

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)

Accounting Policies and Reporting Procedures (cont.)

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates for each identified group.

Financial liabilities

The Council's financial liabilities include other payables. These are stated at their nominal amount which is a reasonable approximation of fair value.

All interest-related charges are included within 'finance costs'.

Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in International Accounting Standard No. 24.

Revenue

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

Income from central government is not recognised until there is reasonable assurance that the Council will comply with any conditions attached to it, and that the income will be received. The received income is to be recorded gross and any deductions made for non-compliance are to be disclosed separately with expenses.

Local Enforcement System

As from September 2012, the income recognised in the Statement of Comprehensive Income was derived from the five Regional Committees and Local Enforcement System Agency.

Government grants

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement over the expected lives of the related assets.

Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Local Council operates. These financial statements are presented in €, which is the Council's functional and presentation currency.

Transactions denominated in foreign currencies are translated into € at the rates of exchange in operation on the dates of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into € at the rates of exchange prevailing at the date of the Statement of Financial Position.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements for the period ended 31 December 2015 (cont.)**Accounting Policies and Reporting Procedures (cont.)***Profits and losses*

Only surpluses that were realised at the date of the Statement of Financial Position are recognised in these financial statements. All foreseeable liabilities and potential losses arising up to the said date are accounted for even if they become apparent between the said date and the date on which the financial statements are approved.

Cash and cash equivalents

Cash and Cash Equivalents are carried in the Statement of Financial Position at face value. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash in hand and balances held with banks.

Capital Management

The Council's capital consists of its net assets, including working capital, represented by its retained funds. The Council's management objectives are to ensure:

- that the Council's ability to continue as a going concern is still valid and
- that the Council maintains a positive working capital ratio.

To achieve the above, the Council carries out a quarterly review of the working capital ratio ("Financial Situation Indicator"). This ratio was positive at the reporting date and has not changed significantly from the previous year. The Council also uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to the locality.

3. Judgments in applying accounting policies and key sources of estimation

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Council, 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.

4. Funds received from central government

	2015	2014
	€	€
In terms of section 55 of the Local Councils Act	216,826	209,291
Other Government Income	7,078	32,750
Grants Released	80,373	63,836
	<u>304,277</u>	<u>305,877</u>

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**5. Local Enforcement system**

	2015	2014
	€	€
Administration fees to Regional Committees/LESA	808	888
Income from Contraventions	4,760	-
	<u>5,568</u>	<u>888</u>

6. General Income

	2015	2014
	€	€
Rent Receivable	2,950	2,950
Tender Documents/Info Charges	921	1,350
Income from Permits	2,207	1,939
Other income	6,847	5,251
	<u>12,925</u>	<u>11,490</u>

7. (Deficit)/Surplus for the year

	2015	2014
	€	€
(Deficit)/Surplus for the year is stated after charging		
Staff salaries	66,221	63,602
Depreciation of property, plant & equipment	<u>122,439</u>	<u>98,380</u>

8. Personal Emoluments

	2015	2014
	€	€
Mayor's Honoraria	7,048	6,868
Mayor's and Councillors' Allowances	6,400	6,400
Executive Secretary Salary and Allowances	29,054	28,020
Employees' Salaries	19,788	18,498
Social Security Contributions	3,931	3,816
	<u>66,221</u>	<u>63,602</u>

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**9. Operations and Maintenance**

	2015	2014
	€	€
<i>Repairs and Upkeep:</i>		
Road/Street Pavements (patching works)	17,203	12,311
Signs and Road Markings	4,121	3,540
Council premises	266	346
Xlendi maintenance and upkeep	6,831	1,700
Restoration work - underground mill	-	4,155
Restoration works - Mithna	-	826
Other repairs and Upkeep	13,002	1,024
Public Property	367	642
	<u>41,790</u>	<u>24,544</u>
<i>Contractual Services:</i>		
Refuse Collection	20,487	20,622
Bulky Refuse Collection	643	524
Road & Street Cleaning	4,612	9,752
Cleaning - Public Conveniences	7,192	6,775
Cleaning & Maintaining Parks & Gardens	1,152	340
Cleaning & Maintenance of verges	1,801	484
Cleaning & Maintenance of Council premises	1,373	1,299
Tipping fees	9,920	10,743
Insurance	1,707	1,813
Local Enforcement System expenses	715	1,032
Street Lighting	8,291	4,577
Other contractual services	-	272
	<u>57,893</u>	<u>58,233</u>
 Total Operations and Maintenance Costs	 <u>99,683</u>	 <u>82,777</u>

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)**10. Administration and other expenditure**

	2015	2014
	€	€
Utilities	7,177	6,898
Materials and supplies	788	249
Rent	2,446	3,412
Office repair and upkeep	781	838
Office Services	5,158	5,787
Transport	398	480
Information Services	1,225	307
Training	-	830
Professional Services	6,580	4,943
Community services and events	20,200	23,310
Increase in provision for doubtful debts	-	3,986
Bad Debts written off	136	-
Sundry expenses	33	-
Depreciation	122,439	98,380
	<u>167,361</u>	<u>149,420</u>

11. Finance Income

	2015	2014
	€	€
Bank Interest Receivable	90	22
	<u>90</u>	<u>22</u>

MUNXAR LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

12. Property, plant and equipment

	Buildings & Improv	Office Furniture & Fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improv	Const	Assets under const	Special Progr	Total
	€	€	€	€	€	€	€	€	€	€
Cost										
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
Disposals	-	-	-	-	-	-	-	(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
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
On disposal	-	-	-	-	-	-	-	-	-	-
At 31 December 2014	565	9,635	35,743	872	3,785	31,269	73,859	-	324,354	480,082
Grants										
At 1 January 2014	-	-	-	-	-	-	-	-	-	-
At 31 December 2014	-	-	-	-	-	-	-	-	202,470	202,470
Net Book values										
At 31 December 2014	3,171	5,948	8,713	338	-	60,312	90,883	-	820,784	990,149

MUNXAR LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2015 (cont.)

12. Property, plant and equipment (cont.)

	Buildings & Improvement €	Office Furniture & Fittings €	Computer & Office Equipment €	Plant & Machinery €	New Street Signs €	Urban Improvement €	Const €	Assets under constr €	Special Program €	Total €
Cost										
At 1 January 2015	3,736	15,583	44,456	1,210	3,785	91,581	164,742	-	1,347,608	1,672,701
Additions	-	-	-	-	-	37,186	6,283	187,088	98,124	328,681
Reclassification	-	-	-	-	-	-	-	-	-	-
At 31 December 2015	3,736	15,583	44,456	1,210	3,785	128,767	171,025	187,088	1,445,732	2,001,382
Depreciation										
At 1 January 2015	565	9,635	35,743	872	3,785	31,269	73,859	-	324,354	480,082
Charge for the year	32	431	1,669	62	-	7,082	8,684	-	104,479	122,439
At 31 December 2015	597	10,066	37,412	934	3,785	38,351	82,543	-	428,833	602,521
Grants										
At 1 January 2015	-	-	-	-	-	-	-	-	202,470	202,470
At 31 December 2015	-	-	-	-	-	-	-	-	-	-
Net Book values										
At 31 December 2015	3,139	5,517	7,044	276	-	90,416	88,482	187,088	814,429	1,196,391