

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

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

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

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Hal Gharghur Local Council
Unaudited Financial Statements
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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
26-Jul-18

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

	<i>Notes</i>	2018 Jan-June €	2017 Jan- Dec €
INCOME			
Funds received from Government	<i>4</i>	132,659	283,183
Local enforcement income	<i>5</i>	1,393	6,129
General income	<i>7</i>	19,016	16,052
Income from Bye Laws		-	-
		153,068	305,363
EXPENDITURE			
Personel emoluments	<i>8</i>	40,464	78,828
Operations and maintenance	<i>9</i>	46,549	98,078
Administrative and other expenses	<i>10</i>	74,849	104,180
		161,862	281,086
OPERATING SURPLUS FOR THE YEAR			
Investment income	<i>6</i>	8,794	24,277
		5	8
SURPLUS FOR THE PERIOD			
		8,790	24,285
Add back depreciation charge			
		53,431	53,218
Cash Surplus			
		44,641	77,503

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

		2018	2017
		Jan-June	Jan-Dec
	<i>Notes</i>	€	€
NON-CURRENT ASSETS			
Property, Plant and equipment	<i>11</i>	425,207	619,108
Intangible Assets	<i>11.2</i>	1,147	771
Deferred Expenditure		-	-
		426,354	619,879
CURRENT ASSETS			
Inventories	<i>12</i>	2,292	2,393
Receivables	<i>13</i>	9,671	50,992
Cash and cash equivalents	<i>15.2</i>	181,012	174,011
		192,975	227,396
Total Assets		619,329	847,275
RESERVES			
Retained Funds		577,641	586,430
NON-CURRENT LIABILITIES			
Deferred Income	<i>16.2</i>	-	153,621
Long Term Borrowing		-	-
		-	153,621
CURRENT LIABILITIES			
Payables	<i>14.1</i>	41,687	107,223
Bank balance overdrawn		-	-
		41,687	107,223
Total Equity and Liabilities		619,329	847,274
Working Capital		151,288	120,173

These financial statements were approved by the Local council on
and were signed on behalf of the council by:

Ġiljan Aquilina
Mayor

Maria Tanti
Executive Secretary

Hal Gharghur Local Council
STATEMENT OF CHANGES IN EQUITY
For the period ending 30 June 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>-8,790</u>
 For the period ending 30 June 2018	 <u>577,641</u>
 Equity interest	 <u>577,641</u>

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

		2018	2017
		Jan-June	Jan- Dec
	<i>Notes</i>	€	€
Operating Activities			
Profit for the year	-	8,790	24,285
Adjustments to reconcile profit with net cash flows			
Depreciation & amortisation of intangibles		53,736	53,439
Amortisation of grants made by council		600	1,200
Bad Debts written off		-	-
(Decrease)/Increase in provision for LES debtors		-	130
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	-	5	8
Grants released	16.1	-	19,952
		<hr/>	<hr/>
Surplus before working capital movements		37,713	58,834
Movement in Inventories		102	15
Movement in Receivables		65,125	- 20,710
Movement in Payables	-	69,054	42,903
		<hr/>	<hr/>
Net cashflows from operating activities		33,885	81,042
		<hr/>	<hr/>
Cashflows from investing activities			
Purchase of property, plant and equipment	15.1	- 51,292	- 44,813
Sale of financial assets			
Interest paid			
Interest Received		5	8
		<hr/>	<hr/>
Net cashflows from investing activities	-	51,287	- 44,805
		<hr/>	<hr/>
Cashflows from financing activities			
Grants Received		24,404	-
Payments on PPP Contracts		-	-
		<hr/>	<hr/>
Net cashflows from financing activities		24,404	-
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,002	-
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15.2	174,011	174,011
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	15.2	181,012	174,011
		<hr/>	<hr/>

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

4. FUNDS RECEIVED FROM GOVERNMENT

	2018	2017
	€	€
Annual Government Allocation:		
- In terms of Section 55 of the Local Councils Act, 1993	130,301	250,102
Supplementary income	2,359	13,129
Grants released to income during the year	-	19,952
Special Project Allocation	-	-
Other Supplimentary Government Income	-	-
	132,659	283,183

5. LOCAL ENFORCEMENT INCOME

	2018	2017
	€	€
LES Share of Joint Committee Results	196	3,508
Contraventions	-	-
Income from Regional Committees	1,197	2,621
Over provision of accrued income in previous years		
	1,393	6,129

6. INVESTMENT INCOME

	2018	2017
	€	€
Bank interest on current and savings accounts	5	8
Bank interest on term deposits	-	0
Disposal of financial asset		
	5	8

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

7. GENERAL INCOME

	2018	2017
	€	€
Refunds - Green MT	-	-
COM - Social Activities - Elderly	1,541	1,945
COM / Sotto Kunitat Kultura - Cultural	-	0
Other Income Sotto Kunitat Relazzjonijiet	-	0
IN- General Income various	1,028	-
D&I Document./Info. Charges	-	-
D&I Media charges - DOI	-	-
In Permits - Lanterns	-	-
IN - Adverts	130	969
In Permits - Scaffolding	1,247	1,362
In Permits - Crane Permits	14,426	10,603
In Permits - Festa Kiosk	47	443
In Permits - Trenching	65	72
In Permits - Skips	184	-
In Permits - Sale of Books	87	22
In Permits - Tables & Chairs	61	435
Income from sponsorships	200	200
Income from water services	-	-
Other General Expenses	-	-
Insurance Claims	-	-
	<hr/>	<hr/>
	19,016	16,052

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

INCOME FROM BYE LAWS

	2018	2017
	€	€
Income from bye laws	-	-
	0	0

8. PERSONEL EMOLUMENTS

	2018	2017
	€	€
Mayor's Honoraria	3,732	7,345
Councillors' Allowance	3,200	6,400
Executive Secretary Salary & Allowances	15,265	30,509
Employees' Salaries & Allowances	14,775	27,656
Social Security Contributions	2,521	4,834
Overtime	971	2,084
	40,464	78,828

9. OPERATIONS AND MAINTENANCE

	2018	2017
	€	€
<i>REPAIRS AND UPKEEP</i>		
Roads and street pavements - patching works	818	3,529
Road signs and markings	3,246	10,368
Public property	-	-
Council property	-	-
Office furniture & equipment	-	-
Plant & machinery	15	699
Sundry repairs	-	-
Other repairs & upkeep	1,472	4,583
Handyman repairs & upkeep	-	-
Restoration works	-	-
	5,552	19,178

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

9. OPERATIONS AND MAINTENANCE (continued)

	2018	2017
	€	€
<i>CONTRACTUAL SERVICES</i>		
Refuse collection	13,224	25,596
Bulky refuse collection	2,023	3,835
Hire of skips	-	-
Bring in sites/tipping fees	13,842	26,317
Road and street cleaning	5,785	12,728
Cleaning and maintenance public conveniences	2,109	3,720
Cleaning and maintenance council premises	-	-
Studies & consultations	-	-
Cleaning and maintenance parks and gardens	1,199	2,008
Cleaning and maintenance non-urban	-	-
LES related expenditure & Local Wardens	230	1,960
PPP Contracts	-	-
Other contractual service	2,586	2,737
	40,997	78,900
TOTAL OPERATIONS AND MAINTENANCE	46,549	98,078

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

	2018 Jan-June €	2017 Jan-Dec €
10. ADMINISTRATIVE AND OTHER EXPENSES		
Operating materials and supplies	379	1,667
Street lightning	5,164	6,908
e-government services	120	1,619
Insurance coverage	955	1,749
Bank charges	157	273
Utilities	3,699	4,881
Cleaning materials and supplies	357	773
Rent	1,690	3,370
National and International memberships	269	543
Advertising and public relations expenses	228	3,592
Community services and Social events (see note 10.1)	2,381	16,652
Printing, stationery and postages	1,294	3,177
Hire of equipment	-	-
Travel and entertainment	-	-
ICT expenses	442	944
Conference and participation expenses	-	-
Legal and professional fees	1,853	924
Other minor expenses	260	-
Movement in Provisions on Bad Debts	-	89
Fines, penalties and late payment interest	250	-
Depreciation & amortisation of intangibles	53,431	53,218
Amortisation of intangibles	305	221
Library expenses	704	2,069
Licences	-	-
Staff Training	-	-
Participation fees	211	475
Training Courses	-	-
Transport Costs	-	-
Amortisation of grants made by council	600	1,200
(Decrease) /Increase Provision for Doubtful Debtors	-	-
Bad debts written off	-	-
Movement in inventory of books	102	15
	74,849	104,180
10.1 COMMUNITY SERVICES AND SOCIAL EVENTS		
Hospitality - Entertainment and visits	-	405
Social Events Various costs	309	2,188
Social Events - SK Qasam Socjali	1,437	2,435
Social Events - SK Relazzjonijiet Pubblici	152	5,839
Social Events - SKZS - Youths	189	1,221
Social Events - SKE - Culture	44	4,314
Social Events - Cultural	-	-
Milk Festival	-	-
Admin Expenses- Community services	250	250
Total Community Services & Social Events	2,381	16651.64

Hal Gharghur Local Council
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ending 30 June 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	3,601	112	0	18,094	858	32,848
disposals/transfers						-			-	-
Reclassifications		-						-		
Less Government Grants current year								-		
Reversals of grants								-		
For the period ending 30 June 2018	116,258	274,260	30,136	14,908	101,270	21,368	31,846	541,677	858	1,132,581
	✓	✓	✓	✓	✓	✓	✓	✓		
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)	- 581 -	- 13,155 -	- 1,138	- -	- 5,591 -	- 1,882 -	- 3,282 -	- 26,194	- -	- 51,823
Charge for the period (additions only)	0	-509	0	0	-180	-14	-0	-905	-	1,608
For the period ending 30 June 2018	- 9,264 -	- 141,807 -	- 20,652 -	- 14,907 -	- 73,622 -	- 21,369 -	- 27,470 -	- 398,282	- -	- 707,374
Grants										
At 01 January 2018	-	-	-	-	-	-	-	-	-	-
Received for the year	-	-	-	-	-	-	-	-	-	-
For the period ending 30 June 2018	-	-	-	-	-	-	-	-	-	-
Net Book Value										
For the period ending 30 June 2018	106,994	132,453	9,483	0	27,648 -	0	4,376	143,396	858	425,206
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 June 2018

11.2 Intangible Asset

	Office/ Computer Equipment 2018 € 25%	Office/ Computer Equipment 2017 € 25%
Depreciation Rate		
Cost		
Opening Balances	2,300	2,300
Additions during the year	681	0
Disposals	0	0
Closing Balance	<u>2,981</u>	<u>2,300</u>
Depreciation		
Opening Balances	1,529	1,308
Charge for the period (opening balance only)	220	221
Charge for period (additions)	85	
Closing Balance	<u>1,834</u>	<u>1,529</u>
Grants		
Opening Balances	0	0
Received for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Net Book Value		
Opening for the year	771	992
Closing for the year	1,147	771

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

12. INVENTORIES

	2018	2017
	Jan-June	Jan-Dec
	€	€
Stocks - books and souvenirs held by the council	2,292	2,393

13. RECEIVABLES

	2018	2017
	Jan-June	Jan-Dec
	€	€
Amounts owed by related parties	1,841	1,841
Other receivables including council grants (note 13.1)	7,485	8,842
LES debtors	26,975	26,975
Provision for doubtful debts	- 32,669	- 32,669
Prepayments and accrued income	6,038	46,002
	9,671	50,992

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.

13.1 Other receivables

	2018	2017
	Jan-June	Jan-Dec
	€	€
Trade receivables	3,985	4,742
Less amounts owed by related parties	1,841	1,841
Other debtors	-	-
Grants granted by council	3,500	4,100
	-	-
	9,326	10,683

14 PAYABLES

	2018	2017
	Jan-June	Jan-Dec
	€	€
14.1 Current Liabilities		
Trade payables	9,495	6,612
Other payables including capital creditors	19,705	46,422
Related party undertakings	-	15,079
Statutory obligations	-	-
Deferred income- Grants (note 16)	0	19,698
Accruals	12,487	19,412
	41,687	107,223

14.2 Non- Current Liabilities

Deferred Income (see note 16)	-	153,620
Long term borrowings	-	-
Total Deferred Income	-	153,620

15. NOTES TO STATEMENT OF CASHFLOWS

15.1 Tangible fixed assets

During the year the Council acquired tangible fixed asset amounting to € 32,848 45,779 €

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	2,017
	€	€
Petty cash	233	-
Cash transitory accounts	-	-
Current Accounts	179,740	166,182
Savings Accounts	1,040	7,828
Term Deposit Accounts	-	-
	181,012	174,011
Bank balance overdrawn		
Bank balances		
HSBC Current Account 061-099040-001	-	-
BOV Current - 40021821189	522	354
BOV current -LES Deposits by LCs Assoc. 3053	179,217	165,828
HSBC Savings Account 061-099040-050	-	-
HSBC Saving F.S.Account 061-099040-051	-	-
Bov - Saving (M313) - 40019795094	-	7,828
BOV A/C - Wardens	1,040	-
	180,780	174,011
Bank balances and cash	181,012	174,011
Bank balances overdrawn	-	-
Cash in hand and at Bank	181,012	174,011