



# **BIRKIRKARA Local Council**

## **Quarterly Financial Report**

### **for the Period**

**1st January till End of September 2018 (Quarter 3)**

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**Overview and Summary**


The Birkirkara Local Council is presenting its Quarterly Financial Report for the period 1 January to 30 September 2018. Although the Council continues to drive into a deficit liquidity situation, it is putting huge efforts in keeping up with a business plan which it drafted in agreement with the Department of Local Councils to redeem the debt by the end of 2020. Up to now the Council is managing to be in line with this financial plan and as a matter of satisfaction, the Council managed to bring down the Financial Situation Indicator from -28.13% in 2017 down to -23% up to the third quarter of 2018. This is a clear indication that the Council is adhering to its commitments to remedy the negative liquidity situation which spiralled out of control in previous legislatures.

In the meantime, the general outlook for the Council portrays itself as keeping up to the Budgeted expectations for 2018 and the investment in capital expenditure comes only from specified financial schemes of savings of past financial schemes which were awarded to the Council in the past financial years. Yet again, if were not for extra funds which the Council manages to generate from various sources, the annual allocation advanced to it by Central Government is never enough to meet the never-ending demand by the locality's residents.

The Council is looking forward to another successful 12-month term ending 31 December 2018, where it is hoping to close its financials on a good note of improvement over and above what it achieved for this financial year. In acquiring this object, the Council will play very cautiously with its spending and avoid anything which is not in line with the Budget and the Business Plan as it did during the financial year ended 31 December 2017.



Joanne Debono Grech  
Mayor



Neil Spiteri  
Executive Secretary

### Statement of Income and Expenditure

#### 1st January till End of September 2018 (Quarter 3)

**DESCRIPTION**

Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
€	€	€	€

**Income**

Funds received from Central Government (1)	1,081,868	1,421,136	-	1,421,136
Income raised from Bye-Laws (2)	163,639	179,784	-	179,784
Income raised from LES (3)	12,230	17,172	-	17,172
Investment Income (4)	-	-	-	-
Other Income (5)	100,446	101,000	-	101,000
<b>TOTAL</b>	<b>1,358,182</b>	<b>1,719,092</b>	<b>-</b>	<b>1,719,092</b>

**Expenditure**

Personal Emoluments (6)	183,203	250,427	-	250,427
Operations and Maintenance (7)	831,518	969,941	-	969,941
Administration (8)	162,832	191,340	-	191,340
Finance Cost (9)	-	-	-	-
Other Expenditure (10)	141,132	195,858	-	195,858
<b>TOTAL</b>	<b>1,318,685</b>	<b>1,607,566</b>	<b>-</b>	<b>1,607,566</b>

**Surplus / Deficit**

<b>39,497</b>	<b>111,526</b>	<b>-</b>	<b>111,526</b>
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## Statement of Financial Position as at end of September 2018 (Quarter 3)

## DESCRIPTION

Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
€	€	€	€

**Non-current Assets**

Property, Plant and Equipment (17)

3,584,765	3,048,046		3,048,046
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**Current Assets**

Inventories (11)

4,157	-	-	-
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Receivables (12)

1,079,590	42,777	-	42,777
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Cash and Cash Equivalents (13)

27,456	113,703	-	113,703
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**Total Current Assets**

1,111,203	156,480	-	156,480
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**Current Liabilities**

Payables (14)

1,423,695	280,296	-	280,296
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**Total Current Liabilities**

1,423,695	280,296	-	280,296
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**Net Current Assets**

(312,492)	(123,816)	-	(123,816)
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**Non-current liabilities (15)**

1,865,903	1,450,525	-	1,450,525
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**Net Assets**

1,406,370	1,473,705	-	1,473,705
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**Reserves**

Retained Funds

1,406,370	1,473,705		1,473,705
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**Financial Situation Indicator**

## DESCRIPTION

Current Assets

1,111,203	156,480	-	156,480
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Current Liabilities

1,423,695	280,296	-	280,296
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**Working Capital**

(312,492)	(123,816)	-	(123,816)
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Government Allocation

1,338,044	1,338,044	-	1,338,044
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**FSI**

(23) %	(9) %		(9) %
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## Cash flow Statement

## DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
<b>Cash flow from operating activities</b>				
Surplus for the year	39,497	111,526	-	111,526
Adjustments for:				
Depreciation	144,513	195,858	-	195,858
Increase / (Decrease) in Allowance for Bad Debts	(3,381)	-	-	-
Interest receivable				-
Interest payable				-
(Profit) / Loss on disposal of asset				-
Transfer of grants to P & L				-
Increase / (Decrease) in payables	481,459	179,774		179,774
Increase / (Decrease) in accruals	324,856	507		507
Decrease / (Increase) in receivables	(75,913)	(4,093)		(4,093)
Decrease / (Increase) in inventories	(742,624)	55,698		55,698
Decrease / (Increase) in inventories	(1,200)			-
Cash generated from operations	<b>167,207</b>	<b>539,270</b>	-	<b>539,270</b>
Interest paid				-
Other movements	(147,008)	(455,129)		(455,129)
<b>Net cash from operating activities</b>	<b>20,199</b>	<b>84,141</b>	-	<b>84,141</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(1,009,322)	(532,400)		(532,400)
Proceeds from sale of property, plant & equipment	-			-
Grants received	905,095	425,000		425,000
Interest received				-
<b>Net cash used in investing activities</b>	<b>(104,227)</b>	<b>(107,400)</b>	-	<b>(107,400)</b>
<b>Cash flows from financing activities</b>				
Proceeds from long-term borrowings				-
Interest Paid				-
Bank Loan Repayments				-
<b>Net cash from financing activities</b>	-	-	-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(84,028)</b>	<b>(23,259)</b>	-	<b>(23,259)</b>
Cash & cash equivalents at beginning of year	111,483	136,962		136,962
<b>Cash &amp; cash equivalents at end of Quarter</b>	<b>27,456</b>	<b>113,703</b>	-	<b>113,703</b>




## Detailed Income

## DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
<b>Income</b>				
<b>1 Funds received from Cental Government:</b>				
0001 In terms of section 55 CAP 363	1,003,533	1,338,044		1,338,044
0002-0004 In terms of section 58 CAP 363	78,335	83,092		83,092
0005-0019 Other income	-	-		-
	<b>1,081,868</b>	<b>1,421,136</b>	<b>-</b>	<b>1,421,136</b>
<b>2 Income raised from Bye-Laws</b>				
0021-0025 Community Services	7,190	-		-
0026-0035 Income from Permits	156,449	179,784		179,784
	<b>163,639</b>	<b>179,784</b>	<b>-</b>	<b>179,784</b>
<b>3 Local Enforcement Income</b>				
0037 Commission from Regional Committees	12,230	17,172		17,172
0038-0055 Contraventions	-	-		-
	<b>12,230</b>	<b>17,172</b>	<b>-</b>	<b>17,172</b>
<b>4 Investment Income</b>				
0091-0095 Bank interest	-	-		-
0096-0099 Income received from Governmet Securities	-	-		-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5</b>				
0056-0065 Sponsorships	-	-		-
0066-0069 Documents & Information	112	-		-
0070-0075 EU funds	-	-		-
0076-0080 Twinning	-	-		-
0081-0089 Insurance Claims	-	-		-
0100-0109 Donations	-	-		-
0110-0119 Contributions	95,004	90,900		90,900
0120-0129 General Income	5,330	10,100		10,100
	<b>100,446</b>	<b>101,000</b>	<b>-</b>	<b>101,000</b>
<b>Total</b>	<b>1,358,182</b>	<b>1,719,092</b>	<b>-</b>	<b>1,719,092</b>



## Detailed Expenditure

## DESCRIPTION

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## Personal Emoluments

- 1100 Mayor's Allowance
- 1200 Employees' Salaries & Wages
- 1300 Bonuses
- 1400 Income Supplements
- 1500 Social Security Contributions
- 1600 Allowances
- 1700 Overtime

Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
€	€	€	€
22,257	35,903		35,903
126,021	171,917		171,917
1,287	14,181		14,181
2,307	2,317		2,317
11,858	16,407		16,407
6,158	1,982		1,982
13,315	7,720		7,720
183,203	250,427	-	250,427

## DESCRIPTION

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## Operations and Maintenance

- 2100-2149 Public Utilities
- 2200-2259 Public Materials & Supplies
- 2300-2399 Repairs & upkeep
- 2400-2449 Rent
  - 3010 Street Lightning
  - 3020 Lease of Equipment
  - 3030 Insurance
  - 3035 Bank Charges
  - 3038 Penalties
  - 3041 Refuse Collection
  - 3042 Bulky Refuse Collection
  - 3043 Bins on wheels
  - 3045 Bring in sites
  - 3051 Road & Street Cleaning
  - 3052 Cleaning & Maintenance of Non-Urban Areas
  - 3053 Cleaning of Public Conveniences
  - 3055 Cleaning of Council Premises
  - 3040 Waste Disposal
  - 3060 Cleaning & Maintenance of Parks & Gardens
  - 3061 Cleaning & Maintenance of Soft Areas
  - 3062 Cleaning & Maintenance of Beaches & CA
  - 3063 Cleaning & Maintenance of Country Non-Urban
  - 6064 Other Contractual Services
- 3070-3090 Consultation Fees
- 3100-3139 Contract & Project Management
- 3300-3379 Hospitality
- 3380-3389 Community
- 3390-3394 Donations
- 3600-3694 Local Enforcement Expenses
- 3700-3799 EU Projects
- 3800-3899 Twinning

€	€	€	€
4,196	-		-
22,339	16,320		16,320
180,188	185,640		185,640
2,639	-		-
29,650	32,130		32,130
800	2,756		2,756
4,931	5,565		5,565
213	-		-
-	-		-
186,086	234,600		234,600
14,316	13,000		13,000
5,199	-		-
112,172	199,950		199,950
6,115	9,000		9,000
153,829	2,040		2,040
3,235	163,200		163,200
35,325	45,900		45,900
15,128	-		-
5,605	20,400		20,400
23,319	12,000		12,000
901	20,400		20,400
24,656	7,040		7,040
676	-		-
831,518	969,941	-	969,941

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## Administration

- 2150-2199 Office Utilities
- 2260-2299 Office Materials & Supplies
- 2450-2499 Office Rent
- 2500-2599 National & International Memberships
- 2600-2699 Office Services
- 2700-2799 Transport
- 2800-2899 Travel
- 2900-2999 Information Services
  - 3050 Office Cleaning
- 3410-3199 Professional Services
- 3200-3299 Training
  - 3345 Office Hospitality
- 3400-3499 Incidental Expenses

36,754	58,396		58,396
5,875	11,220		11,220
3,275	7,900		7,900
15	-		-
13,973	22,240		22,240
37,851	29,580		29,580
2,245	6,120		6,120
60,686	39,564		39,564
473	14,280		14,280
1,685	2,040		2,040
162,832	191,340	-	191,340

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## Finance Costs

- 3036 Interest on Bank Loan

-	-	-	-
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## Detailed Statment of Financial Position

## DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
<b>10 Other Expenditure</b>				
3500-3599 Loss / (Profit) on Disposal of asset				-
3695 Increase/(Decrease) in allowance for bad debts	(3,381)			-
8000-8099 Depreciation As at end of September 2018	144,513	195,858		195,858
				-
	<b>141,132</b>	<b>195,858</b>	-	<b>195,858</b>
<b>Total</b>	<b>1,318,685</b>	<b>1,607,566</b>	-	<b>1,607,566</b>
<b>11 Inventories</b>				
5201-5249 Stationery	4,157			-
5250-5299 Consumables				-
	<b>4,157</b>	-	-	-
<b>12 Receivables</b>				
0201-0209 Receivables	100,714	15,551		15,551
0210-0219 LES Receivables	-			-
0220-0229 Receivables from EU				-
0250 Prepayments & Accrued income	978,877	25,114		25,114
Other receivables		2,112		2,112
	<b>1,079,590</b>	<b>42,777</b>	-	<b>42,777</b>
<b>13 Cash &amp; Equivalents</b>				
5001-5099 Bank & Cash Balances	27,456	113,703		113,703
	<b>27,456</b>	<b>113,703</b>	-	<b>113,703</b>
<b>14 Payables</b>				
4000 Payables	922,419	221,456		221,456
4100 Accruals	465,787	54,605		54,605
4150 Deferred Income	35,489	-		-
Current portion of long term borrowings				-
Other payables		4,235		4,235
	<b>1,423,695</b>	<b>280,296</b>	-	<b>280,296</b>
<b>15 Non Current Liabilities</b>				
4200 Long Term Borrowing	54,837	6,592		6,592
Unutilised Grants (Capital Approach)	1,811,066	1,443,933		1,443,933
	<b>1,865,903</b>	<b>1,450,525</b>	-	<b>1,450,525</b>


## 17 Depreciation of Property, Plant and Equipment

Asset % of depreciation	Assets under construction 0%	New Street Signs 100%	Urban Improvements 10%/100%	Construction 10%	Plant and Machinery 20%	Office Equipment 20%/25%	Office Furniture 8%	Special Programmes 10%	Computer Software 25%	Total
Cost	€	€	€	€	€	€	€	€	€	€
As at 1st January 2018	1,025,271	174,371	436,239	1,295,842	183,051	185,110	59,293	5,958,495	4,359	9,322,031
Additions	926,809	-	19,033	-	2,847	10,862	5,680	44,091	-	1,009,322
Disposals	-	-	-	-	-	-	-	-	-	-
As at end of September 2018	1,952,080	174,371	455,272	1,295,842	185,898	195,972	64,973	6,002,586	4,359	10,331,353
<b>Grants/ other reimbursements</b>										
As at 1st January 2018	-	-	-	-	-	-	-	431,273	-	431,273
Additions	-	-	16,594	149,339	1,463	2,234	-	1,163,175	-	1,332,805
As at end of September 2018	-	-	16,594	149,339	1,463	2,234	-	1,594,448	-	1,764,078
<b>Accumulated Depreciation</b>										
As at 1st January 2018	-	174,371	351,896	867,181	125,213	66,175	22,339	3,228,261	2,561	4,837,997
Charge for the period	-	-	5,547	20,949	8,655	21,192	2,649	85,184	338	144,513
Released on disposal	-	-	-	-	-	-	-	-	-	-
As at end of September 2018	-	174,371	357,443	888,130	133,868	87,367	24,988	3,313,445	2,899	4,982,510
<b>NBV</b>	<b>As at end of September 2018</b>	<b>1,952,080</b>	<b>-</b>	<b>81,235</b>	<b>258,373</b>	<b>50,567</b>	<b>39,985</b>	<b>1,094,693</b>	<b>1,461</b>	<b>3,584,765</b>

