

**Hal Gharghur Local Council**  
**Unaudited Financial Statements**  
**For the period ending 30 September 2016**

**Prepared By: Mr. Michael Debono**  
**obo DConsulta Limited**

**Hal Gharghur Local Council**  
**Unaudited Financial Statements**  
**For the period ending 30 September 2016**

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**Hal Gharghur Local Council**  
**Unaudited Financial Statements**  
**For the period ending 30 September 2016**

**Statement of the Local Council Members and Executive Secretary's Responsibilities**

The Local Councils (Financial) Regulations, require the Executive Secretary to prepare a detailed annual administrative report which the Local council's Statement of Comprehensive Income and Statement of Financial Position on an annual basis. The Executive Secretary is to ensure that the Financial Statements forming part of the report present fairly in accordance with International Financial Reporting Standards (IFRSs); and that the financial statements comply with the Local Councils Act, the Local Councils (Financial) Regulations; and the Local Councils (Financial) Procedures issued in terms of the said Act.

The Executive Secretary is responsible to maintain a continuous internal control to ascertain that the accounting, recording and other financial operations are properly conducted in accordance with the Local Councils Act, the Local Councils (Financial) Regulations; and the Local Councils (Financial) Procedures. The Executive Secretary is also responsible for safeguarding the assets of the Local Council and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

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**Ms. Maria Tanti**  
**Executive Secretary**  
**24th October 2016**

**Hal Gharghur Local Council**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the period ending 30 September 2016**

		<b>YTD</b>	
		<b>Q3 2016</b>	<b>2015</b>
		<b>Jan - Sept</b>	<b>Jan- Dec</b>
	<i>Notes</i>	<b>€</b>	<b>€</b>
<b>INCOME</b>			
Funds received from Government	<i>4</i>	<b>198,356</b>	260,217
Local enforcement income	<i>5</i>	<b>1,700</b>	2,230
General income	<i>7</i>	<b>9,078</b>	14,003
Other income		<b>2,415</b>	-
Income from Bye Laws		-	-
		<b>211,550</b>	<b>276,451</b>
<b>EXPENDITURE</b>			
Personel emoluments	<i>8</i>	<b>46,029</b>	59,306
Operations and maintenance	<i>9</i>	<b>61,444</b>	80,557
Administrative and other expenses	<i>10</i>	<b>87,956</b>	108,113
Finance costs	<i>10.1</i>	-	-
		<b>195,430</b>	<b>247,976</b>
<b>OPERATING SURPLUS FOR THE YEAR</b>			
Investment income	<i>6</i>	<b>16,120</b>	28,475
		<b>75</b>	<b>93</b>
<b>SURPLUS FOR THE PERIOD</b>			
		<b>16,195</b>	<b>28,568</b>
Add back depreciation charge		<b>41,618</b>	<b>57,242</b>
Cash Surplus		<b>57,813</b>	<b>85,810</b>

**Hal Gharghur Local Council**  
**STATEMENT OF FINANCIAL POSITION**  
**For the period ending 30 September 2016**

	<i>Notes</i>	<b>Q3 2016</b> <b>Jan - Sept</b> <b>€</b>	<b>2015</b> <b>Jan- Dec</b> <b>€</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and equipment	<i>11</i>	641,911	610,878
Intangible Assets	<i>11.3</i>	1,059	1,239
Deferred Expenditure		-	-
		<b>642,970</b>	<b>612,117</b>
<b>CURRENT ASSETS</b>			
Inventories	<i>12</i>	-	-
Receivables	<i>13</i>	27,991	23,223
Cash and cash equivalents	<i>14.2</i>	126,166	111,635
		<b>154,156</b>	<b>134,858</b>
<b>Total Assets</b>		<b>797,126</b>	<b>746,975</b>
<b>RESERVES</b>			
Retained Funds		534,678	518,482
<b>NON-CURRENT LIABILITIES</b>			
Deferred Income	<i>15.2</i>	161,853	166,017
Long Term Borrowing	<i>15.2</i>	-	-
		<b>161,853</b>	<b>166,017</b>
<b>CURRENT LIABILITIES</b>			
Payables	<i>15.1</i>	100,594	62,475
Bank balance overdrawn		-	-
		<b>100,594</b>	<b>62,475</b>
<b>Total Equity and Liabilities</b>		<b>797,126</b>	<b>746,974</b>
<b>Working Capital</b>		<b>53,562</b>	<b>72,383</b>

These financial statements were approved by the Local council on 24th October 2016 and were signed on behalf of the council by:

\_\_\_\_\_  
**Giljan Aquilina**  
**Mayor**

\_\_\_\_\_  
**Maria Tanti**  
**Executive Secretary**

**Hal Gharghur Local Council**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the period ending 30 September 2016**

	<b>Retained Funds €</b>	<b>Total €</b>
<b>At 01 January 2015</b>	509,595	509,595
Retained surplus for the year	28,568	28,568
Prior year adjustment	<u>-19,680</u>	<u></u>
<b>At 31 December 2015</b>	<u>518,482</u>	<u>538,163</u>
<b>At 01 January 2016</b>	518,482	538,163
Prior year adjustment		
Retained surplus for the year	16,195	16,195
	<u>16,195</u>	<u>16,195</u>
<b>At 30 September 2016</b>	<u>534,678</u>	<u>554,358</u>
<b>Equity interest</b>	<u>534,678</u>	<u>554,358</u>



**Hal Gharghur Local Council**  
**STATEMENT OF CASHFLOWS**  
**For the period ending 30 September 2016**

		<b>Q3 2016</b>	<b>2015</b>
	<i>Notes</i>	<b>Jan - Sept</b>	<b>Jan- Dec</b>
		<b>€</b>	<b>€</b>
<b>Cashflows from operating activities</b>			
<b>(Loss)/ Surplus for the year</b>		<b>16,195</b>	<b>28,568</b>
Adjustments for:			
Depreciation & amortisation of intangibles		<b>41,798</b>	<b>57,242</b>
Amortisation of grants made by council		<b>1,350</b>	<b>2,400</b>
Bad Debts written off		-	-
(Decrease)/Increase in provision for LES debtors		<b>1,505</b>	-
Write off from assets not capitalised		-	-
Liabilities written off		-	-
Interest paid		-	-
Interest receivable	-	<b>75</b>	-
Grants released	-	<b>23,617</b>	<b>24,264</b>
<b>Surplus before working capital movements</b>		<b>37,156</b>	<b>63,946</b>
Movement in Inventories		-	-
Movement in Receivables		<b>11,993</b>	<b>1,156</b>
Movement in Payables	-	<b>7,090</b>	<b>819</b>
<b>Net cashflows from operating activities</b>		<b>42,059</b>	<b>65,921</b>
<b>Cashflows from investing activities</b>			
Purchase of property, plant and equipment	<b>14.1</b>	<b>27,529</b>	<b>16,806</b>
Sale of financial assets		-	-
Interest paid		-	-
Interest Received		-	<b>93</b>
<b>Net cashflows from investing activities</b>	-	<b>27,529</b>	<b>16,713</b>
<b>Cashflows from financing activities</b>			
Grants Received		-	<b>2,329</b>
Payments on PPP Contracts		-	-
<b>Net cashflows from financing activities</b>		-	<b>2,329</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>14,530</b>	<b>51,537</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>14.2</b>	<b>111,635</b>	<b>60,098</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>14.2</b>	<b>126,166</b>	<b>111,635</b>

**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ending 30 September 2016**

**4. FUNDS RECEIVED FROM GOVERNMENT**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Annual Government Allocation:		
- In terms of Section 55 of the Local Councils Act, 1993	<b>172,565</b>	223,685
Supplementary income	-	-
Urban improvement funds released to income	-	-
Special Project Allocation	-	-
Other Supplementary Government Income	<b>25,791</b>	36,533
	<b>198,356</b>	260,217

**5. LOCAL ENFORCEMENT INCOME**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Contraventions	-	34
LES Share of Joint Committee Results	- -	0
Income from Regional Committees	<b>1,700</b>	2,196
Over provision of accrued income in previous years		
	<b>1,700</b>	2,230

**6. INVESTMENT INCOME**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Bank interest on current and savings accounts	<b>75</b>	93
Bank interest on term deposits	-	0
Disposal of financial asset		
	<b>75</b>	93



**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the period ending 30 September 2016**

**7. GENERAL INCOME**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Refunds - Green MT	-	1,560
COM - Social Activities - Elderly	157	281
COM / Sotto Kumitat Kultura - Cultural	103	379
Other Income Sotto Kumitat Relazzjonijiet	-	240
IN- General Income various	1,941	3,240
D&I Document./Info. Charges	-	1,050
D&I Media charges - DOI	-	-
In Permits - Lanterns	-	-
IN - Adverts	-	170
In Permits - Scaffolding	160	479
In Permits - Crane Permits	5,597	5,690
In Permits - Festa Kiosk	419	827
In Permits - Trenching	23	35
In Permits - Skips	-	30
In Permits - Sale of Books	80	22
In Permits - Tables & Chairs	598	-
Other General Expenses	-	-
Insurance Claims	-	-
	<b>9,078</b>	<b>14,003</b>

**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ending 30 September 2016**

**OTHER INCOME**

	<b>Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Income from sponsorships	2,415	-
Income from water services	-	-
	<u>2,415</u>	<u>-</u>

**INCOME FROM BYE LAWS**

	<b>Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Income from use of crane	-	-
Income from Kiosk	-	-
Income from functions	-	-
Income from hire of skips	-	-
Income from trenching	-	-
	<u>0</u>	<u>0</u>

**8. PERSONEL EMOLUMENTS**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Mayor's allowance	5,421	8,114
Council Members Allowance	4,800	5,333
Executive Secretary Salary	5,486	8,032
Employees' Salaries	27,980	32,042
Employer's NIC	2,341	2,528
Allowances	-	927
Overtime	-	2,329
	<u>46,029</u>	<u>59,305</u>

**9. OPERATIONS AND MAINTENANCE**

	<b>YTD Q3 2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
<b>REPAIRS AND UPKEEP</b>		
Roads and street pavements - patching works	2,419	993
Road signs and markings	5,478	7,287
Public property	99	94
Council property	-	-
Office furniture & equipment	-	135
Plant & machinery	716	59
Sundry repairs	-	-
Other repairs & upkeep	232	2,104
Handyman repairs & upkeep	-	-
Restoration works	-	-
	<u>8,944</u>	<u>10,672</u>

**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ending 30 September 2016**

**9. OPERATIONS AND MAINTENANCE (continued)**

	YTD	
	Q3 2016	2015
	€	€
<b>CONTRACTUAL SERVICES</b>		
Refuse collection	18,689	26,343
Bulky refuse collection	2,247	2,808
Waste Disposal	-	-
Hire of skips	-	-
Bring in sites/tipping fees	15,698	18,244
Road and street cleaning	9,004	14,796
Cleaning and maintenance public conveniences	2,272	2,635
Cleaning and maintenance council premises	-	-
Studies & consultations	-	-
Cleaning and maintenance parks and gardens	1,497	2,918
Cleaning and maintenance non-urban	-	-
LES related expenditure & Local Wardens	85	183
PPP Contracts	-	-
Other contractual service	3,009	1,957
	52,500	69,885
<b>TOTAL OPERATIONS AND MAINTENANCE</b>	61,444	80,557

**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ending 30 September 2016**

	<b>YTD</b>	<b>2015</b>
	<b>Q3 2016</b>	<b>Jan-Dec</b>
	<b>Jan - Sept</b>	<b>Jan-Dec</b>
	<b>€</b>	<b>€</b>
<b>10. ADMINISTRATIVE AND OTHER EXPENSES</b>		
Operating materials and supplies	1,435	1,602
Street lightning	2,498	6,045
e-government services	1,326	1,742
Insurance coverage	1,227	1,395
Bank charges	147	268
Utilities	3,618	5,647
Cleaning materials and supplies	370	540
Rent	5,649	3,873
National and International memberships	411	32
Advertising and public relations expenses	1,966	2,787
Community services and Social events	13,076	15,641
Printing, stationery and postages	1,288	1,935
Hire of equipment	-	-
Travel and entertainment	-	-
ICT expenses	847	1,075
Conference and participation expenses	-	-
Legal and professional fees	8,014	2,915
Other minor expenses	-	117
Movement in Provisions on Bad Debts	1,505	707
Fines, penalties and late payment interest	-	-
WiFi Charge	-	-
Depreciation & amortisation of intangibles	41,618	57,045
Amortisation of intangibles	180	197
Library expenses	972	1,887
Licences	-	-
Staff Training	-	-
Participation fees	460	200
Training Courses	-	-
Transport Costs	-	64
Amortisation of grants made by council	1,350	2,400
(Decrease) /Increase Provision for Doubtful Debtors	-	-
Bad debts written off	-	-
Write back from suppliers no longer required	-	-
	<b>87,956</b>	<b>108,113</b>
<b>10.1 FINANCE COSTS</b>		
Interest on bank loan	-	-

Hal Gharghur Local Council  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the period ending 30 September 2016

11 TANGIBLE FIXED ASSETS

11.1

Depreciation Rate	Council Premises € 1%	Construction & Street Paving € 10%	Office Furniture & Fixtures € 7.50%	Street Signs € 100%	Urban Improvements € 10%	Office/ Computer Equipment € 25%	Plant & Machinery € 20%	Special Programmes € 10%	Assets under Construction € 0%	Total €
Cost										
At 01 January 2016	107,992	251,718	29,985	14,908	129,502	20,839	31,964	1,212,193	4,631	1,803,731
Additions	-	67,425	-	-	1,257	-	-	-	4,631	64,051
disposals	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
At 30 September 2016	107,992	319,143	29,985	14,908	130,759	20,839	31,964	1,212,193	-	1,867,782
Depreciation										
At 01 January 2016	-	-	-	-	-	-	-	-	-	-
Charge for the period	10,358	122,901	17,840	14,908	72,654	16,683	23,029	425,975	-	704,347
	730	11,052	671	-	4,713	0	2,043	22,409	-	41,618
At 30 September 2016	11,088	133,953	18,511	14,908	77,367	16,683	25,072	448,384	-	745,965
Grants										
At 01 January 2016	-	-	-	-	-	-	-	-	-	-
Received for the year	-	-	-	-	-	-	-	479,906	-	479,906
At 30 September 2016	-	-	-	-	-	-	-	-	-	-
Net Book Value										
At 30 September 2016	96,904	185,189	11,474	0	53,392	4,157	6,892	283,903	-	641,911
At 31 December 2015	97,634	128,816	12,145	0	56,848	4,156	8,935	306,312	4,631	619,478

**Hal Gharghur Local Council**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the period ending 30 September 2016**

**11.3 Intangible Asset**

	<b>Office/ Computer Equipment Q3 2016 € 25%</b>	<b>Office/ Computer Equipment 2015 € 25%</b>
<b>Depreciation Rate</b>		
<b>Cost</b>		
Opening Balances	2,300	2,300
Additions	0	0
Disposals	0	0
Closing Balance	<u>2,300</u>	<u>2,300</u>
<b>Depreciation</b>		
Opening Balances	1,061	864
Charge for the period	<u>180</u>	<u>197</u>
Closing Balance	<u>1,241</u>	<u>1,061</u>
<b>Grants</b>		
Opening Balances	0	0
Received for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
<b>Net Book Value</b>		
Opening for the year	1,239	1,436
Closing for the year	<b>1,059</b>	<b>1,239</b>



**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ending 30 September 2016**

**12. INVENTORIES**

	<b>Q3 2016</b>	<b>2015</b>
	<b>Jan - Sept</b>	<b>Jan-Dec</b>
	<b>€</b>	<b>€</b>
Stocks - books and souvenirs held by the council	-	-

**13. RECEIVABLES**

	<b>Q3 2016</b>	<b>2015</b>
	<b>Jan - Sept</b>	<b>Jan-Dec</b>
	<b>€</b>	<b>€</b>
Local Enforcement System (LES) debtors	-	-
Receivables & other debtors	7,167	7,297
Provision for doubtful Debts - B/S	- 5,452	- 3,947
Grants made by council	5,750	7,100
Prepayments & accrued income	20,526	12,773
Current portion of Deferred Expenditure - UIF Funds	-	-
Other receivables	-	-
	<b>27,991</b>	<b>23,223</b>

Local Enforcement System (LES) debtors are stated after a provision for doubtful debts of €  
All other receivables are within credit period allowed and receivable within one year.

**15 PAYABLES**

	<b>Q3 2016</b>	<b>2015</b>
	<b>Jan - Sept</b>	<b>Jan-Dec</b>
	<b>€</b>	<b>€</b>
<b>15.1 Current Liabilities</b>		
Trade creditors	18,404	17,383
Other creditors	-	6,171
Amounts owed to Joint Committee	-	-
Unidentified deposits re fines	-	-
Deferred Income - Photovoltaic Panels	-	-
Other Creditors - Projects	-	-
Deferred Income - Grants	21,739	21,755
Accruals	60,452	16,280
	<b>100,594</b>	<b>61,590</b>
<b>15.2 Non- Current Liabilities</b>		
Deferred Income	161,853	175,502
Long term borrowings	-	-
<b>Total Deferred Income</b>	<b>161,853</b>	<b>175,502</b>

**Hal Gharghur Local Council**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the period ending 30 September 2016**

**14. NOTES TO STATEMENT OF CASHFLOWS**

**14.1 Tangible fixed assets**

During the year the Council acquired tangible fixed assets with an aggregate cost of : € 68,682  
out of which €27,529 were paid

**14.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Q3 2016	2015
	€	€
Petty cash	0	97
Cash transitory accounts	350	350
Current Accounts	- 5,122	33,374
Savings Accounts	130,688	77,815
Term Deposit Accounts	-	-
	<u>125,916</u>	<u>111,635</u>
Bank balance overdrawn		
Bank balances		
Current Accounts		
HSBC Current Account 061-099040-001	- 5,299	33,170
BOV Current - 40021821189	177	204
BOV current -LES Deposits by LCs Assoc. 3053	250	
Savings Accounts		
HSBC Savings Account 061-099040-050	82,679	26,950
HSBC Saving F.S.Account 061-099040-051	40,187	40,187
Bov - Saving (M313) - 40019795094	7,822	10,678
	-	-
	<u>125,816</u>	<u>111,189</u>
Bank balances and cash	<u>126,166</u>	<u>111,635</u>
Bank balances overdrawn	-	-
Cash in hand and at Bank	126,166	111,635