

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of June 2019 (Quarter 2)

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Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period April till June 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 second quarter with a deficit of Euro 17,068. 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 the Nadur Local Council managed to increase its income by far than that budgeted. In fact, total actual income up till June 2019 amounts to 57% of that budgeted. On the other hand, the expenditure amounts to approximately 54% of the annual budget. However, it should also be pointed out that the deficit figure includes depreciation for the quarter amounting to Euro 80,497. 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. In fact, as shown in the cash flow statement, the Nadur Local Council for the quarter ended up with a cash inflow from operations of Euro 27,177.

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. 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 vast expenditure during this quarter, the FSI improved as expected and is already in line with that predicted in the annual budget for the year 2019.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure
1st January till End of June 2019 (Quarter 2)

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
Income				
Funds received from Central Government (1)	282,621	514,041	-	514,041
Income raised from Bye-Laws (2)	10,735	16,635	-	16,635
Income raised from LES (3)	584	1,685	-	1,685
Investment Income (4)	1	85	-	85
Other Income (5)	28,120	34,887	-	34,887
TOTAL	322,061	567,333	-	567,333
Expenditure				
Personal Emoluments (6)	44,327	92,388	-	92,388
Operations and Maintenance (7)	171,819	300,828	-	300,828
Administration (8)	41,776	78,256	-	78,256
Finance Cost (9)	710	1,641	-	1,641
Other Expenditure (10)	80,497	160,009	-	160,009
TOTAL	339,129	633,122	-	633,122
Surplus / Deficit	(17,068)	(65,789)	-	(65,789)

Statement of Financial Position as at end of June 2019 (Quarter 2)

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
Non-current Assets				
Property, Plant and Equipment (17)	748,660	712,635	-	712,635
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	70,080	32,309	-	32,309
Cash and Cash Equivalents (13)	388,005	290,323	-	290,323
Total Current Assets	458,085	322,632	-	322,632
Current Liabilities				
Payables (14)	630,123	511,941	-	511,941
Total Current Liabilities	630,123	511,941	-	511,941
Net Current Assets	(172,038)	(189,309)	-	(189,309)
Non-current liabilities (15)	33,359	28,783	-	28,783
Net Assets	543,263	494,543	-	494,543
Reserves				
Retained Funds	543,263	494,543	-	494,543

Financial Situation Indicator

DESCRIPTION				
Current Assets	458,085	322,632	-	322,632
Current Liabilities	630,123	511,941	-	511,941
Working Capital	(172,038)	(189,309)	-	(189,309)
Government Allocation	497,241	497,241	-	497,241
FSI	(35) %	(38) %		(38) %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(17,068)	(65,789)	-	(65,789)
Adjustments for:				
Depreciation	80,497	160,009	-	160,009
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(1)	(85)	-	(85)
Interest payable	710	1,641	-	1,641
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(2,465)	(134,075)	-	(134,075)
Increase / (Decrease) in accruals	(13,152)	275	-	275
Decrease / (Increase) in receivables	(21,344)	16,428	-	16,428
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	27,177	(21,596)	-	(21,596)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	27,177	(21,596)	-	(21,596)
Cash flows from investing activities				
Purchase of property, plant & equipment	(30,311)	(432,832)	-	(432,832)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	20,198	379,232	-	379,232
Interest received	1	85	-	85
<i>Net cash used in investing activities</i>	(10,112)	(53,515)	-	(53,515)
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(710)	(1,641)	-	(1,641)
Bank Loan Repayments	(3,231)	(7,807)	-	(7,807)
<i>Net cash from financing activities</i>	(3,941)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	13,124	(84,559)	-	(84,559)
Cash & cash equivalents at beginning of year	374,881	374,881	-	374,881
Cash & cash equivalents at end of Quarter	388,005	290,322	-	290,322

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
Income				
1 Funds received from Cental Government:				
0001 In terms of section 55 CAP 363	253,621	497,241	-	497,241
0002-0004 In terms of section 58 CAP 363	29,000	13,300	-	13,300
0005-0019 Other income	-	3,500	-	3,500
	282,621	514,041	-	514,041
2 Income raised from Bye-Laws				
0021-0025 Community Services	770	645	-	645
0026-0035 Income from Permits	9,965	15,990	-	15,990
	10,735	16,635	-	16,635
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	584	1,685	-	1,685
	584	1,685	-	1,685
4 Investment Income				
0091-0095 Bank interest	1	85	-	85
0096-0099 Income received from Governmet Securities	-	-	-	-
	1	85	-	85
5				
0056-0065 Sponsorships	1,800	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	17,155	24,376	-	24,376
	28,120	34,887	-	34,887
Total	322,061	567,333	-	567,333

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
		€	€	€	€
6 i)	Personal Emoluments				
1100	Mayor's Allowance	7,159	13,984	-	13,984
1200	Employees' Salaries & Wages	30,827	61,754	-	61,754
1300	Bonuses	-	3,669	-	3,669
1400	Income Supplements	841	865	-	865
1500	Social Security Contributions	2,831	5,703	-	5,703
1600	Allowances	398	880	-	880
1700	Overtime	2,271	5,534	-	5,534
		44,327	92,388	-	92,388
	DESCRIPTION	€	€	€	€
7	Operations and Maintenance				
2100-2149	Public Utilities	8,201	9,186	-	9,186
2200-2259	Public Materials & Supplies	5,125	8,131	-	8,131
2300-2399	Repairs & upkeep	17,983	30,602	-	30,602
2400-2449	Rent	3,870	2,544	-	2,544
3010	Street Lightning	2,529	7,151	-	7,151
3020	Lease of Equipment	28,925	50,631	-	50,631
3030	Insurance	707	1,610	-	1,610
3035	Bank Charges	130	185	-	185
3038	Penalties	8	-	-	-
3041	Refuse Collection	28,154	22,742	-	22,742
3042	Bulky Refuse Collection	2,723	53,929	-	53,929
3043	Bins on wheels	-	9,071	-	9,071
3045	Bring in sites	-	-	-	-
3051	Road & Street Cleaning	21,404	18,968	-	18,968
3052	Cleaning & Maintenance of Non-Urban Areas	1,442	-	-	-
3053	Cleaning of Public Conveniences	1,582	469	-	469
3055	Cleaning of Council Premises	520	3,048	-	3,048
3040	Waste Disposal	8,506	1,434	-	1,434
3060	Cleaning & Maintenance of Parks & Gardens	2,330	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	8,306	14,846	-	14,846
3070-3090	Consultation Fees	6,956	11,631	-	11,631
3100-3139	Contract & Project Management	2,782	8,135	-	8,135
3300-3379	Hospitality	19,491	38,854	-	38,854
3380-3389	Community	-	61	-	61
3390-3394	Donations	-	-	-	-
3600-3694	Local Enforcement Expenses	145	1,290	-	1,290
3700-3799	EU Projects	-	-	-	-
3800-3899	Twinning	-	-	-	-
		171,819	300,828	-	300,828
8	Administration				
2150-2199	Office Utilities	1,205	2,425	-	2,425
2260-2299	Office Materials & Supplies	-	-	-	-
2450-2499	Office Rent	-	-	-	-
2500-2599	National & International Memberships	1,683	1,818	-	1,818
2600-2699	Office Services	4,402	7,852	-	7,852
2700-2799	Transport	2,237	16,812	-	16,812
2800-2899	Travel	8,170	7,980	-	7,980
2900-2999	Information Services	9,758	17,110	-	17,110
3050	Office Cleaning	-	-	-	-
3410-3199	Professional Services	13,914	23,739	-	23,739
3200-3299	Training	367	256	-	256
3345	Office Hospitality	-	-	-	-
3400-3499	Incidental Expenses	40	264	-	264
		41,776	78,256	-	78,256
9	Finance Costs				
3036	Interest on Bank Loan	710	1,641	-	1,641
		710	1,641	-	1,641

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
	€	€	€	€
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 June 2019	80,497	160,009	-	160,009
Depreciation	80,497	160,009	-	160,009
Total	339,129	633,122	-	633,122
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	69,441	25,428	-	25,428
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	639	6,881	-	6,881
	-	-	-	-
	70,080	32,309	-	32,309
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	388,005	290,323	-	290,323
	388,005	290,323	-	290,323
14 Payables				
4000 Payables	317,925	186,316	-	186,316
4100 Accruals	14,338	27,765	-	27,765
4150 Deferred Income	297,860	297,860	-	297,860
Short-term Borrowings	-	-	-	-
	630,123	511,941	-	511,941
15 Non Current Liabilities				
4200 Long Term Borrowing	33,359	28,783	-	28,783
	33,359	28,783	-	28,783

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

	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 2019	86,204	32,878	32,026	32,625	539,838	13,942	1,854,500	136,328	138,150	2,866,491
Additions	-	130	-	-	30,181	-	-	-	-	30,311
Disposals										-
As at end of June 2019	86,204	33,008	32,026	32,625	570,019	13,942	1,854,500	136,328	138,150	2,896,802
Grants/ other reimbursements										
As at 1st January 2019	-	-	-	-	-	-	229,616	68,341	-	297,957
Additions	20,198	-	-	-	-	-	-	-	-	20,198
As at end of June 2019	20,198	-	-	-	-	-	229,616	68,341	-	318,155
Accumulated Depreciation										
As at 1st January 2019	-	24,157	29,416	32,625	418,696	13,942	1,152,517	67,987	10,150	1,749,490
Charge for the period	-	1,243	2,610	-	26,447	-	49,504	-	692	80,497
Released on disposal										-
As at end of June 2019	-	25,400	32,026	32,625	445,143	13,942	1,202,021	67,987	10,842	1,829,987
NBV As at end of June 2019	66,006	7,608	-	-	124,876	-	422,863	-	127,308	748,660