



**Kunsill Lokali Naxxar**

## ***Rapport Annwali Amministrattiv 2010***

### **Werrej**

Il-kompożizzjoni tal-Kunsill	1
Il-ħidma ġenerali	2
Rapport tal-Awdituri	7

***Il-Kunsill:***

<b>Kariga</b>	<b>Isem</b>	<b>Attendenza għal- laqgħat tal-Kunsill</b>
Sindku:	Dr. Maria F. Deguara	100%
Viċi-Sindku:	Pierre Sciberras	91%
Kunsillieri:	Clifford Galea	91%
	Anne Marie Muscat Fenech Adami	91%
	David Bonello	86%
	Pauline Miceli	91%
	Mario (Marlon) Brincat	86%
	Clinton Sammut	95%
	Noel Gatt	82%
Chairperson – Kumitat Amm.:	Maryanne Cuomo	95%

***Impjegati tal-Kunsill*****STAFF KLERIKALI**

<b>Kariga</b>	<b>Isem</b>
Segretarju Eżekuttiv:	Paul Gatt
Assistent Uffiċċjal Principali (Skala 11):	Josette Micallef
Uffiċċjal Eżekuttiv (Skala 13):	Marthese Camilleri
Skrivani (Skala 15):	Benjamin Bugeja
	Roderick Debono
	Marie Louise Mallia

**ĦADDIEMA INDUSTRIJALI**

<b>Kariga</b>	<b>Isem</b>
Ħaddiem tal-IPSL:	Mark Pace
Handyman b'kuntratt:	Jurgen Attard
Handyman b'kuntratt:	Victor Mula

## Il-ħidma ġenerali

Is-Sena 2010 kienet sena oħra impenjattiva għall-Kunsill kemm fit-tweġġieq tal-funzjonijiet li joħroġu mil-liġi permezz tad-diversi servizzi li joffri kif ukoll bi proġetti u inizjattivi ġodda.

### Xogħlijiet u Proġetti Infrastrutturali

Matul is-sena 2010 il-Kunsill kesa bit-tarmak dawn it-toroq: Parti minn Triq Howard, Triq Birguma, Triq Dun Nerik Cordina Perez, Triq is-Sgħoda, parti minn Triq il-Qoton u Triq Santa Marija (ħdejn is-Santwarju Ħniena Divina). Sadanittant il-Kunsill fetaħ diskussjonijiet mal-Gvern Ċentrali biex fl-istess waqt li l-Kunsill kien għaddej bix-xogħol fuq Triq Birguma, il-Gvern ikompli l-parti ta' fuq tat-triq filwaqt li ssir ukoll Triq Wied Anglu. Dan kollu sar għas-sodisfazzjon tar-residenti.

Minbarra dan saru xogħlijiet ta' bankini filwaqt li sar tisbieħ fi Triq V Scerri billi rranġajna u kabbarna *traffic island* li sa f'it qabel kienet saret perikoluża minħabba l-istat tal-wiċċ tagħha.

Għal darba oħra l-Kunsill kompli jżid il-ġonna tiegħu u li permezz t'hekk ikun elimina żoni li qabel kienu post li jattiraw il-ħmieġ fihom. L-ewwel li sar kien Ġnien Mornago fi Triq Sir H Luke u li ssemma għal-lokalità Mornago fl-Italja peress li hija lokalità ġemellata man-Naxxar. Infatti l-inawgurazzjoni ta' dan il-ġnien sar nhar il-Ħadd 8 ta' Awwissu waqt iżjara minn delegazzjoni ta' 40 persuna minn Mornago. Dan il-ġnien sar b'finanzjament mill-*Urban Improvements Funds* tal-MEPA u fondi mill-Gvern Ċentrali għall-proġetti speċjali.

Ġnien ieħor, għalkemm iżgħar, sar fi Triq in-Naħal u li wkoll sar b'fondi mill-*Urban Improvements Funds*. Dan tlesta f'it wara li tlesta Ġnien Mornago.

Proġett kbir ieħor li dwaru kien ilu jaħdem il-Kunsill kien il-bini tal-Pjazza ta' Baħar iċ-Ċaġhaq. Matul is-sena 2010 kien approvat il-proġett mill-MEPA iżda finanzjament għalih mill-Kunsill ma kienx hemm u għalhekk inbdew id-diskussjonijiet biex il-proġett jitwettaq mill-Gvern Ċentrali.

Fil-bidu tas-sena l-Kunsill daħal għal applikazzjoni taħt il-fondi strutturali tal-Ewropa billi ppjana proġett ta' tisbieħ fi Pjazza Vittorja. Dan huwa proġett kbir ħafna għall-Kunsill u li mingħajr fondi minn sorsi oħra żgur li ma jirnexx ilu iktar. Il-proġett intlaqa' b'mod kemmxajn negattiv minn numru ta' negozzjanti tal-Pjazza u infatti baqgħu l-oġġezzjonijiet tagħhom. Waħda mill-kritika li saret dwar dan kien in-nuqqas ta' konsultazzjoni iżda l-Kunsill ipprova jispjega li minħabba li ma setax idur biex japplika, ma kellux il-ħin biex jagħmel dan u kellu bilfors jifta' applikazzjoni l-MEPA malajr. Eventwalment il-proġett ma kisibx il-finanzjament mill-Ewropa iżda l-applikazzjoni għadha l-MEPA tistenna l-approvazzjoni. L-applikazzjoni saret fuq bażi *outline*.

Il-Kunsill beda jaħseb ukoll fuq pjan għal proġett ta' Pjazza kbira f'San Pawl tat-Tarġa (Triq V. Boron quddiem is-Santwarju tal-Ħniena Divina). L-ewwel pjanti huma lesti iżda dwar dan għad trid issir ħafna konsultazzjoni mal-partijiet kollha konċernati u għalhekk jistgħu jinbidlu.

Matul is-sena l-Kunsill kompli għaddej ukoll bit-tiswijiet li jinqalgħu permezz tal-*handymen* tiegħu. Dan ix-xogħol jinkludi fost l-oħrajn tibjid ta' ċnut, irranġar ta' bankini, mili ta' ħofor fit-toroq, tibdil u rranġar ta' tabelli, tibdil u rranġar ta' għamara tat-triq, xogħol ta' marki tat-toroq, xogħol ta' dawl tal-

Milied u wkoll xogħol ta' manutenzjoni taċ-Ċentru Ċiviku. Infatti matul din is-sena sar ammont kbir ta' xogħol f'manutenzjoni fil-bini u l-uffiċini tal-Kunsill.

### **L-ambjent**

L-ambjent tista' tgħid li sar suġġett marbut ma' qalb ħafna għalkemm sfortunatament hemm min li lanqas biss irid ikun jaf fuq l-ambjent aħseb u ara li jikkollabora. Minkejja l-kurrenti kuntrarji l-Kunsill ma waqafx li jieħu inizjattivi li jikkonċernaw l-ambjent.

Inizjattiva waħda li ħadem dwarha l-Kunsill hija dwar l-immaniġġjar tal-iskart. Matul din is-sena l-Kunsill għamel arrangament ma' Green MT biex jingabar l-iskart isseparat. Permezz ta' dan il-ftehim il-Kunsill se jibbenefika minn ħlas skont kemm ikun ingabar skart isseparat. Apparti hekk l-iskart isseparat jingabar bla ħlas. F'dan ix-xenarju jagħmilha aktar interessanti biex il-Kunsill ihegġegħ lir-residenti jisseparaw l-iskart fi djarhom.

Nafu li hemm min idum biex jitgħallem u għalhekk il-Kunsill, ħdejn kull *bring-in site* għamel tabelli dwar kif għandhom jintużaw dawn is-siti.

Il-Kunsill ma waqafx biss fuq l-iskart u għalhekk ħaseb biex japplika għal skemi għall-iffrankar tal-enerġija. Dwar dan il-Kunsill ingħaqad ma' numru kbir ta' Kunsilli Lokali li applikaw flimkien biex jinstallaw pannelli fotovoltaiċi fuq il-bjut tagħhom. Il-Kunsill Lokali Naxxar installa sistema li tiġġenera 2Kw.

### **Kumitat Amministrattiv għal Baħar iċ-Ċagħaq**

F'Lulju 2010 beda jiffunzjona l-ewwel Kumitat Amministrattiv għal Baħar iċ-Ċagħaq. Dan sar wara l-ewwel elezzjonijiet f'Ġunju 2010. Għal dan l-ewwel Kumitat kienu eletti Maryanne Cuomo, Evelyn Muscat, Joseph Woods, Maria Vella u Joseph Bonello.

Dan il-kumitat mill-ewwel beda l-ħidma tiegħu li diġà bdiet tagħti r-riżultati billi kiseb €20,000 għal proġetti infrastrutturali fuq xogħlijiet ta' toroq. Ittieħdu wkoll inizjattivi fosthom biex ikunu organizzati korsijiet ta' kreattività, saret laqgħa mar-residenti, ittieħdet inizjattiva favur l-edukazzjoni dwar is-separazzjoni tal-iskart u anki saret attività żgħira tal-Milied.

Il-Kumitat kompla jinsisti mal-Gvern Ċentrali biex tkun mibnija l-Pjazza ta' Baħar iċ-Ċagħaq.

### **Ħidma Internazzjonali**

Il-ħidma internazzjoni din is-sena ħadet żvolta ġdida bl-ewwel ġemellaġġ uffiċċjali tal-Kunsill ma' lokalità barranija (Mornago). Permezz ta' applikazzjoni lill-Unjoni Ewropea l-Kunsill kiseb €8,000 biex jiffinanzja parti mill-ispejjeż involuti. Iż-żjara f'Malta f'Awwissu kienet suċċess kbir u infatti matul is-sena kompla bil-kuntatti biex Mornago japplikaw huma wkoll biex titla' delegazzjoni min-Naxxar f'Mornago.

### **Edukazzjoni**

Il-Kunsill kompla jidħol f'inizjattivi edukattivi billi pparteċipa bis-sħiħ fil-*Life Long Learning*. Dawn jinvolvu korsijiet akkadeimiċi għall-adulti li forsi tilfu l-oportunità li jistudjaw meta kienu tfal. Il-

Kunsill kompla wkoll jorganizza diversi korsijiet tal-kompjuter kemm għat-tfal kif ukoll għall-adulti u dawn baqgħu jiġbdu ħafna interess.

Il-Kunsill żied ukoll in-nefqa fuq il-librerija biex issa l-librerija qed ikollha ammont ta' kotba ġodda kull sena. Sadanittant qed naċċertaw li kotba li m'għadx ikun hemm daqstant domanda għalihom, jitneħħew. Minbarra l-kotba l-Kunsill attrezza b'aktar xkaffar li tant kien hemm bżonnhom wara ż-żieda ta' kotba.

Ċertament li l-edukazzjoni tmur lil hinn mill-'bank tal-iskola' u għalhekk il-Kunsill ra li jiffoka wkoll fuq edukazzjoni sportiva għaliex jemmin fil-benefiċċji kbar tiegħu. Il-Kunsill ipparteċipa għalhekk fl-iskema tal-isports billi kiseb ammont żgħir ta' fondi u li setgħu jgħinnu biex jorganizza aktar sessjonijiet tal-*aerobics*, sessjonijiet għat-tfal wara l-ħin tal-iskola u sessjonijiet ta' *keep fit*.

Apparti dawn il-Kunsill organizza wkoll kors fuq it-tkabbir u l-kura tal-pjanti.

### Attivitajiet

L-attivitajiet ma nqasux u l-Kunsill jemmin li dawn huma importanti għal diversi raġunijiet. Waħda minnhom hija li permezz tagħhom tkompli tibni s-sens komunitarju għaliex dawn iservu ta' opportunità biex wieħed jinvolvi ruħu fil-ħidma volontarja. Minbarra dan l-attivitajiet iservu biex jesponu l-karattru u l-patrimonju tar-raħal u wieħed japprezza ferm aktar il-wirt li jeżisti. Raġuni oħra hija l-kummerċ lokali għaliex permezz tagħhom jiżdied aktar il-kummerċ. Ma rridux ninsew ukoll li dan kollu jibbenefika t-turiżmu u infatti qed ikun ħafna għajjnuna mill-Awtorità Maltija tat-Turiżmu.

L-attivitajiet li organizza matul is-sena 2010 kienu:

- L-attività tal-Karnival.
- L-istorja Tmexxi s-sengħa, attività kbira li saret f'Ġunju u li għaliha l-Kunsill kiseb €5,000 mingħand is-Segretarjat Parlamentari bħala parti mill-iskema tal-attivitajiet mill-Kunsilli Lokali.
- Sar vjaġġ għal Reggio Calabria f'Lulju bil-kollaborazzjoni tal-Kunsill ta' Reggio.
- Disgħat ijiem attivitajiet marbuta mal-ġemellaġġ ma' Mornago.
- Il-Wirja ta' Arti Delizzji u Snajja li kienet l-għaxar waħda u li permezz tagħha ħafna artisti komplew jiżviluppaw it-talent tagħhom.
- Kompetizzjoni tal-faccati – din kienet l-ewwel waħda wara madwar tnax-il sena. Il-Kunsill xtaq li tkun suċċess akbar iżda kien hemm biżżejjed partecipazzjoni biex il-Kunsill jagħmel kuraġġ u jorganizza aktar.
- Ir-Raħal fil-Milied – fl-2010 il-Kunsill organizza t-tieni edizzjoni ta' din l-attività u li diġà saret attività magħrufa fuq bażi Nazzjonali.
- Ikla għall-anzjani tal-Milied

Minbarra dawn l-attivitajiet, li kważi kollha daħlu fil-kalendarju kulturali tan-Naxxar, baqgħu isiru l-ħarġiet kulturali ta' kull xahar u li għada qed tiegħu ħsiebhom Speranza Xuereb (ex-Viċi Sindku). Saru wkoll ħarġiet ambjentali immirati l-aktar għar-residenti żgħar.

## Komunikazzjoni mar-residenti

Minkejja li b'limitazzjonijiet ta' riżorsi, il-komunikazzjoni mar-residenti baqgħet tingħata importanza kbira. Filwaqt li l-Kunsill kompli jippubblika 'Il-Kuntatt mal-Kunsill Tiegħek', ma naqasx li jisfrutta l-mezzi ta' komunikazzjoni moderni. Dwar dan il-Kunsill ta offerta biex tkun żviluppata mill-ġdid il-website tal-Kunsill u li għandha tkun lesta matul is-sena 2011. Din il-website għandha tkun aktar interattiva biex il-pubbliku jagħmel aktar użu minnha. Għandha tinkludi wkoll ċertu servizzi online biex wieħed jinqeda mill-kumdità ta' daru b'aktar effiċjenza u effettività.

Xi haġa li żviluppa l-Kunsill riċentament kienet il-paġna uffiċċjali fuq Facebook. Din il-paġna kompliet iżżid fil-popolarità u hija mezz kif isir kuntatt aktar faċli mal-pubbliku. Naturalment ninsabu 'l bogħod milli nkunu qed nolqtu lill-maġġoranza tar-residenti u għalhekk il-Kunsill irid ikompli jaħdem halli aktar nies jagħmlu użu minnha.

Bħala parti mill-istrategija tal-Gvern Ċentrali biex joffri aktar servizzi lill-pubbliku, il-Kunsill beda jiftaħ għall-pubbliku kull nhar ta' Sibt filgħodu biex joffri s-servizzi kollha li wieħed jistenna mill-*front office desk*.

## Unuri

F'Jannar il-Kunsill kiseb żewġ unuri u li magħhom kien hemm marbut is-somma ta' €5,000 kull unur.

Dawn kienu il-*Green Challenge Award* fuq inizjattivi favur l-ambjent u l-*Local Enterprise Support Award*, għall-inizjattivi favur is-settur tan-negozju. Dawn l-unuri ngħataw waqt programm televiżiv li sar fil-bidu ta' Jannar 2010.

## Żgħażaġh

Is-settur taż-żgħażaġh ma naqasx milli jiehu l-importanza li jixraq. Infatti l-Kunsill kompli jagħti aktar spazju liż-żgħażaġh speċjalment permezz tal-Kunsill Lokali taż-Żgħażaġh. Dawn ipprezentaw proġett li kien jagħmel hafna sens iżda wieħed jifhem li f'kompetizzjoni mhux bilfors wieħed jirbaħ speċjalment meta kien hemm biss tliet proġetti magħżula minn fost numru kbir ta' Kunsilli Lokali. Il-proġett ipprezentat kien ta' Bords bil-mapep u l-postijiet ta' interess fin-Naxxar. Il-Kunsill enfasizza li, aktar milli jirbhu, il-benefiċċju ta' dan il-proġett tal-Kunsilli Lokali taż-Żgħażaġh huwa kbir għaliex jitgħallmu aktar fuq il-Kunsilli, jitgħallmu jipparteċipaw, jitgħallmu jaħdmu f'ambjent demokratiku fejn mhux bilfors ikun hemm qbil dejjem u jitgħallmu jikkordinaw proġetti. Apparti dan l-istess proġett jaħseb għal ammont ta' taħriġ għall-kunsillieri żgħażaġh. Aktivitajiet oħra bl-involviment taż-żgħażaġh kienu l-attivitajiet ambjentali filwaqt li l-Kunsill żamm kuntatt kontinwu mal-iscouts tan-Naxxar u kkollabora kemm setgħa kif kien meħtieġ.

## Inizjattivi

Minbarra dak li normalment wieħed jistenna mill-Kunsill, ċoè li jwettaq il-funzjonijiet bażiċi u jwettaq ċertu proġetti infrastrutturali, il-Kunsill ħa f'siebi li jiehu inizjattivi li minnhom tibbenefika l-komunità kollha. Fost dawn insibu inizjattivi favur is-settur tan-negozju u l-konsumatur. Il-Kunsill jemmen li ma jistax jifred dawn iż-żewġ setturi għaliex filwaqt li s-settur tan-negozju qiegħed hemm għall-profitti, iżda fl-istess waqt irid joffri l-aħjar servizzi lill-konsumatur. Għalhekk, il-benefiċċji lis-settur tan-negozju jibbenefikaw minnhom ukoll il-konsumaturi.

F'dan ir-rigward il-Kunsill beda l-proċess biex jippubblika d-direttorju tan-negozji biex ikun komdu għal kull resident li jkun jaf x'tip ta' negozji jinsabu fin-Naxxar.

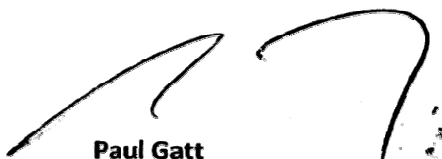
Permezz ta' s'tharriġ li għamel irnexxielu jibda jibni sistema ta' informazzjoni fuq il-ħwienet u li permezz tagħha jista' jzomm kuntatt ferm akbar ma' dan is-settur.

Għaliex jemmen fil-potenzjal kbir li għandu n-Naxxar, il-Kunsill ikkummissjona fotografu ta' kapaċità kbira (Ruben Buhagiar) biex jieħu ritratti ta' kwalità għolja halli jippubblika ktieb bir-ritratti. Dan il-ktieb mistenni jkun ippubblikat fis-sena 2011 minħabba li r-ritratti qed jittieħdu fuq bażi ta' sena.

### **Konkluzjoni**

Naturalment huwa impossibbli li tagħti rendikont dettaljat ta' dak kollu li jkun sar u ġara fil-Kunsill iżda tajjeb li wieħed ifakkar li, apparti dan kollu msemmi fuq, il-kunsill, permezz tal-amministrazzjoni, qiegħed jimmaniġġja diversi kuntratti importanti ħafna u li fosthom hemm il-ġbir ta' skart, it-tindif, marki u sinjali ta' toroq, id-dwal tat-toroq u l-kura tal-ġonna.

Ninsab konvint però li b'dan kollu wieħed seta' jieħu idea ċara ta' kemm kienet kbira l-ħidma tal-Kunsill matul din is-sena. Wieħed irid jifhem ukoll li l-Kunsill waħdu ma jista' jagħmel xejn u għalhekk, li kieku ma kienx għall-involviment ta' numru kbir ta' nies, ħafna minn dan ix-xogħol ma kienx jitwettagħ. Lil dawn kollha l-Kunsill jirringrazzjahom għall-ħidma u l-inkoraġġiment tagħhom.



**Paul Gatt**  
**Segretarju Eżekuttiv**

**LOCAL COUNCIL NAXXAR**

**Annual Audit Report**

**for the year ended 31 December 2010**



## Contents

	Page
Statement of Local Council Members' and Executive Secretary's Responsibilities	1
Report of the Local Government Auditor to the Auditor General	2
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 23

**Statement of Local Council Members' and Executive Secretary's Responsibilities  
for the year ended 31 December 2010**

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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.

This statement was approved by the Local Council on 19 July 2011

and signed on its behalf by:

Dr. Maria F. Deguara  
Mayor

Mr Paul Gatt  
Executive Secretary

## LOCAL COUNCIL NAXXAR

## Report of the Local Government Auditors to the Auditor General

We have audited the accompanying financial statements of LOCAL COUNCIL NAXXAR, which comprise the statement of financial position on page 5 as of 31<sup>st</sup> December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

***Council's Responsibility for the Financial Statements***

The Council Members and the Executive Secretary are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraphs, 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 judgment, 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 entity's 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members and the Executive Secretary, 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 audit opinion.

The Council did not maintain a proper fixed asset register to record fixed assets acquired by it. In fact, cost of fixed assets as per Fixed Asset Register is understated by €452,626 whilst depreciation is overstated by € 434,609 when compared to the amounts as recognised in the financial statements. Due to this reason, we could not perform practical satisfactory audit procedures to obtain reasonable assurance on the existence and completeness of the fixed assets recorded in the financial statements, having a net book value of € 1,162,226, as well as on the completeness of the depreciation charged thereupon.

In accordance with the Local Enforcement System (LES) issued by the Ministry by virtue of Article 72 of the Local Councils Act, 1993, the income relating to contraventions was delegated to the local councils through Legal Notice 32 of 2000. The recording of income from contraventions for offences is based on reports generated by the contractor entrusted with the system by the Ministry. The Council has recognized €27,991 as income arising from the Local Enforcement System. Due to the fact that no proper audited financial statements have been prepared by the Joint Committee, we could not obtain reasonable assurance on the completeness of the share of income which has been recorded in the financial statements as well as on any possible accrued income or liabilities present as at end of the current financial year.



Throughout our testing of the payables of the Council, which amount to €337,363, we encountered a significant number of misstatements arising out of the lack of proper accounting and recording of payables. In view of this we could not obtain reasonable assurance whether the trade payables not tested through our substantive testing were not materially misstated.

The Council has recognised in its receivable an amount of € 25,409 which is being contested in Court. In our opinion, this amount should have been disclosed as contingent asset in line with the requirements of IAS 37-Provisions, Contingent Liabilities and Contingent Assets and not recognised in the financial statements as a receivable. In this respect, retained funds and receivables are overstated by the said amount.

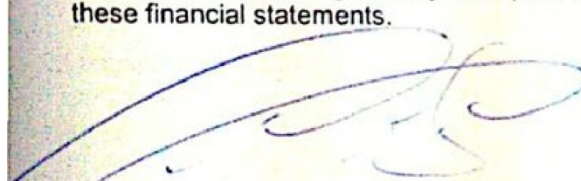
#### **Opinion**

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, the financial statements give a true and fair view the financial position of Local Council Naxxar as at December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### ***Opinion on Other Legal and Regulatory Requirements***

These financial statements do not comply fully with the Local Council (Financial) Procedures, 1996.

According to the Financial Procedures supplementing the Financial Regulations issued in terms with the Local Councils Act 1993, the financial statements should include the budget for the year. In line with Local Councils' generally accepted reporting procedures, the budget has been excluded from these financial statements.



This copy of the report has been signed by  
Neville Cutajar (Partner) on its behalf

**3a**

Certified Public Accountants  
The Penthouse, Level 3  
Palazzo Ca' Brugnera  
Valley Road  
Birkirkara BKR9024  
Malta

**Date: 24<sup>th</sup> August 2011**

Statement of Comprehensive Income  
for the year ended 31 December 2010

2010 01 Jan - 31 Dec 12 months	2009 01 Apr - 31 Dec 9 months			
	Notes	€	€	
<b>Income</b>				
Funds received from Central Government	3	824,009	567,053	
Income raised under Local Council Bye-Laws	4	47	-	
Income raised under Local Enforcement System	5	27,991	18,504	
General Income	6	104,077	25,708	
		<u>956,124</u>	<u>611,265</u>	
<b>Expenditure</b>				
Personal Emoluments	7	(140,443)	(68,685)	
Operations and maintenance	8	(463,287)	(317,939)	
Administration and other expenditure	9	(284,776)	(315,988)	
		<u>(888,506)</u>	<u>(702,612)</u>	
Operating Profit/Loss for the year/period		67,618	(91,347)	
Finance income	10	378	307	
		<u>67,996</u>	<u>(91,040)</u>	
<b>Profit/Loss for the year/period</b>	<b>7</b>	<b><u>67,996</u></b>	<b><u>(91,040)</u></b>	

The notes on pages 8 to 23 form an integral part of these financial statements.

Statement of Financial Position  
as at 31 December 2010

		2010 <i>01 Jan - 31 Dec</i> <i>12 months</i>	2009 <i>01 Apr - 31 Dec</i> <i>9 months</i> (as restated)	2008 / 2009 <i>01 Apr - 31 Mar</i> <i>12 months</i> (as restated)
	Notes	€	€	€
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	11	1,162,226	1,093,124	1,117,996
		<u>1,162,226</u>	<u>1,093,124</u>	<u>1,117,996</u>
<b>Current Assets</b>				
Inventories	12	1,149	1,197	-
Receivables	13	251,835	73,400	60,758
Cash and cash equivalents	14	217,338	443,435	385,055
		<u>470,322</u>	<u>518,032</u>	<u>445,813</u>
<b>Total Assets</b>		<u><u>1,632,548</u></u>	<u><u>1,611,156</u></u>	<u><u>1,563,809</u></u>
<b>EQUITY</b>				
<b>Reserves</b>				
Retained earnings		1,100,201	1,032,205	1,105,194
<b>Total equity</b>		<u><u>1,100,201</u></u>	<u><u>1,032,205</u></u>	<u><u>1,105,194</u></u>
<b>Non-Current Liabilities</b>				
Long-term borrowings	16	194,984	75,686	92,521
		<u>194,984</u>	<u>75,686</u>	<u>92,521</u>
<b>Current Liabilities</b>				
Trade and other payables	15	337,363	503,265	366,094
		<u>337,363</u>	<u>503,265</u>	<u>366,094</u>
<b>Total Liabilities</b>		<u><u>532,347</u></u>	<u><u>578,951</u></u>	<u><u>458,615</u></u>
<b>Total equity and liabilities</b>		<u><u>1,632,548</u></u>	<u><u>1,611,156</u></u>	<u><u>1,563,809</u></u>

These financial statements were approved by the Local Council on 19 July 2011 and signed on its behalf by:

Dr. Maria F. Deguara  
Mayor

Mr Paul Gatt  
Executive Secretary

The notes on pages 8 to 23 form an integral part of these financial statements.

Statement of Changes in Equity  
for the year ended 31 December 2010

	Retained Funds	Total
	€	€
<b>At 31 March 2009</b>		
as previously stated	1,165,826	1,165,826
Prior year adjustment - Note 17	(60,632)	(60,632)
	<u>1,105,194</u>	<u>1,105,194</u>
<b>At 1 April 2009</b>	1,105,194	1,105,194
Previous years' prior year adjustments - not restated	18,051	18,051
Loss for the period	(91,040)	(91,040)
	<u>1,032,205</u>	<u>1,032,205</u>
<b>At 31 December 2009</b>	1,032,205	1,032,205
	<u><u>1,032,205</u></u>	<u><u>1,032,205</u></u>
<b>At 31 December 2009</b>		
as previously stated	1,094,814	1,094,814
Prior year adjustment - Note 17	(62,609)	(62,609)
	<u>1,032,205</u>	<u>1,032,205</u>
<b>At 1 January 2010</b>	1,032,205	1,032,205
Profit for the year	67,996	67,996
	<u>1,100,201</u>	<u>1,100,201</u>
<b>At 31 December 2010</b>	1,100,201	1,100,201
	<u><u>1,100,201</u></u>	<u><u>1,100,201</u></u>
Equity interests	1,100,201	1,100,201

**Cash Flow Statement**  
for the year ended 31 December 2010

	<b>2010</b> <i>01 Jan - 31 Dec</i> <i>12 months</i>		<b>2009</b> <i>01 Apr - 31 Dec</i> <i>9 months</i>	
	€	€	€	€
<b>Net profit/loss for the year/period</b>	67,996		(91,040)	
Reconciliation to cash generated from operations:				
Depreciation	120,299		136,337	
Prior year adjustment	-		18,051	
Assets capitalised	4,295		-	
Assets impaired	105		-	
Interest received	(378)		(307)	
Operating profit before working capital changes	192,317		63,041	
Decrease / (Increase) in inventories	48		(1,197)	
(Increase) in receivables	(131,748)		(1,661)	
(Increase) in other receivables	(46,687)		(10,981)	
Increase / (Decrease) in payables	(161,552)		75,936	
Increase / (Decrease) in other payables	(17,850)		53,240	
Government grant released	(13,659)		(8,840)	
<b>Cash (used in) / generated from operating activities</b>		<b>(179,131)</b>		<b>169,538</b>
<b>Cash flow from investing activities</b>				
Interest received	378		307	
Purchase of property, plant & equipment	(193,801)		(111,465)	
Receipt of grant	146,457		-	
<b>Cash (used in) / generated from investing activities</b>		<b>(46,966)</b>		<b>(111,158)</b>
<b>Net (Decrease) / Increase in cash in the year / period</b>		<b>(226,097)</b>		<b>58,380</b>
Cash and equivalents at beginning of year / period		443,435		385,055
<b>Cash and equivalents at end of year / period</b>		<b>217,338</b>		<b>443,435</b>



**1. General Information**

The Naxxar Local Council is the local authority of Malta set up in accordance with the Local Councils Act(1993). The office of the Local Council is situated at Centru Civiku, Vjal il-21 ta' Settembru, Naxxar, NXR 1018. These financial statements were approved for issue by the Council Members on . The Local Council's presentation as well as functional currency are denominated in €.

**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.

***Accounting convention***

These financial statements are prepared under the historical cost convention, as modified to include fair values where it is stated in the accounting policies below. These financial statements are prepared in accordance with the provisions of the Local Councils Act Cap. 363, the Financial Regulations issued in terms of this Act and the Local Councils (Financial) Procedures 1996 enacted in Malta and with the requirements of the International Financial Reporting Standards.

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).

***New and amended standards adopted by the Local Council***

Certain new standards, amendments and interpretations to existing standards have been published and effective for the current period, however these changes are not expected to have a material effect on the Local Council's financial statements.

- IAS 1 (amendment) - Presentation of financial statements (effective from 1 January 2010).
- IAS 7 (amendment) - Statement of cash flows. Amendments to reflect changes in other standards.
- IAS 17 (amendment) - Leases - Amendments to reflect changes in other standards.
- IAS 27 (revised) - Consolidated and separate financial statements (effective from 1 July 2009).
- IAS 36 (Impairment of assets) - Amendments to reflect changes in other standards.
- IAS 38 (amendment) - Intangible Assets (effective from 1 July 2009).
- IAS 39 (amendment) - Financial instruments: Recognition and Measurement (effective from 1 January 2010).
- IFRS 2 (amendments) - Group cash-settled and share-based payment transactions (effective from 1 January 2010).
- IFRS 3 (revised) - Business combinations (effective from 1 July 2009).
- IFRS 5 (amendment) - Measurement of non-current assets (or disposal groups) classified as held-for-sale (effective from 1 January 2010).
- IFRIC 9 (amendment) and IAS 39 - Embedded derivatives (effective from 1 July 2009). Amendments to reflect changes in other standards.
- IFRIC 17 - Distribution of non-cash assets to owners (effective on or after 1 July 2009).
- IFRIC 18 - Transfer of assets from customers (effective from 1 July 2009).

***New important standards and early adopted***

The following standards and amendments to existing standards have been published and are mandatory (as applicable) for the Local Council's accounting periods beginning on or after 1 January 2011 or later periods and the Local Council has early adopted them:

- IAS 24 - Related party disclosures (effective 1 January 2011). Amendments simplified the definition of a related party, clarified its intended meaning and eliminating inconsistencies from the definition. It also provided for a partial exemption from the disclosure requirements for government-related entities.

***New important standards and early adopted***

The following standards and amendments to existing standards have been published and are mandatory (as applicable) for the Local Council's accounting periods beginning on or after 1 January 2011 or later periods and the Local Council has not early adopted them:

- IAS 32 (amendment) - Financial Instruments: Presentation (effective from 1 February 2010).
- IAS 27 - Consolidate and separate financial statements (effective from July 2010).
- IAS 34 - Interim financial reporting (effective 1 January 2011).
- IFRS 3 (amendments) - Business Combinations (effective from 1 January 2011).
- IFRS 7 (amendments) - Financial Instruments (effective from January 2011).
- IFRIC 13 - Customer loyalty programmes (effective 1 January 2011).
- IAS 12 (amendment) - Income taxes - IAS 12 (effective from 1 January 2012).
- IAS 1 (amendments) - Presentation of Financial Statements (effective from 1 January 2013).
- IFRS 9 - Financial Instruments - (Effective from 1 January 2013).

***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses 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

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 statement of financial position 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.

#### ***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 costs to sell and the value in use. Impairment losses are immediately recognised as an expense in the statement of comprehensive income.

#### ***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 and 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.

#### ***Related parties***

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

During the year under review the Local Council has opted to early adopt the partial exemptions as provided by IAS 24, effective from periods starting 1 January 2011. The paragraphs adopted from IAS 24 are paragraphs 25 - 27, being amendments to government related entities' disclosures.

#### ***Revenue***

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.

#### ***Local Enforcement System***

The Naxxar Local Council forms part of the North 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.

**Government grants**

Government grants relating to costs are deferred and recognised in the income statement 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 statement of comprehensive income on a straight line basis over the expected lives of the related assets.

**Profits and Losses**

Only surpluses that were realised at the date of the Statement of Affairs 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 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.

**3. Funds received from central government**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
In terms of section 55 of the Local Councils Act	806,463	536,633
Supplementary Government Income	-	30,420
Other Government Income	17,546	-
	<u>824,009</u>	<u>567,053</u>

**Other Government Income**

The Council has received additional funds through the submission of various applications including Ghajnuna ghall-Libreriji, Skema dwar inizjattivi ta' Attivitajiet and Skema ta' Ghajnuna lil Kunsilli Lokali.

**4. Income raised from Bye-Laws**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Bye-Laws - Signs	47	-
	<u>47</u>	<u>-</u>

## 5. Local Enforcement System

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Contraventions and other fines	27,991	18,504
	<u>27,991</u>	<u>18,504</u>

## 6. General Income

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Community Services	7,446	11
Library Services	-	23
Cultural Events	949	841
Sponsorships	743	-
Football Ground Hire	325	322
Hire of Council Hall	760	496
General Income	26,526	14,123
Tender Documents/Info. Charges	1,964	5
Media Advertising	1,860	1,070
Donations	100	200
Contributions	51,150	-
Income from Permits	12,254	8,617
	<u>104,077</u>	<u>25,708</u>

## 7. Surplus/(deficit) for the year

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Surplus/(deficit) for the year is stated after charging:		
Staff salaries	140,443	68,685
Depreciation of property, plant and equipment	<u>120,299</u>	<u>136,337</u>

Note

**Staff salaries**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Mayor's Remuneration	13,386	4,500
Councillors' Allowances	11,200	-
Employees' Salaries	107,568	59,609
Social Security Contributions	8,289	4,576
	<u>140,443</u>	<u>68,685</u>

**8. Operations and Maintenance**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
<i>Repairs and Upkeep:</i>		
Public Property	1,893	313
Road/Street Pavements	26,812	15,898
Signs	1,770	223
Road Markings	3,641	6,611
Office Furniture and Equipment	1,332	300
Plant & Equipment	568	904
Sundry Repairs	470	1,718
Other repairs and Upkeep	3,143	696
Council Property	86	-
	<u>39,715</u>	<u>26,663</u>

*Continued...*

*Continued...**Contractual Services:*

Waste Disposal	87,239	-
Refuse Collection	81,436	68,343
Bulky Refuse Collection	10,519	7,385
Bring in Sites	1,697	1,167
Seperated Waste Collection	16,617	1,882
Open Skips	255	200
Road & Street Cleaning	85,854	81,337
Cleaning & Maint. Non-Urban	19,244	9,274
Cleaning - Pulic Conveniences	10,262	9,551
Cleaning - Council Premises	6,998	6,480
Other Contractual Services	-	880
Clean. & Maint. Parks & Gardens	37,516	32,139
Clean. & Maint. Soft Areas	-	63
Clean. & Maint. Beaches	42,098	36,716
Clean & Maint. Country - Non Urban	-	2,084
Street Lighting	7,096	20,182
Circular Bus Service	14,772	12,461
Experts	75	295
Studies & Consultations	1,894	837
	<u>423,572</u>	<u>291,276</u>
 Total Operations and Maintenance Costs	 <u>463,287</u>	 <u>317,939</u>

**9. Administration and other expenditure**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Utilities	2,911	34,121
Other repairs and upkeep	7,814	6,888
Rent	230	175
National and International Memberships	216	364
Office Services	6,522	6,068
Transport	2,841	2,505
Information Services	14,936	13,795
Insurance Coverage	1,087	3,793
Bank Charges	111	19
LES bank charges	-	2,352
Professional Services	51,421	40,650
EU Projects Expenses	-	-
Tuition for courses and expenses	4,620	3,983
Entertainment	1,183	1,506
Conference Expenses	621	464
Visits - Foreign Delegations	13,468	-
Other Hospitality Costs	2,403	628
Annual General Meeting	721	498
Social Events	3,333	38
Twinning Expenses	15,039	2,037
Cultural Events	34,223	32,394
Community Services	172	1,433
Donations	233	100
Sundry Minor Expenses	104	-
Provision for Doubtful Debtors	-	1,883
Bad Debts write off	268	23,957
Depreciation	120,299	136,337
	<u>284,776</u>	<u>315,988</u>

**10. Finance Income**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Bank Interest Receivable	378	307
	<u>378</u>	<u>307</u>



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

**11. Property, plant and equipment**

	Property	Assets under construction	New Street Signs	Urban Improvements & Construction	Plant, machinery & equipment	Office Furniture & fittings	Sp ecial Progr ammes	Total
	€	€	€	€	€	€	€	€
<b>Cost</b>								
At 1 April 2009	23,296	2,241	46,735	509,367	84,545	40,176	2,187,070	2,893,430
Additions	-	8,765	312	23,069	466	2,337	76,516	111,465
At 31 December 2009	<u>23,296</u>	<u>11,006</u>	<u>47,047</u>	<u>532,436</u>	<u>85,011</u>	<u>42,513</u>	<u>2,263,586</u>	<u>3,004,895</u>
<b>Depreciation</b>								
At 1 April 2009	383	-	46,735	297,562	69,342	20,610	443,975	878,607
Charge for the period	171	-	312	13,453	2,314	1,088	118,999	136,337
At 31 December 2009	<u>554</u>	<u>-</u>	<u>47,047</u>	<u>311,015</u>	<u>71,656</u>	<u>21,698</u>	<u>562,974</u>	<u>1,014,944</u>
<b>Grants</b>								
At 1 April 2009								
At 31 December 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,827</u>	<u>896,827</u>
<b>Net book values</b>								
At 31 December 2009	<u>22,742</u>	<u>11,006</u>	<u>-</u>	<u>221,421</u>	<u>13,355</u>	<u>20,815</u>	<u>803,785</u>	<u>1,093,124</u>

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

**11. Property, plant and equipment**

	Property	Assets under construction	New Street Signs	Urban Improvements & Construction	Plant, machinery & equipment	Office Furniture & fittings	S ecial Prog ammes	Total
	€	€	€	€	€	€	€	€
<b>Cost</b>								
At 1 January 2010	23,296	11,006	47,047	532,436	85,011	42,513	2,263,586	3,004,895
Additions	-	-	1,135	196,150	157	2,157	(5,798)	193,801
Assets Capitalised	-	(4,295)	-	-	-	-	-	(4,295)
Impairment	-	-	-	-	(105)	-	-	(105)
At 31 December 2010	<u>23,296</u>	<u>6,711</u>	<u>48,182</u>	<u>728,586</u>	<u>85,063</u>	<u>44,670</u>	<u>2,257,788</u>	<u>3,194,296</u>
<b>Depreciation</b>								
At 1 January 2010	554	-	47,047	311,015	71,656	21,698	562,974	1,014,944
Charge for the year	245	-	1,135	101,641	2,815	1,732	12,731	120,299
At 31 December 2010	<u>799</u>	<u>-</u>	<u>48,182</u>	<u>412,656</u>	<u>74,471</u>	<u>23,430</u>	<u>575,705</u>	<u>1,135,243</u>
<b>Grants</b>								
At 1 January 2010								
At 31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,827</u>	<u>896,827</u>
<b>Net book values</b>								
At 31 December 2010	<u>22,497</u>	<u>6,711</u>	<u>-</u>	<u>315,930</u>	<u>10,592</u>	<u>21,240</u>	<u>785,256</u>	<u>1,162,226</u>

**12. Inventories**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Stock of books	1,149	1,197

**13. Receivables**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Receivables	Note 194,170	62,422
Prepayments and accrued income	57,665	10,978
	<u>251,835</u>	<u>73,400</u>

**Receivables**

General receivables are analysed as follows:

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Within credit period	12,014	4,350
Exceeded credit period but not impaired	184,039	59,955
Provision for doubtful debts	(1,883)	(1,883)
	<u>194,170</u>	<u>62,422</u>

**14. Notes to the cashflow statement*****Cash & cash equivalents***

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Bank Balances	217,222	443,227
Cash in Hand	116	208
	<u>217,338</u>	<u>443,435</u>

**15. Payables**

	2010 01 Jan - 31 Dec 12 months €	2009 01 Apr - 31 Dec 9 months €
Payables	262,674	424,226
Other payables	36,559	28,655
Accruals and deferred income	38,130	50,384
	<u>337,363</u>	<u>503,265</u>

16. Deferred income	2010	2 9
	01 Jan - 31 Dec 12 months €	01 Apr - 31 Dec 9 months €
<b>Government grants</b>		
At 1 January 2010	83,681	92,521
Increase in year	146,457	-
	<u>230,138</u>	<u>92,521</u>
Released in year	(13,659)	(8,840)
At 31 December 2010	<u>216,479</u>	<u>83,681</u>
<b>Current Deferred Income</b>	<u>21,495</u>	<u>7,995</u>
<b>Non-Current Deferred Income</b>	<u>194,984</u>	<u>75,686</u>
<b>Deferred Government Grants</b>		
Deferred between one and two years	19,239	7,231
Deferred between two and five years	46,930	17,806
Deferred in five years or more	128,815	50,649
	<u>194,984</u>	<u>75,686</u>
<b>Deferred after five years or more:</b>		
Government Grants	<u>128,815</u>	<u>50,649</u>

**17. Prior year adjustment**

The prior year adjustment consists of prior year purchase invoices not accounted for amounting to Eur 10,817 and of a grant relating to Gnien Toni Vella amounting to Eur 51,792 which was mistakenly accounted for as income in prior years.

In view of the above, the financial statements for the year ended 31 March 2009 and the period ended 31 December 2009 have been restated to reflect this correction. There is no effect on the figures for the year ended 31 December 2010.

	<b>31 Mar 2009</b>		<b>31 Mar 2009</b>
	<i>Originally reported</i>	<i>Adjustment</i>	<i>Restated</i>
	€	€	€
Deferred Income - Grant increase	(31,889)	(63,781)	(95,670)
Deferred Income - Grant released	-	3,149	3,149
Retained Earnings	(1,165,826)	60,632	(1,105,194)

The effect of the restatement on each financial statement line item affected is summarised below:

	<b>31 Mar 2009</b>		<b>31 Mar 2009</b>
	<i>Originally reported</i>	<i>Adjustment</i>	<i>Restated</i>
	€	€	€
Loss for the year	8,410	60,632	69,042
Property, Plant and Equipment	1,086,107	31,889	1,117,996
Deferred Income	-	(92,521)	(92,521)

	<b>31 Dec 2009</b>		<b>31 Dec 2009</b>
	<i>Originally reported</i>	<i>Adjustment</i>	<i>Restated</i>
	€	€	€
Deferred Income - Grant b/f	(31,889)	(60,632)	(92,521)
Deferred Income - Grant released	-	8,840	8,840
Prior Year	(18,050)	60,632	42,582
General Income	(5,283)	(8,840)	(14,123)
Community Services	124	1,310	1,434
Advertising	2,482	9	2,491
Refuse Collection	66,776	1,567	68,343
Circular Bus Service	4,530	7,931	12,461
Creditors Control account	(413,409)	(10,817)	(424,226)

The effect of the restatement on each financial statement line item affected is summarised below:

	<b>31 Dec 2009</b>		<b>31 Dec 2009</b>
	<i>Originally reported</i>	<i>Adjustment</i>	<i>Restated</i>
	€	€	€
Loss for the year	89,063	1,977	91,040
Property, Plant and Equipment	1,061,235	31,889	1,093,124
Deferred Income	-	(75,686)	(75,686)
Retained Earnings	(1,094,814)	62,609	(1,032,205)
Payables and Accruals	(484,453)	(18,812)	(503,265)

#### 18. Contingent liabilities

The Council has recognised in its receivables an amount of € 25,409 (2009: € 25,409), which amount is being contested in Court following a judicial protest which the Council has filed against Karkanja Limited.

The Council has the following pending court cases against it:

- a) Case with Stencil Pave which was registered on the 17/10/2011 and the amount involved is € 19,301.19.
- b) Case with Three Eight Nine Limited which was registered on the 27/11/2009.
- c) Case with Tessa Anastasi whereby the plaintiff is claiming that a portion of land was expropriated from her without compensation.
- d) Case with Reuben Zammit whereby the plaintiff is claiming discrimination during an interview.
- e) Case with Dipartiment Indafa Pubblika, which case is at an appeal stage following the judgement given by the First Hall of the Civil Courts, whereby it was concluded that the Council should pay € 18,464.66 less 5%.
- f) Case with Ronald Camilleri, which case is at an appeal stage following the first judgement which declared the Council to pay circa € 6,500.

The Council also has an arbitration case with Gasan Mamo Insurance Limited.

**19. Related party transactions**

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

<i><b>Name of Entity</b></i>	<i><b>Nature of relationship</b></i>
Department of Local Councils	Significant control
North Joint Committee (Local Enforcement)	Joint Control
Street Lightining Joint Committee	Joint Control
Malta Environment and Planning Authority	No control
Water Services Corporation	No control
Enemalta Corporation	No control
Cleansing Services Department	No control
Director General - Works Division	No control
Wasteserv Malta Limited	No control

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

	<b>2010</b>	<b>2009</b>
	<i><b>01 Jan - 31 Dec</b></i>	<i><b>01 Apr - 31 Dec</b></i>
	<i><b>12 months</b></i>	<i><b>9 months</b></i>
	<b>€</b>	<b>€</b>
Annual Financial Allocation	806,463	536,633

**20. Fair values estimation**

The nominal values less estimated credit adjustments of receivables and payables are assumed to approximate their fair values, otherwise, these have been adjusted to approximate their fair values.