



# **Il-Mellieħa Local Council**

## **Quarterly Financial Report**

### **for the Period**

**1st January till End of June 2019 (Quarter 2)**

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***Overview and Summary***

The Council's income during the period April / June 2019 amounted to €679,324, against an expenditure of €658,463, resulting in a surplus for the year to-date of €11,861.

The value of Current Assets has increased significantly by €95,492, as compared to the previous quarter, to €1,303,298. These consisted mainly of Cash and Cash Equivalent amounting to €1,018,121 up to the end of the period under review, as compared to the amount of €1,018,121, registered in March 2019.

The Current Liabilities have increase as compared to the previous quarter, from €433,235 to €695,714, registered in June 2019. These were made up of Payables (€431,176), the current portion of Long Term Borrowings related to the Triq l-Armier PPP Agreement (€31,842) and accruals (€224,149) with respect expenditure which has been incurred, however not invoiced for by the end of the period under review.

Considering all these parameters, the Financial Situation Indication declined to 55% - an decrease of 15% over the percentage registered at the end of March 2019.

€255,248 worth of Fixed Assets were capitalized since the beginning of the financial year. The purchase cost of all Fixed Assets acquired by the Council was €9,574,644 having a net book value of €3,168,098 up to the end of the period under review.

Dario Vella  
Mayor

Carmel Debono  
Executive Secretary

**Statement of Income and Expenditure**  
**1st January till End of June 2019 (Quarter 2)**

| DESCRIPTION                                | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|--|--------------------------|-----------------------|-----------------------------|-------------------------------|
|  | €                        | €                     | €                           | €                             |
| <b>Income</b>                              |                          |                       |                             |                               |
| Funds received from Central Government (1) | 632,117                  | 1,395,981             | -                           | 1,395,981                     |
| Income raised from Bye-Laws (2)            | 36,062                   | 78,900                | -                           | 78,900                        |
| Income raised from LES (3)                 | 1,832                    | 7,500                 | -                           | 7,500                         |
| Investment Income (4)                      | 313                      | 800                   | -                           | 800                           |
| Other Income (5)                           | -                        | 250                   | -                           | 250                           |
| <b>TOTAL</b>                               | <b>670,324</b>           | <b>1,483,431</b>      | <b>-</b>                    | <b>1,483,431</b>              |
| <b>Expenditure</b>                         |                          |                       |                             |                               |
| Personal Emoluments (6)                    | 80,895                   | 191,264               | -                           | 191,264                       |
| Operations and Maintenance (7)             | 410,480                  | 837,962               | 21,000                      | 816,962                       |
| Administration (8)                         | 67,063                   | 81,817                | (31,000)                    | 112,817                       |
| Finance Cost (9)                           | -                        | -                     | -                           | -                             |
| Other Expenditure (10)                     | 100,025                  | 282,859               | -                           | 282,859                       |
| <b>TOTAL</b>                               | <b>658,463</b>           | <b>1,393,902</b>      | <b>(10,000)</b>             | <b>1,403,902</b>              |
| <b>Surplus / Deficit</b>                   | <b>11,861</b>            | <b>89,529</b>         | <b>10,000</b>               | <b>79,529</b>                 |

## Statement of Financial Position as at end of June 2019 (Quarter 2)

| DESCRIPTION                         | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|-------------------------------------|--------------------------|-----------------------|-----------------------------|-------------------------------|
|                                     | €                        | €                     | €                           | €                             |
| <b>Non-current Assets</b>           |                          |                       |                             |                               |
| Property, Plant and Equipment (17)  | 3,168,098                | 4,005,485             |                             | 4,005,485                     |
| <b>Current Assets</b>               |                          |                       |                             |                               |
| Inventories (11)                    | 20,452                   | 12,000                | -                           | 12,000                        |
| Receivables (12)                    | 186,664                  | 105,000               | -                           | 105,000                       |
| Cash and Cash Equivalents (13)      | 1,096,182                | 508,428               | -                           | 508,428                       |
| <b>Total Current Assets</b>         | <b>1,303,298</b>         | <b>625,428</b>        | <b>-</b>                    | <b>625,428</b>                |
| <b>Current Liabilities</b>          |                          |                       |                             |                               |
| Payables (14)                       | 695,714                  | 473,477               | -                           | 473,477                       |
| <b>Total Current Liabilities</b>    | <b>695,714</b>           | <b>473,477</b>        | <b>-</b>                    | <b>473,477</b>                |
| <b>Net Current Assets</b>           | <b>607,584</b>           | <b>151,951</b>        | <b>-</b>                    | <b>151,951</b>                |
| <b>Non-current liabilities (15)</b> | <b>494,464</b>           | <b>7,000</b>          | <b>-</b>                    | <b>7,000</b>                  |
| <b>Net Assets</b>                   | <b>3,281,218</b>         | <b>4,150,436</b>      | <b>-</b>                    | <b>4,150,436</b>              |
| <b>Reserves</b>                     |                          |                       |                             |                               |
| Retained Funds                      | 3,281,218                | 4,150,436             |                             | 4,150,436                     |

## Financial Situation Indicator

| DESCRIPTION            |                |                |          |                |
|------------------------|----------------|----------------|----------|----------------|
| Current Assets         | 1,303,298      | 625,428        | -        | 625,428        |
| Current Liabilities    | 695,714        | 473,477        | -        | 473,477        |
| <b>Working Capital</b> | <b>607,584</b> | <b>151,951</b> | <b>-</b> | <b>151,951</b> |
| Government Allocation  | 1,099,031      | 1,159,252      | -        | 1,099,031      |
| <b>FSI</b>             | <b>55 %</b>    | <b>13 %</b>    |          | <b>14 %</b>    |

# Cash flow Statement

## DESCRIPTION

|   | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
|   | €                        | €                     | €                           | €                             |
| <b>Cash flow from operating activities</b>                    |                          |                       |                             |                               |
| Surplus for the year  | 11,861                   | 89,529                | 10,000                      | 79,529                        |
| Adjustments for:  |                          |                       |                             |                               |
| Depreciation  | 100,025                  | 282,859               | -                           | 282,859                       |
| Increase / (Decrease) in Allowance for Bad Debts              |                          |                       |                             | -                             |
| Interest receivable   |                          |                       |                             | -                             |
| Interest payable  |                          |                       |                             | -                             |
| (Profit) / Loss on disposal of asset                          |                          |                       |                             | -                             |
| Increase / (Decrease) in payables                             | 22,841                   |                       |                             | -                             |
| Increase / (Decrease) in accruals                             | 86,297                   |                       |                             | -                             |
| Decrease / (Increase) in receivables                          | 39,079                   |                       |                             | -                             |
| Decrease / (Increase) in inventories                          |                          |                       |                             | -                             |
| Cash generated from operations                                | 260,103                  | 372,388               | 10,000                      | 362,388                       |
| Interest paid   |                          |                       |                             | -                             |
| <i>Net cash from operating activities</i>                     | 260,103                  | 372,388               | 10,000                      | 362,388                       |
| <b>Cash flows from investing activities</b>                   |                          |                       |                             |                               |
| Purchase of property, plant & equipment                       | (255,248)                | (1,474,409)           |                             | (1,474,409)                   |
| Proceeds from sale of property, plant & equipment             |                          | 767,650               |                             | -                             |
| Grants received   |                          |                       |                             | 767,650                       |
| Interest received   |                          |                       |                             | -                             |
| <i>Net cash used in investing activities</i>                  | (255,248)                | (706,759)             | -                           | (706,759)                     |
| <b>Cash flows from financing activities</b>                   |                          |                       |                             |                               |
| Proceeds from long-term borrowings                            |                          |                       |                             | -                             |
| Interest Paid   |                          |                       |                             | -                             |
| Bank Loan Repayments  |                          |                       |                             | -                             |
| <i>Net cash from financing activities</i>                     | -                        | -                     | -                           | -                             |
| <b>Net increase/(decrease) in cash &amp; cash equivalents</b> | 4,855                    | (334,371)             | 10,000                      | (344,371)                     |
| Cash & cash equivalents at beginning of year                  | 1,091,327                | 842,799               |                             | 842,799                       |
| <b>Cash &amp; cash equivalents at end of Quarter</b>          | 1,096,182                | 508,428               | 10,000                      | 498,428                       |

## Detailed Income

### DESCRIPTION

|   | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
|   | €                        | €                     | €                           | €                             |
| <b>Income</b>                                       |                          |                       |                             |                               |
| <b>1 Funds received from Cental Government:</b>     |                          |                       |                             |                               |
| 0001 In terms of section 55 CAP 363                 | 609,281                  | 1,159,252             |                             | 1,159,252                     |
| 0002-0004 In terms of section 58 CAP 363            | 22,836                   | 224,578               |                             | 224,578                       |
| 0005-0019 Other income                              |                          | 12,151                |                             | 12,151                        |
|   | <b>632,117</b>           | <b>1,395,981</b>      | <b>-</b>                    | <b>1,395,981</b>              |
| <b>2 Income raised from Bye-Laws</b>                |                          |                       |                             |                               |
| 0021-0025 Community Services                        | 182                      | 1,900                 |                             | 1,900                         |
| 0026-0035 Income from Permits                       | 35,880                   | 77,000                |                             | 77,000                        |
|   | <b>36,062</b>            | <b>78,900</b>         | <b>-</b>                    | <b>78,900</b>                 |
| <b>3 Local Enforcement Income</b>                   |                          |                       |                             |                               |
| 0037 Commission from Regional Committees            | 1,832                    | 7,500                 |                             | 7,500                         |
| 0038-0055 Contraventions                            |                          | -                     |                             | -                             |
|   | <b>1,832</b>             | <b>7,500</b>          | <b>-</b>                    | <b>7,500</b>                  |
| <b>4 Investment Income</b>                          |                          |                       |                             |                               |
| 0091-0095 Bank interest                             | 313                      | 800                   |                             | 800                           |
| 0096-0099 Income received from Governmet Securities |                          | -                     |                             | -                             |
|   | <b>313</b>               | <b>800</b>            | <b>-</b>                    | <b>800</b>                    |
| <b>5</b>  |                          |                       |                             |                               |
| 0056-0065 Sponsorships                              |                          | -                     |                             | -                             |
| 0066-0069 Documents & Information                   |                          | -                     |                             | -                             |
| 0070-0075 EU funds                                  |                          | -                     |                             | -                             |
| 0076-0080 Twinning                                  |                          | -                     |                             | -                             |
| 0081-0089 Insurance Claims                          |                          | -                     |                             | -                             |
| 0100-0109 Donations                                 |                          | -                     |                             | -                             |
| 0110-0119 Contributions                             |                          | -                     |                             | -                             |
| 0120-0129 General Income                            |                          | 250                   |                             | 250                           |
|   | <b>-</b>                 | <b>250</b>            | <b>-</b>                    | <b>250</b>                    |
| <b>Total</b>  | <b>670,324</b>           | <b>1,483,431</b>      | <b>-</b>                    | <b>1,483,431</b>              |



## Detailed Expenditure

| DESCRIPTION |   | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|-------------|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
|             |   | €                        | €                     | €                           | €                             |
| <b>6 i)</b> | <b>Personal Emoluments</b>                  |                          |                       |                             |                               |
| 1100        | Mayor's Allowance                           | 5,182                    | 11,226                |                             | 11,226                        |
| 1200        | Employees' Salaries & Wages                 | 60,464                   | 136,484               |                             | 136,484                       |
| 1300        | Bonuses                                     | 790                      | 11,150                |                             | 11,150                        |
| 1400        | Income Supplements                          | 727                      | 1,454                 |                             | 1,454                         |
| 1500        | Social Security Contributions               | 5,182                    | 12,569                |                             | 12,569                        |
| 1600        | Allowances                                  | 7,086                    | 14,382                |                             | 14,382                        |
| 1700        | Overtime                                    | 1,464                    | 4,000                 |                             | 4,000                         |
|             |   | <b>80,895</b>            | <b>191,264</b>        | <b>-</b>                    | <b>191,264</b>                |
|             |   | €                        | €                     | €                           | €                             |
| <b>7</b>    | <b>Operations and Maintenance</b>           |                          |                       |                             |                               |
| 2100-2149   | Public Utilities                            | 3,514                    | 5,537                 |                             | 5,537                         |
| 2200-2259   | Public Materials & Supplies                 | 1,243                    | 2,277                 |                             | 2,277                         |
| 2300-2399   | Repairs & upkeep                            | 51,483                   | 109,400               | 25,000                      | 84,400                        |
| 2400-2449   | Rent  | 2,122                    | 4,250                 |                             | 4,250                         |
| 3010        | Street Lightning                            | 12,582                   | 27,000                |                             | 27,000                        |
| 3020        | Lease of Equipment                          | -                        | -                     |                             | -                             |
| 3030        | Insurance                                   | 5,282                    | 7,000                 |                             | 7,000                         |
| 3035        | Bank Charges                                | 251                      | 350                   |                             | 350                           |
| 3038        | Penalties                                   | -                        | -                     |                             | -                             |
| 3041        | Refuse Collection                           | 50,482                   | 102,448               |                             | 102,448                       |
| 3042        | Bulky Refuse Collection                     | 27,170                   | 21,000                | (13,000)                    | 34,000                        |
| 3043        | Bins on wheels                              | -                        | -                     |                             | -                             |
| 3045        | Bring in sites                              | -                        | 3,000                 |                             | 3,000                         |
| 3051        | Road & Street Cleaning                      | -                        | 35,000                |                             | 35,000                        |
| 3052        | Cleaning & Maintenance of Non-Urban Areas   | 12,413                   | 25,000                |                             | 25,000                        |
| 3053        | Cleaning of Public Conveniences             | 47,412                   | 90,000                | 9,000                       | 81,000                        |
| 3055        | Cleaning of Council Premises                | 1,362                    | 3,000                 |                             | 3,000                         |
| 3040        | Waste Disposal                              | 59,741                   | 131,000               |                             | 131,000                       |
| 3060        | Cleaning & Maintenance of Parks & Gardens   | -                        | -                     |                             | -                             |
| 3061        | Cleaning & Maintenance of Soft Areas        | 28,482                   | 57,000                |                             | 57,000                        |
| 3062        | Cleaning & Maintenance of Beaches & CA      | -                        | 500                   |                             | 500                           |
| 3063        | Cleaning & Maintenance of Country Non-Urban | -                        | 1,000                 |                             | 1,000                         |
| 6064        | Other Contractual Services                  | -                        | -                     |                             | -                             |
| 3070-3090   | Consultation Fees                           | 328                      | 3,000                 |                             | 3,000                         |
| 3100-3139   | Contract & Project Management               | 6,447                    | 17,600                |                             | 17,600                        |
| 3300-3379   | Hospitality                                 | 11,938                   | 99,000                |                             | 99,000                        |
| 3380-3389   | Community                                   | 5,623                    | 21,000                |                             | 21,000                        |
| 3390-3394   | Donations                                   | -                        | -                     |                             | -                             |
| 3600-3694   | Local Enforcement Expenses                  | 162                      | 100                   |                             | 100                           |
| 3700-3799   | EU Projects                                 | 80,306                   | 62,000                |                             | 62,000                        |
| 3800-3899   | Twinning                                    | 2,137                    | 10,500                |                             | 10,500                        |
|             |   | <b>410,480</b>           | <b>837,962</b>        | <b>21,000</b>               | <b>816,962</b>                |
|             |   | €                        | €                     | €                           | €                             |
| <b>8</b>    | <b>Administration</b>                       |                          |                       |                             |                               |
| 2150-2199   | Office Utilities                            | 3,109                    | 8,689                 |                             | 8,689                         |
| 2260-2299   | Office Materials & Supplies                 | -                        | -                     |                             | -                             |
| 2450-2499   | Office Rent                                 | -                        | -                     |                             | -                             |
| 2500-2599   | National & International Memberships        | 560                      | 1,900                 |                             | 1,900                         |
| 2600-2699   | Office Services                             | 1,878                    | 6,850                 |                             | 6,850                         |
| 2700-2799   | Transport                                   | 35,695                   | 14,700                | (30,000)                    | 44,700                        |
| 2800-2899   | Travel                                      | 630                      | 3,300                 |                             | 3,300                         |
| 2900-2999   | Information Services                        | 15,519                   | 25,478                |                             | 25,478                        |
| 3050        | Office Cleaning                             | -                        | 400                   |                             | 400                           |
| 3410-3199   | Professional Services                       | 7,222                    | 11,500                | (1,000)                     | 12,500                        |
| 3200-3299   | Training                                    | 609                      | 4,250                 |                             | 4,250                         |
| 3345        | Office Hospitality                          | -                        | -                     |                             | -                             |
| 3400-3499   | Incidental Expenses                         | 1,841                    | 4,750                 |                             | 4,750                         |
|             |   | <b>67,063</b>            | <b>81,817</b>         | <b>(31,000)</b>             | <b>112,817</b>                |
|             |   | €                        | €                     | €                           | €                             |



|   |                            |   |   |   |   |
|---|----------------------------|---|---|---|---|
| 9 | Finance Costs              |   |   |   |   |
|   | 3036 Interest on Bank Loan |   |   |   | - |
|   |                            | - | - | - | - |

## Detailed Statment of Financial Position

### DESCRIPTION

|   | Actual for<br>the Period | Annual Budget<br>2019 | Virements for<br>the Period | Revised Annual Budget<br>2019 |
|---|--------------------------|-----------------------|-----------------------------|-------------------------------|
|   | €                        | €                     | €                           | €                             |
| <b>10 Other Expenditure</b>                         |                          |                       |                             |                               |
| 3500-3599 Loss / (Profit) on Disposal of asset      |                          |                       |                             | -                             |
| 3695 Increase/(Decrease) in allowance for bad debts |                          |                       |                             | -                             |
| 8000-8099 Depreciation As at end of June 2019       | 100,025                  | 282,859               |                             | 282,859                       |
|   | <b>100,025</b>           | <b>282,859</b>        | <b>-</b>                    | <b>282,859</b>                |
| <b>Total</b>  | <b>658,463</b>           | <b>1,393,902</b>      | <b>(10,000)</b>             | <b>1,403,902</b>              |
| <b>11 Inventories</b>                               |                          |                       |                             |                               |
| 5201-5249 Stationery                                | 20,452                   | 12,000                |                             | 12,000                        |
| 5250-5299 Consumables                               |                          | -                     |                             | -                             |
|   | <b>20,452</b>            | <b>12,000</b>         | <b>-</b>                    | <b>12,000</b>                 |
| <b>12 Receivables</b>                               |                          |                       |                             |                               |
| 0201-0209 Receivables                               | 174,251                  | 55,000                |                             | 55,000                        |
| 0210-0219 LES Receivables                           |                          |                       |                             | -                             |
| 0220-0229 Receivables from EU                       |                          |                       |                             | -                             |
| 0250 Prepayments & Accrued income                   | 12,413                   | 50,000                |                             | 50,000                        |
|   | <b>186,664</b>           | <b>105,000</b>        | <b>-</b>                    | <b>105,000</b>                |
| <b>13 Cash &amp; Equivalents</b>                    |                          |                       |                             |                               |
| 5001-5099 Bank & Cash Balances                      | 1,096,182                | 508,428               |                             | 508,428                       |
|   | <b>1,096,182</b>         | <b>508,428</b>        | <b>-</b>                    | <b>508,428</b>                |
| <b>14 Payables</b>                                  |                          |                       |                             |                               |
| 4000 Payables                                       | 431,176                  | 352,477               |                             | 352,477                       |
| 4100 Accruals                                       | 224,149                  | 100,000               |                             | 100,000                       |
| 4150 Deferred Income                                | 8,547                    | -                     |                             | -                             |
| Current portion of long term borrowings             |                          |                       |                             | -                             |
| Current portion of long term borrowings             | 31,842                   | 21,000                |                             | 21,000                        |
|   | <b>695,714</b>           | <b>473,477</b>        | <b>-</b>                    | <b>473,477</b>                |
| <b>15 Non Current Liabilities</b>                   |                          |                       |                             |                               |
| 4200 Long Term Borrowing                            | 14,836                   | 7,000                 |                             | 7,000                         |
| Deferred Income                                     | 479,628                  | -                     |                             | -                             |
|   | <b>494,464</b>           | <b>7,000</b>          | <b>-</b>                    | <b>7,000</b>                  |

17 Deprecition of Property, Plant and Equipment

| Asset<br>% of depreciation          | €        |                    |                    |              |                    |                  |                  |                   |   |   | Total     |
|-------------------------------------|----------|--------------------|--------------------|--------------|--------------------|------------------|------------------|-------------------|---|---|-----------|
|                                     | Property | Special Programmes | Assets under Const | Street Signs | Urban Improvements | Office Equipment | Office Furniture | Computer Software |   |   |           |
|                                     | 1%       | 10%                | 0%                 | 100%         | 10%                | 20%              | 7.5%             | 25%               | € | € | €         |
| <b>Cost</b>                         |          |                    |                    |              |                    |                  |                  |                   |   |   |           |
| As at 1st January 2019              | 568,224  | 6,992,960          | 757,767            | 73,322       | 694,616            | 46,553           | 184,877          | 1,077             |   |   | 9,319,396 |
| Additions                           |          |                    | 248,810            |              |                    | 590              | 3,189            | 2,659             |   |   | 255,248   |
| Disposals                           |          |                    |                    |              |                    |                  |                  |                   |   |   | -         |
| As at end of June 2019              | 568,224  | 6,992,960          | 1,006,577          | 73,322       | 694,616            | 47,143           | 188,066          | 3,736             | - | - | 9,574,644 |
| <b>Grants/ other reimbursements</b> |          |                    |                    |              |                    |                  |                  |                   |   |   |           |
| As at 1st January 2019              |          | 1,367,061          |                    |              |                    |                  |                  |                   |   |   | 1,367,061 |
| Additions                           |          |                    |                    |              |                    |                  |                  |                   |   |   | -         |
| As at end of June 2019              | -        | 1,367,061          | -                  | -            | -                  | -                | -                | -                 | - | - | 1,367,061 |
| <b>Accumulated Depreciation</b>     |          |                    |                    |              |                    |                  |                  |                   |   |   |           |
| As at 1st January 2019              | 16,426   | 4,073,263          | -                  | 73,322       | 649,067            | 41,514           | 85,397           | 471               |   |   | 4,939,460 |
| Charge for the period               | 2,415    | 54,823             | -                  | -            | 2,418              | 1,684            | 38,472           | 213               |   |   | 100,025   |
| Released on disposal                |          |                    |                    |              |                    |                  |                  |                   |   |   | -         |
| As at end of June 2019              | 18,841   | 4,128,086          | -                  | 73,322       | 651,485            | 43,198           | 123,869          | 684               | - | - | 5,039,485 |
| <b>NBV</b>                          | 549,383  | 1,497,813          | 1,006,577          | -            | 43,131             | 3,945            | 64,197           | 3,052             | - | - | 3,168,098 |

As at end of June 2019

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

| € | € | € |
|---|---|---|
|---|---|---|

Recurrent and Capital

|   |   |   |
|---|---|---|
|   |   |   |
| - | - | - |

Long Term Loans

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|   |   |   |
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Others

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|---|---|---|
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