

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of March 2020 (Quarter 1)



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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 March 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 the first quarter with a deficit of Euro 3,072. 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 29% of budgeted income whereas expenditure as at end of March 2020 were around 26% of the budgeted expenditure and thus it can be concluded that the increase in expenditure was counteracted by a slightly higher increase in income. In addition to this, it is also very important to note that the deficit figure includes depreciation for the quarter amounting to Euro 38,381. 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. It is important to note that during this quarter the Local Council engaged into one of its major activities, being the Nadur Carnival. Such event, even though partially aided through grants from the Ministry for Gozo, still contributes substantially to the expenditure recorded during this 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 during this quarter. 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 expenditure during this quarter, the FSI improved by 5% from that recorded as at end of year 2019.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure
1st January till End of March 2020 (Quarter 1)

DESCRIPTION	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
Income				
Funds received from Central Government (1)	159,496	552,585	-	552,585
Income raised from Bye-Laws (2)	7,242	19,364	-	19,364
Income raised from LES (3)	485	1,520	-	1,520
Investment Income (4)	-	57	-	57
Other Income (5)	9,457	42,362	-	42,362
TOTAL	176,680	615,888	-	615,888
Expenditure				
Personal Emoluments (6)	24,289	102,812	-	102,812
Operations and Maintenance (7)	99,709	348,479	-	348,479
Administration (8)	16,923	77,432	-	77,432
Finance Cost (9)	-	1,206	-	1,206
Other Expenditure (10)	38,831	155,202	-	155,202
TOTAL	179,752	685,131	-	685,131
Surplus / Deficit	(3,072)	(69,243)	-	(69,243)

Statement of Financial Position as at end of March 2020 (Quarter 1)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	571,029	450,819	-	450,819
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	96,154	48,173	-	48,173
Cash and Cash Equivalents (13)	418,054	146,882	-	146,882
Total Current Assets	514,208	195,055	-	195,055
Current Liabilities				
Payables (14)	577,721	210,861	-	210,861
Total Current Liabilities	577,721	210,861	-	210,861
Net Current Assets	(63,513)	(15,806)	-	(15,806)
Non-current liabilities (15)	26,103	20,234	-	20,234
Net Assets	481,413	414,779	-	414,779
Reserves				
Retained Funds	481,413	414,779	-	414,779

Financial Situation Indicator

DESCRIPTION				
Current Assets	514,208	195,055	-	195,055
Current Liabilities	577,721	210,861	-	210,861
Working Capital	(63,513)	(15,806)	-	(15,806)
Government Allocation	513,572	513,572	-	513,572
FSI	(12) %	(3) %		(3) %

Cash flow Statement

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(3,072)	(69,243)	-	(69,243)
Adjustments for:				
Depreciation	38,831	155,202	-	155,202
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	(57)	-	(57)
Interest payable	-	1,206	-	1,206
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	(48,552)	(417,581)	-	(417,581)
Increase / (Decrease) in accruals	(11,726)	(9,557)	-	(9,557)
Decrease / (Increase) in receivables	17,124	65,104	-	65,104
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	(7,395)	(274,926)	-	(274,926)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	(7,395)	(274,926)	-	(274,926)
Cash flows from investing activities				
Purchase of property, plant & equipment	(3,839)	(697,959)	-	(697,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	-	697,959	-	697,959
Interest received	-	57	-	57
<i>Net cash used in investing activities</i>	(3,839)	57	-	57
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	-	(1,206)	-	(1,206)
Bank Loan Repayments	(2,373)	(8,242)	-	(8,242)
<i>Net cash from financing activities</i>	(2,373)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	(13,607)	(284,317)	-	(284,317)
Cash & cash equivalents at beginning of year	431,661	431,199	-	431,199
Cash & cash equivalents at end of Quarter	418,054	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 Cental Government:				
0001 In terms of section 55 CAP 363	128,393	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
	159,496	552,585	-	552,585
2 Income raised from Bye-Laws				
0021-0025 Community Services	20	1,707	-	1,707
0026-0035 Income from Permits	7,222	17,657	-	17,657
	7,242	19,364	-	19,364
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	485	1,520	-	1,520
	485	1,520	-	1,520
4 Investment Income				
0091-0095 Bank interest	-	57	-	57
0096-0099 Income received from Governnet Securities	-	-	-	-
	-	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	9,457	37,157	-	37,157
	9,457	42,362	-	42,362
Total	176,680	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	5,851	23,404	-	23,404
1200 Employees' Salaries & Wages	15,806	63,601	-	63,601
1300 Bonuses	-	4,847	-	4,847
1400 Income Supplements	-	-	-	-
1500 Social Security Contributions	1,472	5,903	-	5,903
1600 Allowances	220	880	-	880
1700 Overtime	940	4,177	-	4,177
	24,289	102,812	-	102,812
	€	€	€	€
7 Operations and Maintenance				
2100-2149 Public Utilities	1,090	14,659	-	14,659
2200-2259 Public Materials & Supplies	3,092	9,619	-	9,619
2300-2399 Repairs & upkeep	10,033	38,612	-	38,612
2400-2449 Rent	927	4,400	-	4,400
3010 Street Lighting	695	10,583	-	10,583
3020 Lease of Equipment	25,451	55,230	-	55,230
3030 Insurance	2,567	1,876	-	1,876
3035 Bank Charges	28	263	-	263
3038 Penalties	33	-	-	-
3041 Refuse Collection	14,079	62,133	-	62,133
3042 Bulky Refuse Collection	3,161	9,196	-	9,196
3043 Bins on wheels	-	-	-	-
3045 Bring in sites	-	-	-	-
3051 Road & Street Cleaning	9,123	33,410	-	33,410
3052 Cleaning & Maintenance of Non-Urban Areas	898	1,719	-	1,719
3053 Cleaning of Public Conveniences	812	3,236	-	3,236
3055 Cleaning of Council Premises	371	1,055	-	1,055
3040 Waste Disposal	5,132	20,091	-	20,091
3060 Cleaning & Maintenance of Parks & Gardens	1,615	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	4,090	14,780	-	14,780
3070-3090 Consultation Fees	4,945	12,097	-	12,097
3100-3139 Contract & Project Management	478	3,815	-	3,815
3300-3379 Hospitality	11,089	45,969	-	45,969
3380-3389 Community	-	-	-	-
3390-3394 Donations	-	-	-	-
3600-3694 Local Enforcement Expenses	-	1,110	-	1,110
3700-3799 EU Projects	-	-	-	-
3800-3899 Twinning	-	-	-	-
	99,709	348,479	-	348,479
	€	€	€	€
8 Administration				
2150-2199 Office Utilities	571	2,461	-	2,461
2260-2299 Office Materials & Supplies	-	-	-	-
2450-2499 Office Rent	-	-	-	-
2500-2599 National & International Memberships	351	2,216	-	2,216
2600-2699 Office Services	2,955	8,818	-	8,818
2700-2799 Transport	999	8,325	-	8,325
2800-2899 Travel	1,596	8,677	-	8,677
2900-2999 Information Services	3,104	18,518	-	18,518
3050 Office Cleaning	-	-	-	-
3410-3199 Professional Services	7,286	28,131	-	28,131
3200-3299 Training	10	274	-	274
3345 Office Hospitality	-	-	-	-
3400-3499 Incidental Expenses	51	12	-	12
	16,923	77,432	-	77,432
	€	€	€	€
9 Finance Costs				
3036 Interest on Bank Loan	-	1,206	-	1,206
	-	-	-	-
	-	1,206	-	1,206
	€	€	€	€

Detailed Statment 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 March 2020	38,831	155,202	-	155,202
			-	-
Depreciation	38,831	155,202	-	155,202
Total	179,752	685,131	-	685,131
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	48,985	45,992	-	45,992
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	47,169	2,181	-	2,181
			-	-
	96,154	48,173	-	48,173
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	418,054	146,882	-	146,882
	418,054	146,882	-	146,882
14 Payables				
4000 Payables	201,130	184,434	-	184,434
4100 Accruals	24,258	26,427	-	26,427
4150 Deferred Income	352,333	-	-	-
Short-term Borrowings			-	-
			-	-
	577,721	210,861	-	210,861
15 Non Current Liabilities				
4200 Long Term Borrowing	26,103	20,234	-	20,234
			-	-
	26,103	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	-	-	405	-	-	-	3,434	-	-	3,839
Disposals										-
As at end of March 2020	6,812	34,072	32,646	32,625	633,480	13,942	2,212,337	136,328	138,150	3,240,392
Grants/ other reimbursements										
As at 1st January 2020	-	-	-	-	92,444	-	565,096	68,341	-	725,881
Additions	-	-	-	-	-	-	-	-	-	-
As at end of March 2020	-	-	-	-	92,444	-	565,096	68,341	-	725,881
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	-	639	93	-	12,499	-	25,254	-	346	38,831
Released on disposal										-
As at end of March 2020	-	27,349	31,122	32,625	481,166	13,942	1,277,411	67,987	11,880	1,943,482
NBV As at end of March 2020	6,812	6,723	1,524	-	59,870	-	369,830	-	126,270	571,029