,777	8,135	-	8,135
3300-3379 Hospitality	45,514	38,854	-	38,854
3380-3389 Community	-	61	-	61
3390-3394 Donations	-	-	-	-
3600-3694 Local Enforcement Expenses	1,099	1,290	-	1,290
3700-3799 EU Projects	-	-	-	-
3800-3899 Twinning	-	-	-	-
	<b>345,099</b>	<b>300,828</b>	-	<b>300,828</b>
	€	€	€	€
<b>8 Administration</b>				
2150-2199 Office Utilities	2,437	2,425	-	2,425
2260-2299 Office Materials & Supplies	-	-	-	-
2450-2499 Office Rent	-	-	-	-
2500-2599 National & International Memberships	2,194	1,818	-	1,818
2600-2699 Office Services	8,731	7,852	-	7,852
2700-2799 Transport	8,243	16,812	-	16,812
2800-2899 Travel	14,388	7,980	-	7,980
2900-2999 Information Services	18,335	17,110	-	17,110
3050 Office Cleaning	-	-	-	-
3410-3199 Professional Services	27,852	23,739	-	23,739
3200-3299 Training	271	256	-	256
3345 Office Hospitality	-	-	-	-
3400-3499 Incidental Expenses	12	264	-	264
	<b>82,463</b>	<b>78,256</b>	-	<b>78,256</b>
	€	€	€	€
<b>9 Finance Costs</b>				
3036 Interest on Bank Loan	1,340	1,641	-	1,641
	<b>1,340</b>	<b>1,641</b>	-	<b>1,641</b>
	€	€	€	€

## Detailed Statment of Financial Position

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
<b>10 Other Expenditure</b>				
3500-3599 Loss / (Profit) on Disposal of asset	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	-	-
8000-8099 Depreciation As at end of December 2019	155,161	160,009	-	160,009
			-	-
Depreciation	155,161	160,009	-	160,009
<b>Total</b>	<b>681,173</b>	<b>633,122</b>	<b>-</b>	<b>633,122</b>
<b>11 Inventories</b>				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
<b>12 Receivables</b>				
0201-0209 Receivables	94,255	25,428	-	25,428
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	1,454	6,881	-	6,881
	-	-	-	-
	<b>95,709</b>	<b>32,309</b>	<b>-</b>	<b>32,309</b>
<b>13 Cash &amp; Equivalents</b>				
5001-5099 Bank & Cash Balances	431,199	290,323	-	290,323
	<b>431,199</b>	<b>290,323</b>	<b>-</b>	<b>290,323</b>
<b>14 Payables</b>				
4000 Payables	232,113	186,316	-	186,316
4100 Accruals	35,984	27,765	-	27,765
4150 Deferred Income	352,333	297,860	-	297,860
Short-term Borrowings	-	-	-	-
	<b>620,430</b>	<b>511,941</b>	<b>-</b>	<b>511,941</b>
<b>15 Non Current Liabilities</b>				
4200 Long Term Borrowing	28,476	28,783	-	28,783
	<b>28,476</b>	<b>28,783</b>	<b>-</b>	<b>28,783</b>

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

€	€	€
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Recurrent and Capital

-	-	-
-	-	-
-	-	-
-	-	-

Long Term Loans

-	-	-

Others

-	-	-

**17 Depreciation of Property, Plant and Equipment**

<b>Asset</b>	Trees / Assets Under Construction	Office Furniture / Fittings	Office & Computer Equipment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	<b>Total</b>
% of depreciation	0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
	€	€	€	€	€	€	€	€	€	€
<b>Cost</b>										
As at 1st January 2019	86,204	32,878	32,026	32,625	539,838	13,942	1,854,500	136,328	138,150	2,866,491
Additions	(79,392)	130	215		94,706		354,403			370,062
Disposals										-
As at end of December 2019	<b>6,812</b>	<b>33,008</b>	<b>32,241</b>	<b>32,625</b>	<b>634,544</b>	<b>13,942</b>	<b>2,208,903</b>	<b>136,328</b>	<b>138,150</b>	<b>3,236,553</b>
<b>Grants/ other reimbursements</b>										
As at 1st January 2019	-	-	-	-	-	-	229,616	68,341	-	<b>297,957</b>
Additions	-	-	-	-	92,444	-	335,480			<b>427,924</b>
As at end of December 2019	-	-	-	-	<b>92,444</b>	-	<b>565,096</b>	<b>68,341</b>	-	<b>725,881</b>
<b>Accumulated Depreciation</b>										
As at 1st January 2019	-	24,157	29,416	32,625	418,696	13,942	1,152,517	67,987	10,150	<b>1,749,490</b>
Charge for the period	-	2,473	1,613	-	50,051	-	99,640	-	1,384	<b>155,161</b>
Released on disposal	-									-
As at end of December 2019	-	<b>26,630</b>	<b>31,029</b>	<b>32,625</b>	<b>468,747</b>	<b>13,942</b>	<b>1,252,157</b>	<b>67,987</b>	<b>11,534</b>	<b>1,904,651</b>
<b>NBV</b> As at end of December 2019	<b>6,812</b>	<b>6,378</b>	<b>1,212</b>	<b>-</b>	<b>73,353</b>	<b>-</b>	<b>391,650</b>	<b>-</b>	<b>126,616</b>	<b>606,021</b>