

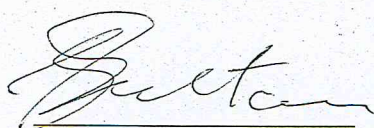
STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

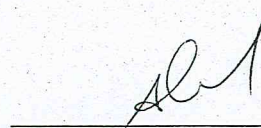
	Notes	31 December 2012 €	31 December 2011 €
ASSETS			
Non-current assets			
Property, plant and equipment	3	479,192	294,753
		<u>479,192</u>	<u>294,753</u>
Current Assets			
Receivables	4	55,491	41,348
Cash and Cash Equivalents	5	328,266	296,413
		<u>383,757</u>	<u>337,761</u>
Total Assets		<u><u>862,949</u></u>	<u><u>632,514</u></u>
RESERVES AND LIABILITIES			
Reserves			
Retained Fund		339,928	309,764
Non-current Liabilities			
Deferred Income grants	6	359,326	154,687
Liabilities			
Payables	7	163,695	168,063
Total reserves and liabilities		<u><u>862,949</u></u>	<u><u>632,514</u></u>

The notes on pages 8 to 20 are an integral part of the financial statements.

These Financial Statements were approved by the Local Council on 24 April 2013 and signed on its behalf by:



Joseph Sultana
Mayor



Anthony Grech
Executive Secretary

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	Notes	2012 €	2011 €
REVENUE			
Funds received from central government	8	227,490	221,061
General Income	10	5,184	9,667
		<u>232,674</u>	<u>230,728</u>
EXPENDITURE			
Personal emoluments	11	(61,268)	(58,000)
Operations and maintenance	12	(70,993)	(73,606)
Administration and other expenditure	13	(70,279)	(86,226)
		<u>(202,540)</u>	<u>(217,832)</u>
OPERATING SURPLUS FOR YEAR		30,134	12,896
Investment income	9	30	22
Total Comprehensive Income for the year		<u>30,164</u>	<u>12,918</u>

The notes on pages 8 to 20 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012

	Retained Funds 2012 €	Retained Funds 2011 €
At 1 January	309,764	296,846
Total Comprehensive Income for the year	30,164	12,918
	<hr/>	<hr/>
At 31 December	339,928	309,764

The notes on pages 8 to 20 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2012

	Note	2012 €	2011 €
Cash Flows from Operating Activities			
Total Comprehensive Income for the year		30,164	12,918
Adjustments for:			
Depreciation		32,637	32,575
Investment Income		(30)	(22)
Amortised funds		(8,032)	(7,967)
Operating Profit before Working Capital Changes		54,739	37,504
(Increase)/Decrease in receivables		(14,143)	22,874
Increase in payables		87,013	19,029
Net Cash inflow from operating Activities		127,609	79,407
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(217,076)	(18,321)
New government grants		121,290	54,800
Investment income		30	22
Cash Flow from Investing Activities		(95,756)	36,501
Net Increase in Cash and Cash Equivalents		31,853	115,908
Cash and Cash Equivalents at the Beginning of Year		296,413	180,505
Cash and Cash Equivalents at the End of Year	5	328,266	296,413

The notes on pages 8 to 20 are an integral part of the financial statements.

Notes to the Financial Statements for the year ended 31 December 2012

1. General Information

Munxar Local Council is the local authority of Munxar setup in accordance with the Local Councils Act. The office of the Local Council is situated at Triq Prof. Guze Aquilina, Munxar .

2. Accounting Policies and Reporting Procedures

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Accounting convention

These 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 (Cap 363).

The financial statements are prepared under the historical cost convention as modified to include fair values stated in the accounting policies below. These Financial Statements are prepared in accordance to the requirements of International Financial Reporting Standards as adopted by the EU and comply with the Local Councils Act Cap 363, the Financial Regulations issued in terms of this Act and the Local Councils (Financial) Procedures 1996.

b. Standards, amendments and interpretations to existing standards

Annual Improvements: 2012 made several minor amendments to a number of IFRSs. None of the changes to IFRSs and interpretations has had, or is expected to have, a material impact on the council's financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the council

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the council.

Council members anticipate that all of the relevant pronouncements will be adopted in the council's accounting policies for the first period beginning after the effective date of the pronouncement.

Information on new standards, amendments and interpretations that are expected to be relevant to the Council's financial statements is provided below. Certain other new standards and interpretations have been issued but are not relevant and therefore are not expected to have a material impact on the council's financial statements.

IFRS 9 Financial Instruments (effective from 1 January 2013)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Council members have yet to assess the impact that this amendment is likely to have on the financial statements of the council. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

Notes to the Financial Statements for the period ended 31 December 2012 – continued

c. Revenue recognition

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs. Interest income is recognised in the income statement as it accrues.

d. Local Enforcement System

Munxar Local Council formed part of Gozo Joint Committee until the 30th September 2011. After this date the Local Enforcement System was taken over by the Regional committees. During 2012 the amount disclosed in the financial statements under Local Enforcement Income represents the share of profit derived from the Joint Committee after deducting the related expenses as well as the administrative fee of 10% that is now chargeable to the Regional Committee for contraventions paid at the Council.

e. Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment loss to date. Depreciation is calculated on a monthly basis using the reducing balance method at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

	%
Land	0
Trees	0
Buildings	1
Office Furniture and Fittings	7.5
Construction Works	10
Urban Improvements (Street Furniture)	10
Special Projects	10
Office Equipment	20
Motor Vehicles	20
Plant and Machinery	20
Computer Equipment	25
Plants	100
Litter Bins	replacement basis
Playground furniture	100
Road and traffic Signs	replacement basis
Street Mirrors	replacement basis
Street Lights	100

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each financial reporting date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.