

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of June 2022 (Quarter 1)



Table of Contents

Overview and Summary

Statement of Income and Expenditure

Statement of Financial Position

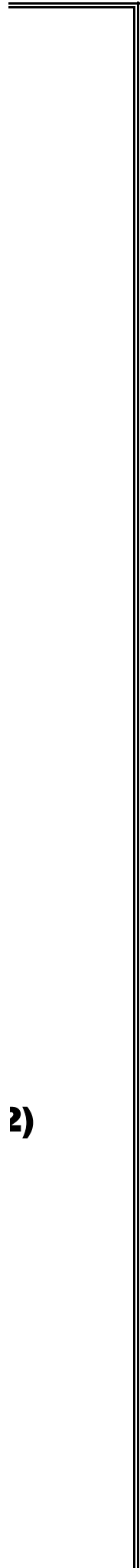
Cash flow Statement

Detailed Income

Detailed Expenditure

Detailed Statment of Financial Position

Depreciation of Property, Plant and Equipment



2)



Page 3

Page 4

Page 5

Page 6

Page 7

Page 8

Page 10

Page 11

Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till June 2022, 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 of 2022 with a surplus of Euro 12,991. This is however 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, actual income amounted to 58% of budget. Actual expenditure also exceeded that budgeted and in fact amounted to 60% of budget. One of the reasons for the excess expenditure relates mainly to higher administrative expenses resulting from past arrears due paid in the first quarter of 2022. Even though such administrative expenses are provided for in the Council's yearly allowance, only half of such provision was actually received up till the end of the second quarter. In addition to this, the increase in expenditure when compared to budget also arose due to a higher provision for depreciation. Depreciation is not actually a current financial expense but rather the apportionment of the fixed assets of the Council over time. It is important to point out that the additional income over budget portrays the Council's ability to obtain additional funding for the majority of the activities and events it organizes over the year.

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 had to be wholly borne by the Local Council. Up till the end of the first quarter the Local Council managed to pay off such variations. Such repayment of the variations and also a steady repayment each quarter of the previous debts enabled the Nadur Local Council to achieve a positive FSI for the first time in the past years. In fact, the Local Council transformed a negative 4.54% FSI as at end of Year 2021 to a positive 4% FSI as at end of this quarter.

Edward Said
Mayor

Sue-Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure
1st January till End of June 2022 (Quarter 2)

DESCRIPTION	Actual for the Period €	Annual Budget 2022 €	Virements for the Period €	Revised Annual Budget 2022 €
Income				
Funds received from Central Government (1)	292,715	524,284	-	524,284
Income raised from Bye-Laws (2)	13,407	18,774	-	18,774
Income raised from LES (3)	1,237	2,315	-	2,315
Investment Income (4)	-	-	-	-
Other Income (5)	29,636	37,030	-	37,030
TOTAL	336,995	582,403	-	582,403
Expenditure				
Personal Emoluments (6)	71,309	123,840	-	123,840
Operations and Maintenance (7)	170,306	291,008	-	291,008
Administration (8)	40,746	52,326	-	52,326
Finance Cost (9)	190	891	-	891
Other Expenditure (10)	70,973	122,922	-	122,922
TOTAL	353,524	590,987	-	590,987
Surplus / Deficit	(16,529)	(8,584)	-	(8,584)

Statement of Financial Position as at end of June 2022 (Quarter 2)

DESCRIPTION	Actual for the Period €	Annual Budget 2022 €	Virements for the Period €	Revised Annual Budget 2022 €
Non-current Assets				
Property, Plant and Equipment (17)	438,736	393,044		393,044
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	80,873	41,091	-	41,091
Cash and Cash Equivalents (13)	525,654	159,646	-	159,646
Total Current Assets	606,527	200,737	-	200,737
Current Liabilities				
Payables (14)	585,923	164,469	-	164,469
Total Current Liabilities	585,923	164,469	-	164,469
Net Current Assets	20,604	36,268	-	36,268
Non-current liabilities (15)	6,694	3,014	-	3,014
Net Assets	452,646	426,298	-	426,298
Reserves				
Retained Funds	452,646	426,298		426,298

Financial Situation Indicator

DESCRIPTION				
Current Assets	606,527	200,737	-	200,737
Current Liabilities	585,923	164,469	-	164,469
Working Capital	20,604	36,268	-	36,268
Government Allocation	535,084	524,284	-	524,284
FSI	4 %	7 %		7 %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2022	Virements for the Period	Revised Annual Budget 2022
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(16,529)	(8,584)	-	(8,584)
Adjustments for:				
Depreciation	70,973	122,922	-	122,922
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	-	-	-
Interest payable	190	891	-	891
(Profit) / Loss on disposal of asset	-	-	-	-
Transfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	154,819	(395,039)	-	(395,039)
Increase / (Decrease) in accruals	(49,075)	(327)	-	(327)
Decrease / (Increase) in receivables	(21,659)	17,938	-	17,938
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	138,719	(262,199)	-	(262,199)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	138,719	(262,199)	-	(262,199)
Cash flows from investing activities				
Purchase of property, plant & equipment	(18,007)	(482,663)	-	(482,663)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	3,500	454,163	-	454,163
Interest received	-	-	-	-
<i>Net cash used in investing activities</i>	(14,507)	(28,500)	-	(28,500)
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(190)	(891)	-	(891)
Bank Loan Repayments	(4,536)	(8,557)	-	(8,557)
<i>Net cash from financing activities</i>	(4,726)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	119,486	(300,147)	-	(300,147)
Cash & cash equivalents at beginning of year	406,168	459,793	-	459,793
Cash & cash equivalents at end of Quarter	525,654	159,646	-	159,646

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2022	the Period	2022
	€	€	€	€
Income				
1 Funds received from Cental Government:				
0001 In terms of section 55 CAP 363	267,542	524,284		524,284
0002-0004 In terms of section 58 CAP 363	3,203	-		-
0005-0019 Other income	21,970	-		-
	292,715	524,284	-	524,284
2 Income raised from Bye-Laws				
0021-0025 Community Services	120	-		-
0026-0035 Income from Permits	13,287	18,774		18,774
	13,407	18,774	-	18,774
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-		-
0038-0055 Contraventions	1,237	2,315		2,315
	1,237	2,315	-	2,315
4 Investment Income				
0091-0095 Bank interest	-	-		-
0096-0099 Income received from Governnet Securities	-	-		-
	-	-	-	-
5				
0056-0065 Sponsorships	3,000	-		-
0066-0069 Documents & Information	1	-		-
0070-0075 EU funds	-	-		-
0076-0080 Twinning	-	-		-
0081-0089 Insurance Claims	-	-		-
0100-0109 Donations	-	-		-
0110-0119 Contributions	-	-		-
0120-0129 General Income	26,635	37,030		37,030
	29,636	37,030	-	37,030
Total	336,995	582,403	-	582,403

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2022	Virements for the Period	Revised Annual Budget 2022
		€	€	€	€
6 i)	Personal Emoluments				
1100	Mayor's Allowance	11,871	23,808		23,808
1200	Employees' Salaries & Wages	41,722	80,840		80,840
1300	Bonuses	2,846	5,942		5,942
1400	Income Supplements	7,037	-		-
1500	Social Security Contributions	3,888	7,595		7,595
1600	Allowances	440	880		880
1700	Overtime	3,505	4,775		4,775
		71,309	123,840	-	123,840
		€	€	€	€
7	Operations and Maintenance				
2100-2149	Public Utilities	4,348	7,741		7,741
2200-2259	Public Materials & Supplies	7,040	12,447		12,447
2300-2399	Repairs & upkeep	13,905	21,628		21,628
2400-2449	Rent	6,274	5,228		5,228
3010	Street Lightning	2,311	13,693		13,693
3020	Lease of Equipment	25,766	52,954		52,954
3030	Insurance	1,072	2,512		2,512
3035	Bank Charges	1,439	708		708
3038	Penalties	6	21		21
3041	Refuse Collection	44,859	63,739		63,739
3042	Bulky Refuse Collection	4,790	12,136		12,136
3043	Bins on wheels	-	-		-
3045	Bring in sites	-	-		-
3051	Road & Street Cleaning	12,692	17,251		17,251
3052	Cleaning & Maintenance of Non-Urban Areas	387	6,706		6,706
3053	Cleaning of Public Conveniences	1,623	3,280		3,280
3055	Cleaning of Council Premises	557	1,446		1,446
3040	Waste Disposal	9,685	18,859		18,859
3060	Cleaning & Maintenance of Parks & Gardens	4,096	9,648		9,648
3061	Cleaning & Maintenance of Soft Areas	-	-		-
3062	Cleaning & Maintenance of Beaches & CA	-	-		-
3063	Cleaning & Maintenance of Country Non-Urban	-	-		-
6064	Other Contractual Services	804	3,155		3,155
3070-3090	Consultation Fees	4,990	7,487		7,487
3100-3139	Contract & Project Management	1,935	3,221		3,221
3300-3379	Hospitality	21,702	26,276		26,276
3380-3389	Community	-	-		-
3390-3394	Donations	-	-		-
3600-3694	Local Enforcement Expenses	25	871		871
3700-3799	EU Projects	-	-		-
3800-3899	Twinning	-	-		-
		170,306	291,008	-	291,008
		€	€	€	€
8	Administration				
2150-2199	Office Utilities	1,255	2,291		2,291
2260-2299	Office Materials & Supplies	-	-		-
2450-2499	Office Rent	-	-		-
2500-2599	National & International Memberships	2,275	2,207		2,207
2600-2699	Office Services	6,329	10,454		10,454
2700-2799	Transport	1,155	2,428		2,428
2800-2899	Travel	8,399	2,659		2,659
2900-2999	Information Services	10,318	7,494		7,494
3050	Office Cleaning	-	-		-
3410-3199	Professional Services	10,652	24,272		24,272
3200-3299	Training	-	-		-
3345	Office Hospitality	-	-		-
3400-3499	Incidental Expenses	363	521		521
		40,746	52,326	-	52,326
		€	€	€	€
9	Finance Costs				
3036	Interest on Bank Loan	190	891		891
		190	891	-	891
		€	€	€	€

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2022	Virements for the Period	Revised Annual Budget 2022
	€	€	€	€
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 2022	70,973	122,922		122,922
Depreciation	70,973	122,922	-	122,922
Total	353,524	590,987	-	590,987
11 Inventories				
5201-5249 Stationery	-	-		-
5250-5299 Consumables	-	-		-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	29,229	32,812		32,812
0210-0219 LES Receivables	-	-		-
0220-0229 Receivables from EU	-	-		-
0250 Prepayments & Accrued income	51,644	8,279		8,279
	80,873	41,091	-	41,091
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	525,654	159,646		159,646
	525,654	159,646	-	159,646
14 Payables				
4000 Payables	111,788	139,593		139,593
4100 Accruals	24,242	24,876		24,876
4150 Deferred Income	449,893	-		-
Short-term Borrowings				-
	585,923	164,469	-	164,469
15 Non Current Liabilities				
4200 Long Term Borrowing	6,694	3,014		3,014
	6,694	3,014	-	3,014

16	Total Commitments (Recurrent and Capital)			
	DESCRIPTION	€	€	€
	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 2022	7,144	34,072	36,916	32,625	750,110	13,942	2,394,949	136,328	138,150	3,544,236
Additions		2,446	6,478	1,930	7,153					18,007
Disposals										-
As at end of June 2022	7,144	36,518	43,394	34,555	757,263	13,942	2,394,949	136,328	138,150	3,562,243
Grants/ other reimbursements										
As at 1st January 2022	332	-	-	-	185,496	-	593,204	68,341	-	847,373
Additions		2,446	1,054							3,500
As at end of June 2022	332	2,446	1,054	-	185,496	-	593,204	68,341	-	850,873
Accumulated Depreciation										
As at 1st January 2022	-	31,822	32,714	32,625	537,325	13,942	1,470,944	67,987	14,302	2,201,661
Charge for the period	-	1,278	975	82	9,598	-	58,348	-	692	70,973
Released on disposal										-
As at end of June 2022	-	33,100	33,689	32,707	546,923	13,942	1,529,292	67,987	14,994	2,272,634
NBV As at end of June 2022	6,812	972	8,651	1,849	24,843	-	272,454	-	123,156	438,736