



# **Il-Mellieħa Local Council**

## **Quarterly Financial Report**

### **for the Period**

**1st January till End of June 2020 (Quarter 2)**

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**Overview and Summary**

The Council's income during the period April / June 2020 amounted to €732,279, against an expenditure of €564,398, resulting in a surplus for the year of €158,881.

The value of Current Assets has decreased by €64,717, as compared to the previous quarter, to €1,289,286. These consisted mainly of Cash and Cash Equivalent amounting to €1,114,487 up to the end of the period under review, as compared to the amount of €1,049,895, registered in March 2020. The Current Assets were also made up of an additional €23,182 as Inventories (Stocks) and €151,617 as receivables.

The Current Liabilities have increase as compared to the previous quarter, from €761,059, registered in March 2020, to €971,292. These were made up of Payables (€335,450), consisting of accruals (€76,976) with respect expenditure which has been incurred, however not invoiced for by the end of the period under review. There was also a Deferred Income of €541,441 related to the amount due to the Council in virtue of an agreement with Transport Malta, involving the reconstruction of Triq il-Qortin (€464,465), long term borrowing related to the Public Private Partnership agreement concerning the resurfacing of Triq l-Armier (€17,425), and the Selmun Hill Rubble Wall Restoration Works (€8,561); and the Westreme Battery Restoration Project (€68,415). The Deferred Income represents grants either received by Council, or committed in relation to projects undertaken, however have not as yet been fully settled.

Considering all these parameters, the Financial Situation Indicator continued to fall and reached 26% - a decrease of 22% over the percentage registered at the end of March 2020.

€90,434 worth of Fixed Assets were capitalized since the beginning of the financial year, while the value of disposals was nil. The purchase cost of all Fixed Assets acquired by the Council was €9,698,569 having a net book value of €2,451,963 up to the end of the period under review.

Dario Vella  
Mayor

Carmel Debono  
Executive Secretary

**Statement of Income and Expenditure**  
**1st January till End of June 2020 (Quarter 2)**

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
<b>Income</b>				
Funds received from Central Government (1)	692,056	1,437,458	-	1,437,458
Income raised from Bye-Laws (2)	29,396	74,384	-	74,384
Income raised from LES (3)	1,817	4,400	-	4,400
Investment Income (4)	-	1,200	-	1,200
Other Income (5)	10	450	-	450
<b>TOTAL</b>	<b>723,279</b>	<b>1,517,892</b>	<b>-</b>	<b>1,517,892</b>
<b>Expenditure</b>				
Personal Emoluments (6)	99,332	213,426	-	213,426
Operations and Maintenance (7)	354,166	930,495	-	930,495
Administration (8)	22,090	69,081	-	69,081
Finance Cost (9)	-	-	-	-
Other Expenditure (10)	88,810	288,322	-	288,322
<b>TOTAL</b>	<b>564,398</b>	<b>1,501,324</b>	<b>-</b>	<b>1,501,324</b>
<b>Surplus / Deficit</b>	<b>158,881</b>	<b>16,568</b>	<b>-</b>	<b>16,568</b>

Statement of Financial Position as at end of June 2020 (Quarter 2)

DESCRIPTION	Actual for the Period €	Annual Budget 2020 €	Virements for the Period €	Revised Annual Budget 2020 €
<b>Non-current Assets</b>				
Property, Plant and Equipment (17)	2,824,760	3,277,525		3,277,525
<b>Current Assets</b>				
Inventories (11)	23,182	20,000	-	20,000
Receivables (12)	151,617	35,000	-	35,000
Cash and Cash Equivalents (13)	1,114,487	508,428	-	508,428
<b>Total Current Assets</b>	<b>1,289,286</b>	<b>563,428</b>	<b>-</b>	<b>563,428</b>
<b>Current Liabilities</b>				
Payables (14)	971,292	473,477	-	473,477
<b>Total Current Liabilities</b>	<b>971,292</b>	<b>473,477</b>	<b>-</b>	<b>473,477</b>
<b>Net Current Assets</b>	<b>317,994</b>	<b>89,951</b>	<b>-</b>	<b>89,951</b>
<b>Non-current liabilities (15)</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>7,000</b>
<b>Net Assets</b>	<b>3,142,754</b>	<b>3,360,476</b>	<b>-</b>	<b>3,360,476</b>
<b>Reserves</b>				
Retained Funds	3,142,754	3,360,476		3,360,476

Financial Situation Indicator

DESCRIPTION				
Current Assets	1,289,286	563,428	-	563,428
Current Liabilities	971,292	473,477	-	473,477
<b>Working Capital</b>	<b>317,994</b>	<b>89,951</b>	<b>-</b>	<b>89,951</b>
Government Allocation	1,229,969	1,229,969	-	1,229,969
<b>FSI</b>	<b>26 %</b>	<b>7 %</b>		<b>7 %</b>

**Cash flow Statement**

**DESCRIPTION**

	Actual for the Period €	Annual Budget 2020 €	Virements for the Period €	Revised Annual Budget 2020 €
<b>Cash flow from operating activities</b>				
Surplus for the year	158,881	16,568	-	16,568
Adjustments for:				
Depreciation	88,810	288,322	-	288,322
Increase / (Decrease) in Allowance for Bad Debts				-
Interest receivable				-
Interest payable				-
(Profit) / Loss on disposal of asset				-
Increase / (Decrease) in payables	7,413			-
Increase / (Decrease) in accruals	(42,785)			-
Decrease / (Increase) in receivables	(36,418)			-
Decrease / (Increase) in inventories	128			-
Decrease / (Increase) in inventories				-
Cash generated from operations	176,029	304,890	-	304,890
Interest paid				-
<i>Net cash from operating activities</i>	176,029	304,890	-	304,890
<b>Cash flows from investing activities</b>				
Purchase of property, plant & equipment	(177,846)	(1,463,948)		(1,463,948)
Proceeds from sale of property, plant & equipment				-
Grants received	-	847,040		847,040
Interest received	-			-
<i>Net cash used in investing activities</i>	(177,846)	(616,908)	-	(616,908)
<b>Cash flows from financing activities</b>				
Proceeds from long-term borrowings	-			-
Interest Paid				-
Bank Loan Repayments				-
<i>Net cash from financing activities</i>	-	-	-	-
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	(1,817)	(312,018)	-	(312,018)
Cash & cash equivalents at beginning of year	1,116,304	897,533		897,533
<b>Cash &amp; cash equivalents at end of Quarter</b>	<b>1,114,487</b>	<b>585,515</b>		<b>585,515</b>

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2020	the Period	2020
	€	€	€	€
<b>Income</b>				
<b>1 Funds received from Cental Government:</b>				
0001 In terms of section 55 CAP 363	685,914	1,229,969		1,229,969
0002-0004 In terms of section 58 CAP 363	-	195,007		195,007
0005-0019 Other income	6,142	12,482		12,482
	<b>692,056</b>	<b>1,437,458</b>	<b>-</b>	<b>1,437,458</b>
<b>2 Income raised from Bye-Laws</b>				
0021-0025 Community Services	593	1,900		1,900
0026-0035 Income from Permits	28,803	72,484		72,484
	<b>29,396</b>	<b>74,384</b>	<b>-</b>	<b>74,384</b>
<b>3 Local Enforcement Income</b>				
0037 Commission from Regional Committees	1,817	4,400		4,400
0038-0055 Contraventions	-	-		-
	<b>1,817</b>	<b>4,400</b>	<b>-</b>	<b>4,400</b>
<b>4 Investment Income</b>				
0091-0095 Bank interest		1,200		1,200
0096-0099 Income received from Governmet Securities	-	1,200		1,200
		<b>1,200</b>	<b>-</b>	<b>1,200</b>
<b>5 Sponsorships</b>				
0066-0069 Documents & Information		-		-
0070-0075 EU funds		-		-
0076-0080 Twinning		-		-
0081-0089 Insurance Claims		-		-
0100-0109 Donations		-		-
0110-0119 Contributions		-		-
0120-0129 General Income	10	450		450
	<b>10</b>	<b>450</b>	<b>-</b>	<b>450</b>
<b>Total</b>	<b>723,279</b>	<b>1,517,892</b>	<b>-</b>	<b>1,517,892</b>

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
		€	€	€	€
<b>6 i)</b>	<b>Personal Emoluments</b>				
	1100 Mayor's Allowance	7,514	15,027		15,027
	1200 Employees' Salaries & Wages	70,653	141,486		141,486
	1300 Bonuses	385	11,620		11,620
	1400 Income Supplements	848	1,454		1,454
	1500 Social Security Contributions	6,497	13,010		13,010
	1600 Allowances	12,914	25,829		25,829
	1700 Overtime	521	5,000		5,000
		<b>99,332</b>	<b>213,426</b>	<b>-</b>	<b>213,426</b>
		€	€	€	€
<b>7</b>	<b>Operations and Maintenance</b>				
	2100-2149 Public Utilities	3,743	8,293		8,293
	2200-2259 Public Materials & Supplies	1,962	3,644		3,644
	2300-2399 Repairs & upkeep	60,557	123,400		123,400
	2400-2449 Rent	2,049	4,250		4,250
	3010 Street Lightning	22,171	36,000		36,000
	3020 Lease of Equipment	-	-		-
	3030 Insurance	2,164	6,000		6,000
	3035 Bank Charges	326	900		900
	3038 Penalties	-	-		-
	3041 Refuse Collection	63,572	130,000		130,000
	3042 Bulky Refuse Collection	19,184	32,000		32,000
	3043 Bins on wheels	-	-		-
	3045 Bring in sites	1,145	2,000		2,000
	3051 Road & Street Cleaning	17,194	35,000		35,000
	3052 Cleaning & Maintenance of Non-Urban Areas	15,485	30,000		30,000
	3053 Cleaning of Public Conveniences	28,743	76,000		76,000
	3055 Cleaning of Council Premises	2,403	4,800		4,800
	3040 Waste Disposal	60,939	148,000		148,000
	3060 Cleaning & Maintenance of Parks & Gardens	-	-		-
	3061 Cleaning & Maintenance of Soft Areas	38,413	117,281		117,281
	3062 Cleaning & Maintenance of Beaches & CA	-	500		500
	3063 Cleaning & Maintenance of Country Non-Urban	-	1,000		1,000
	6064 Other Contractual Services	-	-		-
	3070-3090 Consultation Fees	618	1,000		1,000
	3100-3139 Contract & Project Management	3,180	15,000		15,000
	3300-3379 Hospitality	5,690	96,500		96,500
	3380-3389 Community	4,612	23,216		23,216
	3390-3394 Donations	-	-		-
	3600-3694 Local Enforcement Expenses	16	325		325
	3700-3799 EU Projects	-	24,886		24,886
	3800-3899 Twinning	-	10,500		10,500
		<b>354,166</b>	<b>930,495</b>	<b>-</b>	<b>930,495</b>
		€	€	€	€
<b>8</b>	<b>Administration</b>				
	2150-2199 Office Utilities	4,887	8,431		8,431
	2260-2299 Office Materials & Supplies	-	-		-
	2450-2499 Office Rent	-	-		-
	2500-2599 National & International Memberships	486	2,000		2,000
	2600-2699 Office Services	1,820	6,300		6,300
	2700-2799 Transport	6,772	12,700		12,700
	2800-2899 Travel	-	3,300		3,300
	2900-2999 Information Services	2,583	15,000		15,000
	3050 Office Cleaning	-	100		100
	3410-3199 Professional Services	4,505	17,000		17,000
	3200-3299 Training	543	2,000		2,000
	3345 Office Hospitality	-	-		-
	3400-3499 Incidental Expenses	494	2,250		2,250
		<b>22,090</b>	<b>69,081</b>	<b>-</b>	<b>69,081</b>
		€	€	€	€



9	Finance Costs				
	3036 Interest on Bank Loan				-
					-
					-

Detailed Statement of Financial Position

DESCRIPTION

	Actual for the Period	Annual Budget 2020	Virements for the Period	Revised Annual Budget 2020
	€	€	€	€
<b>10 Other Expenditure</b>				
3500-3599 Loss / (Profit) on Disposal of asset				-
3695 Increase/(Decrease) in allowance for bad debts				-
8000-8099 Depreciation As at end of June 2020	88,810	288,322		288,322
	88,810	288,322	-	288,322
<b>Total</b>	<b>564,398</b>	<b>1,501,324</b>	<b>-</b>	<b>1,501,324</b>
<b>11 Inventories</b>				
5201-5249 Stationery	-	-		-
5250-5299 Consumables	-	-		-
Books	23,182	20,000		20,000
	23,182	20,000	-	20,000
<b>12 Receivables</b>				
0201-0209 Receivables	141,134	10,000		10,000
0210-0219 LES Receivables				-
0220-0229 Receivables from EU				-
0250 Prepayments & Accrued income	10,483	25,000		25,000
	151,617	35,000	-	35,000
<b>13 Cash &amp; Equivalents</b>				
5001-5099 Bank & Cash Balances	1,114,487	508,428		508,428
	1,114,487	508,428	-	508,428
<b>14 Payables</b>				
4000 Payables	335,450	352,477		352,477
4100 Accruals	76,976	100,000		100,000
4150 Deferred Income	541,441	-		-
Current portion of long term borrowings				-
Current portion of long term borrowings	17,425	21,000		21,000
	971,292	473,477	-	473,477
<b>15 Non Current Liabilities</b>				
4200 Long Term Borrowing	-	7,000		7,000
Deferred Income	-	-		-
	-	7,000	-	7,000

16 Total Commitments (Recurrent and Capital)

DESCRIPTION

€	€	€
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Recurrent and Capital

-	-	-

Long Term Loans

-	-	-

Others

-	-	-

17 Depreciation of Property, Plant and Equipment

	Property	Special Programmes	Assets under Const	Street Signs	Urban Improvements	Office Equipment	Office Furniture	Computer Software		Total
Asset	1%	10%	0%	100%	10%	20%	7.5%	25%		
% of depreciation	€	€	€	€	€	€	€	€	€	€
<b>Cost</b>										
As at 1st January 2020	568,224	7,156,914	646,175	73,322	909,228	58,787	190,012	5,473		9,608,135
Additions		177,219				427	200			177,846
Disposals										-
As at end of June 2020	568,224	7,334,133	646,175	73,322	909,228	59,214	190,212	5,473	-	9,785,981
<b>Grants/ other reimbursements</b>										
As at 1st January 2020		1,311,809	82,229							1,394,038
Additions			-							-
As at end of June 2020	-	1,311,809	82,229	-	-	-	-	-	-	1,394,038
<b>Accumulated Deprecition</b>										
As at 1st January 2020	18,323	4,523,184	-	73,322	717,881	45,662	98,789	1,212		5,478,373
Charge for the period	344	68,413	-	-	14,873	1,843	2,973	364		88,810
Released on disposal										-
As at end of June 2020	18,667	4,591,597	-	73,322	732,754	47,505	101,762	1,576	-	5,567,183
<b>NBV As at end of June 2020</b>	<b>549,557</b>	<b>1,430,727</b>	<b>563,946</b>	<b>-</b>	<b>176,474</b>	<b>11,709</b>	<b>88,450</b>	<b>3,897</b>	<b>-</b>	<b>2,824,760</b>