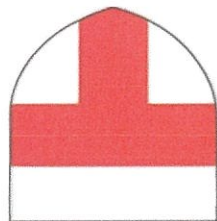
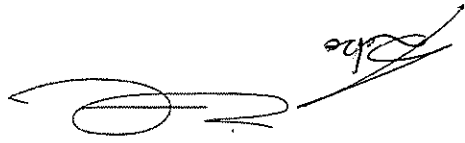




Annual Report and Financial Statements
31 December 2024

Hal Kirkop Local Council





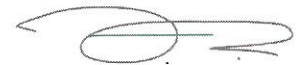
Pages	Table of Contents
1	Statement of Local Council Members' and Executive Secretary's Responsibilities
2	Statement of Comprehensive Income
3	Statement of Financial Position
4	Statement of Changes in Equity
5	Statement of Cash Flows
6 - 28	Notes to the Financial Statements

Statement of Local Council Members' and Executive Secretary's Responsibilities

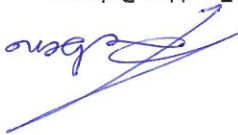
The Local Government (Financial) Regulations 1993 require the Executive Secretary to prepare a detailed annual administrative report which includes a statement of the Local Council's Comprehensive Income for the year and of the Council's Financial Position at the end of the year. By virtue of the same 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 Comprehensive Income of the Local Council for the year and its Financial Position as at the year end, and that they comply with the Act, the Local Government (Financial) Regulations, 1993 and the Local Government (Financial) Procedures, 1996.

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 Government (Financial) Regulations 1993, and the Local Council (Financial) Procedures 1996. The Executive Secretary is also responsible for safeguarding the assets of the Council 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 the 12 February 2025 and signed on its behalf by:



Matthew Agius Zammit
Mayor



Franklan Debono
Executive Secretary


The notes on pages 6 to 28 form an integral part of these financial statements

		Notes		2024	2023
				€	€
Statement of Comprehensive Income					
Income				328,954	289,965
Funds received from Central Government	3			2,277	1,503
Income raised under Local Enforcement System	4			42,884	39,557
General Income	5			374,115	331,025
Expenditure					
Personal emoluments	6			113,640	111,634
Operations and Maintenance	7			114,970	83,928
Administrative and other Expenditure	8			137,945	140,902
				366,555	336,464
Surplus/(Deficit) for the year				7,560	(5,439)
Total comprehensive income/(expense) for the year				7,560	(5,439)

Statement of Financial Position

	2024	2023	Notes
ASSETS			
Non-current assets			
Intangible asset	265	619	9
Property, plant and equipment	254,240	272,506	10
Current assets			
Receivables	49,164	50,189	11
Cash and cash equivalents	102,893	18,855	12
Total Assets	406,562	342,169	
RESERVES AND LIABILITIES			
Capital and reserves	299,378	291,818	
Retained earnings			
LIABILITIES			
Current Liabilities			
Payables	107,184	50,351	13
Total Liabilities	107,184	50,351	
Total Reserves and Liabilities	406,562	342,169	

These financial statements were approved by the Local Council on the 12 February 2025 and are signed on its behalf by:


 Matthew Agius Zammit
 Mayor


 Franklan Debono
 Executive Secretary

The notes on pages 6 to 28 form an integral part of these financial statements

The notes on pages 6 to 28 form an integral part of these financial statements

Statement of Changes in Equity

Annual Report
Financial Statements for the year ended 31 December 2024

Hal Kirkop Local Council

	Retained earnings	Total	
	€	€	
Balance at 1 January 2023	297,257	297,257	Balance at 1 January 2023
Total comprehensive loss for the year	(5,439)	(5,439)	Total comprehensive loss for the year
Balance at 31 December 2023	291,818	291,818	Balance at 31 December 2023
Balance at 1 January 2024	291,818	291,818	Balance at 1 January 2024
Total comprehensive income for the year	7,560	7,560	Total comprehensive income for the year
Balance at 31 December 2024	299,378	299,378	Balance at 31 December 2024




The notes on pages 6 to 28 form an integral part of these financial statements

Statement of Cash Flows		Notes	2024	2023
			€	€
Cash flows from operating activities				
Surplus/(Deficit) for the year			7,560	(5,439)
Adjustments for:				
Amortisation		9	354	932
Depreciation		10	30,896	24,199
Provision for bad debts			(1,665)	(2,259)
Surplus for the year before working capital movements			37,145	17,433
Decrease/(increase) in receivables			2,690	(7,133)
Increase/(Decrease) in payables			56,833	(6,621)
Net cash generated from operating activities			96,668	3,679
Cash flows from investing activities				
Payment to acquire property, plant and equipment		10	(12,630)	(8,798)
Cash flows from financing activities				
Grants		10	-	4,407
Movement in cash and cash equivalents			84,038	(712)
Cash and cash equivalents at the beginning of the year			18,855	19,567
Cash and cash equivalents at the end of the year		12	102,893	18,855

Notes to the Financial Statements For the year ended 31 December 2024

1. Statutory Information

The Hal Kirkop Local Council is a local government entity set up by the Local Council Act, 1993. The office of the Council is situated at 31, Triq San Benedittu, Kirkop. The financial statements of the Hal Kirkop Local Council for the year ended 31 December 2024 were approved and authorised for issue by the Council Members on the 12 February 2025.

2. Material Accounting policies

Overall considerations

The Local Council should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

The Local Council's management has concluded that the disclosure of the Local Council's material accounting policies below are appropriate.

The principal accounting policies adopted 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.

a. Basis of preparation

The 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). The financial statements are prepared under the historical cost convention, in accordance to the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and comply with the Local Government Act Cap 363, the Financial Regulations issued in terms of this Act and the Local Government (Financial) Procedures 1996.

b. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

However, in the opinion of the Council members, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.



**Notes to the Financial Statements
For the year ended 31 December 2024**

2. Accounting policies - continued

c. New or revised standards or interpretations

New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted do not have a significant impact on the Local Council's financial results or position.

Standards and amendments that are effective for the first time in 2024 and could be applicable to the Local Council are:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

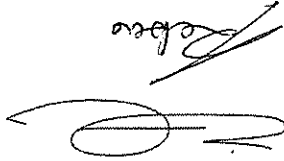
These amendments do not have a significant impact on these financial statements and therefore no disclosures have been made.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Council

Standards and amendments that are not yet effective and have not been adopted early by the Local Council include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The Local Council's management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Local Council's financial statements.



**Notes to the Financial Statements
 For the year ended 31 December 2024**

2. Accounting policies – continued

d. Intangible assets

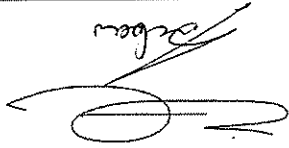
Intangible assets comprise computer software. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 25% using the straight-line method. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Where an indication of impairment exists, in that the carrying amount of an intangible asset is greater than its estimated recoverable amount, a charge is made to write down the value of the asset to its estimated recoverable amount (Accounting policy (i)).

e. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on a monthly basis using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives 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%
• Traffic and road signs	100%
• Playground furniture	100%
• Street lights	100%
• Street mirrors	100%



**Notes to the Financial Statements
For the year ended 31 December 2024**

2. Accounting policies – continued

e. Property, plant and equipment

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount, and are taken into account in determining operating profit.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount (Accounting policy (i)).

f. Impairment of assets

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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

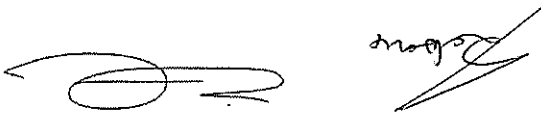
g. Leased assets

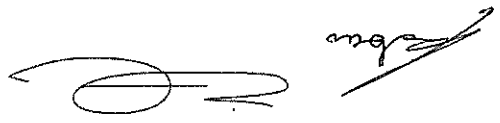
For any new contracts entered into on or after 1 January 2019, the Local Council considers whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Local Council assesses whether the contract meets three key evaluations which are

a) whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Local Council.
b) The Local Council has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

c) The Local Council has the right to direct the use of the identified asset throughout the period of use. The Local Council assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Local Council recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Local Council, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).





Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are recognised when the Local Council becomes a party to the contractual provisions of the financial instrument.

Recognition and derecognition

j. Financial instruments

Accounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the council.

i. Payables

Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer), if not they are presented as non-current liabilities.

h. Receivables

Receivables 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 amounts of the asset in 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.

g. Leased assets – continued

The Local Council depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Local Council also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Local Council measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

2. Accounting policies – continued

**Notes to the Financial Statements
For the year ended 31 December 2024**

**Notes to the Financial Statements
For the year ended 31 December 2024**

2. Accounting policies – continued

j. Financial instruments – continued

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The Local Council does not have any financial assets categorised as FVTPL and FVOCI in the periods presented.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs', 'finance income' or 'other financial items'.

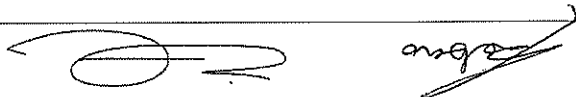
Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Local Council's cash and cash equivalents, and most receivables fall into this category of financial instruments.



Notes to the Financial Statements For the year ended 31 December 2024

2. Accounting policies – continued
- j. Financial instruments – continued

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Local Council considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

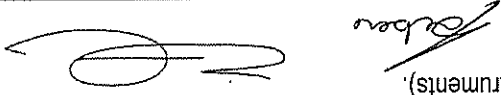
'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Local Council's financial liabilities include payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Local Council designates a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).



**Notes to the Financial Statements
For the year ended 31 December 2024**

2. Accounting policies – continued
- j. Financial instruments – continued
- All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

k. Cash and cash 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 deposits held at call with banks.

l. Surpluses and deficits

Only surpluses and deficits that were realized at the date of the Statement of Financial Position are recognized 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.

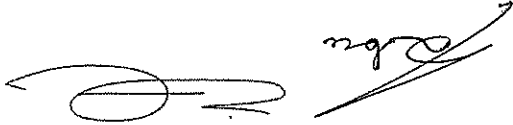
m. Provisions

Provisions are recognised when the Local Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

n. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Local Council has an unconditional right to defer settlement of the liability for at least 12 months from the end of the reporting period.



**Notes to the Financial Statements
For the year ended 31 December 2024**

2. Accounting policies – continued

o. Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in IAS 24.

During the year under review, the Local Council's related party that exercises a significant control was the Department for Local Government. The parties that exercise no control were Water Services Corporation and Malta Environment and Planning Authority whereas there was joint control with the Birkirkara Joint Committee.

p. Government grants

Government grants are accounted for on the Capital Approach according to IAS 20 as the Council adopted Directive 1/2017 issued by the Department of Local Council. With the Capital Approach, any grants received are netted off against the cost of the asset to which they relate. Depreciation will be accounted on the resulting cost less grant.

q. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Hal Kirkop Local Council and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is recognised upon transfer of funds from the Central Government when there are no significant uncertainties concerning the derivation of consideration or associated costs.

Interest income is recognised in the income statement as it accrued under finance income.

r. Expenses

Expenses are recognised in the statement of profit or loss upon utilisation of the service or at the date of their origin.

s. Functional and presentation currency

Items included in the Local Council's financial statements are measured using the currency of the primary economic environment in which the entity operates. The Local Council's financial statements are presented in Euro, which is the Local Council's functional currency.

**Notes to the Financial Statements
 For the year ended 31 December 2024**

2. Accounting policies – continued

t. Local Enforcement System

The amount disclosed in the financial statements under Local Enforcement Income represents the administrative charges to Regional Committees.

u. Capital Management

The Council's capital consists of its net assets, including working capital, represented by its retained funds. The Council's management objectives are to ensure:

- that the Council's ability to continue as a going concern is still valid and
- that the Council maintains a positive working capital ratio.

To achieve the above, the Council carries out a quarterly review of the working capital ratio ("Financial Situation Indicator"). The Council also uses budgets and business plans to set its strategy to optimise its use of available funds and implement its commitments to the locality.

3. Funds Received from Central Government

	2024	2023
In terms of Section 55 of the Local Councils Act (Cap 363)	296,749	267,172
Other Government Income	32,205	22,793
	328,954	289,965

4. Income raised under Local Enforcement System

	2024	2023
Administrative charges to Regional Committees	2,277	1,503
	2,277	1,503

Notes to the Financial Statements
 For the year ended 31 December 2024

	5.	General Income																							
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	6.	Personal Emoluments																																									
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Council members' allowance	13,000																																										
	111,634																																										

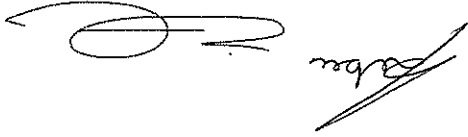
Average number of people employed

	Employees	3
	Mayor and Councillors	5

**Notes to the Financial Statements
For the year ended 31 December 2024**

7. Operations and Maintenance

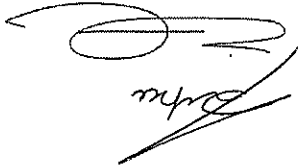
	2024	2023
Repairs and Upkeep:		
Road and street pavements (Patching works)	602	802
Road Markings	8,290	2,109
Signs	987	-
Litter bins	4,323	472
Sundry repairs	3,581	6,661
	17,783	10,044
	€	€
Contractual Services:		
Refuse collection and waste disposal	42,286	32,700
Bulky refuse collection (including open skips)	5,723	4,543
Road and street cleaning (mechanical and manual)	24,992	23,809
Other contractual services	362	47
Cleaning Council premises	1,251	3,794
Street Lighting	7,916	4,288
Cleaning and Maintenance of Public Convenience	4,568	3,794
Cleaning and Maintenance of Parks and Gardens	10,089	201
Contract Management	-	708
	97,187	73,884
	€	€
	114,970	83,928



**Notes to the Financial Statements
 For the year ended 31 December 2024**

8. Administrative and other expenditure

	2024	2023
	€	€
Utilities	30,703	29,410
Other repairs and upkeeps	1,360	9,061
Rent	1,341	1,334
Cleaning material	746	451
Library	1,723	943
Repairs of Office furniture and equipment	2,826	963
Office services	3,905	4,855
Transport	4,898	6,409
Information services	3,330	4,583
Insurance	5,106	5,080
Travel	2,291	7,471
Professional services	20,262	17,639
Community and hospitality	8,523	9,468
Social events	18,634	18,228
LES related expenses	908	370
Bank interest and charges	1,086	1,031
Depreciation and amortisation	31,250	25,131
(Decrease)/Increase in provision for bad debts	(1,665)	(2,259)
Staff training and uniforms	70	-
Leases of equipment	648	734
	137,945	140,902

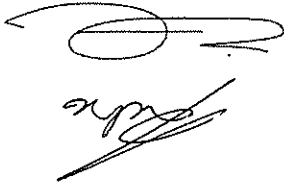


Notes to the Financial Statements
For the year ended 31 December 2024

9. Intangible asset

Computer Software		€
At 1 January 2023	Cost	4,085
	Accumulated amortisation	(2,534)
	Net book amount	1,551
Movements for the year ended 31 December 2023	Opening net book amount	1,551
	Amortisation charge	(932)
	Closing net book amount	619
At 31 December 2023	Cost	4,085
	Accumulated amortisation	(3,466)
	Net book amount	619
Movements for the year ended 31 December 2024	Opening net book amount	619
	Amortisation charge	(354)
	Closing net book amount	265
At 31 December 2024	Cost	4,085
	Accumulated amortisation	(3,820)
	Net book amount	265

Amortisation of €354 (2023: €932) is included in administrative expenses.



Notes to the Financial Statements
For the year ended 31 December 2024
10a. Property, plant and equipment

Asset	Motor Vehicles	Office & Computer Equipment	Urban Improvements	Plant and Machinery	Furniture and Fittings	Construction Works	Assets Under Construction	Total
Cost								
As at 1 January 2024	15,969	69,168	172,049	6,626	67,900	2,416,077	23,420	2,771,209
Additions	-	-	-	-	512	12,118	-	12,630
As at 31 December 2024	15,969	69,168	172,049	6,626	68,412	2,428,195	23,420	2,783,839
Grants and other disbursements								
As at 1 January 2024	-	2,873	11,219	-	-	2,000,944	-	2,015,036
Additions	-	-	-	-	-	-	-	-
As at 31 December 2024	-	2,873	11,219	-	-	2,000,944	-	2,015,036
Accumulated Depreciation								
As at 1 January 2024	10,913	60,083	148,112	5,073	50,099	209,387	-	483,667
Charge for the year	3,193	3,398	1,641	697	3,132	18,835	-	30,896
As at 31 December 2024	14,106	63,481	149,753	5,770	53,231	228,222	-	514,563
Net Book Value								
As at 31 December 2024	1,863	2,814	11,077	856	15,181	199,029	23,420	254,240

Notes to the Financial Statements
For the year ended 31 December 2024
10b. Property, plant and equipment

Asset	€	€	€	€	€	€	€	€	€
	Motor Vehicles	Office & Computer Equipment	Urban Improvements	Plant and Machinery	Furniture and Fittings	Construction works	Assets Under Construction	Total	
As at 1 January 2023	15,969	68,307	171,828	6,626	67,706	2,416,077	15,898	2,762,411	Cost
Additions	-	861	221	-	194	-	7,522	8,798	
As at 31 December 2023	15,969	69,168	172,049	6,626	67,900	2,416,077	23,420	2,771,209	
Grants and other disbursements	-	2,873	6,812	-	-	2,000,944	-	2,010,629	
As at 1 January 2023	-	-	4,407	-	-	-	-	4,407	Additions
As at 31 December 2023	-	2,873	11,219	-	-	2,000,944	-	2,015,036	
Accumulated Depreciation	7,719	54,861	142,880	4,337	47,001	202,670	-	459,468	
As at 1 January 2023	3,194	5,222	5,232	736	3,098	6,717	-	24,199	Charge for the year
As at 31 December 2023	10,913	60,083	148,112	5,073	50,099	209,387	-	483,667	
Net Book Value	5,056	6,212	12,718	1,553	17,801	205,746	23,420	272,506	
As at 31 December 2023									

**Notes to the Financial Statements
For the year ended 31 December 2024**

11. Receivables

	2024	2023
Receivables	12,553	18,833
Provision for Bad Debts	(786)	(2,796)
LES Debtors	126,749	128,823
Provision for Bad LES Debts	(126,749)	(128,823)
Accrued income	33,649	29,263
Financial assets	45,416	45,300
Prepayments	3,748	4,889
	49,164	50,189

The total financial assets for the year amounted to €45,416 (2023: €45,300).

LES Debtors are stated after a specific provision for doubtful debts amounting to €126,749.

12. Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following amounts in the Local Council Statement of Financial Position:

	2024	2023
Bank balances:		
Ordinary funds	99,688	18,632
Cash in hand	3,205	223
	102,893	18,855



**Notes to the Financial Statements
For the year ended 31 December 2024**

13. Payables

	2024	2023
Payables	41,093	26,225
Other Payables	25,363	334
Accruals	35,681	18,375
Financial Liabilities	102,137	44,934
Deferred Income	5,047	5,417
	<u>107,184</u>	<u>50,351</u>

The total financial liabilities for the year amounted to €102,137 (2023: €44,934).

14. Contingent liabilities

The Local Council is defendant in proceedings in which an individual is claiming compensation for damages amounting to € 15,000 (fifteen thousand Euro), which were allegedly sustained by the plaintiff following works carried out by the Council. The Council is contesting the claim vigorously and the Council members firmly believe that such an action ought to be dismissed. Nevertheless, the outcome of the action remains uncertain and the claim may finally be decided in favour of the Local Council.

15. Related party transactions

During the year, the Local Council had affected transactions with related parties resulting mainly in connection with income and administrative transactions. The following were the related parties:

Name of Entity	Nature of relationship
Department of Local Councils	Significant Control
Gozo Regional Council	No Control
Central Regional Council	No Control
North Regional Council	No Control
South Regional Council	No Control
South Eastern Regional Council	No Control
Western Regional Council	Moderate Control
Local Enforcement Systems Agency	No Control
ARMS Ltd	No Control
Commissioner of Data Protection	No Control
Department of Information	No Control
Ministry of Finance	No Control
Police General Head Quarters	No Control

**Notes to the Financial Statements
For the year ended 31 December 2024**

15. Related party transactions- continued

Name of Entity	Nature of relationship
Malta Environment and Planning Authority	No Control
Water Services Corporation	No Control
Emmalta Corporation	No Control
Cleansing Directorate	No Control
Department of Lands	No Control
Wasteserv Malta Limited	No Control
Bank of Valletta plc	No Control
Department of Lands	No Control
Local Councils' Association	No Control
Central Bank of Malta	No Control
Department of Inland Revenue	No Control
Ministry for Justice, Culture and Local Government	No Control

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

Significant and moderate control	2024	2023
Revenue:		
Annual financial allocation	296,749	267,172
Assistances from Western Regional Council	34,626	11,669
Expenses:		
Waste disposal and refuse collection	42,286	32,700

Key management compensation

Transactions with key management personnel are disclosed in note 8.

Ultimate controlling party

The ultimate controlling party of the Local Council is Central Government since the Council's main revenue is from the Government allocation received every quarter. Apart from the normal funds received from Government, the Council also receives funds relating to specific projects as well as other funds for the improvement of the locality.



Liquidity risk is defined as financial distress, an extraordinary measure which needs to be taken to manage the Council's present commitments arising due to shortage of funds. The objective of liquidity risk management is to maintain sufficient liquidity, and to ensure that it is available within the necessary time frame in order not to create financial distress and manage its risk to a shortage of funds by short-term commitments. The Council monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments due. In fact, at year end, the Council has as cash in bank and in hand the amount of €102,893. This should ensure an ongoing working capital of the Council for the next 12 months. The Council also maintains a positive net current asset position of €44,873 meaning, that enough funds are available to cover present liabilities as well as short term obligations and commitments arising.

Liquidity risk

	2024	2023
Classes of financial assets – carrying amounts		
Trade and other receivables	49,164	50,189
Cash and cash equivalents	102,893	18,855
	152,057	69,044

The Council's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period and is summarised as follows:

Financial assets which potentially subject the Council to concentrations of credit risk consist principally of cash at bank and debtors. The Council's cash is placed with quality financial institutions as well as it limits the amount of credit exposure with any one financial institution. The Council has appropriate policies to ensure that income is received from sources with appropriate credit history. In this respect, credit risk with respect to debtors is monitored continuously and the Council places a provision on any debt on which there is doubt of recoverability. Bad debts are therefore negligible and in this respect the Council has no significant concentration of credit risk.

Credit risk

The Council's activities expose it to a variety of financial risks such as market risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Council's financial performance.

16. Financial risk management

**Notes to the Financial Statements
For the year ended 31 December 2024**

**Notes to the Financial Statements
For the year ended 31 December 2024**

16. Financial risk management – continued

Capital risk management

The Council's objectives when managing capital are to safeguard the Council's ability to continue as a going concern so that it can continue to provide a service to the residents of the Local Council by maintaining an optimal capital structure to reduce cost of capital.

The Council's equity, as disclosed in the statement of financial position, constitutes its capital. The Council's capital structure is monitored by the Executive Secretary and the Council with appropriate reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Council's activities, the capital level as at the end of the reporting period is deemed adequate by the Council.

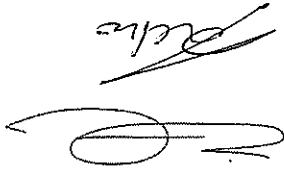
17. Fair values estimation

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.

18. Operating Lease

Operating leases relate to leases of Primary Health Care premises from Lands Department and a photocopier lease. Lease terms range between one and five years.

	2024	2023
Payments recognized as an expense	1,341	1,334
Minimum lease payments	1,223	1,454
Non-cancellable operating lease commitments	2,258	2,339
Not later than one year	3,481	3,793
Later than one year and not later than five years		



There have been no events whether favourable or unfavourable which occurred between the end of the reporting period and the date the financial statements have been authorised for issue.

21. Events after the statement of financial position date

There were no capital commitments at year end.

20. Capital commitments

	2024	2023
Current assets		
Loans and receivables:		
Trade and other receivables	45,416	45,300
Cash and cash equivalents	102,893	18,855
Current liabilities		
Financial liabilities measured at amortised costs:		
Payables	66,456	26,559
Accruals	35,681	18,375
	102,137	44,934
	148,309	64,155

The carrying amounts of the Council's financial assets and liabilities as recognised at the reporting dates under review are categorised as follows:

19. Summary of financial assets and liabilities

**Notes to the Financial Statements
For the year ended 31 December 2024**