

NADUR

Local Council

Quarterly Financial Report

for the Period

1st January till End of March 2018 (Quarter 1)

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Overview and Summary

In the following pages, the Nadur Local Council is presenting the quarterly financial report for period January till March 2018, which depicts the financial status of the Local Council for this period. It is important to understand that the quarterly report was presented on the accruals principle. Such principle is highly prominent when considering expenses. This is so since when applying such principle not only the expenditure which was paid during the period is taken into consideration, but also those expenses which have been incurred by the Council during the period but were still due as at the end of this said period. In this way, income is matched with the corresponding expenditure, resulting in a more reliable and wholesome picture of the financial situation being considered.

As can be seen from the Statement of Income and Expenditure, the Local Council ended the first quarter with a deficit of Euro 6,300. However, this is only an absolute figure and to better understand the overall financial situation of the Local Council, one needs to look at the wider picture whilst keeping in mind the activities undertaken by the Council during this quarter. In fact, the key activity for the first quarter for the Nadur locality is the Nadur Carnival. As from this year, the Nadur Local Council to have better control of the carnival activity, undertook under its wing and inputted more effort in the organisation of the bands and sound systems thereof. Such control created some extra costs which though partially aided with governmental funds were mainly borne by the Nadur Local Council. This explains the deficit figure for this quarter. In fact, the expenditure for the current quarter amounts to approximately 27% of the annual budget. Such deficit is however expected to be set-off and reversed to surplus in the coming quarters.

Another important fact to point out is that in spite of the day-to-day expenditure and all other activity related expenditure that the Council incurs, the Local Council still managed to repay part of its deficit as per planned repayment schedules. In fact, even though when comparing to 2017, creditors in absolute terms increased, such increase arose from day-to-day and activity related suppliers whilst amounts owed to deficit suppliers decreased. Such day-to-day and activity related suppliers were eventually paid after the end of quarter from funds which the Local Council held at bank as at the end of March 2018 which funds are shown in the Statement of Affairs under Cash and Cash Equivalents.

Such effective management of the Local Council's finances were also reflected in the Financial Situation Indicator (FSI) since in spite of the vast expenditure during this quarter, the FSI remained stable as expected and in line with that as at end of year 2017.

Statement of Income and Expenditure**1st January till End of March 2018 (Quarter 1)****DESCRIPTION****Annual Budget
2018**

€

€

Income

Funds received from Central Government (1)

132,031

555,137

Income raised from Bye-Laws (2)

5,482

18,850

Income raised from LES (3)

400

2,593

Investment Income (4)

6

31

Other Income (5)

6,953

16,599

TOTAL**144,872****593,210****Expenditure**

Personal Emoluments (6)

20,284

86,801

Operations and Maintenance (7)

82,615

288,623

Administration (8)

15,369

47,929

Finance Cost (9)

-

1,987

Other Expenditure (10)

32,905

132,744

TOTAL**151,173****558,084****Surplus / Deficit****(6,301)****35,126**

Balance Sheet as at end of March 2018 (Quarter 1)**DESCRIPTION****Annual Budget
2018**

€

€

Non-current Assets

Property, Plant and Equipment (17)

1,473,808

1,373,001

Current Assets

Inventories (11)

-

-

Receivables (12)

28,794

20,624

Cash and Cash Equivalents (13)

175,266

31,266

Total Current Assets**204,060**

51,890

Current Liabilities

Payables (14)

976,831

696,495

Current portion of Long-Term Borrowings

9,448

9,448

Total Current Liabilities**986,279**

705,943

Net Current Assets

(782,219)

- 654,053

Non-current liabilities (15)

33,359

26,344

Net Assets**658,230****692,604****Reserves**

Retained Funds

658,230**692,604****Financial Situation Indicator****DESCRIPTION**

Current Assets

204,060

51,890

Current Liabilities

986,279

705,943

Total Long Term Liabilities

33,359

26,344

Commitments approved by Ministry

-

(815,578)

(680,397)

Total Government Allocation

471,929

471,929

-173%

-144.17%

Cash Flow Statement

	€
Cash flow from operating activities	
Surplus for the year	(6,301)
Adjustments for:	
Depreciation	32,905
Increase / (Decrease) in Allowance for Bad Debts	-
Interest receivable	(6)
Interest payable	-
(Profit) / Loss on disposal of asset	-
Increase / (Decrease) in payables	4664
Increase / (Decrease) in accruals	-35323
Decrease / (Increase) in receivables	-5288
Decrease / (Increase) in inventories	-
Decrease / (Increase) in inventories	-
Cash generated from operations	(9,349)
Interest paid	0
<i>Net cash from operating activities</i>	(9,349)
Cash flows from investing activities	
Purchase of property, plant & equipment	-33807
Proceeds from sale of property, plant & equipment	0
Grants received	-1574
Interest received	6
<i>Net cash used in investing activities</i>	-35375
Cash flows from financing activities	
Proceeds from long-term borrowings	0
Interest Paid	0
Bank Loan Repayments	
<i>Net cash from financing activities</i>	0
Net increase/(decrease) in cash & cash equivalents	(44,724)
Cash & cash equivalents at beginning of year	219990
Cash & cash equivalents at end of Quarter	175266

DESCRIPTION		€
Income		
1	Funds received from Cental Government:	
0001	In terms of section 55 CAP 363	125,482
0002-0004	In terms of section 58 CAP 363	6,549
0005-0019	Other income	-
		132,031
2	Income raised from Bye-Laws	
0021-0025	Community Services	372
0026-0035	Income from Permits	5,110
		5,482
3	Local Enforcement Income	
0037	Commission from Regional Committees	-
0038-0055	Contraventions	400
		400
4	Investment Income	
0091-0095	Bank interest	6
0096-0099	Income received from Governmet Securities	-
		6
5	Sponsorships	
0056-0065	Sponsorships	1,500
0066-0069	Documents & Information	5
0070-0075	EU funds	-
0076-0080	Twinning	-
0081-0089	Insurance Claims	-
0100-0109	Donations	-
0110-0119	Contributions	-
0120-0129	General Income	5,448
		6,953
	Total	144,872
6 i)	Personal Emoluments	
1100	Mayor's Allowance	1,866
1200	Employees' Salaries & Wages	14,975
1300	Bonuses	-
1400	Income Supplements	819
1500	Social Security Contributions	1,357
1600	Allowances	491
1700	Overtime	776
		20,284
ii)	Number of Employees	
	Full time	
	Executive Secretary	1
	Clerk	1
	General Hand	1
		3
	Part time	
	Mayor	1
	Councillors	4
		5
	Total number of employees	8

DESCRIPTION		€
7	Operations and Maintenance	
2100-2149	Public Utilities	434
2200-2259	Public Materials & Supplies	1,967
2300-2399	Repairs & upkeep	7,503
2400-2449	Rent	636
3010	Street Lightning	1,167
3020	Lease of Equipment	18,752
3030	Insurance	877
3035	Bank Charges	35
3038	Penalties	
3041	Refuse Collection	13,409
3042	Bulky Refuse Collection	1,701
3043	Bins on wheels	-
3045	Bring in sites	-
3051	Road & Street Cleaning	786
3052	Cleaning & Maintenance of Non-Urban Areas	104
3053	Cleaning of Public Conveniences	522
3055	Cleaning of Council Premises	464
3040	Waste Disposal	4,468
3060	Cleaning & Maintenance of Parks & Gardens	1,724
3061	Cleaning & Maintenance of Soft Areas	-
3062	Cleaning & Maintenance of Beaches & CA	-
3063	Cleaning & Maintenance of Country Non-Urban	-
6064	Other contractual Services	4,377
3070-3090	Consultation Fees	3,324
3100-3139	Contract & Project Management	5,307
3300-3379	Hospitality	14,377
3380-3389	Community	60
3390-3394	Donations	
3600-3694	Local Enforcement Expenses	621
3700-3799	EU Projects	
3800-3899	Twinning	
		82,615
8	Administration	
2150-2199	Office Utilities	558
2260-2299	Office Materials & Supplies	-
2450-2499	Office Rent	-
2500-2599	National & International Memberships	1,236
2600-2699	Office Services	1,765
2700-2799	Transport	2,788
2800-2899	Travel	1,521
2900-2999	Information Services	1,341
3050	Office Cleaning	747
3410-3199	Professional Services	5,320
3200-3299	Training	-
3345	Office Hospitality	-
3400-3499	Incidental Expenses	93
		15,369
9	Finance Costs	
3036	Interest on Bank Loan	
		-

DESCRIPTION		€
10	Other Expenditure	
500-3599	Loss / (Profit) on Disposal of asset	-
3695	Increase/(Decrease) in allowance for bad debts	-
8000-8099	Depreciation	32,905
		32,905
	Total	151,173
11	Inventories	
5201-5249	Stationery	-
5250-5299	Consumables	-
		-
12	Receivables	
0201-0209	Receivables	20,635
0210-0219	LES Receivables	-
0220-0229	Receivables from EU	-
0250	Prepayments & Accrued income	8,159
		28,794
13	Cash & Equivalent	
5001-5099	Bank & Cash Balances	175,266
		175,266
14	Payables	
4000	Payables	252,369
4100	Accruals	14,627
4150	Deferred Income	709,835
	Current portion of long term borrowings	9,448
		986,279
15	Non Current Liabilities	
4200	Long Term Borrowing	33,359
		33,359

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Capital Commitments

DESCRIPTION

€

Approved but not yet contracted for:

Embellishment of Playing Fields
Restructuring of Roads
Other Projects

25,000
161,000
100,000
286,000

Contracted for but not provided for in Quarterly Financial Statements:

-

Others

17 Depreciation of Property, Plant and Equipment

Asset		Trees	Office Furniture / Fittings	Office & Computer Equipment	Plant & Machinery	Urban Improvements	New Street Signs	Construction	Special Programmes	Council Premises	Total
% of depreciation		0%	8%	20% - 25%	20%	10%	0%	10%	10%	1%	
Cost		€	€	€	€	€	€	€	€	€	
As at 1st January	2018	6,812	32,674	32,271	32,625	556,551	13,942	2,464,311	136,328	138,150	3,413,664
Additions						7,220		26,587			33,807
Disposals											-
As at end of March 2018		6,812	32,674	32,271	32,625	563,771	13,942	2,490,898	136,328	138,150	3,447,471
Grants/ other reimbursements											
As at 1st January	2018	-	-	-	-	-	-	229,616	68,341	-	297,957
Additions											-
As at end of March 2018		-	-	-	-	-	-	229,616	68,341	-	297,957
Accumulated Depreciation											
As at 1st January	2018	-	21,695	24,657	30,017	366,817	13,942	1,122,070	54,835	8,768	1,642,801
Charge for the period			180	409	143	5,056	-	26,595	200	322	32,905
Released on disposal											-
As at end of March 2018		-	21,875	25,066	30,160	371,873	13,942	1,148,665	55,035	9,090	1,675,706
NBV	As at end of March 2018	6,812	10,800	7,205	2,465	191,899	-	1,112,617	12,952	129,060	1,473,808