

**Notes to the Financial Statements for the year ended 31 December 2011 – continued**

**o. Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRS requires council members to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the opinion of the council members, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).



# Notes to the Financial Statements for the year ended 31 December 2011 (cont)

## 3a Property, Plant and Equipment

	Buildings & Improvements	Office Furniture /fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Assets under construction	Special Programmes	Total
Cost	€	€	€	€	€	€	€	€	€	€
At 1 January 2011	3,736	14,402	36,706	770	3,785	29,655	136,099	-	555,680	780,833
Additions	-	-	775	440	-	944	-	5,961	10,201	18,321
At 31 December 2011	3,736	14,402	37,481	1,210	3,785	30,599	136,099	5,961	565,881	799,154
<b>Grants and other reimbursements</b>										
At 1 January 2011	-	-	-	-	-	-	-	-	(202,470)	(202,470)
Received during the year	-	-	-	-	-	-	-	-	-	-
At 31 December 2011	-	-	-	-	-	-	-	-	(202,470)	(202,470)
<b>Accumulated Depreciation</b>										
At 1 January 2011	(433)	(7,691)	(28,160)	(468)	(3,785)	(20,568)	(53,547)	-	(154,704)	(269,356)
Charge for the year	(35)	(504)	(1,835)	(84)	-	(1,775)	(2,879)	-	(25,463)	(32,575)
At 31 December 2011	(468)	(8,195)	(29,995)	(552)	(3,785)	(22,343)	(56,426)	-	(180,167)	(301,931)
At 31 December 2011	3,268	6,207	7,486	658	-	8,256	79,673	5,961	183,244	294,753



# Notes to the Financial Statements for the year ended 31 December 2011 - continued

## 3b Property, Plant and Equipment

Cost	Buildings & Improvements	Office Furniture / fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Special Programmes	Total
€	€	€	€	€	€	€	€	€	€
At 1 January 2010	3,736	14,402	33,331	673	3,785	29,655	136,099	423,219	644,900
Additions	-	-	3,375	97	-	-	-	132,461	135,933
At 31 December 2010	3,736	14,402	36,706	770	3,785	29,655	136,099	555,680	780,833
<b>Grants and other reimbursements</b>									
At 1 January 2010	-	-	-	-	-	-	-	(202,470)	(202,470)
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2010	-	-	-	-	-	-	-	(202,470)	(202,470)
<b>Accumulated Depreciation</b>									
At 1 January 2010	(400)	(7,142)	(26,595)	(404)	(3,785)	(19,791)	(50,348)	(87,927)	(196,392)
Charge for the year	(33)	(549)	(1,565)	(64)	-	(777)	(3,199)	(66,777)	(72,964)
At 31 December 2010	(433)	(7,691)	(28,160)	(468)	(3,785)	(20,568)	(53,547)	(154,704)	(269,356)
<b>Net book value</b>									
At 31 December 2010	3,303	6,711	8,546	302	-	9,087	82,552	198,506	309,007



**Notes to the Financial Statements for the year ended 31 December 2011 (cont)**

<b>4 Receivables</b>	2011	2010
	€	€
Prepayments and Accrued Income	19,559	41,106
MEPA bank guarantees	8,023	6,823
Refundable deposits	466	466
Other receivables	13,300	15,827
	<u>41,348</u>	<u>64,222</u>

**Trade receivables**

Within the current period	32,859	56,933
Exceeded credit period but not yet impaired	8,489	7,289
	<u>41,348</u>	<u>64,222</u>

**5 Cash and Cash Equivalents**

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and Cash equivalents included in the statement of cash flows comprise the following amounts in the Local Council statement of Financial Position:

	2011	2010
	€	€
Bank Balances:		
Current Accounts	142,161	25,168
Savings Accounts	7,363	8,774
Bank account - Measure 323	100,921	100,682
Bank account - Measure 313	45,672	45,564
Cash in hand	296	317
Cash at bank and in hand	<u>296,413</u>	<u>180,505</u>

**6 Deferred income grants**

	2011	2010
	€	€
Deferred Income 1 to 2 years	14,779	10,854
Deferred Income 2 to 5 years	36,392	52,455
Deferred Income over 5 years	103,516	149,209
	<u>154,687</u>	<u>212,518</u>

	2011	2010
	€	€
Opening balance	221,251	-
Increase in grants	54,800	221,251
Release of grants	7,967	-
Closing balance	<u>268,084</u>	<u>221,251</u>
Less Current portion	<u>113,397</u>	<u>8,733</u>
Non-current portion	<u>154,687</u>	<u>212,518</u>



# Munxar Local Council

## Notes to the Financial Statements for the year ended 31 December 2011 (cont)

<b>7 Payables</b>	2011	2010
	€	€
Payables	17,215	12,747
Accruals	37,451	21,133
Deferred Income grants	113,397	8,733
Deferred Income - WSC	-	1,757
	<u>168,063</u>	<u>44,370</u>

<b>8 Funds received from Central Government</b>	2011	2010
	€	€
In terms of section 55 of the Local Councils Act (CAP 363)	205,962	205,377
Other Government Income	<u>15,099</u>	<u>40,000</u>
	<u>221,061</u>	<u>245,377</u>

<b>9 Investment income</b>	2011	2010
	€	€
Bank Interest Receivable	<u>22</u>	<u>106</u>
	<u>22</u>	<u>106</u>

<b>10 General Income</b>	2011	2010
	€	€
Local enforcement income	121	-
Income from tender documents	1,557	1,026
Income from permits	1,449	15,401
WSC reinstatement	2,582	2,643
Other	<u>3,958</u>	<u>559</u>
	<u>9,667</u>	<u>19,629</u>

During 2011 other income includes income from lifelong learning programme and from Green MT which is an agreement that started during 2011.

<b>11 Personal Emoluments</b>	2011	2010
	€	€
Personal emoluments include, inter alia:		
Mayor's Allowance	6,364	6,364
Councillors' Allowance	6,400	6,400
Executive Secretary's salary and allowances	25,811	24,917
Employees' salaries	16,141	15,437
Social security contributions	<u>3,284</u>	<u>3,115</u>
	<u>58,000</u>	<u>56,233</u>



# Munxar Local Council

## Notes to the Financial Statements for the year ended 31 December 2011 (cont)

### 12 Operations and Maintenance

Operations and maintenance includes, inter alia:

	2011	2010
	€	€

Repairs and Upkeep:

Road and Street Pavements (patching works)	11,700	38,410
Street signs and road markings	4,997	3,375
Public property	802	992
Council premises	3	310
Xlendi maintenance and upkeep	1,719	29,750
Other	1,245	59
<b>Total</b>	<b>20,466</b>	<b>72,896</b>

### Contractual Services:

	2011	2010
	€	€
Refuse Collection	17,117	23,046
Bulky Refuse Collection	548	393
Road and Street Cleaning	10,039	4,479
Hire of skips	212	2,395
Cleaning and Maintenance of Public Conveniences	6,710	6,825
Tipping fees	7,644	3,235
Cleaning and Maintenance of parks and gardens	36	1,588
Cleaning and maintenance of verges	607	175
Cleaning and maintenance council premises	1,252	1,308
Street Lighting	5,726	11,594
Insurance	2,135	1,938
Local Enforcement System expenses	855	824
Other contractual services	259	199
	<b>53,140</b>	<b>57,999</b>

<b>Total Operations and Maintenance Expenses</b>	<b>73,606</b>	<b>130,895</b>
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### 13 Administration and other expenditure

	2011	2010
	€	€
Utilities	6,492	5,751
Materials and supplies	621	151
Rent	3,398	3,398
Office repair and upkeep	112	381
Office services	3,254	2,509
Transport	537	258
Information services	884	441
Restoration Works - Mithna	-	5,575
Professional services	16,894	6,770
Sundry minor expenses	597	-
Community services and events	20,862	14,088
Depreciation	32,575	72,964
	<b>86,226</b>	<b>112,286</b>