

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of December 2021 (Quarterly)



Table of Contents

Overview and Summary

Statement of Income and Expenditure

Statement of Financial Position

Cash flow Statement

Detailed Income

Detailed Expenditure

Detailed Statment of Financial Position

Depreciation of Property, Plant and Equipment

er 4)



Page 3

Page 4

Page 5

Page 6

Page 7

Page 8

Page 10

Page 11

Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till December 2021, 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 of 2021 with a deficit of Euro 4,599. This is however 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 exceeded budgeted income expectations whereas expenditure as at end of December 2021 was around 94% of the budgeted expenditure. Actual expenditure was lower than that budgeted mainly due to the fact that due to Covid-19 restrictions the Nadur Local Council was unable to proceed and organize its normal yearly activities, amongst which was the Nadur Carnival and the Mnarja related activities. In spite of this it is important to point out that the Nadur Local Council took the opportunity to utilise part of the expenditure previously allocated to these public activities to enhance the maintenance and upkeep of the Nadur public property.

In this quarterly report, it is important to point out that for the past years the Nadur Local Council had a deficit financial situation arising from projects which were carried out way back in 2014 and which were still unsettled and thus showing as liabilities in the financial records of the Council. It has always been a priority for this administration to tackle such debts and achieve a positive FSI. In fact, in the last few years the Local Council has always tried to reduce unnecessary expenditure and to always obtain funding prior to conducting any type of capital expenditure. In spite of this, on some funded projects carried out by the Local Council in 2020, there arose several variations which unfortunately had to be wholly borne by the Local Council. Such variations amounted to approximately Euro 147,000. Up till the end of the year, the Nadur Local Council already managed to pay off Euro 100,000 from such variations, with the remaining balance paid in January 2022. Such repayment of the variations and also a steady repayment each quarter of the previous debts enabled the Nadur Local Council to reduce the FSI indicator from -23% as at end of Year 2020 to -3% as at end of Year 2021. This result also exceeded budgeted FSI results of -12%. The Nadur Local Council remains committed to once more improve its deficit position to finally end up with a positive FSI.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure

1st January till End of December 2021 (Quarter 4)

| DESCRIPTION | Actual for | Annual Budget | Virements for | Revised Annual Budget |
|--|----------------|-----------------|---------------|-----------------------|
| | the Period | 2021 | the Period | 2021 |
| | € | € | € | € |
| Income | | | | |
| Funds received from Central Government (1) | 550,575 | 543,572 | - | 543,572 |
| Income raised from Bye-Laws (2) | 14,260 | 19,172 | - | 19,172 |
| Income raised from LES (3) | 3,588 | 1,505 | - | 1,505 |
| Investment Income (4) | - | 15 | - | 15 |
| Other Income (5) | 46,582 | 36,139 | - | 36,139 |
| TOTAL | 615,005 | 600,403 | - | 600,403 |
| Expenditure | | | | |
| Personal Emoluments (6) | 128,317 | 102,860 | - | 102,860 |
| Operations and Maintenance (7) | 306,403 | 347,671 | - | 347,671 |
| Administration (8) | 44,354 | 77,486 | - | 77,486 |
| Finance Cost (9) | 653 | 990 | - | 990 |
| Other Expenditure (10) | 139,877 | 129,065 | - | 129,065 |
| TOTAL | 619,604 | 658,072 | - | 658,072 |
| Surplus / Deficit | (4,599) | (57,669) | - | (57,669) |

Statement of Financial Position as at end of December 2021 (Quarter 4)

| DESCRIPTION | Actual for the Period € | Annual Budget 2021 € | Virements for the Period € | Revised Annual Budget 2021 € |
|-------------------------------------|-------------------------------|----------------------------|----------------------------------|------------------------------------|
| Non-current Assets | | | | |
| Property, Plant and Equipment (17) | 495,202 | 345,299 | (147,000) | 492,299 |
| Current Assets | | | | |
| Inventories (11) | - | - | - | - |
| Receivables (12) | 59,214 | 52,909 | - | 52,909 |
| Cash and Cash Equivalents (13) | 406,168 | 165,852 | - | 165,852 |
| Total Current Assets | 465,382 | 218,761 | - | 218,761 |
| Current Liabilities | | | | |
| Payables (14) | 480,178 | 135,315 | (147,000) | 282,315 |
| Total Current Liabilities | 480,178 | 135,315 | (147,000) | 282,315 |
| Net Current Assets | (14,796) | 83,446 | 147,000 | (63,554) |
| Non-current liabilities (15) | 11,230 | 12,450 | - | 12,450 |
| Net Assets | 469,176 | 416,295 | - | 416,295 |
| Reserves | | | | |
| Retained Funds | 469,176 | 416,295 | - | 416,295 |

Financial Situation Indicator

| DESCRIPTION | | | | |
|------------------------|-----------------|---------------|----------------|-----------------|
| Current Assets | 465,382 | 218,761 | - | 218,761 |
| Current Liabilities | 480,178 | 135,315 | (147,000) | 282,315 |
| Working Capital | (14,796) | 83,446 | 147,000 | (63,554) |
| Government Allocation | 524,284 | 513,572 | - | 513,572 |
| FSI | (3) % | 16 % | | (12) % |

Cash flow Statement**DESCRIPTION**

| | Actual for the Period | Annual Budget 2021 | Virements for the Period | Revised Annual Budget 2021 |
|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
| | € | € | € | € |
| Cash flow from operating activities | | | | |
| Surplus for the year | (4,599) | (57,669) | - | (57,669) |
| Adjustments for: | | | | |
| Depreciation | 139,877 | 129,065 | - | 129,065 |
| Increase / (Decrease) in Allowance for Bad Debts | - | - | - | - |
| Interest receivable | - | (15) | - | (15) |
| Interest payable | 653 | 990 | - | 990 |
| (Profit) / Loss on disposal of asset | - | - | - | - |
| Transfer of Grants to Profit & Loss | - | - | - | - |
| Increase / (Decrease) in payables | (64,164) | (357,509) | - | (357,509) |
| Increase / (Decrease) in accruals | (98,423) | 2,157 | - | 2,157 |
| Decrease / (Increase) in receivables | 64,290 | 39,751 | - | 39,751 |
| Decrease / (Increase) in inventories | - | - | - | - |
| Decrease / (Increase) in inventories | - | - | - | - |
| Cash generated from operations | 37,634 | (243,230) | - | (243,230) |
| Interest paid | - | - | - | - |
| <i>Net cash from operating activities</i> | 37,634 | (243,230) | - | (243,230) |
| Cash flows from investing activities | | | | |
| Purchase of property, plant & equipment | (45,003) | (667,959) | - | (667,959) |
| Proceeds from sale of property, plant & equipment | - | - | - | - |
| Grants received | 19,912 | 667,959 | - | 667,959 |
| Interest received | - | 15 | - | 15 |
| <i>Net cash used in investing activities</i> | (25,091) | 15 | - | 15 |
| Cash flows from financing activities | | | | |
| Proceeds from long-term borrowings | - | - | - | - |
| Interest Paid | (653) | (990) | - | (990) |
| Bank Loan Repayments | (8,800) | (8,458) | - | (8,458) |
| <i>Net cash from financing activities</i> | (9,453) | (9,448) | - | (9,448) |
| Net increase/(decrease) in cash & cash equivalents | 3,090 | (252,663) | - | (252,663) |
| Cash & cash equivalents at beginning of year | 403,078 | 418,515 | - | 418,515 |
| Cash & cash equivalents at end of Quarter | 406,168 | 165,852 | - | 165,852 |

Detailed Income

| DESCRIPTION | Actual for | Annual Budget | Virements for | Revised Annual Budget |
|---|----------------|----------------|---------------|-----------------------|
| | the Period | 2021 | the Period | 2021 |
| | € | € | € | € |
| Income | | | | |
| 1 Funds received from Cental Government: | | | | |
| 0001 In terms of section 55 CAP 363 | 527,284 | 513,572 | - | 513,572 |
| 0002-0004 In terms of section 58 CAP 363 | 23,291 | 30,000 | - | 30,000 |
| 0005-0019 Other income | - | - | - | - |
| | 550,575 | 543,572 | - | 543,572 |
| 2 Income raised from Bye-Laws | | | | |
| 0021-0025 Community Services | - | 1,690 | - | 1,690 |
| 0026-0035 Income from Permits | 14,260 | 17,482 | - | 17,482 |
| | 14,260 | 19,172 | - | 19,172 |
| 3 Local Enforcement Income | | | | |
| 0037 Commission from Regional Committees | - | - | - | - |
| 0038-0055 Contraventions | 3,588 | 1,505 | - | 1,505 |
| | 3,588 | 1,505 | - | 1,505 |
| 4 Investment Income | | | | |
| 0091-0095 Bank interest | - | 15 | - | 15 |
| 0096-0099 Income received from Governnet Securities | - | - | - | - |
| | - | 15 | - | 15 |
| 5 | | | | |
| 0056-0065 Sponsorships | 2,570 | - | - | - |
| 0066-0069 Documents & Information | 10 | - | - | - |
| 0070-0075 EU funds | - | - | - | - |
| 0076-0080 Twinning | - | - | - | - |
| 0081-0089 Insurance Claims | - | - | - | - |
| 0100-0109 Donations | - | - | - | - |
| 0110-0119 Contributions | - | - | - | - |
| 0120-0129 General Income | 44,002 | 36,139 | - | 36,139 |
| | 46,582 | 36,139 | - | 36,139 |
| Total | 615,005 | 600,403 | - | 600,403 |

Detailed Expenditure

| DESCRIPTION | Actual for | Annual Budget | Virements for | Revised Annual Budget |
|--|----------------|----------------|---------------|-----------------------|
| | the Period | 2021 | the Period | 2021 |
| | € | € | € | € |
| 6 i) Personal Emoluments | | | | |
| 1100 Mayor's Allowance | 23,571 | 23,404 | - | 23,404 |
| 1200 Employees' Salaries & Wages | 83,087 | 63,232 | - | 63,232 |
| 1300 Bonuses | 5,883 | 4,847 | - | 4,847 |
| 1400 Income Supplements | 1,260 | - | - | - |
| 1500 Social Security Contributions | 7,763 | 6,361 | - | 6,361 |
| 1600 Allowances | 880 | 880 | - | 880 |
| 1700 Overtime | 5,873 | 4,136 | - | 4,136 |
| | 128,317 | 102,860 | - | 102,860 |
| 7 Operations and Maintenance | | | | |
| 2100-2149 Public Utilities | 13,599 | 14,514 | - | 14,514 |
| 2200-2259 Public Materials & Supplies | 16,411 | 9,524 | - | 9,524 |
| 2300-2399 Repairs & upkeep | 41,506 | 33,563 | - | 33,563 |
| 2400-2449 Rent | 7,825 | 6,360 | - | 6,360 |
| 3010 Street Lightning | 8,543 | 10,689 | - | 10,689 |
| 3020 Lease of Equipment | 43,268 | 54,683 | - | 54,683 |
| 3030 Insurance | 2,433 | 2,617 | - | 2,617 |
| 3035 Bank Charges | 424 | 260 | - | 260 |
| 3038 Penalties | 131 | - | - | - |
| 3041 Refuse Collection | 77,845 | 61,619 | - | 61,619 |
| 3042 Bulky Refuse Collection | 11,576 | 6,972 | - | 6,972 |
| 3043 Bins on wheels | - | - | - | - |
| 3045 Bring in sites | - | - | - | - |
| 3051 Road & Street Cleaning | 7,496 | 19,658 | - | 19,658 |
| 3052 Cleaning & Maintenance of Non-Urban Areas | 959 | 11,247 | - | 11,247 |
| 3053 Cleaning of Public Conveniences | 3,128 | 3,280 | - | 3,280 |
| 3055 Cleaning of Council Premises | 1,374 | 1,350 | - | 1,350 |
| 3040 Waste Disposal | 23,210 | 22,273 | - | 22,273 |
| 3060 Cleaning & Maintenance of Parks & Gardens | 10,152 | 9,648 | - | 9,648 |
| 3061 Cleaning & Maintenance of Soft Areas | - | - | - | - |
| 3062 Cleaning & Maintenance of Beaches & CA | - | - | - | - |
| 3063 Cleaning & Maintenance of Country Non-Urban | - | - | - | - |
| 6064 Other Contractual Services | 781 | 14,699 | - | 14,699 |
| 3070-3090 Consultation Fees | 6,431 | 11,119 | - | 11,119 |
| 3100-3139 Contract & Project Management | 5,901 | 4,783 | - | 4,783 |
| 3300-3379 Hospitality | 23,321 | 47,714 | - | 47,714 |
| 3380-3389 Community | - | - | - | - |
| 3390-3394 Donations | - | - | - | - |
| 3600-3694 Local Enforcement Expenses | 89 | 1,099 | - | 1,099 |
| 3700-3799 EU Projects | - | - | - | - |
| 3800-3899 Twinning | - | - | - | - |
| | 306,403 | 347,671 | - | 347,671 |
| 8 Administration | | | | |
| 2150-2199 Office Utilities | 2,356 | 2,074 | - | 2,074 |
| 2260-2299 Office Materials & Supplies | - | - | - | - |
| 2450-2499 Office Rent | - | - | - | - |
| 2500-2599 National & International Memberships | 1,707 | 2,207 | - | 2,207 |
| 2600-2699 Office Services | 8,176 | 9,191 | - | 9,191 |
| 2700-2799 Transport | 3,005 | 8,243 | - | 8,243 |
| 2800-2899 Travel | 198 | 8,763 | - | 8,763 |
| 2900-2999 Information Services | 7,780 | 18,335 | - | 18,335 |
| 3050 Office Cleaning | - | - | - | - |
| 3410-3199 Professional Services | 20,452 | 27,852 | - | 27,852 |
| 3200-3299 Training | - | 271 | - | 271 |
| 3345 Office Hospitality | - | - | - | - |
| 3400-3499 Incidental Expenses | 680 | 550 | - | 550 |
| | 44,354 | 77,486 | - | 77,486 |
| 9 Finance Costs | | | | |
| 3036 Interest on Bank Loan | 653 | 990 | - | 990 |
| | 653 | 990 | - | 990 |

Detailed Statment of Financial Position

DESCRIPTION

| | Actual for the Period | Annual Budget 2021 | Virements for the Period | Revised Annual Budget 2021 |
|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
| | € | € | € | € |
| 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 December 2021 | 139,877 | 129,065 | - | 129,065 |
| Depreciation | 139,877 | 129,065 | - | 129,065 |
| Total | 619,604 | 658,072 | - | 658,072 |
| 11 Inventories | | | | |
| 5201-5249 Stationery | - | - | - | - |
| 5250-5299 Consumables | - | - | - | - |
| | - | - | - | - |
| 12 Receivables | | | | |
| 0201-0209 Receivables | 33,970 | 51,310 | - | 51,310 |
| 0210-0219 LES Receivables | - | - | - | - |
| 0220-0229 Receivables from EU | - | - | - | - |
| 0250 Prepayments & Accrued income | 25,244 | 1,599 | - | 1,599 |
| | 59,214 | 52,909 | - | 52,909 |
| 13 Cash & Equivalents | | | | |
| 5001-5099 Bank & Cash Balances | 406,168 | 165,852 | - | 165,852 |
| | 406,168 | 165,852 | - | 165,852 |
| 14 Payables | | | | |
| 4000 Payables | 86,615 | 111,589 | (147,000) | 258,589 |
| 4100 Accruals | 73,316 | 23,726 | - | 23,726 |
| 4150 Deferred Income | 320,247 | - | - | - |
| Short-term Borrowings | - | - | - | - |
| | 480,178 | 135,315 | (147,000) | 282,315 |
| 15 Non Current Liabilities | | | | |
| 4200 Long Term Borrowing | 11,230 | 12,450 | - | 12,450 |
| | 11,230 | 12,450 | - | 12,450 |

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

| € | € | € |
|---|---|---|
|---|---|---|

Recurrent and Capital

| | | |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |

Long Term Loans

| | | |
|---|---|---|
| | | |
| | | |
| | | |
| - | - | - |

Others

| | | |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| - | - | - |

17 Depreciation of Property, Plant and Equipment

| | Trees / Assets Under Construction | Office Furniture / Fittings | Office & Computer Equipment | Plant & Machinery | Urban Improvements | New Street Signs | Construction | Special Programmes | Council Premises | Total |
|-------------------------------------|---|-----------------------------------|-----------------------------------|----------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|
| Asset | | | | | | | | | | |
| % of depreciation | 0% | 8% | 20% - 25% | 20% | 10% | 0% | 10% | 10% | 1% | |
| | € | € | € | € | € | € | € | € | € | € |
| Cost | | | | | | | | | | |
| As at 1st January 2021 | 154,951 | 34,072 | 34,555 | 32,625 | 707,468 | 13,942 | 2,247,142 | 136,328 | 138,150 | 3,499,233 |
| Additions | (147,807) | - | 2,361 | - | 42,642 | - | 147,807 | - | - | 45,003 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| As at end of December 2021 | 7,144 | 34,072 | 36,916 | 32,625 | 750,110 | 13,942 | 2,394,949 | 136,328 | 138,150 | 3,544,236 |
| Grants/ other reimbursements | | | | | | | | | | |
| As at 1st January 2021 | 14,605 | - | - | - | 157,406 | - | 587,109 | 68,341 | - | 827,461 |
| Additions | (14,273) | - | - | - | 28,090 | - | 6,095 | - | - | 19,912 |
| As at end of December 2021 | 332 | - | - | - | 185,496 | - | 593,204 | 68,341 | - | 847,373 |
| Accumulated Depreciation | | | | | | | | | | |
| As at 1st January 2021 | - | 29,266 | 31,705 | 32,625 | 519,092 | 13,942 | 1,354,249 | 67,987 | 12,918 | 2,061,784 |
| Charge for the period | - | 2,556 | 1,009 | - | 18,233 | - | 116,695 | - | 1,384 | 139,877 |
| Released on disposal | - | - | - | - | - | - | - | - | - | - |
| As at end of December 2021 | - | 31,822 | 32,714 | 32,625 | 537,325 | 13,942 | 1,470,944 | 67,987 | 14,302 | 2,201,661 |
| NBV As at end of December 20 | 6,812 | 2,250 | 4,202 | - | 27,289 | - | 330,801 | - | 123,848 | 495,202 |