

# **NADUR**

## **Local Council**

**Quarterly Financial Report**

**for the Period**

**1st January till End of September 2017 (Quarter 3)**

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**Overview and Summary**

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In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till September 2017, 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 since when applying such principle not only the expenditure which was paid during the period is taken into consideration also those expenses which have been incurred by the Council during the period but were still due as at the end of this period. In this way, income is matched with the corresponding expenditure, resulting in a more reliable and whole picture of the financial situation being considered.

At a first glance, one will note that for this quarterly period being reported upon, the Nadur Local Council ended up with a deficit of Euro 2,774. However, this does not imply that the Local Council increased its fiscal deficit. Rather, such fiscal deficit increased only marginally when compared to the previous quarterly report. One must appreciate the fact that during the months of July to September 2017, the Nadur Local Council was faced with the bills for water, electricity and drainage connection with the embellishment of the Nadur square, which expenditure was not budgeted for in the annual budget 2017 in view of the fact that such bills were in dispute and not approved at that time. Such non-current expenditure was wholly paid by the Local Council during this quarter amounted to Euro 37,478 as per Depreciation Schedule sheet. Consequently, in order to pay and fulfill this expenditure, the Local Council ended up with no funds to dedicate to the accumulation or reduction of the fiscal deficit arising from previous financial periods. However, up till end of year, the Local Council is committed to reach its deficit target level as set in the annual budget.

It is also important to point out from this quarterly report, that the actual income received up till end of September 2017 amounts to only 70% of the budgeted income. This is mainly due for two reasons:

- (i) The Local Council is still awaiting the receipt of funds from the Capital Projects Fund and from the sponsorship for Delicata Wine Festival 2017; and
- (ii) Whereas the annual budget income includes approximately Euro 60,000 arising from the current portion of deferred income, such allocation will only feature in the actual figures as at end of year.

With respect to expenditure, one should note that all expenditure is in line with budgeted figures. In fact, actual expenditure up till end of September 2017 only amounts to 73% of budgeted expenditure. It is important to point out that the depreciation figure of Euro 107,225 is not an actual expenditure item but relates to the allocation for the year of the wear and tear portion of non-current assets to profit and loss account. Such depreciation will obviously be more than that budgeted in percentage terms, in view of the fact that additional non-current expenditure as mentioned above were incurred by the Local Council.

**Report  
Chapter 3)**

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**Statement of Income and Expenditure****1st January till End of September 2017 (Quarter 3)**

DESCRIPTION	Annual Budget 2017	
	€	€
<b>Income</b>		
Funds received from Central Government (1)	363,963	542,442
Income raised from Bye-Laws (2)	14,078	18,093
Income raised from LES (3)	2,118	1,757
Investment Income (4)	-	36
Other Income (5)	20,045	9,911
<b>TOTAL</b>	<b>400,204</b>	<b>572,239</b>
<b>Expenditure</b>		
Personal Emoluments (6)	55,081	82,677
Operations and Maintenance (7)	208,480	277,327
Administration (8)	31,173	50,592
Finance Cost (9)	1,019	2,274
Other Expenditure (10)	107,225	139,173
<b>TOTAL</b>	<b>402,978</b>	<b>552,043</b>
<b>Surplus / Deficit</b>	<b>(2,774)</b>	<b>20,196</b>

**Balance Sheet as at end of September 2017 (Quarter 3)**

DESCRIPTION	Annual Budget 2017	
	€	€
<b>Non-current Assets</b>		
Property, Plant and Equipment (17)	1,504,245	1,434,829
<b>Current Assets</b>		
Inventories (11)	-	-
Receivables (12)	20,978	7,410
Cash and Cash Equivalents (13)	(547)	15,158
<b>Total Current Assets</b>	<b>20,431</b>	<b>22,568</b>
<b>Current Liabilities</b>		
Payables (14)	847,965	758,821
Current portion of Long-Term Borrowings	9,448	9,448
<b>Total Current Liabilities</b>	<b>857,413</b>	<b>768,269</b>
<b>Net Current Assets</b>	<b>(836,982)</b>	<b>- 745,701</b>
<b>Non-current liabilities (15)</b>	<b>36,348</b>	<b>35,243</b>
<b>Net Assets</b>	<b>630,915</b>	<b>653,885</b>
<b>Reserves</b>		
Retained Funds	<b>630,915</b>	<b>653,885</b>

**Financial Situation Indicator**

DESCRIPTION		
Current Assets	20,431	22,568
Current Liabilities	857,413	768,269
Total Long Term Liabilities	36,348	35,243
Commitments approved by Ministry	(873,330)	(780,944)
Total Government Allocation	442,946	442,946
	-197%	-176.31%

**Cash Flow Statement**

	€
<b>Cash flow from operating activities</b>	
Surplus for the year	(2,774)
Adjustments for:	
Depreciation	107,225
Increase / (Decrease) in Allowance for Bad Debts	-
Interest receivable	-
Interest payable	1,019
(Profit) / Loss on disposal of asset	-
Increase / (Decrease) in payables	-38880
Increase / (Decrease) in accruals	-8248
Decrease / (Increase) in receivables	-8792
Decrease / (Increase) in inventories	-
Decrease / (Increase) in inventories	-
Cash generated from operations	49,550
Interest paid	0
<i>Net cash from operating activities</i>	<b>49,550</b>
<b>Cash flows from investing activities</b>	
Purchase of property, plant & equipment	-52468
Proceeds from sale of property, plant & equipment	0
Grants received	0
Interest received	0
<i>Net cash used in investing activities</i>	<b>-52468</b>
<b>Cash flows from financing activities</b>	
Proceeds from long-term borrowings	0
Interest Paid	-1019
Bank Loan Repayments	-6069
<i>Net cash from financing activities</i>	<b>-7088</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(10,006)</b>
Cash & cash equivalents at beginning of year	9459
<b>Cash &amp; cash equivalents at end of Quarter</b>	<b>-547</b>

DESCRIPTION	€
<b>Income</b>	
<b>1 Funds received from Central Government:</b>	
0001 In terms of section 55 CAP 363	342,210
0002-0004 In terms of section 58 CAP 363	2,577
0005-0019 Other income	19,176
	<b>363,963</b>
<b>2 Income raised from Bye-Laws</b>	
0021-0025 Community Services	982
0026-0035 Income from Permits	13,096
	<b>14,078</b>
<b>3 Local Enforcement Income</b>	
0037 Commission from Regional Committees	-
0038-0055 Contraventions	2,118
	<b>2,118</b>
<b>4 Investment Income</b>	
0091-0095 Bank interest	-
0096-0099 Income received from Government Securities	-
	-
<b>5 Sponsorships</b>	
0056-0065 Sponsorships	7,700
0066-0069 Documents & Information	11
0070-0075 EU funds	-
0076-0080 Twinning	-
0081-0089 Insurance Claims	1,439
0100-0109 Donations	-
0110-0119 Contributions	-
0120-0129 General Income	10,895
	<b>20,045</b>
<b>Total</b>	<b>400,204</b>
<b>6 i) Personal Emoluments</b>	
1100 Mayor's Allowance	8,709
1200 Employees' Salaries & Wages	40,790
1300 Bonuses	-
1400 Income Supplements	-
1500 Social Security Contributions	3,762
1600 Allowances	365
1700 Overtime	1,455
	<b>55,081</b>
<b>ii) Number of Employees</b>	
<b>Full time</b>	
Executive Secretary	1
Clerk	1
General Hand	1
	<b>3</b>
<b>Part time</b>	
Mayor	1
Councillors	4
	<b>5</b>
<b>Total number of employees</b>	<b>8</b>



DESCRIPTION	€
<b>7 Operations and Maintenance</b>	
2100-2149 Public Utilities	5,693
2200-2259 Public Materials & Supplies	4,928
2300-2399 Repairs & upkeep	20,324
2400-2449 Rent	1,347
3010 Street Lightning	4,650
3020 Lease of Equipment	25,562
3030 Insurance	1,149
3035 Bank Charges	200
3038 Penalties	86
3041 Refuse Collection	40,780
3042 Bulky Refuse Collection	7,897
3043 Bins on wheels	-
3045 Bring in sites	-
3051 Road & Street Cleaning	16,033
3052 Cleaning & Maintenance of Non-Urban Areas	-
3053 Cleaning of Public Conveniences	3,596
3055 Cleaning of Council Premises	676
3040 Waste Disposal	14,915
3060 Cleaning & Maintenance of Parks & Gardens	4,485
3061 Cleaning & Maintenance of Soft Areas	-
3062 Cleaning & Maintenance of Beaches & CA	-
3063 Cleaning & Maintenance of Country Non-Urban	-
6064 Other contractual Services	15,795
3070-3090 Consultation Fees	10,046
3100-3139 Contract & Project Management	2,198
3300-3379 Hospitality	28,120
3380-3389 Community	-
3390-3394 Donations	-
3600-3694 Local Enforcement Expenses	-
3700-3799 EU Projects	-
3800-3899 Twinning	-
	<b>208,480</b>
<b>8 Administration</b>	
2150-2199 Office Utilities	1,547
2260-2299 Office Materials & Supplies	-
2450-2499 Office Rent	-
2500-2599 National & International Memberships	1,567
2600-2699 Office Services	5,058
2700-2799 Transport	4,581
2800-2899 Travel	3,051
2900-2999 Information Services	4,484
3050 Office Cleaning	-
3410-3199 Professional Services	10,718
3200-3299 Training	-
3345 Office Hospitality	-
3400-3499 Incidental Expenses	167
	<b>31,173</b>
<b>9 Finance Costs</b>	
3036 Interest on Bank Loan	1,019
	<b>1,019</b>

DESCRIPTION	€
<b>10 Other Expenditure</b>	
1500-3599 Loss / (Profit) on Disposal of asset	-
3695 Increase/(Decrease) in allowance for bad debts	-
8000-8099 Depreciation	107,225
	107,225
<b>Total</b>	<b>402,978</b>
<b>11 Inventories</b>	
5201-5249 Stationery	-
5250-5299 Consumables	-
	-
<b>12 Receivables</b>	
0201-0209 Receivables	13,726
0210-0219 LES Receivables	-
0220-0229 Receivables from EU	-
0250 Prepayments & Accrued income	7,252
	<b>20,978</b>
<b>13 Cash &amp; Equivalents</b>	
5001-5099 Bank & Cash Balances	(547)
	<b>(547)</b>
<b>14 Payables</b>	
4000 Payables	290,554
4100 Accruals	7,727
4150 Deferred Income	549,684
Current portion of long term borrowings	9,448
	<b>857,413</b>
<b>15 Non Current Liabilities</b>	
4200 Long Term Borrowing	36,348
	36,348

**16 Capital Commitments**

**DESCRIPTION**

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**Approved but not yet contracted for:**

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**Contracted for but not provided for in Quarterly Financial Statements:**

-

**Others**

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

<b>Asset</b>	Trees	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 2017	6,812	32,674	29,331	32,625	543,244	13,942	2,426,833	136,328	138,150	<b>3,359,939</b>
Additions			1,683		13,307		37,478			<b>52,468</b>
Disposals										-
As at end of September 2017	6,812	32,674	31,014	32,625	556,551	13,942	2,464,311	136,328	138,150	<b>3,412,407</b>
<b>Grants/ other reimbursements</b>										
As at 1st January 2017	-	-	-	-	-	-	229,616	68,341	-	<b>297,957</b>
Additions										-
As at end of September 2017	-	-	-	-	-	-	229,616	68,341	-	<b>297,957</b>
<b>Accumulated Depreciation</b>										
As at 1st January 2017	-	20,927	22,574	29,282	347,336	13,942	1,007,470	53,982	7,467	<b>1,502,980</b>
Charge for the period	-	581	1,376	541	14,958	-	88,127	666	976	<b>107,225</b>
Released on disposal										-
As at end of September 2017	-	21,508	23,950	29,823	362,294	13,942	1,095,597	54,648	8,443	<b>1,610,205</b>
<b>NBV</b> As at end of September 2017	6,812	11,166	7,064	2,802	194,257	-	1,139,098	13,339	129,707	1,504,245