



BIRKIRKARA

Local Council

Quarterly Financial Report

for the Period

1st January till End of December 2017 (Quarter 4)

Table of Contents

Overview on Financial Position, Performance, FSI and Cash Flow.

Statement of Income and Expenditure

Statement of Affairs

Cash flow Statement

Notes to the Accounts

Depreciation of Property, Plant and Equipment

Overview and Summary

The Birkirkara Local Council is presenting its Quarterly Financial Report for the period 1 January to 31 December 2017. Although the Council continues to drive into a deficit liquidity situation, it is putting huge efforts in keeping up with a business plan which it drafted in agreement with the Department of Local Councils to redeem the debt by the end of 2020. Up to now the Council is managing to be in line with this financial plan and as a matter of satisfaction, the Council managed to bring down the Financial Situation Indicator from -41.69% in 2016 down to -28.13% in 2017. This is a clear indication that the Council is adhering to its commitments to remedy the negative liquidity situation which spiralled out of control in previous legislatures.

In the meantime, the general outlook for the Council portrays itself as keeping up to the Budgeted expectations for 2017 and the investment in capital expenditure comes only from specified financial schemes of savings of past financial schemes which were awarded to the Council in the past financial years. Yet again, if were not for extra funds which the Council manages to generate from various sources, the annual allocation advanced to it by Central Government is never enough to meet the never-ending demand by the locality's residents.

The Council is looking forward to another successful 12-month term ending 31 December 2018, where it is hoping to close its financials on a good note of improvement over and above what it achieved for this financial year. In acquiring this object, the Council will play very cautiously with its spending and avoid anything which is not in line with the Budget and the Business Plan as it did during the financial year ended 31 December 2017.

Statement of Income and Expenditure**1st January till End of December 2017 (Quarter 4)**

DESCRIPTION	Annual Budget 2017	
	€	€
Income		
Funds received from Central Government (1)	1,505,184	1,588,486
Income raised from Bye-Laws (2)	73,179	80,000
Income raised from LES (3)	56,697	17,000
Investment Income (4)	70	-
Other Income (5)	228,392	147,284
TOTAL	1,863,522	1,832,770
Expenditure		
Personal Emoluments (6)	237,388	254,847
Operations and Maintenance (7)	1,083,368	937,900
Administration (8)	121,469	184,750
Finance Cost (9)	2,002	-
Other Expenditure (10)	398,011	432,755
TOTAL	1,842,238	1,810,252
Surplus / Deficit	21,284	22,518

Balance Sheet as at end of December 2017 (Quarter 4)

DESCRIPTION	Annual Budget 2017	
	€	€
Non-current Assets		
Property, Plant and Equipment (17)	4,044,310	4,090,228
Current Assets		
Inventories (11)	2,957	-
Receivables (12)	242,625	94,382
Cash and Cash Equivalents (13)	111,484	136,962
Total Current Assets	357,066	231,344
Current Liabilities		
Payables (14)	692,998	592,960
Current portion of Long-Term Borrowings	48,245	48,245
Total Current Liabilities	741,243	641,205
Net Current Assets	(384,177)	- 409,861
Non-current liabilities (15)	2,297,953	2,316,949
Net Assets	1,362,180	1,363,418
Reserves		
Retained Funds	1,362,180	1,363,418

Financial Situation Indicator

DESCRIPTION		
Current Assets	357,066	231,344
Current Liabilities	741,243	641,205
Total Long Term Liabilities	2,297,953	2,316,949
Commitments approved by Ministry	2,321,266	2,365,194
	(360,864)	(361,616)
Total Government Allocation	1,283,056	1,588,486
	-28%	-22.76%

Cash Flow Statement

	€
Cash flow from operating activities	
Surplus for the year	21,284
Adjustments for:	
Depreciation	403,492
Increase / (Decrease) in Allowance for Bad Debts	-5481
Interest receivable	(70)
Interest payable	2002
(Profit) / Loss on disposal of asset	
Grants released	-148599
Increase / (Decrease) in payables	-144666
Increase / (Decrease) in accruals	77822
Decrease / (Increase) in receivables	-266279
Decrease / (Increase) in inventories	214
Decrease / (Increase) in inventories	
Cash generated from operations	(60,281)
Interest paid	
Other adjustments	
<i>Net cash from operating activities</i>	<i>(60,281)</i>
Cash flows from investing activities	
Purchase of property, plant & equipment	-952541
Proceeds from sale of property, plant & equipment	
Grants received	1038183
Interest received	70
<i>Net cash used in investing activities</i>	<i>85712</i>
Cash flows from financing activities	
Proceeds from long-term borrowings	
Interest Paid	-2002
Bank Loan Repayments	-48245
Repayment of PPP scheme	
<i>Net cash from financing activities</i>	<i>-50247</i>
Net increase/(decrease) in cash & cash equivalents	(24,816)
Cash & cash equivalents at beginning of year	136300
Cash & cash equivalents at end of Quarter	111483.97

DESCRIPTION	€
Income	
1 Funds received from Cental Government:	
0001 In terms of section 55 CAP 363	1,283,056
0002-0004 In terms of section 58 CAP 363	222,128
0005-0019 Other income	
	1,505,184
2 Income raised from Bye-Laws	
0021-0025 Community Services	8,707
0026-0035 Income from Permits	64,472
	73,179
3 Local Enforcement Income	
0037 Commission from Regional Committees	18,520
0038-0055 Contraventions	38,177
	56,697
4 Investment Income	
0091-0095 Bank interest	70
0096-0099 Income received from Governmet Securities	-
	70
5	
0056-0065 Sponsorships	3,450
0066-0069 Documents & Information	
0070-0075 EU funds	-
0076-0080 Twinning	-
0081-0089 Insurance Claims	-
0100-0109 Donations	-
0110-0119 Contributions	91,258
0120-0129 General Income	133,684
	228,392
Total	1,863,522
6 i) Personal Emoluments	
1100 Mayor's Allowance	29,076
1200 Employees' Salaries & Wages	165,228
1300 Bonuses	2,347
1400 Income Supplements	2,006
1500 Social Security Contributions	15,242
1600 Allowances	7,410
1700 Overtime	16,078
	237,388
ii) Number of Employees	
Full time	
Executive Secretary	1
Clerks	5
	6
Part time	
Clerks	5
	5
Total number of employees	11

DESCRIPTION	€
7 Operations and Maintenance	
2100-2149 Public Utilities	57,265
2200-2259 Public Materials & Supplies	18,845
2300-2399 Repairs & upkeep	268,530
2400-2449 Rent	7,901
3010 Street Lightning	37,751
3020 Lease of Equipment	1,759
3030 Insurance	5,541
3035 Bank Charges	198
3038 Penalties	
3041 Refuse Collection	219,286
3042 Bulky Refuse Collection	21,887
3043 Bins on wheels	7,408
3045 Bring in sites	
3051 Road & Street Cleaning	157,984
3052 Cleaning & Maintenance of Non-Urban Areas	
3053 Cleaning of Public Conveniences	3,929
3055 Cleaning of Council Premises	
3040 Waste Disposal	152,943
3060 Cleaning & Maintenance of Parks & Gardens	51,234
3061 Cleaning & Maintenance of Soft Areas	
3062 Cleaning & Maintenance of Beaches & CA	
3063 Cleaning & Maintenance of Country Non-Urban	
6064 Other contractual Services	
3070-3090 Consultation Fees	34,478
3100-3139 Contract & Project Management	
3300-3379 Hospitality	25,799
3380-3389 Community	9,948
3390-3394 Donations	
3600-3694 Local Enforcement Expenses	682
3700-3799 EU Projects	
3800-3899 Twinning	
	1,083,368
8 Administration	
2150-2199 Office Utilities	
2260-2299 Office Materials & Supplies	
2450-2499 Office Rent	
2500-2599 National & International Memberships	22
2600-2699 Office Services	17,286
2700-2799 Transport	40,056
2800-2899 Travel	
2900-2999 Information Services	6,650
3050 Office Cleaning	
3410-3199 Professional Services	54,010
3200-3299 Training	631
3345 Office Hospitality	
3400-3499 Incidental Expenses	2,814
	121,469
9 Finance Costs	
3036 Interest on Bank Loan	-
Interest on late payments	2,002
	2,002

DESCRIPTION	€
10 Other Expenditure	
:500-3599 Loss / (Profit) on Disposal of asset	-
3695 Increase/(Decrease) in allowance for bad debts	(5,481)
8000-8099 Depreciation	403,492
	398,011
Total	1,842,238
11 Inventories	
5201-5249 Stationery	-
5250-5299 Consumables	-
Books	2,957
	2,957
12 Receivables	
0201-0209 Receivables	21,544
0210-0219 LES Receivables	-
0220-0229 Receivables from EU	-
0250 Prepayments & Accrued income	217,825
Other debtors	3,256
	242,625
13 Cash & Equivalents	
5001-5099 Bank & Cash Balances	111,484
	111,484
14 Payables	
4000 Payables	386,375
4100 Accruals	160,499
4150 Deferred Income	139,851
Current portion of long term borrowings	48,245
Other creditors	6,273
	741,243
15 Non Current Liabilities	
4200 Long Term Borrowing	54,837
Deferred grants	2,243,116
	2,297,953

16 Capital Commitments

DESCRIPTION

€

Approved but not yet contracted for:

Plant & Machinery	6,000
Office Furniture & Fittings	4,000
Urban Improvements	20,000
Office Equipment and Computer Equipment	6,000
Urban Greening Project	20,000
	56,000

Contracted for but not provided for in Quarterly Financial Statements:

Embellishment at Stazzjon Gardens	276,400
Embellishment at Valley Area	200,000
	476,400

Others

17 Depreciation of Property, Plant and Equipment

Asset	ANYC	New Street Signs	Urban Improvements	Construction	Plant and Machinery	Office Equipment	Office Furniture	Special Programmes	Computer Software	Total
% of depreciation	0%	100%	10%/100%	10%	20%	20%/25%	8%	10%	25%	
	€	€	€	€	€	€	€	€	€	
Cost										
As at 1st January 2017	135,489	174,371	387,558	1,295,842	180,676	168,815	53,283	5,958,495	3,214	8,357,743
Additions	878,317		48,682		2,375	16,294	6,011		1,144	952,823
Disposals										-
As at end of December 2017	1,013,806	174,371	436,240	1,295,842	183,051	185,109	59,294	5,958,495	4,358	9,310,566
Grants/ other reimbursements										
As at 1st January 2017								431,272		431,272
Additions										-
As at end of December 2017	-	-	-	-	-	-	-	431,272	-	431,272
Accumulated Depreciation										
As at 1st January 2017		174,371	301,997	819,552	111,104	29,902	19,546	2,972,821	2,199	4,431,492
Charge for the period			49,063	47,629	14,091	36,579	2,794	253,264	72	403,492
Released on disposal										-
As at end of December 2017	-	174,371	351,060	867,181	125,195	66,481	22,340	3,226,085	2,271	4,834,984
NBV As at end of December 2017	1,013,806	-	85,180	428,661	57,856	118,628	36,954	2,301,138	2,087	4,044,310