

Notes to the Financial Statements for the year ended 31 December 2014 – continued

Cost	Buildings & Improvements	Office Furniture /fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Assets under construction	Special Programmes	Total
€	€	€	€	€	€	€	€	€	€	€
At 1 January 2014	3,736	15,223	41,794	1,210	3,785	91,581	142,060	52,170	821,503	1,173,062
Additions	-	360	2,662	-	-	-	22,682	-	473,935	499,639
Movements during the year	-	-	-	-	-	-	-	(52,170)	52,170	-
At 31 December 2014	3,736	15,583	44,456	1,210	3,785	91,581	164,742	-	1,347,608	1,672,701
Grants and other reimbursements										
At 1 January 2014	-	-	-	-	-	-	-	-	(202,470)	(202,470)
Received during the year	-	-	-	-	-	-	-	-	-	-
At 31 December 2014	-	-	-	-	-	-	-	-	(202,470)	(202,470)
Accumulated Depreciation										
At 1 January 2014	(533)	(9,173)	(33,535)	(788)	(3,785)	(23,989)	(65,774)	-	(244,125)	(381,702)
Charge for the year	(32)	(462)	(2,208)	(84)	-	(7,280)	(8,085)	-	(80,229)	(98,380)
At 31 December 2014	(565)	(9,635)	(35,743)	(872)	(3,785)	(31,269)	(73,859)	-	(324,354)	(480,082)
At 31 December 2014	3,171	5,948	8,713	338	-	60,312	90,883	-	820,784	990,149

Notes to the Financial Statements for the year ended 31 December 2014 - continued

3b Property, Plant and Equipment

Cost	Buildings & Improvements	Office Furniture /fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Assets under construction	Special Programmes	Total
€	€	€	€	€	€	€	€	€	€	€
At 1 January 2013	3,736	15,115	38,310	1,210	3,785	91,581	142,060	109,199	611,234	1,016,230
Additions	-	108	3,484	-	-	-	-	32,100	121,140	156,832
Reclassifications	-	-	-	-	-	-	-	(89,129)	89,129	-
At 31 December 2013	3,736	15,223	41,794	1,210	3,785	91,581	142,060	52,170	821,503	1,173,062
Grants and other reimbursements										
At 1 January 2013	-	-	-	-	-	-	-	-	(202,470)	(202,470)
Received during the year	-	-	-	-	-	-	-	-	-	-
At 31 December 2013	-	-	-	-	-	-	-	-	(202,470)	(202,470)
Accumulated Depreciation										
At 1 January 2013	(501)	(8,684)	(31,580)	(683)	(3,785)	(23,679)	(59,017)	-	(206,639)	(334,568)
Charge for the year	(32)	(489)	(1,955)	(105)	-	(310)	(6,757)	-	(37,486)	(47,134)
At 31 December 2013	(533)	(9,173)	(33,535)	(788)	(3,785)	(23,989)	(65,774)	-	(244,125)	(381,702)
At 31 December 2013	3,203	6,050	8,259	422	-	67,592	76,286	52,170	374,908	588,890

Notes to the Financial Statements for the year ended 31 December 2014 - continued

4 Receivables	2014	2013
	€	€
Prepayments and Accrued Income	143,939	34,420
Other receivables	5,466	23,759
	<u>149,405</u>	<u>58,179</u>

Receivables		
Within the current period	147,905	35,478
Exceeded credit period but not yet impaired	1,500	22,701
	<u>149,405</u>	<u>58,179</u>

5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balances 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:

	2014	2013
	€	€
Bank Balances:		
Current Accounts	188,742	206,506
Savings Accounts	97,748	15,302
Bank account - Measure 323	9,957	26,335
Bank account - Measure 313	91	14,536
Cash in hand	317	318
Cash at bank and in hand	<u>296,855</u>	<u>262,997</u>

6 Deferred income grants	2014	2013
	€	€
Deferred Income 1 to 2 years	42,372	31,393
Deferred Income 2 to 5 years	98,884	77,302
Deferred Income over 5 years	608,465	274,232
	<u>749,721</u>	<u>382,927</u>

	2014	2013
	€	€
Opening balance	416,961	381,342
Increase in grants	440,636	61,570
Release of grants	(63,836)	(25,951)
Closing balance	793,761	416,961
Less Current portion	(44,040)	(34,034)
Non-current portion	<u>749,721</u>	<u>382,927</u>

Notes to the Financial Statements for the year ended 31 December 2014 - continued

7 Payables	2014	2013
	€	€
Accounts payable	233,335	11,553
Accruals	34,256	129,143
Deferred Income grants	44,040	34,034
Other payables	170	-
	<u>311,801</u>	<u>174,730</u>
 8 Funds received from Central Government	 2014	 2013
	€	€
In terms of section 55 of the Local Councils Act (CAP 363)	209,291	209,620
Other Government Income	96,586	197,710
	<u>305,877</u>	<u>407,330</u>
 9 Investment income	 2014	 2013
	€	€
Bank Interest Receivable	22	204
	<u>22</u>	<u>204</u>
 10 General Income	 2014	 2013
	€	€
Local enforcement income	888	677
Income from tender documents	1,350	945
Income from permits	1,939	839
Insurance claims	-	223
Rent receivable	2,950	2,528
Other income	5,251	137
	<u>12,378</u>	<u>5,349</u>
 11 Personal Emoluments	 2014	 2013
Personal emoluments include, inter alia:	€	€
Mayor's Allowance	6,868	6,704
Councillors' Allowance	6,400	6,400
Executive Secretary's salary and allowances	28,020	26,874
Employees' salaries	18,498	17,893
Social security contributions	3,816	3,688
	<u>63,602</u>	<u>61,559</u>

Notes to the Financial Statements for the year ended 31 December 2014 - continued**12 Operations and Maintenance**

Operations and maintenance includes, inter alia:	2014	2013
	€	€

Repairs and Upkeep:

Road and Street Pavements (patching works)	12,311	7,762
Street signs and road markings	3,540	8,181
Public property	642	1,492
Council premises	346	1,456
Xlendi maintenance and upkeep	1,700	7,085
Restoration work - underground mill	4,155	165,142
Restoration Works - Mithna	826	-
Other	1,024	189
Total	24,544	191,307

Contractual Services:

	2014	2013
	€	€
Refuse Collection	20,622	19,657
Bulky Refuse Collection	524	548
Road and Street Cleaning	9,752	10,509
Cleaning and Maintenance of Public Conveniences	6,775	7,048
Tipping fees	10,743	9,032
Cleaning and Maintenance of parks and gardens	340	-
Cleaning and maintenance of verges	484	2,193
Cleaning and maintenance council premises	1,299	1,211
Street Lighting	4,577	4,744
Insurance	1,813	1,813
Local Enforcement System expenses	1,032	848
Other contractual services	272	172
	58,233	57,775

Total Operations and Maintenance Expenses	82,777	249,082
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13 Administration and other expenditure

	2014	2013
	€	€
Utilities	6,898	8,398
Materials and supplies	249	986
Rent	3,412	3,649
Office repair and upkeep	838	845
Office services	5,787	2,604
Transport	480	476
Information services	307	129
Professional services	4,943	7,077
Training	830	-
Community services and events	23,310	18,463
Provision for doubtful debts increase	3,986	-
Depreciation	98,380	47,134
	149,420	89,761

Notes to the Financial Statements for the year ended 31 December 2014 - continued**14 Capital Commitments**

	2014 €	2013 €
i) Details of Capital commitments are as follows:		
Approved and contracted for (ii)	282,895	479,755
Approved but not yet contracted for (iii)	-	59,400
	<u>282,895</u>	<u>539,155</u>
ii) These could be analysed as follows:		
Approved and contracted for:		
Pjazza tal-Munxar	64,546	76,508
Special Programmes - PPP	-	300,190
Online streaming	-	2,242
Pedestrian guard rails and Street furniture Xlendi Bay	-	100,815
Ticketing system at Mithna	13,970	-
Upgrading of Triq Zghawi Nature Walk	204,379	-
	<u>282,895</u>	<u>479,755</u>
iii) Approved but not yet contracted for:		
Special Programmes – PPP	-	29,400
Public access pathways	-	30,000
	<u>-</u>	<u>59,400</u>

15 Related Parties

During the year under review, the Council carried out transactions with the following related parties:

Name of entity	Nature of relationship
Department of Local Councils	Significant control
Regional committees	No control
Ministry for Gozo	No control
Malta Environment and Planning Authority	No control
Water Services Corporation	No control

The following were the significant transactions carried out by the Council with related parties having:

	2014 €	2013 €
Significant control:		
Revenue	-	-
Annual financial allocation	<u>209,291</u>	<u>209,616</u>

The ultimate controlling party of the local is the Central Government since the Council's main revenue is from the Government allocation received every quarter. Apart from the normal funds received from Government, Councils also receive funds relating to specific projects as well as other funds for the improvement and betterment of the locality.

The Council also receives revenue from other Government entities such as Water Services Corporation for trenching works carried out in the locality, and for the reinstatement of roads as a result of the trenching works.

Notes to the Financial Statements for the year ended 31 December 2014 - continued

16. Risk management objectives and policies

The Council's activities expose it to credit risk and liquidity risk through its use of financial instruments which result from its operating activities. The Council is not exposed to any market risk. The Council's risk management is coordinated by the council members and focuses on actively securing the council's short to medium term cash flow by minimising exposure to financial risks.

The most significant financial risks to which the council is exposed are described below.

16.1 Credit risk

The council's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	2014	2013
	€	€
Class of financial assets – carrying amounts		
Trade and other receivables	149,405	58,179
Cash and Cash Equivalents	296,855	262,997
	<u>446,260</u>	<u>321,176</u>

The council continuously monitors defaults of counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The council's policy is to deal with only creditworthy counterparties.

The council considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. See notes 4 and 5 for further information on impairment or financial assets that are past due.

None of the council's financial assets is secured by collateral or other credit enhancements

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

16.2 Liquidity risk

The council's exposure to liquidity risk arises from its obligations to meet its financial liabilities which comprise payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funds to meet the council's obligations when they become due.

The council manage its liquidity needs through yearly budgets and business plans by carefully monitoring expected cash inflows and outflows on a daily basis. The council's liquidity is deemed to be sufficient in view of an excess of financial assets.

	2014	2013
	€	€
Payables	<u>311,801</u>	<u>174,730</u>
	<u>311,801</u>	<u>174,730</u>