

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of June 2020 (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 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 384. 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 51% of budgeted income whereas expenditure as at end of June 2020 was around 46% of the budgeted expenditure. The main reason why actual expenditure was less than budget is in view of the COVID-19 special circumstances since the Council for health reasons had to cancel or postpone a number of its activities during this period, in particular most of the activities in relation to Mnarja 2020. However, it is important to note that during this period the Nadur Local Council took the opportunity to use the money which would have been utilised to fund the cancelled activities to renovate and repair various spots and items in the Nadur locality. When looking at the quarterly report, one also has to keep in mind that the deficit figure includes depreciation for the quarter amounting to Euro 78,043. 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 during this quarter. In fact, such effective management of the Local Council's finances was also reflected in the Financial Situation Indicator (FSI) since up till end of June 2020, the FSI improved by 11% from that recorded as at end of year 2019. In fact, as at end of quarter, the FSI stands at -8%.

Mr. Edward Said
Mayor

Ms. Sue Ellen Bugeja
Executive Secretary

Statement of Income and Expenditure

1st January till End of June 2020 (Quarter 2)

DESCRIPTION	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
Income				
Funds received from Central Government (1)	287,889	552,585	-	552,585
Income raised from Bye-Laws (2)	10,015	19,364	-	19,364
Income raised from LES (3)	704	1,520	-	1,520
Investment Income (4)	11	57	-	57
Other Income (5)	18,036	42,362	-	42,362
TOTAL	316,655	615,888	-	615,888
Expenditure				
Personal Emoluments (6)	39,721	102,812	-	102,812
Operations and Maintenance (7)	174,295	348,479	-	348,479
Administration (8)	24,430	77,432	-	77,432
Finance Cost (9)	550	1,206	-	1,206
Other Expenditure (10)	78,043	155,202	-	155,202
TOTAL	317,039	685,131	-	685,131
Surplus / Deficit	(384)	(69,243)	-	(69,243)

Statement of Financial Position as at end of June 2020 (Quarter 2)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	547,748	450,819	-	450,819
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	101,173	48,173	-	48,173
Cash and Cash Equivalents (13)	532,976	146,882	-	146,882
Total Current Assets	634,149	195,055	-	195,055
Current Liabilities				
Payables (14)	673,500	210,861	-	210,861
Total Current Liabilities	673,500	210,861	-	210,861
Net Current Assets	(39,351)	(15,806)	-	(15,806)
Non-current liabilities (15)				
	24,295	20,234	-	20,234
Net Assets	484,102	414,779	-	414,779
Reserves				
Retained Funds	484,102	414,779	-	414,779

Financial Situation Indicator

DESCRIPTION				
Current Assets	634,149	195,055	-	195,055
Current Liabilities	673,500	210,861	-	210,861
Working Capital	(39,351)	(15,806)	-	(15,806)
Government Allocation	513,572	513,572	-	513,572
FSI	(8) %	(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	(384)	(69,243)	-	(69,243)
Adjustments for:				
Depreciation	78,043	155,202	-	155,202
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	(11)	(57)	-	(57)
Interest payable	550	1,206	-	1,206
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	59,390	(417,581)	-	(417,581)
Increase / (Decrease) in accruals	(23,888)	(9,557)	-	(9,557)
Decrease / (Increase) in receivables	12,105	65,104	-	65,104
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	125,805	(274,926)	-	(274,926)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	125,805	(274,926)	-	(274,926)
Cash flows from investing activities				
Purchase of property, plant & equipment	(71,607)	(697,959)	-	(697,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	51,837	697,959	-	697,959
Interest received	11	57	-	57
<i>Net cash used in investing activities</i>	(19,759)	57	-	57
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(550)	(1,206)	-	(1,206)
Bank Loan Repayments	(4,181)	(8,242)	-	(8,242)
<i>Net cash from financing activities</i>	(4,731)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	101,315	(284,317)	-	(284,317)
Cash & cash equivalents at beginning of year	431,661	431,199	-	431,199
Cash & cash equivalents at end of Quarter	532,976	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	256,786	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
	287,889	552,585	-	552,585
2 Income raised from Bye-Laws				
0021-0025 Community Services	20	1,707	-	1,707
0026-0035 Income from Permits	9,995	17,657	-	17,657
	10,015	19,364	-	19,364
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	-	-	-
0038-0055 Contraventions	704	1,520	-	1,520
	704	1,520	-	1,520
4 Investment Income				
0091-0095 Bank interest	11	57	-	57
0096-0099 Income received from Governnet Securities	-	-	-	-
	11	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	18,036	37,157	-	37,157
	18,036	42,362	-	42,362
Total	316,655	615,888	-	615,888

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
		€	€	€	€
6 i)	Personal Emoluments				
1100	Mayor's Allowance	9,751	23,404	-	23,404
1200	Employees' Salaries & Wages	26,166	63,601	-	63,601
1300	Bonuses	-	4,847	-	4,847
1400	Income Supplements	-	-	-	-
1500	Social Security Contributions	2,381	5,903	-	5,903
1600	Allowances	367	880	-	880
1700	Overtime	1,056	4,177	-	4,177
		39,721	102,812	-	102,812
	DESCRIPTION	€	€	€	€
7	Operations and Maintenance				
2100-2149	Public Utilities	7,521	14,659	-	14,659
2200-2259	Public Materials & Supplies	8,507	9,619	-	9,619
2300-2399	Repairs & upkeep	21,298	38,612	-	38,612
2400-2449	Rent	2,798	4,400	-	4,400
3010	Street Lightning	1,409	10,583	-	10,583
3020	Lease of Equipment	30,589	55,230	-	55,230
3030	Insurance	2,617	1,876	-	1,876
3035	Bank Charges	115	263	-	263
3038	Penalties	33	-	-	-
3041	Refuse Collection	28,378	62,133	-	62,133
3042	Bulky Refuse Collection	5,177	9,196	-	9,196
3043	Bins on wheels	-	-	-	-
3045	Bring in sites	-	-	-	-
3051	Road & Street Cleaning	11,547	33,410	-	33,410
3052	Cleaning & Maintenance of Non-Urban Areas	5,422	1,719	-	1,719
3053	Cleaning of Public Conveniences	1,624	3,236	-	3,236
3055	Cleaning of Council Premises	587	1,055	-	1,055
3040	Waste Disposal	10,368	20,091	-	20,091
3060	Cleaning & Maintenance of Parks & Gardens	5,992	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	8,320	14,780	-	14,780
3070-3090	Consultation Fees	5,821	12,097	-	12,097
3100-3139	Contract & Project Management	3,552	3,815	-	3,815
3300-3379	Hospitality	12,620	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	-	-	-	-
		174,295	348,479	-	348,479
8	Administration				
2150-2199	Office Utilities	1,063	2,461	-	2,461
2260-2299	Office Materials & Supplies	-	-	-	-
2450-2499	Office Rent	-	-	-	-
2500-2599	National & International Memberships	1,685	2,216	-	2,216
2600-2699	Office Services	4,651	8,818	-	8,818
2700-2799	Transport	1,868	8,325	-	8,325
2800-2899	Travel	1,596	8,677	-	8,677
2900-2999	Information Services	3,909	18,518	-	18,518
3050	Office Cleaning	-	-	-	-
3410-3199	Professional Services	9,446	28,131	-	28,131
3200-3299	Training	10	274	-	274
3345	Office Hospitality	-	-	-	-
3400-3499	Incidental Expenses	202	12	-	12
		24,430	77,432	-	77,432
9	Finance Costs				
3036	Interest on Bank Loan	550	1,206	-	1,206
		550	1,206	-	1,206

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 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 June 2020	78,043	155,202	-	155,202
Depreciation	78,043	155,202	-	155,202
Total	317,039	685,131	-	685,131
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	57,779	45,992	-	45,992
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	43,394	2,181	-	2,181
	101,173	48,173	-	48,173
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	532,976	146,882	-	146,882
	532,976	146,882	-	146,882
14 Payables				
4000 Payables	210,502	184,434	-	184,434
4100 Accruals	12,096	26,427	-	26,427
4150 Deferred Income	450,902	-	-	-
Short-term Borrowings	-	-	-	-
	673,500	210,861	-	210,861
15 Non Current Liabilities				
4200 Long Term Borrowing	24,295	20,234	-	20,234
	24,295	20,234	-	20,234

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 / Fittinas	Office & Computer Equioment	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	-	-	773	-	32,595	-	38,239	-	-	71,607
Disposals										-
As at end of June 2020	6,812	34,072	33,014	32,625	666,075	13,942	2,247,142	136,328	138,150	3,308,160
Grants/ other reimbursements										
As at 1st January 2020	-	-	-	-	92,444	-	565,096	68,341	-	725,881
Additions	-	-	-	-	29,824	-	22,013	-	-	51,837
As at end of June 2020	-	-	-	-	122,268	-	587,109	68,341	-	777,718
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	-	1,278	222	-	25,021	-	50,830	-	692	78,043
Released on disposal										-
As at end of June 2020	-	27,988	31,251	32,625	493,688	13,942	1,302,987	67,987	12,226	1,982,694
NBV As at end of June 2020	6,812	6,084	1,762	-	50,119	-	357,046	-	125,924	547,748