

LOCAL COUNCIL MELLIEHA

Report and Financial Statements

for the year ended 31 March 2005



LOCAL COUNCIL MELLIEHA

Table of Contents

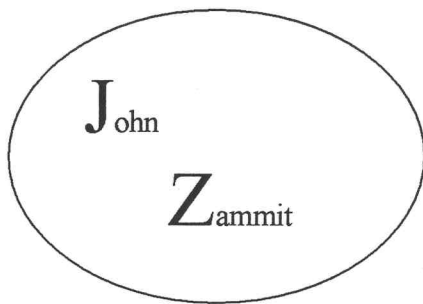
Section	Page
Statement of Local Council Members' and Executive Secretary's Responsibilities	1
Report of the Local Government Auditors on the Financial Statements	1a & 1b
Statement of Income and Expenditure	2
Statement of Affairs	3
Statement of Changes Equity	4
Cash Flow Statement	5
Schedule of Special Needs Funds	6
Notes to the Financial Statements	7 - 19

LOCAL COUNCIL MELLIEHA

STATEMENT OF COUNCIL MEMBERS' AND SECRETARY'S RESPONSIBILITIES

The Local Councils (Financial) Regulations 1993 require the Executive Secretary to prepare a detailed Annual Administrative Report which includes a statement of the Council's income and expenditure for the year and of the Council's retained funds at the end of the year. By virtue of the same regulations it is the duty of the Council and the Executive Secretary to ensure that the financial statements forming part of the report present fairly, in accordance with accounting policies applicable to Local Councils, the income and expenditure of the Council for the year and its retained funds as at the year end, and that they comply with the Act, the Local Councils (Financial) Regulations, 1993, and the Local Councils (Financial) Procedures, 1996 issued in terms of the said Act.

This entails, inter alia, responsibility for ensuring that an appropriate system of internal control is in operation to provide them with reasonable assurance that the assets of the Council are properly safeguarded, that fraud and other irregularities will be detected and that the operations of the Council are properly conducted in accordance with the Local Councils Act, 1993, the Local Councils (Financial) Regulations, 1993, and the policies, systems and time scales referred to in the Local Councils (Financial) Procedures, 1996.



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LOCAL COUNIL MELLIEHA

Report of the Local Government Auditor to the Auditor General

I have audited the financial Statements on pages 2 to 19 which have been prepared under the accounting policies set out on page 7.

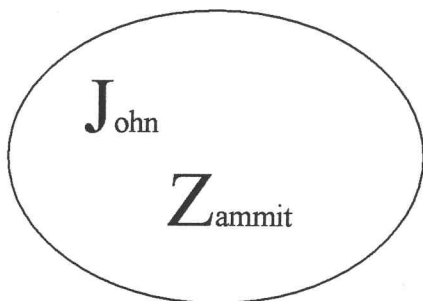
Respective Responsibilities of the Council and Local Government Auditor

As described on page 1, the Executive Secretary and the Council are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of Opinion

I conducted my audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Secretary and the Council in the preparation of the financial statements, and of whether the accounting policies are consistent with the Local Councils Act (CAP 363), the Financial Regulations issued in terms of the said Act and the Local Council (Financial) Procedures, 1996, and that such policies have been consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary, in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.



B.A. (HONS.) Accty.; M.I.A.; C.P.A.
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Qualifications

There were no reports available to me, up to the date of my audit, that I could rely on to verify the value of income from the Law Enforcement System, of Lm 5,795 as reported by the Council. This does not include the amount of Lm 1,990 received from this source of revenue, which the Council credited to the LES Debtors account. I could not verify whether the amount of Lm 1,990 should have been credited to debtors or to income. There was practical and satisfactory audit procedure that I could perform to obtain reasonable assurance on the valuation of the reported income from this source and the Law Enforcement System debtors at year end.

Opinion

In my opinion, except for the effect of such adjustments and omissions mentioned above, the financial statements have been prepared in accordance with International Financial Reporting Standards and give a true and fair view of the income and expenditure of the Council for the year ended 31 March 2005 and its retained funds as at that date. Except as discussed in the following paragraph, the financial statements are in accordance with the accounting policies set out in note 1 thereto, and comply with the Local Councils Act (CAP 363), the Financial Regulations issued in terms of the Act, and the Local Councils (Financial) Procedures, 1996.

According to the Financial Procedures supplementing the Financial Regulations issued in terms with the Local Councils Act (CAP 363), the financial statements should include the budget for the year. In line with the Local Councils' generally accepted reporting procedures, the budget has been excluded from these financial statements.



John Zammit

Certified Public Accountant and Auditor

Date: 30/06/05

LOCAL COUNCIL MELLIEHA

Statement of Income and Expenditure for the year ended 31 March 2005

		2004 / 2005 Actual	2003 / 2004 Actual (restated)
	Notes	Lm	Lm
Income			
Funds received from government	2	347,065	339,632
Income raised under Council Bye-laws	3	5,384	6,552
Income raised under Law Enforcement System	4	5,795	-
Investment income	5	6,714	7,434
General Income	6	5,799	39,723
		<u>370,757</u>	<u>393,341</u>
Expenditure			
Personal emoluments	7	(19,627)	(24,225)
Operations and maintenance	8	(169,663)	(196,330)
Administration and other expenditure	9	(90,442)	(64,420)
		<u>(279,732)</u>	<u>(284,975)</u>
Net surplus for the year		91,025	108,366
Opening retained funds as previously reported		879,838	770,637
Correction of fundamental error		(835)	-
Opening funds as restated		<u>879,003</u>	<u>770,637</u>
Retained funds carried forward		<u>970,028</u>	<u>879,003</u>

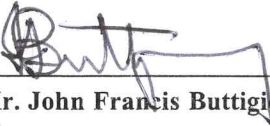
The notes on pages 7 to 19 form an integral part of these financial statements.


LOCAL COUNCIL MELLIEHA

Statement of Affairs
as at 31 March 2005

		2004 / 2005 Actual Lm	2003 / 2004 Actual (restated) Lm
	Notes		
Fixed Assets			
Tangible assets	10	757,481	560,597
Current Assets			
Stocks	11	3,754	3,960
Debtors	12	9,440	15,047
Prepayments/Accrued income	13	8,258	2,992
Bank balances and Cash	16	311,115	558,985
		332,567	580,984
Liabilities: amounts falling due within one year			
Creditors	14	(109,547)	(71,822)
Accruals/Deferred income	15	(10,473)	(190,756)
Net Current Assets		212,547	318,406
Net Assets		970,028	879,003
Capital and Reserves			
Retained Funds		970,028	879,003
		970,028	879,003

The financial statements were approved by the Council on 24/04/05 and signed on its behalf by:


Mr. John Francis Buttigieg
Mayor


Mr. Carmel Debono
Executive Secretary

The notes on pages 7 to 19 form an integral part of these financial statements.

LOCAL COUNCIL MELLIEHA

Statement of Changes in Equity for the year ended 31 March 2005

	Retained Funds	Total
	Lm	Lm
At 1 April 2003	771,472	771,472
Retained surplus for the year	108,366	108,366
At 31 March 2004	<u>879,838</u>	<u>879,838</u>
At 31 March 2004 as previously stated	879,838	879,838
Prior year adjustments	(835)	(835)
At 1 April 2004	<u>879,003</u>	<u>879,003</u>
Retained surplus for the year	91,025	91,025
At 31 March 2005	<u>970,028</u>	<u>970,028</u>
Equity interests	<u>970,028</u>	<u>970,028</u>

LOCAL COUNCIL MELLIEHA

Cash Flow Statement **for the year ended 31 March 2005**

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Cash Flows from Operating Activities		
Surplus for the year	91,025	108,364
Reconciliation to cash generated from operations:		
Depreciation	59,397	30,028
Movement in grants account	837	6,449
Disposal of fixed assets	2,824	-
Operating Surplus before Working Capital Changes	154,083	144,841
Decrease in stocks	206	364
Decrease in trade debtors	341	26,058
Increase in trade creditors	(142,556)	108,000
Net Cash Inflow from Operating Activities	12,074	279,263
Cash Flows from Investing Activities		
Purchase of tangible fixed assets	(259,944)	(339,030)
Net Decrease in cash in the year	(247,870)	(59,767)
Cash and equivalents at beginning of year	558,985	618,752
Cash and equivalents at end of year	311,115	558,985
Consisting of:		
Cash at bank and in hand	311,115	558,985

LOCAL COUNCIL MELLIEHA

**SCHEDULE OF SPECIAL NEEDS FUNDS
as at 31 March 2005**

Funds Received and Expended	Brought Forward Lm	Received/ Reallocated Lm	Expended Lm	Carried Forward Lm
Special Funds Country Parks	<u>837</u>	<u>-</u>	<u>(837)</u>	<u>-</u>
Total	<u><u>837</u></u>	<u><u>-</u></u>	<u><u>(837)</u></u>	<u><u>-</u></u>
 Commitments				
	Brought Forward Lm	Contracted this year Lm	Invoices Received Lm	Carried Forward Lm
Special Funds Country Parks	<u>837</u>	<u>-</u>	<u>(837)</u>	<u>-</u>
	<u><u>837</u></u>	<u><u>-</u></u>	<u><u>(837)</u></u>	<u><u>-</u></u>
 Capital Creditors				
	Brought Forward Lm	Invoices Received Lm	Payments Made Lm	Carried Forward Lm
Special Funds Country Parks	<u>-</u>	<u>837</u>	<u>(837)</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>837</u></u>	<u><u>837</u></u>	<u><u>-</u></u>

All Special Needs Funds available to the Council were expended by 31 March 2005.

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

1. Accounting Policies and reporting Procedures

The financial statements have been drawn up in accordance with the accounting policies and reporting procedures prescribed for Local Councils in the Financial Regulations issued by the Minister of Finance in conjunction with the Minister responsible for Local Government in terms of section 67 of the Local Councils Act, 1993. Furthermore, the accounts are prepared under the historical cost convention and in accordance with the requirements of International Financial Reporting Standards issued by the International Accounting Standards Board.

The principal accounting policies and reporting procedures used by the Local Councils are as follows:

Accounting conducted on an accruals basis

All income and expenditure is accounted for on an accruals basis.

The financial statements disclose any uncollected revenues due to the Council as at 31 March 2005, as well as any sums due by the Council for goods and services supplied but not yet paid.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation to date and grants received for specific projects. Depreciation is provided on a monthly basis using the reducing balance method at rates estimated to write down the cost of all tangible fixed assets, other than land and trees over their expected useful lives as follows:

	%
Office Furniture and Fittings	7.50
New Street Signs	100.00
Urban Improvements	10.00
Office Equipment	20.00
Computer Equipment	25.00
Trees	0.00
Plants	100.00
Litter Bins	100.00
Playground Equipment	100.00
Street Lighting	100.00

Certain depreciation rates such as those of plants, litter bins, playground equipment, street lighting and street signs had their depreciation rate changed from 10 % to 100% in October 2002 by virtue of Legal Notice 323 of 2002.

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

Amounts receivable

Known bad debts are written off and specific provision is made for any debts the recovery of which is considered to be doubtful.

Cash and equivalents

Cash and equivalents consist of cash in hand and balances with banks.

2. Funds received from Central Government

	2004 / 2005 Actual Lm	2003 / 2004 Actual Lm
In terms of Section 55 of the L.C. Act 1993	347,065	339,632
	<u>347,065</u>	<u>339,632</u>

3. Income raised under Council Bye-laws

	2004 / 2005 Actual Lm	2003 / 2004 Actual Lm
Trenching permits	494	300
Skips and Bins on wheels	193	234
Advertising on street furniture	745	2,100
Deposit of Building and Other Material	17	22
Deposit of Cranes and other machinery	1,905	1,161
Placement of Tables and Chairs	165	72
Placement of Kiosks	396	320
Occasional Entertainment	1,469	568
Organisation of courses	-	1,775
	<u>5,384</u>	<u>6,552</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

4. Income raised under Local Enforcement System

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Income raised under L.E.S.	5,795	-
	<u>5,795</u>	<u>-</u>

In accordance with the Local Enforcement System (LES) issued by the Ministry by virtue of Section 72 of the Local Councils Act, 1993, the income relating to contraventions was delegated to the local councils through Legal Notice 32 of 2000.

During the financial year ending 31 March 2003, the Local Council entered into a Pooling Agreement with other local councils amending a previous agreement that regulated the constitution of the Joint Committee for law enforcement. The share of income from contraventions recorded by the Joint Committee and appertaining to the Local Council, is regulated by the Pooling Agreement and is hence recognised in these financial statements to the extent of the amount received from and reported by the Joint Committee.

Prior to this agreement, the recording of income from contraventions for offences was based on reports generated by the contractor entrusted with the system by the Ministry.

5. Investment income

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Bank Interest Received	6,714	7,434
	<u>6,714</u>	<u>7,434</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

6. General Income

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Cultural activities	757	-
Sales of Books	288	462
Rent receivable	100	-
Refund from Water Services Corp.	3,236	2,473
General	-	1,929
Document/Information charges	286	401
Media charges	285	55
Donations	295	1,987
Contributions	200	8,000
Refund of expenses	94	1,500
Amounts Due Prescribed	258	22,716
Supplementary Income	-	200
	<u>5,799</u>	<u>39,723</u>

7. Personal emoluments

Personal emoluments include, inter alia:

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Mayor's Allowance	2,224	2,160
Executive Secretary Salary & Allowances	9,584	9,365
Employees' Salaries	6,565	11,066
Social security contributions	1,254	1,634
	<u>19,627</u>	<u>24,225</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

8. Operations and Maintenance

Operations and maintenance includes, inter alia:

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Repairs and upkeep :		
Public Property	-	650
Road/Streets, Pavements	67,264	86,767
Signs	2,228	1,131
Road Markings	3,918	2,300
Bus shelters	241	357
Street lighting	8,281	12,187
Office Furniture & Equip.	12	-
Sundry Repairs	-	33
Council Property	52	40
	<u>81,996</u>	<u>103,465</u>
Contractual Services :		
Waste Disposal	115	114
Refuse Collection	24,113	22,854
Bulky Refuse Collection	3,247	2,744
Hiring of Skips	642	216
Cleaning services	-	78
Road & Street Cleaning	15,110	14,742
Clean & Maint Non-Urban	14,622	14,384
Cleaning Public Conveniences	11,589	11,416
Cleaning Council Premises	630	315
Clean. & Maint. Parks & Gardens	7,750	7,659
Clean & Maint Beaches & C.A.	2,532	13,486
Clerical Support Services	7,317	4,826
Studies & Consultations	-	31
	<u>87,667</u>	<u>92,865</u>
Total	<u>169,663</u>	<u>196,330</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

9. Administration and other expenses

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Utilities	3,695	3,714
Cleaning Materials & Supplies	43	32
Uniforms	131	397
Spare Parts	1,218	1,114
Rent	2,855	2,855
Participaiton fee - Nat. Org.	64	50
Membership-Local Organisations	10	10
Printing	152	212
Stationery	500	438
Subscriptions	60	60
Postage	352	431
Documentation	31	8
Hire of Transport	233	12
Paymts - Use of Personal Vehicle	79	112
Public Relations Expenses	270	23
Advertising	86	169
Publications	207	364
Newsletters	1,644	1,767
Insurance Cover	776	692
Bank charges	118	76
IT Development Services	-	39
Management & Operating Services	7,080	7,620
Legal Services	132	-
Accountancy Services	290	130
Course Fees - Local Training	-	41
Council Courses Expenses	389	2,208
Balance carried forward to next page	20,415	22,574

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

9. Administration and other expenses

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Balance brought forward from previous page	20,415	22,574
Entertainment	276	310
Conference Expenses	-	176
Annual General Meeting	72	112
Social Events	569	279
Cultural Events	5,938	5,526
Donations	(50)	1,379
Library Book Donations	575	445
Sundry Minor Expenses	288	260
Administration Charges	138	336
Movement in Provision for Doubtful Debts	-	2,995
Loss on Disposal of Assets	2,824	-
Depreciation	59,397	30,028
	<u>90,442</u>	<u>64,420</u>

10. Tangible assets

	Cost at 01/04/04	Additions	Reclassification & Prior Year Adjustments	Disposals	Cost at 31/03/05
<u>Cost of:</u>	Lm	Lm	Lm	Lm	Lm
Office Furniture & Fittings	12,071	1,144	-	(5,970)	7,245
New Street Signs	12,434	5,263	-	-	17,697
Urban Improvements	7,983	1,604	-	-	9,587
Office Equipment (incl. Computer Equip.)	12,400	3,784	-	(1,927)	14,257
Special programme - Public Gardens	66,610	22,713	-	-	89,323
Special programme - Parish Square	55,943	-	-	-	55,943
Special programme - Ta' l-Ibragg Afforestation	1,258	-	-	-	1,258
Special programme - Roads Resurfacing	716,652	226,808	-	-	943,460
Special programme - Progett tat-Tunnara	6,393	-	-	-	6,393
Special programmes - Traffic Improvements	4,360	55,052	-	-	59,412
Special programmes - Country Parks	9,661	5,608	-	-	15,269
Special programmes - Beach facilities	43,002	-	-	-	43,002
Assets not yet capitalised - SNF	837	-	-	(837)	-
Assets not yet capitalised - Others	214,362	59,489	-	(120,686)	153,165
	<u>1,163,966</u>	<u>381,465</u>	<u>-</u>	<u>(129,420)</u>	<u>1,416,011</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

10. Tangible assets (cont.)	Dep'n at 01/04/04	Charge for the period	Prior Year Adjustments	Released on Disposals	Dep'n at 31/03/05
	Lm	Lm	Lm	Lm	Lm
Depreciation on:					
Office Furniture & Fittings	(5,771)	(485)	67	3,428	(2,761)
New Street Signs	(12,434)	(5,062)	(201)	-	(17,697)
Urban Improvements	(7,211)	(2,043)	2,304	-	(6,950)
Office Equipment (incl. Computer Equip.)	(8,630)	(847)	172	1,644	(7,661)
Special programme - Public Gardens	(8,198)	(6,918)	101	-	(15,015)
Special programme - Parish Square	(19,202)	(3,879)	205	-	(22,876)
Special programme - Roads Resurfacing	(20,700)	(34,069)	-	-	(54,769)
Special programme - Progett tat-Tunnara	(1,546)	(484)	-	-	(2,030)
Special programmes - Traffic Improvements	(1,317)	(4,483)	-	-	(5,800)
Special programmes - Beach facilities	(835)	(899)	77	-	(1,811)
Special programmes - Country Parks	-	(227)	-	-	(227)
	<u>(85,844)</u>	<u>(59,396)</u>	<u>2,571</u>	<u>5,072</u>	<u>(137,597)</u>
	Grant at 01/04/04	Utilised	Prior Year Adjustments	Released on Disposals	Grant at 31/03/05
	Lm	Lm	Lm	Lm	Lm
Grants on:					
Special programme - Roads Resurfacing	(473,746)	-	(2,306)	-	(476,052)
Special programmes - Country Parks	(9,144)	(837)	-	-	(9,981)
Special programmes - Beach facilities	(23,800)	-	-	-	(23,800)
MTA - Public Conveniences - Golden Bay	(10,000)	-	-	-	(10,000)
E-Government Special Grant	-	-	(1,100)	-	(1,100)
	<u>(516,690)</u>	<u>(837)</u>	<u>(3,406)</u>	<u>-</u>	<u>(520,933)</u>
	N.B.V. 01/04/04				N.B.V. 31/03/05
	Lm				Lm
Net Book Value:					
Office Furniture & Fittings	6,300				4,484
Urban Improvements	772				2,637
Office Equipment (including Computer Equip.)	3,770				5,496
Special programme - Public Gardens	58,412				74,308
Special programme - Parish Square	36,741				33,067
Special programme - Ta' l-Ibragg Afforestation	1,258				1,258
Special programme - Roads Resurfacing	222,206				412,639
Special programme - Progett tat-Tunnara	4,847				4,363
Special programmes - Traffic Improvements	3,043				53,612
Special programmes - Country Parks	517				5,061
Special programmes - Beach facilities	8,367				7,391
Assets not yet capitalised - SNF	837				-
Assets not yet capitalised - others	214,362				153,165
	<u>561,432</u>				<u>757,481</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

10. Tangible Assets (cont.)

Office Furniture and Fittings consist of the following:

- i) 2 Flag Poles (for balcony), timber kitchenette, steel filing cabinet and archive shelving for new Council Premises.

New Street Signs (other than those shown under Special Programmes) consist of the following:

- i) Various new street signs for traffic improvements, information boards and crash barrier (ix-Xatt ta' Santa Marija).
- ii) Railing in New Mill street corner with Sanctuary Street and bollards at Ghajn tal-Mellieha.

Urban Improvements (other than those shown under Special Programmes) consist of the following:

- i) 16 new Street Lamps around the locality.
- ii) Planters in Triq il-Qamh.

Office Equipment includes:

- i) Air-conditioning units, telephone system and closed circuit TV system for new Council offices.
- ii) 1 TFT 15" Computer Monitor.

Special Programmes consist of the following:

i) Project 1

Improvements at Tas-Salib Playing Fields.

ii) Project 2

Road resurfacing and Water Main replacement in Salib, San Mikiel, Pellegrini, F. Zahra, Snajjin (part), Napuljun Caruana Dingli, Qamh, Dhin, Muna, V. Ciappara, Sifa, Modd, Midra and Assedju l-Kbir Streets.

iii) Project 3

Extensive embellishment at Selmun Belvedere, part of which was financed out of Special Needs Funds.

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

..... continued

Assets not yet capitalised include:

- i) Ix-Xaghra tat-Tunnara Project, Ta' Ibragg Afforestation Project and phase 3 of Parish Square Upgrade Project.
- ii) Public Convenience in Zjara tal-Papa Square and Ta' Penellu open space. Acquisition of premises and upgrade thereof for new Council Administrative Offices.

11. Stocks

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Stocks - Books for re-sale	3,754	3,960
	<u>3,754</u>	<u>3,960</u>

12. Debtors

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Amount invoiced but not yet settled	2,465	2,177
Local Enforcement System Debtors	8,270	13,665
Provision for uncollected amounts	(2,995)	(2,995)
Other Debtors	1,700	2,200
	<u>9,440</u>	<u>15,047</u>

13. Prepayments/Accrued income

Prepayments include council property rent, internet connectivity and security services paid in advance. Accrued income includes bank interest receivable and refunds due from the Water Services Corporation in accordance with the Road Re-instatement Agreement. Prepayments and accrued income include also the amount of Lm 3,347 as deferred expenditure regarding work billed by the Water Services Corporation for water mains installation in Zbark tal-Francizi and Tgham streets which work was not yet commenced by 31 March 2005.

LOCAL COUNCIL MELLIEHA

**Notes to the Financial Statements
for the year ended 31 March 2005**

..... continued

14. Creditors: amounts falling due within one year

Creditors include amounts owed to suppliers for the provision of goods and services both of recurrent and capital nature.

Included in the creditors is an amount in dispute with a supplier on the Domestic Refuse Collection Contract, amounting to Lm 564 (2003/2004: Lm NIL).

15. Accruals/Deferred income

Accruals include estimates for goods and services received prior to 31 March 2005 and for which invoices have not yet been received by the Council.

16. Cash and Equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents in the cash flow statement comprise the following amounts in the Council's Statement of Affairs.

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Bank Balances:		
Ordinary Funds	311,094	551,655
Special Needs Funds	-	7,287
	<u>311,094</u>	<u>558,942</u>
Cash in hand:		
Petty Cash	21	43
	<u>311,115</u>	<u>558,985</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

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17. Capital commitments

	2004 / 2005	2003 / 2004
	Actual	Actual
	Lm	Lm
Details of capital commitments at the 31 March 2005 are as follows:		
Approved but not yet contracted for	167,000	253,650
Contracted for but not provided in the financial statements	235,000	351,250
	<u>402,000</u>	<u>604,900</u>
Approved but not yet contracted for:	Lm	Lm
Construction	-	75,000
Office Furniture and Fittings	-	200
New street Signs	-	5,000
Urban Improvements	47,000	45,350
Office equipment (incl. computer equipment)	2,000	1,100
Tunnara Project	8,000	8,000
Ta' l-Ibragg Afforestation	25,000	10,000
Misrah Zjara tal-Papa Embellishment	40,000	-
Improvement to Sport Facilities	15,000	-
Country Parks	-	6,000
Public Gardens	30,000	103,000
	<u>167,000</u>	<u>253,650</u>
Contracted for but not provided in financial statements:	Lm	Lm
Acquisition of property	15,000	71,250
New street signs	5,000	-
Urban improvements	15,000	-
Road Resurfacing	200,000	240,000
Parish Square Project (Phase 3)	-	15,000
Public Gardens	-	25,000
	<u>235,000</u>	<u>351,250</u>

LOCAL COUNCIL MELLIEHA

Notes to the Financial Statements for the year ended 31 March 2005

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18. Contingent liabilities

The Local Council signed a Joint Cooperation Agreement with the Gharghur, Imgarr, Mosta, Naxxar and St. Paul's Bay Local Councils, whereby such agreement entails that each council deposits Lm 200 (2003/2004: Lm 200) as bank guarantees. This is to indemnify the Joint Committee against any breach of the agreement by the Local Council. The council has also Lm 1,500 (2003/2004: Lm 2,000) guarantee in favour of MEPA for permits related to the construction of a garden in the locality.

During financial years ending 31 March 2001 and 31 March 2002, the Council signed two agreements with the Water Services Corporation concerning the replacement of water mains in Manikata, Mellieha Heights and Ta' Snajjin areas. In these agreements, the Council was committed to pay the Corporation the total amount of Lm 55,346 (2003/2004: Lm 55,346). However, to date, the Corporation has never issued any invoices in this regard, and the amounts due were never contested.

The Council is also contesting a claim from a supplier with respect to the Street Cleaning contract, amounting to Lm 248 (2003/2004: Lm NIL). The Council is disputing such claims on grounds that the amount in question was not paid following a deduction by default notice.

19. Comparative Figures

The prior year adjustment in the Income and Expenditure Account reflects a restatement of a grant with respect to computers donated by the Ministry for Justice and Local Councils to promote E-Government and Internet Services. Comparative figures with special reference to fixed assets and retained funds, were restated to reflect this adjustment.