



**KUNSILL LOKALI
IL-MUNXAR**

Rapport Annwali Amministrattiv 2010

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1.0 Introduzzjoni tas-Sindku

Dan ir-rapport ser ikopri x-xogħlijiet u attivitajiet li saru mill-Kunsill Lokali tal-Munxar matul is-sena 2010.

Il-Kunsill Lokali Il-Munxar huwa organizzat b' tali mod li jkun jista' jiffunzjona tajjeb sabiex jaqdi l-bżonnijiet tar-residenti ta' dan ir-raħal. Ghalkemm il-poplu dejjem jistenna aktar milli aħna nistghu nagħtu, ninsabu sodisfatti li bl-isforzi tagħna l-Kunsill wettaq diversi xogħlijiet ta' ġid għar-raħal tagħna.

Din is-sena bħas-snin ta' qabel kienet sena impenjattiva hafna. Komplejna fejn hallejna – jiġifieri li nsebbhu lill-Munxar u l-Xlendi. Sar hafna xogħol ta' manutenzjoni fejn il-Kunsill hallas għall-materjal u haddiema kienu pprovduti mill-Ministeru għal Ghawdex u l-Kumpanija IPSL.

Wara li s-sena l-oħra l-Kunsill inghata t-Tmexxija tat-Torri tax-Xlendi flimkien ma' Din l-Art Helwa, din is-sena ġie ffirmat ftehim ma' Din l-Art Helwa għat-tmexxija ta' dan it-Torri. Huwa ppjanat li dan it-Torri jitranga u jinfetħ għall-pubbliku.

Issa ser nagħtu harsa lura biex naraw x' wettaq il-Kunsill matul l-aħhar sena. Wettaqna diversi xogħlijiet utli għar-raħal tagħna. Nibdew billi nsemmu x-xogħol li jsir permezz tal-Kuntratti. Ix-xogħol isir minn diversi Dipartimenti tal-Gvern, Koperattivi u Kuntratturi Privati.

Il-Kunsill jiehu hsieb li jorganizza wkoll attivitajiet kulturali matul is-sena. Ta' kull sena l-Kunsill qed ifakkar Jum Il-Munxar billi niehdu sehem fil-quddiesa u jsiru kompetizzjonijiet għall-istudenti tar-raħal tagħna. L-istess tfal kantaw waqt is-Serata li tkun organizzata fl-okkażjoni ta' Jum Il-Munxar.

Anzjani mir-raħal tagħna komplew jattendu d-Day Centre t' Ghajnsielem. F' dan iċ-Ċentru jsiru diversi attivitajiet interessanti għall-anzjani. Trasport għal dan iċ-Ċentru qed jiġi mħallas mill-Kunsill. Dan id-Day Centre qed jithaddem wara li sar ftehim bejn il-Ministeru għal Ghawdex, il-Kurja u l-Kunsilli Lokali li jagħmlu użu mill-istess Ċentru.

Nittama li matul din l-aħhar sena nkunu hdimna u tajna s-servizz tagħna sabiex nagħtu lil-lokalitajiet tagħna dak kollu li jixirqilhom fil-limitazzjonijiet finanzjarja tagħna.



Joseph Sultana, Sindku.

2.0 Il-Kunsill

Pożizzjoni Attendenza tal-LaqgħatSindku

Joseph Sultana	100%
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Viċi-Sindku

Saviour Spiteri	71%
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Kunsilliera

Mario Camilleri	93%
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Patrick Grima	93%
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Carmen Said	50%
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Segretarju Eżekuttiv

Anthony Grech	
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3.0 Il-Finanzi u x-Xoghol tal-Kunsill

Is-sena finanzjarja 2010 kienet is-sbatax-il sena finanzjarja għall-Kunsill Lokali Il-Munxar u r-raba' sena finanzjarja tal-hames leġislatura.

Matul din is-sena l-Kunsill inawgura Ġnien il-Professur Ġuże' Aquilina u għamel xogħol ta' tiswijiet ta' bankini u toroq.

Il-Kunsill għamel stima li ser idahhal €205,632 minghand il-Gvern Ċentrali u fil-fatt dahhal €245,377.

L-infiq kien jikkonsisti f' Salarji u Pagi, Manutenzjoni u Xoghlijiet oħra u Infiq Kapitali.

Is-Salarji u Pagi kienu jammontaw għal €56,233 li tinkludi paga tas-Segretarju Eżekuttiv *full time*, Uffiċjal Eżekuttiv *full time*, Onorarju tas-Sindku, kontribuzzjoni ta' Sigurta' Soċjali u *Allowance* tal-Kunsilliera u s-Sindku.

Il-manutenzjoni u xoghlijiet oħra kienu jammontaw għal €243,181 filwaqt li kien hemm stima li jintefqu €149,987. Dan kien dovut minhabba li ma kienx hemm stima għad-*depreciation* u sar hafna xogħol ta' manutenzjoni.

Taht il-vot ta' Infiq Kapitali l-Kunsill nefaq €135,933. Il-maġġoranza ta' dan l-ammont kien bħala *grant* minn skemi ta' fondi speċjali.

Matul is-sena 2010, il-Kunsill nefaq €34,302 aktar milli dahhal. Din in-nefqa ttiehdet minn bilanċ tas-snin l-imghoddija.

Anthony Grech
Segretarju Eżekuttiv

4.0 Varjazzjonijiet konsolidati ta' Dhul u Nfieq

4.1 Skeda ta' Varjazzjonijiet konsolidati ta' Dhul u Nfieq

DESKRIZZJONI	a	b	c	a-b/b-a	a-c/c-a
	2010 ACTUAL (€)	2010 BUDGET (€)	2009 ACTUAL (€)	2010-10 BUDGET VAR (€)	2010-09 ACTUAL VAR (€)
Dawl					
Tal-Gvern	245,377.00	205,382.00	188,211.00	39,995.00	57,166.00
Bye-laws	19,629.00	250.00	9,991.00	19,379.00	9,638.00
Investiment	106.00		22.00	106.00	84.00
TOTAL	265,112.00	205,632.00	198,224.00	59,480.00	66,888.00
Nfieq					
Salarji u Pagi	56,233.00	55,482.00	35,626.00	(751.00)	(20,607.00)
Manutenzjoni u Xogħolijiet oħra	243,181.00	149,987.00	162,121.00	(93,194.00)	(81,060.00)
Nfieq Kapitali	135,933.00	68,000.00	62,501.00	(67,933.00)	(73,432.00)
TOTAL	435,347.00	273,469.00	260,248.00	(161,878.00)	(175,099.00)
Bilanc	(170,235.00)	(67,837.00)	(62,024.00)	(102,398.00)	(108,211.00)

Varjazzjonijiet fid-Dhul u l-Nfieg (ikompli)

4.2 Skeda ddettaljata ta' Varjazzjonijiet fid-Dhul

DESKRIZZJONI	a	b	c	a-b	a-c
	2010 ATTWALI (€)	2010 STIMA (€)	2009 ATTWALI (€)	2010-10 BUDGET VAR (€)	2010-09 ACTUAL VAR (€)
Dhul					
Tal-Gvern					
Anwali	205,377.00	205,382.00	188,211.00	(5.00)	17,166.00
Supplimentari					
Bżonnijiet Speċjali					
Entitajiet Pubblici/Gvernattivi					
Oħrajn	40,000.00			40,000.00	40,000.00
	245,377.00	205,382.00	188,211.00	39,995.00	57,166.00
Bye-Laws					
Servizzi Komunitarji					
Kontravvenzjonijiet ta' bye-laws	19,070.00		2,679.00	19,070.00	16,391.00
Insurance Claims					
Generali	559.00	250.00	7,312.00	309.00	(6,753.00)
	19,629.00	250.00	9,991.00	19,379.00	9,638.00
Investment					
Interest Bankarju	106.00		22.00	106.00	84.00
Sigurtajiet tal-Gvern					
	106.00		22.00	106.00	84.00
TOTAL	265,112.00	205,632.00	198,224.00	59,489.00	66,888.00

Varjazzjonijiet fid-Dhul u l-Nfieg (ikompli)

4.3 Skeda ddettaljata ta' Varjazzjonijiet fl-Infieg

DESKRIZZJONI	a	b	c	b-a	c-a
	2010 ACTUAL (€)	2010 BUDGET (€)	2009 ACTUAL (€)	2010-10 BUDGET VAR (€)	2010-09 ACTUAL VAR (€)
Infieg					
Salarji u Pagi					
Onorarja tas-Sindku	6,364.00	6,364.00	4,500.00		(1,864.00)
Salarji u pagi ta' l-impjegati	40,354.00	36,300.00	28,678.00	(4,054.00)	(11,476.00)
Bonus		3,339.00		3,339.00	
Dhul Supplementari					
Kontribuzzjonijiet ta' Sigurta Soċjali	3,115.00	2,964.00	2,248.00	(121.00)	(867.00)
'Allowances'		485.00		485.00	
'Allowance Councilors'	6,400.00	6,000.00		(400.00)	(6,400.00)
	56,233.00	55,482.50	35,626.00	(751.00)	(26,807.00)
Manutenzjoni u Xogħlijiet oħra					
Dawl, ilma, telefon, etc.	5,751.00	8,055.00	4,949.00	2,304.00	(802.00)
Xiri ta' Materjal (Materials & Supplies)	151.00	450.00	175.00	299.00	24.00
Tidwijniet u manutenzjoni	72,896.00	52,471.00	24,207.00	(20,425.00)	(48,689.00)
Kara	3,398.00	3,400.00	2,434.00	2.00	(964.00)
Saffar barra minn Malta					
Spejjes ta' l-Uffizju	2,890.00	2,043.00	1,775.00	(847.00)	(1,115.00)
Trasport	258.00	520.00	489.00	262.00	231.00
Training		300.00		300.00	
Informazzjoni għal-Pubbliku	441.00	600.00	411.00	159.00	(30.00)
Servizzi b' Kuntratt	57,175.00	74,048.00	41,788.00	16,873.00	(15,387.00)
Servizzi Professjonali	6,770.00	1,400.00	3,306.00	(5,370.00)	(3,464.00)
Depreciation	72,964.00		19,231.00	(72,964.00)	(53,733.00)
Ospitalità u servizzi lil-Komunita	14,088.00	5,200.00	33,367.00	(8,888.00)	19,279.00
Spejjes Incidentali			26.00		26.00
Wardens	824.00	1,500.00			(824.00)
Xogħlijiet ta' Restawr - Miżna	5,575.00		29,963.00		
	243,181.00	149,987.00	162,121.00	(88,295.00)	(105,448.00)
Infieg Kapitali					
Għodod u Tabelli					
Bini u Tajjib			82,501.00		82,501.00
Progetti Speċjali	132,461.00	68,000.00		(64,461.00)	(132,461.00)
Makkinarju u Apparat	97.00			(97.00)	(97.00)
Office Furniture	3,375.00			(3,375.00)	(3,375.00)
	135,933.00	68,000.00	62,501.00	(67,933.00)	(73,432.00)
TOTAL	435,347.00	273,489.00	290,248.00	(156,079.00)	(199,487.00)

5.0 Dikjarazzjoni ta' Rikonciljazzjoni mal-Bank

5.1 Kont Savings Bank of Valletta 124-1529702-7

Bilanċ fuq id-Dikjarazzjoni tal-Bank	8,774.25
Ghodd id-depositi li saru sal-31/12/2010 li ma jidhrux fuq id-Dikjarazzjoni tal-Bank	—
Naqqas il-withdrawals li saru li ma jidhrux fuq id-Dikjarazzjoni tal-Bank	—
Bilanċ Nett tal-Bank	8,774.25

Bilanċ fil-Ktieb tal-Bank fil-31/12/2010	8,774.25
Ghodd l-interess li thallas sal-31/12/2010	—
Naqqas charges imħallsa sal-31/12/2010	—
Bilanċ Nett tal-Bank	8,774.25

5.2 Kont Kurrenti HSBC 071-115034-001

Bilanċ fuq id-Dikjarazzjoni tal-Bank	88,825.70
Ghodd id-depositi li saru sal-31/12/2010 li ma jidhrux fuq id-Dikjarazzjoni tal-Bank	—
Naqqas il-withdrawals li saru li ma jidhrux fuq id-Dikjarazzjoni tal-Bank	63,657.09
Bilanċ Nett tal-Bank	25,168.61

Bilanċ fil-Ktieb tal-Bank fil-31/12/2010	25,168.61
Ghodd l-interess li thallas sal-31/12/2010	—
Naqqas charges imħallsa sal-31/12/2010	—
Bilanċ Nett tal-Bank	25,168.61

Ir-Rapport tal-Awditur u l-Financial Statements

Munxar Local Council

**Annual Report
and
Financial Statements**

1 January – 31 December 2010

**ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010**

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Financial Statements for the year ended 31 December 2010

Statement of Local Council Members' and Executive Secretary's Responsibilities

The Local Councils (Financial) Regulations require the Executive Secretary to prepare a detailed annual administrative report which includes a statement of the Local Council's income and expenditure for the year and of the Council's retained funds at the end of year. By virtue of the same regulations it is the duty of the Local Council and the Executive Secretary to ensure that the financial statements forming part of the report present fairly, in accordance with the accounting policies applicable to Local Councils, the income and expenditure of the Local Council for the year and its retained funds as at the year end, and that they comply with the Act, the Local Council (Financial) Regulations, and the Local Council (Financial) Procedures issued in terms of the said Act.

The Executive Secretary is responsible to maintain a continuous internal control to ascertain that the accounting, recording and other financial operations are properly conducted in accordance with the Local Councils Act, Local Council (Financial) Regulations, and the Local Councils (Financial) Procedures. The Executive Secretary is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council and signed on its behalf on

2 May 2011 by:



Joseph Sultana
Mayor



Anthony Grech
Executive Secretary

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	Year ended 31 Dec 2010 €	Period from 1 Apr to 31 Dec 2009 €
ASSETS			
Non-current assets			
Property, plant and equipment	3	<u>309,007</u>	<u>246,038</u>
		<u>309,007</u>	<u>246,038</u>
Current Assets			
Receivables	4	64,222	27,646
Cash and Cash Equivalents	5	<u>180,505</u>	<u>109,460</u>
		<u>244,727</u>	<u>137,106</u>
Total Assets		<u><u>553,734</u></u>	<u><u>383,144</u></u>
RESERVES AND LIABILITIES			
Reserves			
Retained Funds		296,846	331,148
Non-current Liabilities			
Deferred Income	6	212,518	-
Current Liabilities			
Payables	7	44,370	51,996
Total reserves and liabilities		<u><u>553,734</u></u>	<u><u>383,144</u></u>

The notes on pages 9 to 17 are an integral part of the financial statements.

These Financial Statements were approved by the Local Council on 2 May 2011 and signed on its behalf by:



Joseph Sultana
Mayor



Anthony Grech
Executive Secretary

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Notes	2010 €	2009 €
REVENUE			
Funds received from Central Government	8	245,377	188,211
Investment income	9	106	22
General Income	10	19,629	9,991
		<u>265,112</u>	<u>198,224</u>
EXPENDITURE			
Personal emoluments	11	(56,233)	(35,626)
Operations and maintenance	12	(130,895)	(65,995)
Administration and other expenditure	13	(112,286)	(95,257)
		<u>(299,414)</u>	<u>(196,878)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR YEAR/PERIOD		<u>(34,302)</u>	<u>1,346</u>

The notes on pages 9 to 17 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2010

	Retained Funds €
At 31 March 2009	329,802
Total Comprehensive Income for the period	1,346
At 31 December 2009	331,148
Total Comprehensive Loss for the year	(34,302)
At 31 December 2010	296,846

The notes on pages 9 to 17 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS*Year ended 31 December 2010*

	Note	2010 €	2009 €
Cash Flows from Operating Activities			
Total Comprehensive (Loss)/Income for the year/period		(34,302)	1,346
Adjustments for:			
Depreciation		72,964	19,231
Interest Received		(106)	(22)
Operating Profit before Working Capital Changes		38,556	20,555
(Increase) in receivables		(36,576)	(17,413)
(Decrease)/ Increase in payables		(7,626)	11,329
Net Cash Flow (used in)/generated from operating Activities		(5,646)	14,471
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(135,933)	(35,141)
Increase in deferred income		212,518	21,803
Interest received		106	22
Net Cash Flow generated from/(used in) Investing Activities		76,691	(13,316)
Net Increase in Cash and Cash Equivalents		71,045	1,155
Cash and Cash Equivalents at the Beginning of year/period		109,460	108,305
Cash and Cash Equivalents at the End of year/period	5	180,505	109,460

The notes on pages 9 to 17 are an integral part of the financial statements.

SCHEDULE OF SPECIAL NEEDS FUNDS

For the year ended 31 December 2010

Funds received and expended	Brought forward	Received	Expended	Balance
	€	€	€	€
Lokalitajiet Zghar	-	40,000	-	40,000
Measure 313/323	-	146,245	-	146,245
Energy UIF	-	7,547	-	7,547
Progetti Kumitat Amministrattiv	-	10,000	-	10,000
Energy saving scheme	-	8,639	-	8,639
Restoration of Historical Sites	-	5,000	-	5,000
Mafkar Aquilina	3,820	-	-	3,820
Total	3,820	217,431	-	221,251

Capital Creditors	Brought forward	Received	Expended	Balance
	€	€	€	€
Lokalitajiet Zghar	-	40,000	-	40,000
Measure 313/323	-	146,245	-	146,245
Energy UIF	-	7,547	-	7,547
Progetti Kumitat Amministrattiv	-	10,000	-	10,000
Energy saving scheme	-	8,639	-	8,639
Restoration of Historical Sites	-	5,000	-	5,000
Mafkar Aquilina	3,820	-	-	3,820
Total	3,820	217,431	-	221,251

Commitments	Brought forward	Received	Expended	Balance
	€	€	€	€
Lokalitajiet Zghar	-	40,000	-	40,000
Measure 313/323	-	146,245	-	146,245
Energy UIF	-	7,547	-	7,547
Progetti Kumitat Amministrattiv	-	10,000	-	10,000
Energy saving scheme	-	8,639	-	8,639
Restoration of Historical Sites	-	5,000	-	5,000
Mafkar Aquilina	3,820	-	-	3,820
Total	3,820	217,431	-	221,251

Notes to the Financial Statements for the year ended 31 December 2010**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

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.

The principal accounting policies and reporting procedures used by the Local Councils are as follows:

a. 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.

b. Local Enforcement System

Munxar Local Council forms part of Gozo Joint Committee. 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.

c. 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	100
Playground furniture	100
Traffic Signs	100
Road Signs	100
Street Mirrors	100
Street Lights	100

Notes to the Financial Statements for the year ended 31 December 2010 (cont)

d. Government Grants

Government grants are accounted on for the Income Approach according to IAS 20. They are accounted for on a systematic basis in the Statement of Comprehensive Income over the periods necessary to match them with the related costs which they are intended to compensate. If such costs have already been incurred when the grant is made, or if there are no related cost, then the grant is accounted for when it becomes receivable.

e. Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less cost to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income.

f. Amounts Receivable

Amounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of amounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount of the asset in the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

g. 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 Euro which is the Council's functional and present currency.

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

h. Profit and Losses

Only profits 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.

i. Cash and Equivalents

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

j. Payables

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as non-current liabilities.

Amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Notes to the Financial Statements for the year ended 31 December 2010 (cont)**3a Property, Plant and Equipment**

Tangible Assets	Buildings & Improvements	Office Furniture /fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Special Programmes	Total
Cost	€	€	€	€	€	€	€	€	€
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
Grants and other reimbursements									
At 1 January 2010	-	-	-	-	-	-	-	(202,470)	(202,470)
Additions	-	-	-	-	-	-	-	-	-
At 31 December 2010	-	-	-	-	-	-	-	(202,470)	(202,470)
Accumulated Depreciation									
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)
Net book value									
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 2010 cont**3b Property, Plant and Equipment**

Tangible Assets	Buildings & Improvements	Office Furniture /fittings	Computer & Office Equipment	Plant & Machinery	New Street Signs	Urban Improvements	Construction	Special Programmes	Total
Cost	€	€	€	€	€	€	€	€	€
At 1 April 2009	3,736	14,402	32,079	673	3,785	29,655	136,099	389,330	609,759
Additions	-	-	1,252	-	-	-	-	33,889	35,141
At 31 December 2009	3,736	14,402	33,331	673	3,785	29,655	136,099	423,219	644,900
Grants and other reimbursements									
At 1 April 2009	-	-	-	-	-	-	-	(180,667)	(180,667)
Received during the period	-	-	-	-	-	-	-	(21,803)	(21,803)
At 31 December 2009	-	-	-	-	-	-	-	(202,470)	(202,470)
Accumulated Depreciation									
At 1 April 2009	(375)	(6,721)	(25,496)	(360)	(3,785)	(19,019)	(43,640)	(77,765)	(177,161)
Charge for the period	(25)	(421)	(1,099)	(44)	-	(772)	(6,708)	(10,162)	(19,231)
At 31 December 2009	(400)	(7,142)	(26,595)	(404)	(3,785)	(19,791)	(50,348)	(87,927)	(196,392)
Net book value									
At 31 December 2009	3,336	7,260	6,736	269	-	9,864	85,751	132,822	246,038

Notes to the Financial Statements for the year ended 31 December 2010 (cont)

4 Receivables	2010	2009
	€	€
Prepayments and Accrued Income	41,106	3,214
MEPA bank guarantees	6,823	5,823
Refundable deposits	466	466
Other receivables	15,827	18,143
	<u>64,222</u>	<u>27,646</u>

In the amount of receivables there is an amount of Euro 934 in relation to LES receivables which has been fully provided for in the year 2009.

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:

	2010	2009
Bank Balances:	€	€
Current Accounts	25,168	59,298
Savings Accounts	8,774	49,845
Bank account - Measure 323	100,682	-
Bank account - Measure 313	45,564	-
Cash in hand	317	317
Cash at bank and in hand	<u>180,505</u>	<u>109,460</u>

6 Deferred Income	2010	2009
	€	€
Deferred Income – between 1 to 2 years	10,854	-
Deferred Income – between 2 to 5 years	52,455	-
Deferred Income - over 5 years	149,209	-
	<u>212,518</u>	<u>-</u>

7 Payables	2010	2009
	€	€
Payables	12,747	5,814
Accruals	21,133	22,353
Unspent special needs funds - Xlendi Beach facilities	-	2,854
Capital Creditors - Flour Mill	-	17,097
Deferred Income	8,733	3,878
Amounts overcharged to Water Services Corporation	1,757	-
	<u>44,370</u>	<u>51,996</u>

Notes to the Financial Statements for the year ended 31 December 2010 (cont)

	2010	2009
8 Funds received from Central Government	€	€
In terms of section 55 of the Local Councils Act (CAP 363)	205,377	146,442
Other Government Income	40,000	41,769
	<u>245,377</u>	<u>188,211</u>
9 Investment income	2010	2009
	€	€
Bank Interest Receivable	106	22
	<u>106</u>	<u>22</u>
10 General Income	2010	2009
	€	€
Local enforcement income	-	2,679
Income from tender documents	1,026	465
Income from permits	15,401	1,092
Income from reinstatement of roads	2,643	-
Other income	559	5,755
	<u>19,629</u>	<u>9,991</u>
11 Personal Emoluments	2010	2009
Personal emoluments include, inter alia:	€	€
Mayor's Allowance	6,364	4,500
Councillors' Allowance	6,400	-
Executive Secretary's salary and allowances	24,917	17,733
Employees' salaries	15,437	11,145
Social security contributions	3,115	2,248
	<u>56,233</u>	<u>35,626</u>

Notes to the Financial Statements for the year ended 31 December 2010 (cont)**12 Operations and Maintenance**

Operations and maintenance includes, <i>inter alia</i> :	2010	2009
	€	€

Repairs and Upkeep:

Road and Street Pavements (patching works)	38,410	22,021
Street signs and road markings	3,375	1,533
Public property	992	113
Council premises	310	195
Xlendi maintenance and upkeep	29,750	-
Other	59	345
Total	72,896	24,207

Contractual Services:

	2010	2009
	€	€
Refuse Collection	23,046	17,507
Bulky Refuse Collection	393	328
Road and Street Cleaning	4,479	3,571
Hire of skips	2,395	4,204
Cleaning and Maintenance of Public Conveniences	6,825	5,055
Tipping fees	3,235	1,770
Cleaning and Maintenance of parks and gardens	1,588	2,602
Cleaning and maintenance of verges	175	977
Cleaning and maintenance council premises	1,308	967
Street Lighting	11,594	2,553
Insurance	1,938	1,346
Local Enforcement System expenses	824	771
Other contractual services	199	137
	57,999	41,788

Total Operations and Maintenance Expenses	130,895	65,995
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13 Administration and other expenditure

	2010	2009
	€	€
Utilities	5,751	4,949
Materials and supplies	151	175
Rent	3,398	2,434
Office repair and upkeep	381	255
Office services	2,509	1,520
Transport	258	489
Decrease in provision for LES debtors	-	(869)
Information services	441	411
Restoration Works - Mithna	5,575	29,963
Professional services	6,770	3,306
Sundry minor expenses	-	26
Community services and events	14,088	33,367
Depreciation	72,964	19,231
	112,286	95,257

Notes to the Financial Statements for the year ended 31 December 2010 (cont)

14. Contingencies

The council forms part of a Local Enforcement Pooling System, profits or losses generated from which system cannot be quantified at year end and have been excluded from these financial statements.

There is a contingent liability for tipping fees that were overcharged but not entered in the accounts amounting to €1,502. This amount was not entered following instructions from the Local Council's Association since the bills for this service exceeded the amount received by the Council from Central Government for this purpose.

The Council has a bank guarantee of €6,823 in favour of MEPA.

15 Capital Commitments

	2010	2009
	Euro	Euro
i) Details of Capital commitments are as follows:		
Approved and contracted for (ii)	23,771	62,238
Approved but not yet contracted for (iii)	15,000	5,000
	<u>38,771</u>	<u>67,238</u>
ii) These could be analysed as follows:		
Approved and contracted for:		
Special Programmes	23,771	62,238
	<u>23,771</u>	<u>62,238</u>
iii) Approved but not yet contracted for:		
Special Programmes	15,000	5,000

16 Related Parties

The ultimate controlling party of the local is 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.



LOCAL COUNCIL MUNXAR

Report of the Local Government Auditor to the Auditor General

We have audited the accompanying financial statements of Local Council Munxar set out on pages 4 to 17, which comprise the statement of financial position as at 31st December 2010, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the schedule of special needs of the Local Council for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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Council Responsibilities for the Financial Statements

As described on page 3, the Executive Secretary and the Council are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Local Government Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Local Council. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of the accounting estimates made by the Executive Secretary and the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Disclosures have not been made in these financial statements in accordance with International Accounting Standard 24 – Related Party Disclosures. This Standard requires an entity to disclose key management personnel compensations, information about transactions undertaken with related parties during the periods covered by the financial statements and information about outstanding balances with related parties including commitments.

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Partners:

William Spiteri Bailey
F.I.A., M.I.M., C.S.A., C.P.A.
Registered Auditor

Karen Spiteri Bailey
B.A. Hon. (Acc'y), F.I.A., A.M.I.T., C.P.A.
Registered Auditor



Disclosures have not been made in these financial statements in accordance with International Financial Reporting Standard 7 – Financial Instruments: Disclosures. The Standard states that an entity shall disclose information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. These risks typically include, but are not limited to, credit risk, liquidity risk and interest rate risk.

The accounting for government grants was not fully carried out in accordance with International Accounting Standard 20 – Accounting for Government Grants and Disclosure of Government Assistance. An amount of Euro 2,640 should have been released from the deferred income and written off to the statement of comprehensive income to be matched with the depreciation charged during the year on the items of property, plant and equipment which the grants intended to cover.

International Accounting Standard 1 – Presentation of Financial Statements, requires the separate classification in the statement of financial position of current and non-current liabilities. The deferred income with respect to government grants in accordance with International Accounting Standard 20 – Accounting for Government Grants and Disclosure of Government Assistance, has not been properly split between current and non-current. The amount shown under current liabilities is understated by Euro 11,555, which variance would rise to Euro 14,195 if the adjustment mentioned in the preceding paragraph is taken into consideration. Furthermore, the split of the total non-current deferred income by the different years in which it is to be released to the statement of comprehensive income as shown in note 6 is incorrect.

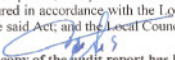
The Schedule of Special Needs found on page 8 was not adequately prepared in accordance with the template found in the Local Councils (Audit) Procedures, 2006. The three sections of the Schedule should give information about 'Funds Received and Expended', 'Capital Creditors' and 'Commitments' in the prescribed order. This Schedule is not required by the International Financial Reporting Standards as adopted by the EU.

Qualified opinion

In our opinion, except for the non-disclosures and the matters mentioned in the preceding paragraphs, the financial statements give a true and fair view of the financial position of the Council as of 31 December 2010 and of the Council's financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

In our opinion, except as set out in the preceding paragraphs, the financial statements have been properly prepared in accordance with the Local Councils Act, (CAP 363); the Financial Regulations issued in terms of the said Act; and the Local Councils (Financial) Procedures.


This copy of the audit report has been signed by
William Spiteri Bailey FIA MIM CSA CPA (Partner) for and on behalf of
Spiteri Bailey & Co.

Certified Public Accountants
Members of IGAF Worldwide
Dun Karm Street,
Birkirkara By-pass,
Birkirkara,
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02/05/11