

NADUR Local Council

Quarterly Financial Report

for the Period

1st January till End of March 2021 (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 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 first quarter of 2021 with a surplus of Euro 21,102. 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 25% of budgeted income whereas expenditure as at end of March 2021 was around 19% 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. The Nadur Carnival 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 for this quarter.

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. During this quarter, the Nadur Local Council managed to pay off Euro 50,000 from such variations and thus reducing the FSI from -23% as at end of Year 2020 to -15% as at end of March 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 March 2021 (Quarter 1)

DESCRIPTION	Actual for the Period	Annual Budget 2021	Virements for the Period	Revised Annual Budget 2021
	€	€	€	€
Income				
Funds received from Central Government (1)	131,071	543,572	-	543,572
Income raised from Bye-Laws (2)	4,647	19,172	-	19,172
Income raised from LES (3)	573	1,505	-	1,505
Investment Income (4)	-	15	-	15
Other Income (5)	9,166	36,139	-	36,139
TOTAL	145,457	600,403	-	600,403
Expenditure				
Personal Emoluments (6)	29,185	102,860	-	102,860
Operations and Maintenance (7)	66,556	347,671	-	347,671
Administration (8)	12,078	77,486	-	77,486
Finance Cost (9)	3	990	-	990
Other Expenditure (10)	16,533	129,065	-	129,065
TOTAL	124,355	658,072	-	658,072
Surplus / Deficit	21,102	(57,669)	-	(57,669)

Statement of Financial Position as at end of March 2021 (Quarter 1)

DESCRIPTION	Actual for the Period €	Annual Budget 2021 €	Virements for the Period €	Revised Annual Budget 2021 €
Non-current Assets				
Property, Plant and Equipment (17)	593,455	345,299	-	345,299
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	79,963	52,909	-	52,909
Cash and Cash Equivalents (13)	537,632	165,852	-	165,852
Total Current Assets	617,595	218,761	-	218,761
Current Liabilities				
Payables (14)	698,507	135,315	-	135,315
Total Current Liabilities	698,507	135,315	-	135,315
Net Current Assets	(80,912)	83,446	-	83,446
Non-current liabilities (15)	17,667	12,450	-	12,450
Net Assets	494,876	416,295	-	416,295
Reserves				
Retained Funds	494,876	416,295	-	416,295

Financial Situation Indicator

DESCRIPTION				
Current Assets	617,595	218,761	-	218,761
Current Liabilities	698,507	135,315	-	135,315
Working Capital	(80,912)	83,446	-	83,446
Government Allocation	524,284	513,572	-	513,572
FSI	(15) %	16 %		16 %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2021	Virements for the Period	Revised Annual Budget 2021
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	21,102	(57,669)	-	(57,669)
Adjustments for:				
Depreciation	16,533	129,065	-	129,065
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	(15)	-	(15)
Interest payable	2	990	-	990
(Profit) / Loss on disposal of asset	-	-	-	-
Trasfer of Grants to Profit & Loss	-	-	-	-
Increase / (Decrease) in payables	106,449	(357,509)	-	(357,509)
Increase / (Decrease) in accruals	(50,708)	2,157	-	2,157
Decrease / (Increase) in receivables	43,541	39,751	-	39,751
Decrease / (Increase) in inventories	-	-	-	-
Decrease / (Increase) in inventories	-	-	-	-
Cash generated from operations	136,919	(243,230)	-	(243,230)
Interest paid	-	-	-	-
<i>Net cash from operating activities</i>	136,919	(243,230)	-	(243,230)
Cash flows from investing activities				
Purchase of property, plant & equipment	-	(667,959)	-	(667,959)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	-	667,959	-	667,959
Interest received	-	15	-	15
<i>Net cash used in investing activities</i>	-	15	-	15
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	(2)	(990)	-	(990)
Bank Loan Repayments	(2,363)	(8,458)	-	(8,458)
<i>Net cash from financing activities</i>	(2,365)	(9,448)	-	(9,448)
Net increase/(decrease) in cash & cash equivalents	134,554	(252,663)	-	(252,663)
Cash & cash equivalents at beginning of year	403,078	418,515	-	418,515
Cash & cash equivalents at end of Quarter	537,632	165,852	-	165,852

Detailed Income

DESCRIPTION		Actual for	Annual Budget	Virements for	Revised Annual Budget
		the Period	2021	the Period	2021
		€	€	€	€
Income					
1	Funds received from Cental Government:				
	0001 In terms of section 55 CAP 363	131,071	513,572	-	513,572
	0002-0004 In terms of section 58 CAP 363	-	30,000	-	30,000
	0005-0019 Other income	-	-	-	-
		131,071	543,572	-	543,572
2	Income raised from Bye-Laws				
	0021-0025 Community Services	-	1,690	-	1,690
	0026-0035 Income from Permits	4,647	17,482	-	17,482
		4,647	19,172	-	19,172
3	Local Enforcement Income				
	0037 Commission from Regional Committees	-	-	-	-
	0038-0055 Contraventions	573	1,505	-	1,505
		573	1,505	-	1,505
4	Investment Income				
	0091-0095 Bank interest	-	15	-	15
	0096-0099 Income received from Governnet Securities	-	-	-	-
		-	15	-	15
5	Sponsorships				
	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	9,166	36,139	-	36,139
		9,166	36,139	-	36,139
	Total	145,457	600,403	-	600,403

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2021	Virements for the Period	Revised Annual Budget 2021
		€	€	€	€
6 i)	Personal Emoluments				
	1100 Mayor's Allowance	5,893	23,404	-	23,404
	1200 Employees' Salaries & Wages	20,010	63,232	-	63,232
	1300 Bonuses	-	4,847	-	4,847
	1400 Income Supplements	-	-	-	-
	1500 Social Security Contributions	1,880	6,361	-	6,361
	1600 Allowances	220	880	-	880
	1700 Overtime	1,182	4,136	-	4,136
		29,185	102,860	-	102,860
		€	€	€	€
7	Operations and Maintenance				
	2100-2149 Public Utilities	958	14,514	-	14,514
	2200-2259 Public Materials & Supplies	3,081	9,524	-	9,524
	2300-2399 Repairs & upkeep	3,569	33,563	-	33,563
	2400-2449 Rent	1,307	6,360	-	6,360
	3010 Street Lightning	5,084	10,689	-	10,689
	3020 Lease of Equipment	17,976	54,683	-	54,683
	3030 Insurance	1,256	2,617	-	2,617
	3035 Bank Charges	354	260	-	260
	3038 Penalties	7	-	-	-
	3041 Refuse Collection	15,777	61,619	-	61,619
	3042 Bulky Refuse Collection	3,004	6,972	-	6,972
	3043 Bins on wheels	-	-	-	-
	3045 Bring in sites	-	-	-	-
	3051 Road & Street Cleaning	2,135	19,658	-	19,658
	3052 Cleaning & Maintenance of Non-Urban Areas	166	11,247	-	11,247
	3053 Cleaning of Public Conveniences	812	3,280	-	3,280
	3055 Cleaning of Council Premises	358	1,350	-	1,350
	3040 Waste Disposal	4,668	22,273	-	22,273
	3060 Cleaning & Maintenance of Parks & Gardens	1,801	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	192	4,783	-	4,783
	3300-3379 Hospitality	3,252	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	-	-	-	-
		66,556	347,671	-	347,671
		€	€	€	€
8	Administration				
	2150-2199 Office Utilities	567	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	1,725	9,191	-	9,191
	2700-2799 Transport	-	8,243	-	8,243
	2800-2899 Travel	195	8,763	-	8,763
	2900-2999 Information Services	1,855	18,335	-	18,335
	3050 Office Cleaning	-	-	-	-
	3410-3199 Professional Services	6,008	27,852	-	27,852
	3200-3299 Training	-	271	-	271
	3345 Office Hospitality	-	-	-	-
	3400-3499 Incidental Expenses	43	550	-	550
		12,078	77,486	-	77,486
		€	€	€	€

9 **Finance Costs**
3036 Interest on Bank Loan

3	990	-	990
3	990	-	990

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period €	Annual Budget 2021 €	Virements for the Period €	Revised Annual Budget 2021 €
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 2021	16,533	129,065	-	129,065
			-	-
Depreciation	16,533	129,065	-	129,065
Total	124,355	658,072	-	658,072
11 Inventories				
5201-5249 Stationery	-	-	-	-
5250-5299 Consumables	-	-	-	-
	-	-	-	-
12 Receivables				
0201-0209 Receivables	23,646	51,310	-	51,310
0210-0219 LES Receivables	-	-	-	-
0220-0229 Receivables from EU	-	-	-	-
0250 Prepayments & Accrued income	56,317	1,599	-	1,599
			-	-
	79,963	52,909	-	52,909
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	537,632	165,852	-	165,852
	537,632	165,852	-	165,852
14 Payables				
4000 Payables	141,786	111,589	-	111,589
4100 Accruals	121,032	23,726	-	23,726
4150 Deferred Income	435,689	-	-	-
Short-term Borrowings			-	-
			-	-
	698,507	135,315	-	135,315
15 Non Current Liabilities				
4200 Long Term Borrowing	17,667	12,450	-	12,450
			-	-
	17,667	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

	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 2021	154,951	34,072	34,555	32,625	707,468	13,942	2,247,142	136,328	138,150	3,499,233
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	(147,807)						147,807			
As at end of March 2021	7,144	34,072	34,555	32,625	707,468	13,942	2,394,949	136,328	138,150	3,499,233
Grants/ other reimbursements										
As at 1st January 2021	14,605	-	-	-	157,406	-	587,109	68,341	-	827,461
Additions	(14,273)	-	-	-	-	-	14,273	-	-	-
As at end of March 2021	332	-	-	-	157,406	-	601,382	68,341	-	827,461
Accumulated Depreciation										
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	-	639	229	-	3,516	-	11,802	-	346	16,533
Released on disposal										-
As at end of March 2021	-	29,905	31,934	32,625	522,608	13,942	1,366,051	67,987	13,264	2,078,317
NBV As at end of March 2021	6,812	4,167	2,621	-	27,454	-	427,516	-	124,886	593,455