

# **NADUR Local Council**

## **Quarterly Financial Report**

**for the Period**

**1st January till End of June 2021 (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 January till June 2021, 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 2021 with a surplus of Euro 30,334. 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, income was 50% of budgeted income whereas expenditure as at end of June 2021 was around 41% of the budgeted expenditure. Actual expenditure was by far lower than that budgeted mainly due to the fact that due to Covid-19 restrictions the Nadur Local Council was unable to proceed and organize its normal activities, amongst which was the Nadur Carnival and the Mnarja related activities. The Nadur Carnival more so than the Mnarja activities is usually one of the main events of the Nadur Local Council, which even though partially aided through grants by the Ministry for Gozo, usually absorbs a substantial amount of the finances of the Nadur Local Council.

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 had to be wholly borne by the Local Council. Such variations amounted to approximately Euro 147,000. Up till the end of this quarter, the Nadur Local Council already managed to pay off Euro 50,000 from such variations. Such repayment of the variations and also a steady repayment each quarter of the previous debts enabled the Nadur Local Council to reduce the FSI from -23% as at end of Year 2020 to -8% as at end of June 2021. 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 June 2021 (Quarter 2)**

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2021	the Period	2021
	€	€	€	€
<b>Income</b>				
Funds received from Central Government (1)	262,142	543,572	-	543,572
Income raised from Bye-Laws (2)	7,940	19,172	-	19,172
Income raised from LES (3)	1,330	1,505	-	1,505
Investment Income (4)	-	15	-	15
Other Income (5)	26,799	36,139	-	36,139
<b>TOTAL</b>	<b>298,211</b>	<b>600,403</b>	<b>-</b>	<b>600,403</b>
<b>Expenditure</b>				
Personal Emoluments (6)	58,835	102,860	-	102,860
Operations and Maintenance (7)	134,420	347,671	-	347,671
Administration (8)	23,148	77,486	-	77,486
Finance Cost (9)	372	990	-	990
Other Expenditure (10)	51,102	129,065	-	129,065
<b>TOTAL</b>	<b>267,877</b>	<b>658,072</b>	<b>-</b>	<b>658,072</b>
<b>Surplus / Deficit</b>	<b>30,334</b>	<b>(57,669)</b>	<b>-</b>	<b>(57,669)</b>

## Statement of Financial Position as at end of June 2021 (Quarter 2)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2021	the Period	2021
	€	€	€	€
<b>Non-current Assets</b>				
Property, Plant and Equipment (17)	561,446	345,299	-	345,299
<b>Current Assets</b>				
Inventories (11)	-	-	-	-
Receivables (12)	86,732	52,909	-	52,909
Cash and Cash Equivalents (13)	549,833	165,852	-	165,852
<b>Total Current Assets</b>	<b>636,565</b>	<b>218,761</b>	<b>-</b>	<b>218,761</b>
<b>Current Liabilities</b>				
Payables (14)	678,228	135,315	-	135,315
<b>Total Current Liabilities</b>	<b>678,228</b>	<b>135,315</b>	<b>-</b>	<b>135,315</b>
<b>Net Current Assets</b>	<b>(41,663)</b>	<b>83,446</b>	<b>-</b>	<b>83,446</b>
<b>Non-current liabilities (15)</b>	<b>15,674</b>	<b>12,450</b>	<b>-</b>	<b>12,450</b>
<b>Net Assets</b>	<b>504,109</b>	<b>416,295</b>	<b>-</b>	<b>416,295</b>
<b>Reserves</b>				
Retained Funds	504,109	416,295	-	416,295

## Financial Situation Indicator

DESCRIPTION				
Current Assets	636,565	218,761	-	218,761
Current Liabilities	678,228	135,315	-	135,315
<b>Working Capital</b>	<b>(41,663)</b>	<b>83,446</b>	<b>-</b>	<b>83,446</b>
Government Allocation	524,284	513,572	-	513,572
<b>FSI</b>	<b>(8) %</b>	<b>16 %</b>		<b>16 %</b>

## Cash flow Statement

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2021	the Period	2021
	€	€	€	€
<b>Cash flow from operating activities</b>				
Surplus for the year	30,334	(57,669)	-	(57,669)
Adjustments for:				
Depreciation	51,102	129,065	-	129,065
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	(15)	-	(15)
Interest payable	372	990	-	990
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	93,313	(357,509)	-	(357,509)
Increase / (Decrease) in accruals	(57,850)	2,157	-	2,157
Decrease / (Increase) in receivables	36,772	39,751	-	39,751
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	154,043	(243,230)	-	(243,230)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	154,043	(243,230)	-	(243,230)
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(1,647)	(667,959)	-	(667,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	(913)	667,959	-	667,959
Interest received	-	15	-	15
<i>Net cash used in investing activities</i>	(2,560)	15	-	15
<b>Cash flows from financing activities</b>				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(372)	(990)	-	(990)
Bank Loan Repayments	(4,356)	(8,458)	-	(8,458)
<i>Net cash from financing activities</i>	(4,728)	(9,448)	-	(9,448)
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	146,755	(252,663)	-	(252,663)
Cash & cash equivalents at beginning of year	403,078	418,515	-	418,515
<b>Cash &amp; cash equivalents at end of Quarter</b>	549,833	165,852	-	165,852

## Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2021	the Period	2021
	€	€	€	€
<b>Income</b>				
<b>1 Funds received from Central Government:</b>				
0001 In terms of section 55 CAP 363	262,142	513,572	-	513,572
0002-0004 In terms of section 58 CAP 363	-	30,000	-	30,000
0005-0019 Other income	-	-	-	-
	<b>262,142</b>	<b>543,572</b>	<b>-</b>	<b>543,572</b>
<b>2 Income raised from Bye-Laws</b>				
0021-0025 Community Services	-	1,690	-	1,690
0026-0035 Income from Permits	7,940	17,482	-	17,482
	<b>7,940</b>	<b>19,172</b>	<b>-</b>	<b>19,172</b>
<b>3 Local Enforcement Income</b>				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	1,330	1,505	-	1,505
	<b>1,330</b>	<b>1,505</b>	<b>-</b>	<b>1,505</b>
<b>4 Investment Income</b>				
0091-0095 Bank interest	-	15	-	15
0096-0099 Income received from Government Securities	-	-	-	-
	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>5</b>				
0056-0065 Sponsorships	5,000	-	-	-
0066-0069 Documents & Information	-	-	-	-
0070-0075 EU funds	-	-	-	-
0076-0080 Twinning	-	-	-	-
0081-0089 Insurance Claims	-	-	-	-
0100-0109 Donations	-	-	-	-
0110-0119 Contributions	-	-	-	-
0120-0129 General Income	21,799	36,139	-	36,139
	<b>26,799</b>	<b>36,139</b>	<b>-</b>	<b>36,139</b>
<b>Total</b>	<b>298,211</b>	<b>600,403</b>	<b>-</b>	<b>600,403</b>



## Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2021	Virements for the Period	Revised Annual Budget 2021
		€	€	€	€
<b>6 i)</b>	<b>Personal Emoluments</b>				
1100	Mayor's Allowance	11,786	23,404	-	23,404
1200	Employees' Salaries & Wages	40,297	63,232	-	63,232
1300	Bonuses	-	4,847	-	4,847
1400	Income Supplements	-	-	-	-
1500	Social Security Contributions	3,766	6,361	-	6,361
1600	Allowances	440	880	-	880
1700	Overtime	2,546	4,136	-	4,136
		<b>58,835</b>	<b>102,860</b>	<b>-</b>	<b>102,860</b>
	<b>DESCRIPTION</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>7</b>	<b>Operations and Maintenance</b>				
2100-2149	Public Utilities	5,251	14,514	-	14,514
2200-2259	Public Materials & Supplies	6,313	9,524	-	9,524
2300-2399	Repairs & upkeep	18,487	33,563	-	33,563
2400-2449	Rent	3,764	6,360	-	6,360
3010	Street Lightning	6,391	10,689	-	10,689
3020	Lease of Equipment	22,691	54,683	-	54,683
3030	Insurance	1,720	2,617	-	2,617
3035	Bank Charges	463	260	-	260
3038	Penalties	12	-	-	-
3041	Refuse Collection	30,815	61,619	-	61,619
3042	Bulky Refuse Collection	6,180	6,972	-	6,972
3043	Bins on wheels	-	-	-	-
3045	Bring in sites	-	-	-	-
3051	Road & Street Cleaning	4,017	19,658	-	19,658
3052	Cleaning & Maintenance of Non-Urban Areas	479	11,247	-	11,247
3053	Cleaning of Public Conveniences	1,623	3,280	-	3,280
3055	Cleaning of Council Premises	704	1,350	-	1,350
3040	Waste Disposal	9,202	22,273	-	22,273
3060	Cleaning & Maintenance of Parks & Gardens	4,934	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	781	14,699	-	14,699
3070-3090	Consultation Fees	-	11,119	-	11,119
3100-3139	Contract & Project Management	2,714	4,783	-	4,783
3300-3379	Hospitality	7,861	47,714	-	47,714
3380-3389	Community	-	-	-	-
3390-3394	Donations	-	-	-	-
3600-3694	Local Enforcement Expenses	18	1,099	-	1,099
3700-3799	EU Projects	-	-	-	-
3800-3899	Twinning	-	-	-	-
		<b>134,420</b>	<b>347,671</b>	<b>-</b>	<b>347,671</b>
<b>8</b>	<b>Administration</b>				
2150-2199	Office Utilities	1,136	2,074	-	2,074
2260-2299	Office Materials & Supplies	-	-	-	-
2450-2499	Office Rent	-	-	-	-
2500-2599	National & International Memberships	1,685	2,207	-	2,207
2600-2699	Office Services	4,223	9,191	-	9,191
2700-2799	Transport	555	8,243	-	8,243
2800-2899	Travel	1,807	8,763	-	8,763
2900-2999	Information Services	1,947	18,335	-	18,335
3050	Office Cleaning	-	-	-	-
3410-3199	Professional Services	11,454	27,852	-	27,852
3200-3299	Training	-	271	-	271
3345	Office Hospitality	-	-	-	-
3400-3499	Incidental Expenses	341	550	-	550
		<b>23,148</b>	<b>77,486</b>	<b>-</b>	<b>77,486</b>
<b>9</b>	<b>Finance Costs</b>				
3036	Interest on Bank Loan	372	990	-	990
		<b>372</b>	<b>990</b>	<b>-</b>	<b>990</b>

## Detailed Statment of Financial Position

## DESCRIPTION

	Actual for the Period	Annual Budget 2021	Virements for the Period	Revised Annual Budget 2021
	€	€	€	€
<b>10 Other Expenditure</b>				
3500-3599 Loss / (Profit) on Disposal of asset	-	-	-	-
3695 Increase/(Decrease) in allowance for bad debts	-	-	-	-
8000-8099 Depreciation As at end of June 2021	51,102	129,065	-	129,065
Depreciation	51,102	129,065	-	129,065
<b>Total</b>	<b>267,877</b>	<b>658,072</b>	<b>-</b>	<b>658,072</b>
<b>11 Inventories</b>				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
<b>12 Receivables</b>				
0201-0209 Receivables	37,478	51,310	-	51,310
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	49,254	1,599	-	1,599
	86,732	52,909	-	52,909
<b>13 Cash &amp; Equivalents</b>				
5001-5099 Bank & Cash Balances	549,833	165,852	-	165,852
	549,833	165,852	-	165,852
<b>14 Payables</b>				
4000 Payables	125,159	111,589	-	111,589
4100 Accruals	113,889	23,726	-	23,726
4150 Deferred Income	439,180	-	-	-
Short-term Borrowings	-	-	-	-
	678,228	135,315	-	135,315
<b>15 Non Current Liabilities</b>				
4200 Long Term Borrowing	15,674	12,450	-	12,450
	15,674	12,450	-	12,450

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**

<b>Asset</b>	Trees / Assets Under Construction	Office Furniture / Fittinas	Office & Computer Equioment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	<b>Total</b>
% of depreciation	0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
€	€	€	€	€	€	€	€	€	€	€
<b>Cost</b>										
As at 1st January 2021	154,951	34,072	34,555	32,625	707,468	13,942	2,247,142	136,328	138,150	3,499,233
Additions	(147,807)	-	-	260	1,387	-	147,807	-	-	1,647
Disposals	-	-	-	-	-	-	-	-	-	-
As at end of June 2021	<b>7,144</b>	<b>34,072</b>	<b>34,555</b>	<b>32,885</b>	<b>708,855</b>	<b>13,942</b>	<b>2,394,949</b>	<b>136,328</b>	<b>138,150</b>	<b>3,500,880</b>
<b>Grants/ other reimbursements</b>										
As at 1st January 2021	14,605	-	-	-	157,406	-	587,109	68,341	-	827,461
Additions	(14,273)	-	-	-	-	-	13,360	-	-	(913)
As at end of June 2021	<b>332</b>	-	-	-	<b>157,406</b>	-	<b>600,469</b>	<b>68,341</b>	-	<b>826,548</b>
<b>Accumulated Depreciation</b>										
As at 1st January 2021	-	29,266	31,705	32,625	519,092	13,942	1,354,249	67,987	12,918	2,061,784
Charge for the period	-	1,278	459	9	13,206	-	35,458	-	692	51,102
Released on disposal	-	-	-	-	-	-	-	-	-	-
As at end of June 2021	-	<b>30,544</b>	<b>32,164</b>	<b>32,634</b>	<b>532,298</b>	<b>13,942</b>	<b>1,389,707</b>	<b>67,987</b>	<b>13,610</b>	<b>2,112,886</b>
<b>NBV</b> As at end of June 2021	<b>6,812</b>	<b>3,528</b>	<b>2,391</b>	<b>251</b>	<b>19,151</b>	<b>-</b>	<b>404,773</b>	<b>-</b>	<b>124,540</b>	<b>561,446</b>