

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of December 2020 (Quarter 4)



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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 December 2020, 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 this quarter, which quarter also reflects the end of the financial year 2020, with a deficit of Euro 6,148. 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 when compared to budget, income was 97% of budgeted income whereas expenditure as at end of year 2020 was around 88% of the budgeted expenditure. The main reason why actual income and actual expenditure are less than budget is in view of the COVID-19 special circumstances since the Council for health reasons had to cancel or postpone a number of its activities during this past year. However, it is important to note that during this period the Nadur Local Council took the opportunity to use the money which would have been utilised to fund the cancelled activities to renovate and repair various spots and items in the Nadur locality.

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, as was recently concluded, will be wholly borne by the Local Council. Such variations amount to approximately Euro 147,000 and are accounted for in accruals since as at year end had not yet been approved by neither the architect nor by the Local Council. Such variations will put the Nadur Local Council once more in a deficit position with FSI amounting to -22%. It is important to note that had these variations not arose the Local Council would be in a surplus working capital position with a positive FSI of 7%. The Nadur Local Council remains committed to once more improve its deficit position and 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 2020 (Quarter 4)

DESCRIPTION	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
Income				
Funds received from Central Government (1)	544,675	552,585	-	552,585
Income raised from Bye-Laws (2)	17,291	19,364	-	19,364
Income raised from LES (3)	1,500	1,520	-	1,520
Investment Income (4)	16	57	-	57
Other Income (5)	35,415	42,362	-	42,362
TOTAL	598,897	615,888	-	615,888
Expenditure				
Personal Emoluments (6)	95,979	102,812	-	102,812
Operations and Maintenance (7)	302,044	348,479	-	348,479
Administration (8)	49,117	77,432	-	77,432
Finance Cost (9)	1,011	1,206	-	1,206
Other Expenditure (10)	156,894	155,202	-	155,202
TOTAL	605,045	685,131	-	685,131
Surplus / Deficit	(6,148)	(69,243)	-	(69,243)

Statement of Financial Position as at end of December 2020 (Quarter 4)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	612,207	450,819	-	450,819
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	123,726	48,173	-	48,173
Cash and Cash Equivalents (13)	400,354	146,882	-	146,882
Total Current Assets	524,080	195,055	-	195,055
Current Liabilities				
Payables (14)	637,920	210,861	-	210,861
Total Current Liabilities	637,920	210,861	-	210,861
Net Current Assets	(113,840)	(15,806)	-	(15,806)
Non-current liabilities (15)	20,030	20,234	-	20,234
Net Assets	478,337	414,779	-	414,779
Reserves				
Retained Funds	478,337	414,779	-	414,779

Financial Situation Indicator

DESCRIPTION				
Current Assets	524,080	195,055	-	195,055
Current Liabilities	637,920	210,861	-	210,861
Working Capital	(113,840)	(15,806)	-	(15,806)
Government Allocation	513,572	513,572	-	513,572
FSI	(22) %	(3) %		(3) %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(6,148)	(69,243)	-	(69,243)
Adjustments for:				
Depreciation	156,894	155,202	-	155,202
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(16)	(57)	-	(57)
Interest payable	1,011	1,206	-	1,206
(Profit) / Loss on disposal of asset	-	-	-	-
Transfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(130,988)	(417,581)	-	(417,581)
Increase / (Decrease) in accruals	130,909	(9,557)	-	(9,557)
Decrease / (Increase) in receivables	(10,448)	65,104	-	65,104
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	141,214	(274,926)	-	(274,926)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	141,214	(274,926)	-	(274,926)
Cash flows from investing activities				
Purchase of property, plant & equipment	(262,680)	(697,959)	-	(697,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	99,600	697,959	-	697,959
Interest received	16	57	-	57
<i>Net cash used in investing activities</i>	(163,064)	57	-	57
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(1,011)	(1,206)	-	(1,206)
Bank Loan Repayments	(8,446)	(8,242)	-	(8,242)
<i>Net cash from financing activities</i>	(9,457)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	(31,307)	(284,317)	-	(284,317)
Cash & cash equivalents at beginning of year	431,661	431,199	-	431,199
Cash & cash equivalents at end of Quarter	400,354	146,882	-	146,882

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Income				
1 Funds received from Central Government:				
0001 In terms of section 55 CAP 363	513,572	514,585	-	514,585
0002-0004 In terms of section 58 CAP 363	31,103	30,000	-	30,000
0005-0019 Other income	-	8,000	-	8,000
	544,675	552,585	-	552,585
2 Income raised from Bye-Laws				
0021-0025 Community Services	20	1,707	-	1,707
0026-0035 Income from Permits	17,271	17,657	-	17,657
	17,291	19,364	-	19,364
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	1,500	1,520	-	1,520
	1,500	1,520	-	1,520
4 Investment Income				
0091-0095 Bank interest	16	57	-	57
0096-0099 Income received from Government Securities	-	-	-	-
	16	57	-	57
5				
0056-0065 Sponsorships	-	5,200	-	5,200
0066-0069 Documents & Information	-	5	-	5
0070-0075 EU funds	-	-	-	-
0076-0080 Twinning	-	-	-	-
0081-0089 Insurance Claims	-	-	-	-
0100-0109 Donations	-	-	-	-
0110-0119 Contributions	-	-	-	-
0120-0129 General Income	35,415	37,157	-	37,157
	35,415	42,362	-	42,362
Total	598,897	615,888	-	615,888

Detailed Expenditure

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
6 i) Personal Emoluments				
1100 Mayor's Allowance	23,404	23,404	-	23,404
1200 Employees' Salaries & Wages	63,370	63,601	-	63,601
1300 Bonuses	-	4,847	-	4,847
1400 Income Supplements	-	-	-	-
1500 Social Security Contributions	6,134	5,903	-	5,903
1600 Allowances	880	880	-	880
1700 Overtime	2,191	4,177	-	4,177
	95,979	102,812	-	102,812
7 Operations and Maintenance				
2100-2149 Public Utilities	15,270	14,659	-	14,659
2200-2259 Public Materials & Supplies	16,047	9,619	-	9,619
2300-2399 Repairs & upkeep	38,905	38,612	-	38,612
2400-2449 Rent	6,377	4,400	-	4,400
3010 Street Lightning	7,306	10,583	-	10,583
3020 Lease of Equipment	31,199	55,230	-	55,230
3030 Insurance	2,617	1,876	-	1,876
3035 Bank Charges	272	263	-	263
3038 Penalties	39	-	-	-
3041 Refuse Collection	60,272	62,133	-	62,133
3042 Bulky Refuse Collection	10,205	9,196	-	9,196
3043 Bins on wheels	-	-	-	-
3045 Bring in sites	-	-	-	-
3051 Road & Street Cleaning	18,147	33,410	-	33,410
3052 Cleaning & Maintenance of Non-Urban Areas	9,500	1,719	-	1,719
3053 Cleaning of Public Conveniences	3,247	3,236	-	3,236
3055 Cleaning of Council Premises	1,331	1,055	-	1,055
3040 Waste Disposal	21,779	20,091	-	20,091
3060 Cleaning & Maintenance of Parks & Gardens	8,751	4,626	-	4,626
3061 Cleaning & Maintenance of Soft Areas	-	-	-	-
3062 Cleaning & Maintenance of Beaches & CA	-	-	-	-
3063 Cleaning & Maintenance of Country Non-Urban	-	-	-	-
6064 Other Contractual Services	14,848	14,780	-	14,780
3070-3090 Consultation Fees	8,991	12,097	-	12,097
3100-3139 Contract & Project Management	3,952	3,815	-	3,815
3300-3379 Hospitality	22,970	45,969	-	45,969
3380-3389 Community	-	-	-	-
3390-3394 Donations	-	-	-	-
3600-3694 Local Enforcement Expenses	19	1,110	-	1,110
3700-3799 EU Projects	-	-	-	-
3800-3899 Twinning	-	-	-	-
	302,044	348,479	-	348,479
8 Administration				
2150-2199 Office Utilities	2,040	2,461	-	2,461
2260-2299 Office Materials & Supplies	-	-	-	-
2450-2499 Office Rent	-	-	-	-
2500-2599 National & International Memberships	1,685	2,216	-	2,216
2600-2699 Office Services	8,519	8,818	-	8,818
2700-2799 Transport	4,514	8,325	-	8,325
2800-2899 Travel	1,175	8,677	-	8,677
2900-2999 Information Services	8,778	18,518	-	18,518
3050 Office Cleaning	-	-	-	-
3410-3199 Professional Services	21,665	28,131	-	28,131
3200-3299 Training	10	274	-	274
3345 Office Hospitality	-	-	-	-
3400-3499 Incidental Expenses	731	12	-	12
	49,117	77,432	-	77,432
9 Finance Costs				
3036 Interest on Bank Loan	1,011	1,206	-	1,206
	1,011	1,206	-	1,206

Detailed Statement of Financial Position

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
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 2020	156,894	155,202	-	155,202
Depreciation	156,894	155,202	-	155,202
Total	605,045	685,131	-	685,131
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	70,289	45,992	-	45,992
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	53,437	2,181	-	2,181
	123,726	48,173	-	48,173
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	400,354	146,882	-	146,882
	400,354	146,882	-	146,882
14 Payables				
4000 Payables	165,988	184,434	-	184,434
4100 Accruals	166,893	26,427	-	26,427
4150 Deferred Income	305,039	-	-	-
Short-term Borrowings	-	-	-	-
	637,920	210,861	-	210,861
15 Non Current Liabilities				
4200 Long Term Borrowing	20,030	20,234	-	20,234
	20,030	20,234	-	20,234

16	Total Commitments (Recurrent and Capital)			
	DESCRIPTION	€	€	€
	Recurrent and Capital	-	-	-
		-	-	-
		-	-	-
		-	-	-
	Long Term Loans			
		-	-	-
	Others			
		-	-	-

17 Depreciation of Property, Plant and Equipment

Asset	Trees / Assets Under Construction	Office Furniture / Fittings	Office & Computer Equipment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	Total
% of depreciation	0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
	€	€	€	€	€	€	€	€	€	€
Cost										
As at 1st January 2020	6,812	34,072	32,241	32,625	633,480	13,942	2,208,903	136,328	138,150	3,236,553
Additions	147,807	-	2,314	-	74,320	-	38,239	-	-	262,680
Disposals										-
As at end of December 2020	154,619	34,072	34,555	32,625	707,800	13,942	2,247,142	136,328	138,150	3,499,233
Grants/ other reimbursements										
As at 1st January 2020	-	-	-	-	92,444	-	565,096	68,341	-	725,881
Additions	12,293	-	-	-	65,294	-	22,013	-	-	99,600
As at end of December 2020	12,293	-	-	-	157,738	-	587,109	68,341	-	825,481
Accumulated Depreciation										
As at 1st January 2020	-	26,710	31,029	32,625	468,667	13,942	1,252,157	67,987	11,534	1,904,651
Charge for the period	-	2,556	672	-	50,883	-	102,092	-	692	156,894
Released on disposal										-
As at end of December 2020	-	29,266	31,701	32,625	519,550	13,942	1,354,249	67,987	12,226	2,061,545
NBV As at end of December 2020	142,326	4,806	2,854	-	30,512	-	305,785	-	125,924	612,207