

# **NADUR Local Council**

## **Quarterly Financial Report**

**for the Period**

**1st January till End of September 2022 (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 2022, 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 2022 with a deficit of Euro 62,944. 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, actual income amounted to 91% of budget. The additional income over budget portrays the Council's ability to obtain additional funding for the majority of the activities and events it organizes over the year. Actual expenditure also exceeded that budgeted and in fact amounted to 100% of budget. One of the main reasons for the excess expenditure relates to the removal of COVID effect in society resulting in the fact that all normal activities were undertaken. In addition to this, the increase in expenditure when compared to budget also arose due to a higher provision for depreciation. Depreciation is not actually a current financial expense but rather the apportionment of the fixed assets of the Council over time. 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. Up till the end of the first quarter the Local Council managed to pay off such variations. Such repayment of the variations and also a steady repayment each quarter of the previous debts enabled the Nadur Local Council to achieve a positive FSI for the first time in the past years. In fact, the Local Council transformed a negative 4.54% FSI as at end of Year 2021 to a positive 1% FSI as at end of this quarter.

Edward Said  
Mayor

Sue-Ellen Bugeja  
Executive Secretary

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**Statement of Income and Expenditure**  
**1st January till End of September 2022 (Quarter 3)**

DESCRIPTION	Actual for the Period €	Annual Budget 2022 €	Virements for the Period €	Revised Annual Budget 2022 €
<b>Income</b>				
Funds received from Central Government (1)	465,886	524,284	-	524,284
Income raised from Bye-Laws (2)	17,365	18,774	-	18,774
Income raised from LES (3)	1,739	2,315	-	2,315
Investment Income (4)	-	-	-	-
Other Income (5)	46,391	37,030	-	37,030
<b>TOTAL</b>	<b>531,381</b>	<b>582,403</b>	<b>-</b>	<b>582,403</b>
<b>Expenditure</b>				
Personal Emoluments (6)	103,743	123,840	-	123,840
Operations and Maintenance (7)	321,870	291,008	-	291,008
Administration (8)	62,273	52,326	-	52,326
Finance Cost (9)	190	891	-	891
Other Expenditure (10)	106,299	122,922	-	122,922
<b>TOTAL</b>	<b>594,375</b>	<b>590,987</b>	<b>-</b>	<b>590,987</b>
<b>Surplus / Deficit</b>	<b>(62,994)</b>	<b>(8,584)</b>	<b>-</b>	<b>(8,584)</b>

## Statement of Financial Position as at end of September 2022 (Quarter 3)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2022	the Period	2022
	€	€	€	€
<b>Non-current Assets</b>				
Property, Plant and Equipment (17)	404,749	393,044		393,044
<b>Current Assets</b>				
Inventories (11)	-	-	-	-
Receivables (12)	131,398	41,091	-	41,091
Cash and Cash Equivalents (13)	260,963	159,646	-	159,646
<b>Total Current Assets</b>	<b>392,361</b>	<b>200,737</b>	<b>-</b>	<b>200,737</b>
<b>Current Liabilities</b>				
Payables (14)	386,612	164,469	-	164,469
<b>Total Current Liabilities</b>	<b>386,612</b>	<b>164,469</b>	<b>-</b>	<b>164,469</b>
<b>Net Current Assets</b>	<b>5,749</b>	<b>36,268</b>	<b>-</b>	<b>36,268</b>
<b>Non-current liabilities (15)</b>	<b>4,317</b>	<b>3,014</b>	<b>-</b>	<b>3,014</b>
<b>Net Assets</b>	<b>406,181</b>	<b>426,298</b>	<b>-</b>	<b>426,298</b>
<b>Reserves</b>				
Retained Funds	406,181	426,298		426,298

## Financial Situation Indicator

DESCRIPTION				
Current Assets	392,361	200,737	-	200,737
Current Liabilities	386,612	164,469	-	164,469
<b>Working Capital</b>	<b>5,749</b>	<b>36,268</b>	<b>-</b>	<b>36,268</b>
Government Allocation	535,084	524,284	-	524,284
<b>FSI</b>	<b>1 %</b>	<b>7 %</b>		<b>7 %</b>



## Cash flow Statement

DESCRIPTION	Actual for the Period €	Annual Budget 2022 €	Virements for the Period €	Revised Annual Budget 2022 €
<b>Cash flow from operating activities</b>				
Surplus for the year	(62,994)	(8,584)	-	(8,584)
Adjustments for:				
Depreciation	106,299	122,922	-	122,922
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	-	-	-
Interest payable	190	891	-	891
(Profit) / Loss on disposal of asset	-	-	-	-
Transfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(41,920)	(395,039)	-	(395,039)
Increase / (Decrease) in accruals	(51,646)	(327)	-	(327)
Decrease / (Increase) in receivables	(72,185)	17,938	-	17,938
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	(122,256)	(262,199)	-	(262,199)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	(122,256)	(262,199)	-	(262,199)
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(34,123)	(482,663)	-	(482,663)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	18,277	454,163	-	454,163
Interest received	-	-	-	-
<i>Net cash used in investing activities</i>	(15,846)	(28,500)	-	(28,500)
<b>Cash flows from financing activities</b>				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(190)	(891)	-	(891)
Bank Loan Repayments	(6,913)	(8,557)	-	(8,557)
<i>Net cash from financing activities</i>	(7,103)	(9,448)	-	(9,448)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(145,205)	(300,147)	-	(300,147)
Cash & cash equivalents at beginning of year	406,168	459,793	-	459,793
<b>Cash &amp; cash equivalents at end of Quarter</b>	<b>260,963</b>	<b>159,646</b>	-	<b>159,646</b>

## Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2022	the Period	2022
	€	€	€	€
<b>Income</b>				
<b>1 Funds received from Cental Government:</b>				
0001 In terms of section 55 CAP 363	401,313	524,284		524,284
0002-0004 In terms of section 58 CAP 363	3,203	-		-
0005-0019 Other income	61,370	-		-
	<b>465,886</b>	<b>524,284</b>	-	<b>524,284</b>
<b>2 Income raised from Bye-Laws</b>				
0021-0025 Community Services	120	-		-
0026-0035 Income from Permits	17,245	18,774		18,774
	<b>17,365</b>	<b>18,774</b>	-	<b>18,774</b>
<b>3 Local Enforcement Income</b>				
0037 Commission from Regional Committees	-	-		-
0038-0055 Contraventions	1,739	2,315		2,315
	<b>1,739</b>	<b>2,315</b>	-	<b>2,315</b>
<b>4 Investment Income</b>				
0091-0095 Bank interest	-	-		-
0096-0099 Income received from Governnet Securities	-	-		-
	-	-	-	-
<b>5 Sponsorships</b>				
0056-0065 Sponsorships	3,000	-		-
0066-0069 Documents & Information	1	-		-
0070-0075 EU funds	-	-		-
0076-0080 Twinning	-	-		-
0081-0089 Insurance Claims	-	-		-
0100-0109 Donations	-	-		-
0110-0119 Contributions	-	-		-
0120-0129 General Income	43,390	37,030		37,030
	<b>46,391</b>	<b>37,030</b>	-	<b>37,030</b>
<b>Total</b>	<b>531,381</b>	<b>582,403</b>	-	<b>582,403</b>

## Detailed Expenditure

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2022	the Period	2022
	€	€	€	€
<b>6 i) Personal Emoluments</b>				
1100 Mayor's Allowance	17,806	23,808		23,808
1200 Employees' Salaries & Wages	62,555	80,840		80,840
1300 Bonuses	2,846	5,942		5,942
1400 Income Supplements	8,371	-		-
1500 Social Security Contributions	5,831	7,595		7,595
1600 Allowances	660	880		880
1700 Overtime	5,674	4,775		4,775
	<b>103,743</b>	<b>123,840</b>	-	<b>123,840</b>
<b>DESCRIPTION</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>7 Operations and Maintenance</b>				
2100-2149 Public Utilities	10,872	7,741		7,741
2200-2259 Public Materials & Supplies	10,848	12,447		12,447
2300-2399 Repairs & upkeep	16,744	21,628		21,628
2400-2449 Rent	8,887	5,228		5,228
3010 Street Lighting	2,628	13,693		13,693
3020 Lease of Equipment	67,540	52,954		52,954
3030 Insurance	1,866	2,512		2,512
3035 Bank Charges	1,518	708		708
3038 Penalties	11	21		21
3041 Refuse Collection	72,545	63,739		63,739
3042 Bulky Refuse Collection	8,795	12,136		12,136
3043 Bins on wheels	-	-		-
3045 Bring in sites	-	-		-
3051 Road & Street Cleaning	16,233	17,251		17,251
3052 Cleaning & Maintenance of Non-Urban Areas	719	6,706		6,706
3053 Cleaning of Public Conveniences	2,435	3,280		3,280
3055 Cleaning of Council Premises	1,002	1,446		1,446
3040 Waste Disposal	16,718	18,859		18,859
3060 Cleaning & Maintenance of Parks & Gardens	6,593	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	804	3,155		3,155
3070-3090 Consultation Fees	10,820	7,487		7,487
3100-3139 Contract & Project Management	3,446	3,221		3,221
3300-3379 Hospitality	60,821	26,276		26,276
3380-3389 Community	-	-		-
3390-3394 Donations	-	-		-
3600-3694 Local Enforcement Expenses	25	871		871
3700-3799 EU Projects	-	-		-
3800-3899 Twinning	-	-		-
	<b>321,870</b>	<b>291,008</b>	-	<b>291,008</b>
<b>8 Administration</b>				
2150-2199 Office Utilities	1,900	2,291		2,291
2260-2299 Office Materials & Supplies	-	-		-
2450-2499 Office Rent	-	-		-
2500-2599 National & International Memberships	2,775	2,207		2,207
2600-2699 Office Services	7,973	10,454		10,454
2700-2799 Transport	2,767	2,428		2,428
2800-2899 Travel	14,274	2,659		2,659
2900-2999 Information Services	14,196	7,494		7,494
3050 Office Cleaning	-	-		-
3410-3199 Professional Services	17,916	24,272		24,272
3200-3299 Training	-	-		-
3345 Office Hospitality	-	-		-
3400-3499 Incidental Expenses	472	521		521
	<b>62,273</b>	<b>52,326</b>	-	<b>52,326</b>
<b>9 Finance Costs</b>				
3036 Interest on Bank Loan	190	891		891
	<b>190</b>	<b>891</b>	-	<b>891</b>

## Detailed Statment of Financial Position

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2022	the Period	2022
	€	€	€	€
<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 September 2022	106,299	122,922		122,922
Depreciation				
	106,299	122,922	-	122,922
<b>Total</b>	<b>594,375</b>	<b>590,987</b>	<b>-</b>	<b>590,987</b>
<b>11 Inventories</b>				
5201-5249 Stationery	-	-		-
5250-5299 Consumables	-	-		-
	-	-	-	-
<b>12 Receivables</b>				
0201-0209 Receivables	51,643	32,812		32,812
0210-0219 LES Receivables	-	-		-
0220-0229 Receivables from EU	-	-		-
0250 Prepayments & Accrued income	79,755	8,279		8,279
	131,398	41,091	-	41,091
<b>13 Cash &amp; Equivalents</b>				
5001-5099 Bank & Cash Balances	260,963	159,646		159,646
	260,963	159,646	-	159,646
<b>14 Payables</b>				
4000 Payables	59,901	139,593		139,593
4100 Accruals	21,672	24,876		24,876
4150 Deferred Income	305,039	-		-
Short-term Borrowings				-
	386,612	164,469	-	164,469
<b>15 Non Current Liabilities</b>				
4200 Long Term Borrowing	4,317	3,014		3,014
	4,317	3,014	-	3,014

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 2022	7,144	34,072	36,916	32,625	750,110	13,942	2,394,949	136,328	138,150	3,544,236
Additions		2,446	6,478	1,930	23,269					34,123
Disposals										-
As at end of September 2022	<b>7,144</b>	<b>36,518</b>	<b>43,394</b>	<b>34,555</b>	<b>773,379</b>	<b>13,942</b>	<b>2,394,949</b>	<b>136,328</b>	<b>138,150</b>	<b>3,578,359</b>
<b>Grants/ other reimbursements</b>										
As at 1st January 2022	332	-	-	-	185,496	-	593,204	68,341	-	<b>847,373</b>
Additions		2,446	1,054		14,777					<b>18,277</b>
As at end of September 2022	<b>332</b>	<b>2,446</b>	<b>1,054</b>	-	<b>200,273</b>	-	<b>593,204</b>	<b>68,341</b>	-	<b>865,650</b>
<b>Accumulated Depreciation</b>										
As at 1st January 2022	-	31,822	32,714	32,625	537,325	13,942	1,470,944	67,987	14,302	<b>2,201,661</b>
Charge for the period	-	1,917	1,566	178	14,079	-	87,521	-	1,038	<b>106,299</b>
Released on disposal										-
As at end of September 2022	-	<b>33,739</b>	<b>34,280</b>	<b>32,803</b>	<b>551,404</b>	<b>13,942</b>	<b>1,558,465</b>	<b>67,987</b>	<b>15,340</b>	<b>2,307,960</b>
<b>NBV</b> As at end of September 2022	<b>6,812</b>	<b>333</b>	<b>8,060</b>	<b>1,752</b>	<b>21,702</b>	-	<b>243,280</b>	-	<b>122,810</b>	<b>404,749</b>