



Il-Mellieħa Local Council

Quarterly Financial Report

for the Period

1st January till End of December 2018 (Quarter 4)

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Overview and Summary

The Council's income during the period October / December 2018 amounted to €1,343,063, against an expenditure of €2,063,474, resulting in a deficit for the year to-date of €720,411.

Such deficit resulted from an accounting exercise undertaken following the issue of Directive 1/2017, whereby depreciation was converted from the Reducing Method to the Straight Line Method. For this reason, almost all assets became worthless over time, depending on their value and category. The difference between the two methods was calculated year by year, and it turned out that this amounts to €587,397. This is indicated as a one-time expense during 2018, which is also reflected in the Financial Statements for 2018. The said figure is accompanied by the actual amount of depreciation registered for the year 2018 which amounts to €511,445.

The value of Current Assets has increased significantly by €39,982 as compared to the previous quarter and reached €1,369,817. These consisted mainly of Cash and Cash Equivalent amounting to €1,091,327 up to the end of the period under review, starting at €872,349 in October 2018.

The Current Liabilities have increase as compared to the previous quarter, from €358,545 recorded in September 2018 to €625,605, in December 2018. These were made up of Payables (€398,403), the current portion of Long Term Borrowings related to the Triq l-Armier PPP Agreement (€11,365) and accruals (€215,837) with respect to capital projects which have been implemented, however not invoiced by the end of the period under review.

Considering all these parameters, the Financial Situation Indication improved to 68% - an increase of 13% over the percentage registered at the end of September 2018.

€494,076 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 €9,319,396, having a net book value of €2,548,410 up to the end of the period under review.

John Buttigieg
Mayor

Carmel Debono
Executive Secretary

Statement of Income and Expenditure
1st January till End of December 2018 (Quarter 4)

DESCRIPTION

Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
€	€	€	€

Income

Funds received from Central Government (1)	1,243,518	1,193,885	-	1,193,885
Income raised from Bye-Laws (2)	72,063	44,420	-	44,420
Income raised from LES (3)	7,460	8,000	-	8,000
Investment Income (4)	1,180	1,400	-	1,400
Other Income (5)	18,842	102,700	-	102,700
TOTAL	1,343,063	1,350,405	-	1,350,405

Expenditure

Personal Emoluments (6)	170,364	167,691	-	167,691
Operations and Maintenance (7)	729,226	785,316	-	785,316
Administration (8)	65,042	94,628	-	94,628
Finance Cost (9)	-	-	-	-
Other Expenditure (10)	1,098,842	271,005	-	271,005
TOTAL	2,063,474	1,318,640	-	1,318,640

Surplus / Deficit

(720,411)	31,765	-	31,765
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Statement of Financial Position as at end of December 2018 (Quarter 4)

DESCRIPTION	Actual for the Period €	Annual Budget 2018 €	Virements for the Period €	Revised Annual Budget 2018 €
Non-current Assets				
Property, Plant and Equipment (17)	2,548,410	3,995,774		3,995,774
Current Assets				
Inventories (11)	19,269	20,000	-	20,000
Receivables (12)	259,221	96,000	-	96,000
Cash and Cash Equivalents (13)	1,091,327	362,064	-	362,064
Total Current Assets	1,369,817	478,064	-	478,064
Current Liabilities				
Payables (14)	625,605	335,817	-	335,817
Total Current Liabilities	625,605	335,817	-	335,817
Net Current Assets	744,212	142,247	-	142,247
Non-current liabilities (15)	23,400	17,425	-	17,425
Net Assets	3,269,222	4,120,596	-	4,120,596
Reserves				
Retained Funds	3,269,222	4,120,596		4,120,596

Financial Situation Indicator

DESCRIPTION				
Current Assets	1,369,817	478,064	-	478,064
Current Liabilities	625,605	335,817	-	335,817
Working Capital	744,212	142,247	-	142,247
Government Allocation	1,099,031	1,099,031	-	1,099,031
FSI	68 %	13 %		13 %

Cash flow Statement

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Cash flow from operating activities				
Surplus for the year	(720,411)	31,765	-	31,765
Adjustments for:				
Depreciation	1,098,842	271,005	-	271,005
Increase / (Decrease) in Allowance for Bad Debts	(1,180)			-
Interest receivable				-
Interest payable				-
(Profit) / Loss on disposal of asset				-
Increase / (Decrease) in payables	220,001	(5,423)		(5,423)
Increase / (Decrease) in accruals	(66,029)	(11,523)		(11,523)
Decrease / (Increase) in receivables	(172,176)	(55)		(55)
Decrease / (Increase) in inventories	(8,456)			-
Cash generated from operations	350,591	285,769	-	285,769
Interest paid				-
<i>Net cash from operating activities</i>	350,591	285,769	-	285,769
Cash flows from investing activities				
Purchase of property, plant & equipment	(494,076)	(1,543,127)		(1,543,127)
Proceeds from sale of property, plant & equipment				-
Grants received	473,029	819,509		819,509
Interest received	1,180			-
<i>Net cash used in investing activities</i>	(19,867)	(723,618)	-	(723,618)
Cash flows from financing activities				
Proceeds from long-term borrowings	(30,660)			-
Interest Paid				-
Bank Loan Repayments				-
<i>Net cash from financing activities</i>	(30,660)	-	-	-
Net increase/(decrease) in cash & cash equivalents	300,064	(437,849)	-	(437,849)
Cash & cash equivalents at beginning of year	791,263	799,913		799,913
Cash & cash equivalents at end of Quarter	1,091,327	362,064	-	362,064

Detailed Income

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
Income				
1 Funds received from Cental Government:				
0001 In terms of section 55 CAP 363	1,129,904	1,099,031		1,099,031
0002-0004 In terms of section 58 CAP 363	80,812	94,854		94,854
0005-0019 Other income	32,802	-		-
	1,243,518	1,193,885	-	1,193,885
2 Income raised from Bye-Laws				
0021-0025 Community Services	3,298	-		-
0026-0035 Income from Permits	68,765	44,420		44,420
	72,063	44,420	-	44,420
3 Local Enforcement Income				
0037 Commission from Regional Committees	-	8,000		8,000
0038-0055 Contraventions	7,460	-		-
	7,460	8,000	-	8,000
4 Investment Income				
0091-0095 Bank interest	1,180	1,400		1,400
0096-0099 Income received from Governmet Securities	-	-		-
	1,180	1,400	-	1,400
5				
0056-0065 Sponsorships	4,195	-		-
0066-0069 Documents & Information	-	-		-
0070-0075 EU funds	5,982	102,000		102,000
0076-0080 Twinning	-	-		-
0081-0089 Insurance Claims	-	-		-
0100-0109 Donations	-	-		-
0110-0119 Contributions	10	-		-
0120-0129 General Income	8,655	700		700
	18,842	102,700	-	102,700
Total	1,343,063	1,350,405	-	1,350,405

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
		€	€	€	€
6 i)	Personal Emoluments				
	1100 Mayor's Allowance	11,196	11,196		11,196
	1200 Employees' Salaries & Wages	117,760	121,492		121,492
	1300 Bonuses	10,057	9,786		9,786
	1400 Income Supplements	1,454	1,454		1,454
	1500 Social Security Contributions	10,955	10,763		10,763
	1600 Allowances	14,332	11,200		11,200
	1700 Overtime	4,610	1,800		1,800
		170,364	167,691	-	167,691
DESCRIPTION		€	€	€	€
7	Operations and Maintenance				
	2100-2149 Public Utilities	-	10,998		10,998
	2200-2259 Public Materials & Supplies	-	2,200		2,200
	2300-2399 Repairs & upkeep	119,923	112,900	13,000	99,900
	2400-2449 Rent	-	4,250		4,250
	3010 Street Lighting	31,973	27,000		27,000
	3020 Lease of Equipment	3,546	-		-
	3030 Insurance	4,655	8,500		8,500
	3035 Bank Charges	413	300		300
	3038 Penalties	-	-		-
	3041 Refuse Collection	231,775	165,000		165,000
	3042 Bulky Refuse Collection	26,565	11,000	(13,000)	24,000
	3043 Bins on wheels	-	-		-
	3045 Bring in sites	1,263	2,000		2,000
	3051 Road & Street Cleaning	34,389	45,000		45,000
	3052 Cleaning & Maintenance of Non-Urban Areas	24,303	27,000		27,000
	3053 Cleaning of Public Conveniences	57,655	78,000		78,000
	3055 Cleaning of Council Premises	3,334	4,000		4,000
	3040 Waste Disposal	-	400		400
	3060 Cleaning & Maintenance of Parks & Gardens	-	-		-
	3061 Cleaning & Maintenance of Soft Areas	58,814	54,575		54,575
	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	2,227	2,000		2,000
	3100-3139 Contract & Project Management	-	15,000		15,000
	3300-3379 Hospitality	100,174	99,194		99,194
	3380-3389 Community	20,835	18,899		18,899
	3390-3394 Donations	-	-		-
	3600-3694 Local Enforcement Expenses	765	100		100
	3700-3799 EU Projects	-	85,000		85,000
	3800-3899 Twinning	6,617	10,500		10,500
		729,226	785,316	-	785,316
8	Administration				
	2150-2199 Office Utilities	16,691	8,338		8,338
	2260-2299 Office Materials & Supplies	2,401	-		-
	2450-2499 Office Rent	3,728	-		-
	2500-2599 National & International Memberships	1,748	1,300		1,300
	2600-2699 Office Services	2,828	6,900		6,900
	2700-2799 Transport	2,583	11,240		11,240
	2800-2899 Travel	891	3,300		3,300
	2900-2999 Information Services	5,470	42,200		42,200
	3050 Office Cleaning	-	400		400
	3410-3199 Professional Services	22,898	12,700		12,700
	3200-3299 Training	3,450	6,000		6,000
	3345 Office Hospitality	-	-		-
	3400-3499 Incidental Expenses	2,354	2,250		2,250
		65,042	94,628	-	94,628

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

Detailed Statment of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2018	Virements for the Period	Revised Annual Budget 2018
	€	€	€	€
10 Other Expenditure				
3500-3599 Loss / (Profit) on Disposal of asset				-
3695 Increase/(Decrease) in allowance for bad debts				-
8000-8099 Depreciation As at end of December 2018	1,098,842	271,005		271,005
				-
	1,098,842	271,005	-	271,005
Total	2,063,474	1,318,640	-	1,318,640
11 Inventories				
5201-5249 Stationery	19,269	20,000		20,000
5250-5299 Consumables		-		-
	19,269	20,000	-	20,000
12 Receivables				
0201-0209 Receivables	157,415	20,000		20,000
0210-0219 LES Receivables	-	-		-
0220-0229 Receivables from EU		-		-
0250 Prepayments & Accrued income	101,806	76,000		76,000
	259,221	96,000	-	96,000
13 Cash & Equivalents				
5001-5099 Bank & Cash Balances	1,091,327	362,064		362,064
	1,091,327	362,064	-	362,064
14 Payables				
4000 Payables	398,403	200,000		200,000
4100 Accruals	215,837	100,000		100,000
4150 Deferred Income		-		-
Current portion of long term borrowings				-
Current portion of long term borrowings	11,365	35,817		35,817
	625,605	335,817	-	335,817
15 Non Current Liabilities				
4200 Long Term Borrowing	14,836	17,425		17,425
Deferred Income	8,564	-		-
	23,400	17,425	-	17,425

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

€	€	€
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Recurrent and Capital

-	-	-

Long Term Loans

-	-	-

Others

-	-	-

17 Depreciation of Property, Plant and Equipment

Asset % of depreciation	€										Total €
	Property 1%	Special Programmes 10%	Assets under Const 0%	Street Signs 100%	Urban Improvements 10%	Office Equipment 20%	Office Furniture 7.5%	Computer Software 25%			
Cost											
As at 1st January 2018	568,224	6,863,943	543,417	73,322	545,142	45,683	184,512	1,077			8,825,320
Additions			475,884		16,957	870	365				494,076
Disposals		129,017	(261,534)		132,517						-
As at end of December 2018	568,224	6,992,960	757,767	73,322	694,616	46,553	184,877	1,077	-		9,319,396
Grants/ other reimbursements											
As at 1st January 2018		1,351,898									1,351,898
Additions		479,628									479,628
As at end of December 2018	-	1,831,526	-	-	-	-	-	-	-		1,831,526
Accumulated Depreciation											
As at 1st January 2018	14,357	3,105,022	-	73,322	545,142	37,619	64,887	269			3,840,618
Charge for the period	2,069	968,241			103,925	3,895	20,510	202			1,098,842
Released on disposal											-
As at end of December 2018	16,426	4,073,263	-	73,322	649,067	41,514	85,397	471	-		4,939,460
NBV	551,798	1,088,171	757,767	-	45,549	5,039	99,480	606	-		2,548,410

As at end of December 2018