

Hal Gharghur Local Council
Unaudited Financial Statements
For the period ending 30 September 2018

Prepared By: Mr. Michael Debono
obo DConsulta Limited

Hal Gharghur Local Council
Unaudited Financial Statements
For the period ending 30 September 2018

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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.

Ms. Maria Tanti
Executive Secretary
31-Oct-18

Hal Gharghur Local Council
STATEMENT OF COMPREHENSIVE INCOME
For the period ending 30 September 2018

	<i>Notes</i>	2018 Jan-Sept €
INCOME		
Funds received from Government	4	211,264
Local enforcement income	5	2,061
General income	7	25,742
Income from Bye Laws		-
		<hr/> 239,066 <hr/>
EXPENDITURE		
Personel emoluments	8	61,022
Operations and maintenance	9	76,405
Administrative and other expenses	10	119,633
		<hr/> 257,060 <hr/>
OPERATING SURPLUS FOR THE YEAR	-	17,994
Investment income	6	<hr/> 7 <hr/>
SURPLUS FOR THE PERIOD	-	<hr/> 17,987 <hr/>
Add back depreciation charge		80,470
Cash Surplus		<hr/> 62,483 <hr/>

Hal Gharghur Local Council
STATEMENT OF FINANCIAL POSITION
For the period ending 30 September 2018

		2018
		Jan-Sept
	<i>Notes</i>	€
NON-CURRENT ASSETS		
Property, Plant and equipment	<i>11</i>	402,491
Intangible Assets	<i>11.2</i>	994
Deferred Expenditure		-
		403,485
CURRENT ASSETS		
Inventories	<i>12</i>	2,289
Receivables	<i>13</i>	23,467
Cash and cash equivalents	<i>15.2</i>	294,815
		320,572
Total Assets		724,057
RESERVES		
Retained Funds		568,444
NON-CURRENT LIABILITIES		
Deferred Income	<i>16.2</i>	-
Long Term Borrowing		-
		-
CURRENT LIABILITIES		
Payables	<i>14.1</i>	155,613
Bank balance overdrawn		-
		155,613
Total Equity and Liabilities		724,057
Working Capital		164,959

These financial statements were approved by the Local council on
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 2018

	Retained Funds €
At 01 January 2017	562,145
Retained surplus for the year	24,286
Prior year adjustment	
At 31 December 2017	<u>586,431</u>
 At 01 January 2018	 586,431
Prior year adjustment	
Retained surplus for the year	<u>-17,987</u>
 For the period ending 30 September 2018	 <u>568,444</u>
 Equity interest	 <u>568,444</u>

Hal Gharghur Local Council
STATEMENT OF CASHFLOWS
For the period ending 30 September 2018

	<i>Notes</i>	2018 Jan-Sept €
Operating Activities		
Profit for the year	-	17,987
Adjustments to reconcile profit with net cash flows		
Depreciation & amortisation of intangibles		80,928
Amortisation of grants made by council		600
Bad Debts written off		-
(Decrease)/Increase in provision for LES debtors		-
Write off from assets not capitalised		-
Set Off between def income & accrued income re comfort chair		-
Payment to MRRA re M313	-	7,829
Interest receivable	-	7
Grants released	16.1	-
Surplus before working capital movements		55,705
Movement in Inventories		104
Movement in Receivables		51,328
Movement in Payables	-	56,736
Net cashflows from operating activities		50,401
Cashflows from investing activities		
Purchase of property, plant and equipment	15.1	- 55,616
Sale of financial assets		
Interest paid		
Interest Received		7
Net cashflows from investing activities	-	55,609
Cashflows from financing activities		
Grants Received		24,404
Advance payment on grants from ARPA		101,609
Net cashflows from financing activities		126,013
NET INCREASE IN CASH AND CASH EQUIVALENTS		120,805
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15.2	174,011
CASH AND CASH EQUIVALENTS AT END OF YEAR	15.2	294,815

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS
For the period ending 30 September 2018

4. FUNDS RECEIVED FROM GOVERNMENT

2018

€

Annual Government Allocation:

- In terms of Section 55 of the Local Councils Act, 1993

195,536

Supplementary income

15,728

Grants released to income during the year

-

Special Project Allocation

-

Other Supplimentary Government Income

-

211,264

5. LOCAL ENFORCEMENT INCOME

2018

€

LES Share of Joint Committee Results

137

Contraventions

-

Income from Regional Committees

1,924

Over provision of accrued income in previous years

2,061

6. INVESTMENT INCOME

2018

€

Bank interest on current and savings accounts

7

Bank interest on term deposits

-

Disposal of financial asset

7

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 September 2018

INCOME FROM BYE LAWS

2018

€

Income from bye laws

-

0

8. PERSONEL EMOLUMENTS

2018

€

Mayor's Honoraria

5,598

Councillors' Allowance

4,800

Executive Secretary Salary & Allowances

22,901

Employees' Salaries & Allowances

22,285

Social Security Contributions

3,794

Overtime

1,644

61,022

9. OPERATIONS AND MAINTENANCE

2018

€

REPAIRS AND UPKEEP

Roads and street pavements - patching works

1,211

Road signs and markings

6,621

Public property

-

Council property

-

Office furniture & equipment

-

Plant & machinery

351

Sundry repairs

-

Other repairs & upkeep

3,315

Handyman repairs & upkeep

-

Restoration works

-

11,499

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 September 2018

9. OPERATIONS AND MAINTENANCE (continued)

	2018
	€
<i>CONTRACTUAL SERVICES</i>	
Refuse collection	20,090
Bulky refuse collection	3,376
Hire of skips	-
Bring in sites/tipping fees	24,058
Road and street cleaning	8,835
Cleaning and maintenance public conveniences	3,213
Cleaning and maintenance council premises	-
Studies & consultations	-
Cleaning and maintenance parks and gardens	1,766
Cleaning and maintenance non-urban	-
LES related expenditure & Local Wardens	115
PPP Contracts	-
Other contractual service	3,453
	<hr/>
	64,906
	<hr/>
TOTAL OPERATIONS AND MAINTENANCE	76,405
	<hr/> <hr/>

Refuse collection	6,347
Bulky refuse collection	915
Hire of skips	0
Bring in sites/tipping fees	4,307
Road and street cleaning	2,893
Cleaning and maintenance public conveniences	18
Cleaning and maintenance council premises	0
Studies & consultations	0
Cleaning and maintenance parks and gardens	631
Cleaning and maintenance non-urban	0
LES related expenditure & Local Wardens	222
PPP Contracts	0
Other contractual service	801
	16,134

REPAIRS AND UPKEEP

Roads and street pavements - patching works	314
Road signs and markings	1,561
Public property	0
Council property	0
Office furniture & equipment	0
Plant & machinery	0
Sundry repairs	0
Other repairs & upkeep	781
Handyman repairs & upkeep	0
Restoration works	0
	2,656

ADMINISTRATIVE AND OTHER EXPENSES

Operating materials and supplies	125
Street lightning	2,236
e-government services	0
Insurance coverage	507
Bank charges	73
Utilities	2,034
Cleaning materials and supplies	197
Rent	935
National and International memberships	134
Advertising and public relations expenses	135
Community services and Social events (see note 1	1,020
Printing, stationery and postages	412
Hire of equipment	0
Travel and entertainment	0
ICT expenses	203
Conference and participation expenses	0
Legal and professional fees	1,896
Other minor expenses	260
Movement in Provisions on Bad Debts	0
Fines, penalties and late payment interest	250
Depreciation & amortisation of intangibles	26,177
Amortisation of intangibles	153
Library expenses	345
Licences	0

Staff Training	0
Participation fees	75
Training Courses	0
Transport Costs	0
Amortisation of grants made by council	300
(Decrease) /Increase Provision for Doubtful Debtor	0
Bad debts written off	0
Movement in inventory of books	92
	37,557

2018
Jan-Sept
€

10. ADMINISTRATIVE AND OTHER EXPENSES

Operating materials and supplies	574
Street lightning	9,721
e-government services	120
Insurance coverage	1,408
Bank charges	231
Utilities	5,067
Cleaning materials and supplies	524
Rent	2,459
National and International memberships	406
Advertising and public relations expenses	2,298
Community services and Social events (see note 10.1)	8,204
Printing, stationery and postages	1,857
Hire of equipment	-
Travel and entertainment	-
ICT expenses	670
Conference and participation expenses	-
Legal and professional fees	2,608
Other minor expenses	280
Movement in Provisions on Bad Debts	-
Fines, penalties and late payment interest	309
Depreciation & amortisation of intangibles	80,470
Amortisation of intangibles	458
Library expenses	1,048
Licences	-
Staff Training	-
Participation fees	211
Training Courses	-
Transport Costs	6
Amortisation of grants made by council	600
(Decrease) /Increase Provision for Doubtful Debtors	-
Bad debts written off	-
Movement in inventory of books	104
	119,633

10.1 COMMUNITY SERVICES AND SOCIAL EVENTS

Hospitality - Entertainment and visits	-
Social Events Various costs	1,247
Social Events - SK Qasam Socjali	2,154
Social Events - SK Relazzjonijiet Pubblici	3,886
Social Events - SKZS - Youths	366
Social Events - SKE - Culture	302
Social Events - Cultural	-
Milk Festival	-
Admin Expenses- Community services	250
Total Community Services & Social Events	8,204

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 September 2018

11 TANGIBLE FIXED ASSETS

11.1

	Council Premises	Construction & Street Paving	Office Furniture Fixtures & Fittings	Street Signs	Urban Improvements	Office/ Computer Equipment	Plant & Machinery	Special Programmes	Assets under Construction	Total
	€	€	€	€	€	€	€	€	€	€
Depreciation Rate	1%	10%	7.50%	100%	10%	25%	20%	10%	0%	
Cost										
At 01 January 2018	116,258	264,076	30,136	14,908	97,668	21,257	31,846	523,584	-	1,099,733
Additions	- 1	10,184 -	0 -	0	7,925	112	0	18,094	858	37,172
disposals/transfers					-				-	-
Reclassifications		-						-		
Less Government Grants current year								-		
Reversals of grants								-		
For the period ending 30 September 2018	116,258	274,260	30,136	14,908	105,594	21,368	31,846	541,677	858	1,136,905
	✓	✓	✓	✓	✓	✓	✓	✓		
Depreciation										
At 01 January 2018	- 8,682 -	- 128,144 -	- 19,514 -	- 14,908 -	- 67,851 -	- 19,473 -	- 24,188 -	- 371,184	- -	- 653,944
Charge for the period (opening balance)	- 872 -	- 19,732 -	- 1,707	- -	- 8,386 -	- 3,220 -	- 4,923 -	- 38,894	- -	- 77,734
Charge for the period (additions only)	0	-764	0	0	-594	-21	-0	-1,357	-	2,736
For the period ending 30 September 2018	- 9,555 -	- 148,639 -	- 21,221 -	- 14,907 -	- 76,831 -	- 22,714 -	- 29,111 -	- 411,434	- -	- 734,414
Grants										
At 01 January 2018	-	-	-	-	-	-	-	-	-	-
Received for the year	-	-	-	-	-	-	-	-	-	-
For the period ending 30 September 2018	-	-	-	-	-	-	-	-	-	-
Net Book Value										
For the period ending 30 September 2018	106,703	125,621	8,914	0	28,762 -	1,345	2,735	130,244	858	402,491
At 31 December 2017	107,576	135,932	10,622	-	29,818	1,784	7,658	152,400	-	445,789

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 September 2018

11.2 Intangible Asset

	Office/ Computer Equipment 2018 € 25%
Depreciation Rate	
Cost	
Opening Balances	2,300
Additions during the year	681
Disposals	0
Closing Balance	<u>2,981</u>
Depreciation	
Opening Balances	1,529
Charge for the period (opening balance only)	330
Charge for period (additions)	128
Closing Balance	<u>1,987</u>
Grants	
Opening Balances	0
Received for the year	0
	<u>0</u>
Net Book Value	
Opening for the year	771
Closing for the year	994

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 September 2018

12. INVENTORIES

	2018
	Jan-Sept
	€
Stocks - books and souvenirs held by the council	<u>2,289</u>

13. RECEIVABLES

	2018
	Jan-Sept
	€
Amounts owed by related parties	1,841
Other receivables including council grants (note 13.1)	7,423
LES debtors	26,975
Provision for doubtful debts	- 32,669
Prepayments and accrued income	19,897
	<u>23,467</u>

13.1 Other receivables

	2018
	Jan-Sept
	€
<i>Trade receivables</i>	3,923
<i>Less amounts owed by related parties</i>	1,841
<i>Other debtors</i>	-
<i>Grants granted by council</i>	3,500
	<u>9,264</u>

14 PAYABLES

	2018
	Jan-Sept
	€
14.1 Current Liabilities	
Trade payables	17,769
Other payables including capital creditors	19,705
Related party undertakings	-
Statutory obligations	-
Deferred income- Grants	101,608
Accruals	16,531
	<u>155,613</u>

15. NOTES TO STATEMENT OF CASHFLOWS

15.1 Tangible fixed assets

During the year the Council acquired tangible fixed asset amounting to € 37,172

15.2 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:

	2018
	€
Petty cash	233
Cash transitory accounts	-
Current Accounts	191,993
Savings Accounts	102,590
Term Deposit Accounts	-
	294,815
Bank balance overdrawn	
Bank balances	
HSBC Current Account 061-099040-001	-
BOV Current - 40021821189	522
BOV current -LES Deposits by LCs Assoc. 3053	191,470
Central Bank of Malta - AC ending 50013	101,550
HSBC Saving F.S.Account 061-099040-051	-
Bov - Saving (M313) - 40019795094	-
BOV A/C - Wardens	1,040
	-
	294,583
Bank balances and cash	294,815
Bank balances overdrawn	-
Cash in hand and at Bank	294,815