



BIRKIRKARA Local Council

Quarterly Financial Report

for the Period

1st January till End of September 2019 (Quarter 3)

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Overview and Summary

The Birkirkara Local Council is presenting its Quarterly Financial Report for the period 1 January to 30 September 2019. 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 2021. Although the Council is adhering to its business plan by proposing only large-scale projects through specific finance programmes, it is still struggling with liquidity issues supported by its main suppliers. Mid way through the financial year, the Council went through a period of Local Councils Elections and as trends always show, expenditure close to an election tends to increase.

In the meantime, the general outlook for the Council portrays itself as keeping up to the Budgeted expectations for 2019 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 also planning to recover from its liquidity issues over the coming two years.

The Council is looking forward to another successful 12-month term ending 31 December 2019, 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 and 2018.

Joanne Debono Grech
Mayor

Carmel Attard
Executive Secretary

Statement of Income and Expenditure
1st January till End of September 2019 (Quarter 3)

DESCRIPTION	Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
	€	€	€	€
Income				
Funds received from Central Government (1)	1,101,007	1,490,351	-	1,490,351
Income raised from Bye-Laws (2)	176,061	184,784	-	184,784
Income raised from LES (3)	9,456	17,172	-	17,172
Investment Income (4)	-	-	-	-
Other Income (5)	149,506	146,900	-	146,900
TOTAL	1,436,030	1,839,207	-	1,839,207
Expenditure				
Personal Emoluments (6)	226,300	283,572	-	283,572
Operations and Maintenance (7)	915,866	1,120,936	-	1,120,936
Administration (8)	189,681	165,890	-	165,890
Finance Cost (9)	-	-	-	-
Other Expenditure (10)	207,909	195,858	-	195,858
TOTAL	1,539,755	1,766,256	-	1,766,256
Surplus / Deficit	(103,725)	72,951	-	72,951

Statement of Financial Position as at end of September 2019 (Quarter 3)

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
Non-current Assets				
Property, Plant and Equipment (17)	3,672,589	2,528,671		2,528,671
Current Assets				
Inventories (11)	-	-	-	-
Receivables (12)	636,018	123,590	-	123,590
Cash and Cash Equivalents (13)	183,876	12,563	-	12,563
Total Current Assets	819,895	136,153	-	136,153
Current Liabilities				
Payables (14)	1,461,118	511,783	-	511,783
Total Current Liabilities	1,461,118	511,783	-	511,783
Net Current Assets	(641,223)	(375,630)	-	(375,630)
Non-current liabilities (15)				
	2,668,409	606,827	-	606,827
Net Assets	362,957	1,546,214	-	1,546,214
Reserves				
Retained Funds	362,957	1,546,224		1,546,224

Financial Situation Indicator

DESCRIPTION				
Current Assets	819,895	136,153	-	136,153
Current Liabilities	1,461,118	511,783	-	511,783
Working Capital	(641,223)	(375,630)	-	(375,630)
Government Allocation	1,411,361	1,411,361	-	1,411,361
FSI	(45) %	(27) %		(27) %

Cash flow Statement

DESCRIPTION	Actual for the Period €	Annual Budget 2019 €	Virements for the Period €	Revised Annual Budget 2019 €
Cash flow from operating activities				
Surplus for the year	(103,725)	72,951	-	72,951
Adjustments for:				
Depreciation	207,909	195,858	-	195,858
Increase / (Decrease) in Allowance for Bad Debts	-	-	-	-
Interest receivable	-	-	-	-
Interest payable	-	-	-	-
(Profit) / Loss on disposal of asset	-	-	-	-
Increase / (Decrease) in payables	745,151	48,575	-	48,575
Increase / (Decrease) in accruals	98,589	(99,771)	-	(99,771)
Decrease / (Increase) in receivables	(208,148)	(88,797)	-	(88,797)
Decrease / (Increase) in inventories	(166,818)	59,589	-	59,589
Decrease / (Increase) in inventories	2,957	-	-	-
Cash generated from operations	575,914	188,405	-	188,405
Interest paid	-	-	-	-
Other movements	-	(205,404)	-	(205,404)
<i>Net cash from operating activities</i>	575,914	(16,999)	-	(16,999)
Cash flows from investing activities				
Purchase of property, plant & equipment	(1,211,395)	(532,400)	-	(532,400)
Proceeds from sale of property, plant & equipment	-	-	-	-
Grants received	807,358	425,000	-	425,000
Interest received	-	-	-	-
<i>Net cash used in investing activities</i>	(404,037)	(107,400)	-	(107,400)
Cash flows from financing activities				
Proceeds from long-term borrowings	-	-	-	-
Interest Paid	-	-	-	-
Bank Loan Repayments	-	-	-	-
<i>Net cash from financing activities</i>	-	-	-	-
Net increase/(decrease) in cash & cash equivalents	171,877	(124,399)	-	(124,399)
Cash & cash equivalents at beginning of year	11,999	136,962	-	136,962
Cash & cash equivalents at end of Quarter	183,876	12,563	-	12,563

Detailed Income

DESCRIPTION	Actual for	Annual Budget	Virements for	Revised Annual Budget
	the Period	2019	the Period	2019
	€	€	€	€
Income				
1 Funds received from Cental Government:				
0001 In terms of section 55 CAP 363	1,058,521	1,411,361		1,411,361
0002-0004 In terms of section 58 CAP 363	38,932	78,990		78,990
0005-0019 Other income	3,554	-		-
	1,101,007	1,490,351	-	1,490,351
2 Income raised from Bye-Laws				
0021-0025 Community Services	7,977	-		-
0026-0035 Income from Permits	168,084	184,784		184,784
	176,061	184,784	-	184,784
3 Local Enforcement Income				
0037 Commission from Regional Committees	9,456	17,172		17,172
0038-0055 Contraventions	-	-		-
	9,456	17,172	-	17,172
4 Investment Income				
0091-0095 Bank interest	-	-		-
0096-0099 Income received from Governnet Securities	-	-		-
	-	-	-	-
5				
0056-0065 Sponsorships	10,358	-		-
0066-0069 Documents & Information	-	-		-
0070-0075 EU funds	-	-		-
0076-0080 Twinning	-	-		-
0081-0089 Insurance Claims	-	-		-
0100-0109 Donations	-	-		-
0110-0119 Contributions	138,671	136,900		136,900
0120-0129 General Income	477	10,000		10,000
	149,506	146,900	-	146,900
Total	1,436,030	1,839,207	-	1,839,207

Detailed Expenditure

DESCRIPTION		Actual for the Period	Annual Budget 2019	Virements for the Period	Revised Annual Budget 2019
		€	€	€	€
6 i)	Personal Emoluments				
	1100 Mayor's Allowance	26,434	31,168		31,168
	1200 Employees' Salaries & Wages	149,674	200,221		200,221
	1300 Bonuses	1,226	15,924		15,924
	1400 Income Supplements	2,407	2,574		2,574
	1500 Social Security Contributions	13,821	18,397		18,397
	1600 Allowances	9,655	1,982		1,982
	1700 Overtime	23,083	13,306		13,306
		226,300	283,572	-	283,572
		€	€	€	€
7	Operations and Maintenance				
	2100-2149 Public Utilities	12,238	9,436		9,436
	2200-2259 Public Materials & Supplies	35,392	21,060		21,060
	2300-2399 Repairs & upkeep	216,348	183,200		183,200
	2400-2449 Rent	852	-		-
	3010 Street Lightning	31,284	33,660		33,660
	3020 Lease of Equipment	1,061	2,756		2,756
	3030 Insurance	5,563	5,832		5,832
	3035 Bank Charges	1,200	-		-
	3038 Penalties	-	-		-
	3041 Refuse Collection	208,629	280,000		280,000
	3042 Bulky Refuse Collection	16,180	19,200		19,200
	3043 Bins on wheels	2,053	10,200		10,200
	3045 Bring in sites	-	-		-
	3051 Road & Street Cleaning	107,283	160,000		160,000
	3052 Cleaning & Maintenance of Non-Urban Areas	-	-		-
	3053 Cleaning of Public Conveniences	7,356	9,192		9,192
	3055 Cleaning of Council Premises	-	-		-
	3040 Waste Disposal	124,140	192,000		192,000
	3060 Cleaning & Maintenance of Parks & Gardens	81,723	-		-
	3061 Cleaning & Maintenance of Soft Areas	-	80,000		80,000
	3062 Cleaning & Maintenance of Beaches & CA	-	-		-
	3063 Cleaning & Maintenance of Country Non-Urban	-	-		-
	6064 Other Contractual Services	8,298	-		-
	3070-3090 Consultation Fees	5,971	20,400		20,400
	3100-3139 Contract & Project Management	32,647	67,000		67,000
	3300-3379 Hospitality	1,060	-		-
	3380-3389 Community	12,638	27,000		27,000
	3390-3394 Donations	-	-		-
	3600-3694 Local Enforcement Expenses	3,951	-		-
	3700-3799 EU Projects	-	-		-
	3800-3899 Twinning	-	-		-
		915,866	1,120,936	-	1,120,936
		€	€	€	€
8	Administration				
	2150-2199 Office Utilities	37,806	46,920		46,920
	2260-2299 Office Materials & Supplies	1,888	-		-
	2450-2499 Office Rent	3,281	7,900		7,900
	2500-2599 National & International Memberships	15	-		-
	2600-2699 Office Services	18,231	22,240		22,240
	2700-2799 Transport	58,597	33,160		33,160
	2800-2899 Travel	-	-		-
	2900-2999 Information Services	6,862	6,120		6,120
	3050 Office Cleaning	-	2,040		2,040
	3410-3199 Professional Services	59,389	40,470		40,470
	3200-3299 Training	910	5,000		5,000
	3345 Office Hospitality	-	-		-
	3400-3499 Incidental Expenses	2,701	2,040		2,040
		189,681	165,890	-	165,890
		€	€	€	€

9 **Finance Costs**
3036 Interest on Bank Loan

			-
			-
-	-	-	-

Detailed Statement of Financial Position

DESCRIPTION		Actual for	Annual Budget	Virements for	Revised Annual Budget
		the Period	2019	the Period	2019
		€	€	€	€
10	Other Expenditure				
	3500-3599 Loss / (Profit) on Disposal of asset				-
	3695 Increase/(Decrease) in allowance for bad debts	-			-
	8000-8099 Depreciation As at end of September 2019	207,909	195,858		195,858
					-
	Total	207,909	195,858	-	195,858
	Total	1,539,755	1,766,256	-	1,766,256
11	Inventories				
	5201-5249 Stationery	-			-
	5250-5299 Consumables				-
		-	-	-	-
12	Receivables				
	0201-0209 Receivables	232,948	100,255		100,255
	0210-0219 LES Receivables	-			-
	0220-0229 Receivables from EU				-
	0250 Prepayments & Accrued income	403,070	21,223		21,223
	Other receivables		2,112		2,112
		636,018	123,590	-	123,590
13	Cash & Equivalents				
	5001-5099 Bank & Cash Balances	183,876	12,563		12,563
		183,876	12,563	-	12,563
14	Payables				
	4000 Payables	1,186,110	352,665		352,665
	4100 Accruals	245,088	154,883		154,883
	4150 Deferred Income	29,920	-		-
	Current portion of long term borrowings				-
	Other payables		4,235		4,235
		1,461,118	511,783	-	511,783
15	Non Current Liabilities				
	4200 Long Term Borrowing	18,405	6,592		6,592
	Unutilised Grants (Capital Approach)	2,650,004	600,235		600,235
		2,668,409	606,827	-	606,827

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

Asset	Assets under construction	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 2019	1,978,700	174,371	543,193	1,295,842	186,142	200,689	70,734	5,958,495	4,359	10,412,525
Additions	1,134,553	-	57,208	-	1,771	11,895	2,240	3,729	-	1,211,395
Disposals	-	-	-	-	-	-	-	-	-	-
As at end of September 2019	3,113,253	174,371	600,401	1,295,842	187,913	212,583	72,974	5,962,223	4,359	11,623,920
Grants/ other reimbursements										
As at 1st January 2019	-	-	116,384	269,769	7,900	4,137	-	2,447,390	-	2,845,580
Additions	-	-	-	-	-	-	-	-	-	-
As at end of September 2019	-	-	116,384	269,769	7,900	4,137	-	2,447,390	-	2,845,580
Accumulated Depreciation										
As at 1st January 2019	-	174,371	357,657	1,000,513	169,804	111,614	30,268	3,050,112	3,502	4,897,841
Charge for the period	-	-	33,006	12,767	2,102	34,067	4,643	121,326	-	207,909
Released on disposal	-	-	-	-	-	-	-	-	-	-
As at end of September 2019	-	174,371	390,663	1,013,280	171,905	145,681	34,910	3,171,438	3,502	5,105,751
NBV As at end of September 2019	3,113,253	(0)	93,354	12,794	8,108	62,765	38,064	343,395	857	3,672,589