

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of September 2019 (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 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 third quarter with a deficit of Euro 38,524. 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 both income and expenditure as at end of September 2019 amounted to around 80% of those budgeted and thus even though expenditure is more than 75% this is counteracted by the increase in income. In addition to this, is also very important to note that the deficit figure includes depreciation for the quarter amounting to Euro 115,659. 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.

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 September 2019 (Quarter 3)

DESCRIPTION	Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
	€	€	€	€
Income				
Funds received from Central Government (1)	404,431	514,041	-	514,041
Income raised from Bye-Laws (2)	15,538	16,635	-	16,635
Income raised from LES (3)	1,038	1,685	-	1,685
Investment Income (4)	1	85	-	85
Other Income (5)	41,919	34,887	-	34,887
TOTAL	462,927	567,333	-	567,333
Expenditure				
Personal Emoluments (6)	68,437	92,388	-	92,388
Operations and Maintenance (7)	258,719	300,828	-	300,828
Administration (8)	57,926	78,256	-	78,256
Finance Cost (9)	710	1,641	-	1,641
Other Expenditure (10)	115,659	160,009	-	160,009
TOTAL	501,451	633,122	-	633,122
Surplus / Deficit	(38,524)	(65,789)	-	(65,789)

Statement of Financial Position as at end of September 2019 (Quarter 3)

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
Non-current Assets				
Property, Plant and Equipment (17)	675,400	712,635	-	712,635
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	79,097	32,309	-	32,309
Cash and Cash Equivalents (13)	331,845	290,323	-	290,323
Total Current Assets	410,942	322,632	-	322,632
Current Liabilities				
Payables (14)	534,326	511,941	-	511,941
Total Current Liabilities	534,326	511,941	-	511,941
Net Current Assets	(123,384)	(189,309)	-	(189,309)
Non-current liabilities (15)	30,209	28,783	-	28,783
Net Assets	521,807	494,543	-	494,543
Reserves				
Retained Funds	521,807	494,543	-	494,543

Financial Situation Indicator

DESCRIPTION				
Current Assets	410,942	322,632	-	322,632
Current Liabilities	534,326	511,941	-	511,941
Working Capital	(123,384)	(189,309)	-	(189,309)
Government Allocation	497,241	497,241	-	497,241
FSI	(25) %	(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	(38,524)	(65,789)	-	(65,789)
Adjustments for:				
Depreciation	115,659	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	(102,737)	(134,075)	-	(134,075)
Increase / (Decrease) in accruals	(8,678)	275	-	275
Decrease / (Increase) in receivables	(30,361)	16,428	-	16,428
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	(63,932)	(21,596)	-	(21,596)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	(63,932)	(21,596)	-	(21,596)
Cash flows from investing activities				
Purchase of property, plant & equipment	(115,546)	(432,832)	-	(432,832)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	143,532	379,232	-	379,232
Interest received	1	85	-	85
<i>Net cash used in investing activities</i>	27,987	(53,515)	-	(53,515)
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(710)	(1,641)	-	(1,641)
Bank Loan Repayments	(6,381)	(7,807)	-	(7,807)
<i>Net cash from financing activities</i>	(7,091)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	(43,036)	(84,559)	-	(84,559)
Cash & cash equivalents at beginning of year	374,881	374,881	-	374,881
Cash & cash equivalents at end of Quarter	331,845	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	375,431	497,241	-	497,241
0002-0004 In terms of section 58 CAP 363	26,000	13,300	-	13,300
0005-0019 Other income	3,000	3,500	-	3,500
	404,431	514,041	-	514,041
2 Income raised from Bye-Laws				
0021-0025 Community Services	770	645	-	645
0026-0035 Income from Permits	14,768	15,990	-	15,990
	15,538	16,635	-	16,635
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	1,038	1,685	-	1,685
	1,038	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	5,200	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	27,554	24,376	-	24,376
	41,919	34,887	-	34,887
Total	462,927	567,333	-	567,333

Detailed Expenditure

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
6 i) Personal Emoluments				
1100 Mayor's Allowance	13,080	13,984	-	13,984
1200 Employees' Salaries & Wages	46,286	61,754	-	61,754
1300 Bonuses	-	3,669	-	3,669
1400 Income Supplements	841	865	-	865
1500 Social Security Contributions	4,368	5,703	-	5,703
1600 Allowances	577	880	-	880
1700 Overtime	3,285	5,534	-	5,534
	68,437	92,388	-	92,388
7 Operations and Maintenance				
2100-2149 Public Utilities	12,200	9,186	-	9,186
2200-2259 Public Materials & Supplies	7,419	8,131	-	8,131
2300-2399 Repairs & upkeep	27,909	30,602	-	30,602
2400-2449 Rent	3,769	2,544	-	2,544
3010 Street Lightning	3,586	7,151	-	7,151
3020 Lease of Equipment	44,344	50,631	-	50,631
3030 Insurance	1,538	1,610	-	1,610
3035 Bank Charges	180	185	-	185
3038 Penalties	-	-	-	-
3041 Refuse Collection	45,751	53,929	-	53,929
3042 Bulky Refuse Collection	6,963	9,071	-	9,071
3043 Bins on wheels	-	-	-	-
3045 Bring in sites	-	-	-	-
3051 Road & Street Cleaning	28,931	18,968	-	18,968
3052 Cleaning & Maintenance of Non-Urban Areas	1,442	469	-	469
3053 Cleaning of Public Conveniences	2,392	3,048	-	3,048
3055 Cleaning of Council Premises	711	1,434	-	1,434
3040 Waste Disposal	14,779	22,742	-	22,742
3060 Cleaning & Maintenance of Parks & Gardens	3,163	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	10,677	14,846	-	14,846
3070-3090 Consultation Fees	9,231	11,631	-	11,631
3100-3139 Contract & Project Management	3,592	8,135	-	8,135
3300-3379 Hospitality	29,289	38,854	-	38,854
3380-3389 Community	-	61	-	61
3390-3394 Donations	-	-	-	-
3600-3694 Local Enforcement Expenses	853	1,290	-	1,290
3700-3799 EU Projects	-	-	-	-
3800-3899 Twinning	-	-	-	-
	258,719	300,828	-	300,828
8 Administration				
2150-2199 Office Utilities	1,757	2,425	-	2,425
2260-2299 Office Materials & Supplies	-	-	-	-
2450-2499 Office Rent	-	-	-	-
2500-2599 National & International Memberships	1,703	1,818	-	1,818
2600-2699 Office Services	6,102	7,852	-	7,852
2700-2799 Transport	5,078	16,812	-	16,812
2800-2899 Travel	11,785	7,980	-	7,980
2900-2999 Information Services	13,574	17,110	-	17,110
3050 Office Cleaning	-	-	-	-
3410-3199 Professional Services	17,501	23,739	-	23,739
3200-3299 Training	367	256	-	256
3345 Office Hospitality	-	-	-	-
3400-3499 Incidental Expenses	59	264	-	264
	57,926	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	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	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 September 2019	115,659	160,009	-	160,009
			-	-
Depreciation	115,659	160,009	-	160,009
Total	501,451	633,122	-	633,122
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	78,289	25,428	-	25,428
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	808	6,881	-	6,881
	-	-	-	-
	79,097	32,309	-	32,309
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	331,845	290,323	-	290,323
	331,845	290,323	-	290,323
14 Payables				
4000 Payables	236,600	186,316	-	186,316
4100 Accruals	18,812	27,765	-	27,765
4150 Deferred Income	278,914	297,860	-	297,860
Short-term Borrowings	-	-	-	-
	534,326	511,941	-	511,941
15 Non Current Liabilities				
4200 Long Term Borrowing	30,209	28,783	-	28,783
	30,209	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

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 2019	86,204	32,878	32,026	32,625	539,838	13,942	1,854,500	136,328	138,150	2,866,491
Additions	710	130		-	94,706	-	20,000	-	-	115,546
Disposals										-
As at end of September 2019	86,914	33,008	32,026	32,625	634,544	13,942	1,874,500	136,328	138,150	2,982,037
Grants/ other reimbursements										
As at 1st January 2019	-	-	-	-	-	-	229,616	68,341	-	297,957
Additions	79,006	-	-	-	64,526	-	-	-	-	143,532
As at end of September 2019	79,006	-	-	-	64,526	-	229,616	68,341	-	441,489
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	-	1,854	2,610	-	42,730	-	67,428	-	1,037	115,659
Released on disposal										-
As at end of September 2019	-	26,011	32,026	32,625	461,426	13,942	1,219,945	67,987	11,187	1,865,149
NBV As at end of September 2019	7,908	6,997	-	-	108,593	-	424,939	-	126,964	675,400