

**QRENDI LOCAL COUNCIL**

**Annual Report and Unaudited Financial Statements  
31 December 2021**

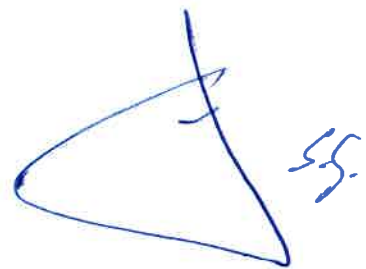
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NATIONAL AUDIT OFFICE



**QRENDI LOCAL COUNCIL**  
**Annual Report and Unaudited Financial Statements - 31 December 2021**

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

The Local Councils (Financial) Regulations 1993 require the Executive Secretary to prepare a detailed annual administrative report which includes a statement of the Local Council's financial position at the end of the year and of the Local Council's comprehensive income for 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 financial position of the Local Council as at the year and its comprehensive income for the year, and that they comply with the Act, the Local Council (Financial) Regulations, 1993 and the Local Council (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 Council (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 Council on Friday 29<sup>th</sup> July 2022 and signed on its behalf by:

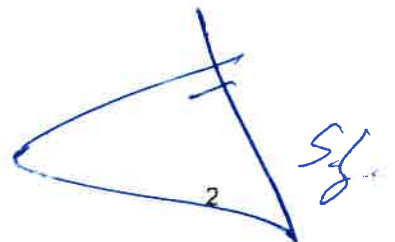


Mr. David Michael Schembri  
Mayor



Ms. Stephania Gixti  
Deputy Executive Secretary

**Independent auditors' report**  
To the Auditor General

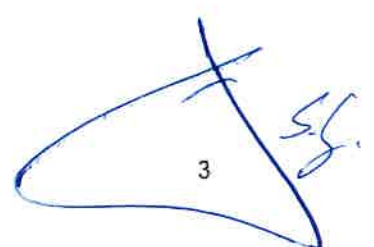


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**Independent auditors' report**  
To the Auditor General

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**Independent auditors' report**  
To the Auditor General

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**Statement of financial position**

		<b>As at 31 December</b>	
		<b>2021</b>	<b>2020</b>
		<b>€</b>	<b>€</b>
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	280,005	266,604
Right-of-use assets	5(i)	7,028	-
<b>Total non-current assets</b>		<b>287,033</b>	<b>266,604</b>
<b>Current assets</b>			
Trade and other receivables	6	19,522	24,472
Cash and cash equivalents	7	773,703	779,084
<b>Total current assets</b>		<b>793,225</b>	<b>803,556</b>
<b>Total assets</b>		<b>1,080,258</b>	<b>1,070,160</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Retained funds		914,181	754,492
<b>Total equity</b>		<b>914,181</b>	<b>754,492</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income	8(i)	89,763	91,875
Lease liabilities	5(ii), 8(ii)	3,578	-
<b>Total non-current liabilities</b>		<b>93,341</b>	<b>91,875</b>
<b>Current liabilities</b>			
Trade and other payables	9	69,102	223,793
Lease liabilities	5(ii)	3,634	-
<b>Total current liabilities</b>		<b>72,736</b>	<b>223,793</b>
<b>Total reserves and liabilities</b>		<b>1,080,258</b>	<b>1,070,160</b>

The notes on pages 9 to 24 are an integral part of these financial statements.

The financial statements on pages 5 to 24 were approved by the Local Council on \_\_\_\_\_  
and were signed on its behalf by:

Mr. David Michael Schembri  
Mayor


Ms. Stephania Grixti  
Deputy Executive Secretary

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**Statement of comprehensive income**

	Notes	Year ended 31 December	
		2021 €	2020 €
<b>Income</b>			
Funds received from Central Government	10	409,040	393,923
Other government income	11	98,205	37,631
General income	12	32,962	38,527
Income raised under Local Enforcement System	13	813	958
Investment income	14	37	451
		541,057	471,490
<b>Expenditure</b>			
Staff salaries	15	108,234	102,852
Operations and maintenance	16	117,220	141,758
Administrative and other expenditure	17	155,607	317,293
Finance costs		307	-
		381,368	561,903
<b>Profit / (loss) for the year – total comprehensive income / (loss)</b>		159,689	(90,413)

The notes on pages 9 to 24 are an integral part of these financial statements.

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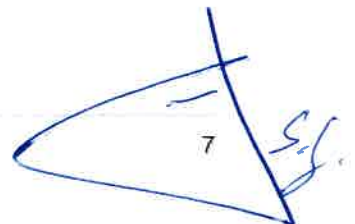


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**Statement of changes in equity**

	<b>Retained Funds €</b>	<b>Total €</b>
Balance at 1 January 2020	844,905	844,905
Loss for the year – total comprehensive loss	(90,413)	(90,413)
<b>Balance at 31 December 2020</b>	<b>754,492</b>	<b>754,492</b>
Balance at 1 January 2021	754,492	754,492
Profit for the year – total comprehensive income	159,689	159,689
<b>Balance at 31 December 2021</b>	<b>914,181</b>	<b>914,181</b>

The notes on pages 9 to 24 are an integral part of these financial statements.




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**Statement of cash flows**

	Notes	Year ended 31 December	
		2021 €	2020 €
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	86,383	55,819
Net cash generated from operating activities		86,383	55,819
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(88,112)	(108,310)
Payment of lease liabilities	5(iv)	(3,689)	-
Interest received	14	37	451
Net cash generated from investing activities		(91,764)	(107,859)
<b>Net movement in cash and cash equivalents</b>		<b>(5,381)</b>	<b>(52,040)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>779,084</b>	<b>831,124</b>
<b>Cash and cash equivalents at end of year</b>	7	<b>773,703</b>	<b>779,084</b>

The notes on pages 9 to 24 are an integral part of these financial statements.

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## Notes to the financial statements

### 1. General information

Qrendi Local Council is the local authority of Qrendi set up in accordance with the Local Councils Act (1993). The office of the Local Council is situated at 7, Triq il-Knisja, Qrendi QRD 1103, Malta. These financial statements were approved for issue by the Council Members on \_\_\_\_\_ 2022.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 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 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 convention as modified to include fair values stated in the accounting policies below. These financial statements are prepared in accordance to the requirements of International Financial Reporting Standards (IFRSs) and comply with the Local Councils Act Cap 363, the Financial Regulations issued by the terms of the Act and the Local Councils (Financial) Procedures 1996.

#### *New and amended IFRS Standards that are effective for the current year*

In the current year, the Local Council has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in EU for an accounting period that begins on or after 1 January 2021. The adoption of new and amended standards did not have a material impact on the Local Council's financial statements.

#### *Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Local Council*

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Local Council.

Management anticipates that all the relevant pronouncements will be adopted in the Local Council's accounting policies for the first period beginning after the effective date of the pronouncement. Certain new standards and interpretations have been issued and expected to have a material impact on the Local Council's financial statements.

2. Summary of significant accounting policies – continued

2.2 Foreign currency translation

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the local council operates. These financial statements are presented in Euro ("€"), which is the Local Council's functional and present currency. Transactions denominated in foreign currencies are translated into Euro at rates of exchange in operation on the dates of transactions. Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange at the date of Statement of Financial Position.

2.3 Property, plant and equipment

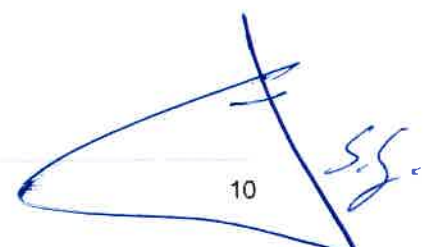
Property, plant and equipment, is stated at cost less accumulated depreciation and impairment loss to date. Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

	%
Land	0
Trees	0
Buildings	1
Office furniture and fittings	7.5
Construction works	10
Urban Improvements (Street Furniture)	10
Office Equipment	20
Motor Vehicles	20
Plant and Machinery	20
Computer Equipment	25
Plants	100
Playground Furniture	100
Street Lights	100
New Street Lights	Replacement Basis
Litter Bins	Replacement Basis
Street Mirrors	Replacement Basis

2.4 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 assets exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the assets less the costs to sell value in use. Impairment losses are immediately as an expense in the Statement of Comprehensive Income.

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2. **Summary of significant accounting policies – continued**

**2.5 Financial instruments**

*Recognition and derecognition*

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

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.

*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.

*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

## 2. Summary of significant accounting policies – continued

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).

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'.

## 2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash in hand and balances held with banks

## 2.7 Profits and losses

Only profits and losses that were realised at the date of the Financial Position 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.

## 2. Summary of significant accounting policies – continued

### 2.8 Revenue recognition

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs. All revenue – funds received from Central Government, Local enforcement system income, investment income and general income is accounted for in the Statement of Comprehensive Income as it accrues.

### 2.9 Government grants

Government grants relating to operating expenditure are recognised in the Statement of Comprehensive Income in the same period that the related expenditure is incurred.

Government grants relating to the purchase of property, plant and equipment are accounted for using the capital approach and are thus deducted from the carrying amount of the relative non-current asset.

### 2.10 Leases

As from 1 January 2019, the 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 Council assesses whether the contract meets three key evaluations which are 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;
- 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; and
- 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 lease period.

The Council has agreements in place relating to the lease of office premises and a separate lease for the use of a garage. In the current year, the Council elected to prospectively recognise right-of-use assets and lease liabilities.

The right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments.

**2. Summary of significant accounting policies – continued**

**2.11 Related parties**

Related parties are those persons or bodies having relationships with the Local Council as defined by IAS 24 *Related Party Disclosures*. Further detail on related party transactions is disclosed in the notes to the financial statements.

**3. Financial risk management**

The Local Council has exposure to credit risk and liquidity risk from the use of financial instruments within its activities.

This note presents information about the Local Council's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Local Council's management of capital. Further quantitative disclosures are included in these financial statements.

The responsibility for the management of risk is vested in the Executive Secretary. Accordingly, it is the Executive Secretary, who has the overall responsibility for establishing an appropriate risk management framework.

**3.1 Credit risk**

Credit risk is the risk of financial loss to the Local Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Local Council is exposed to credit and liquidity risk through its use of financial instruments which result from its operating activities. The Council is not exposed to any market risk and its risk management focuses on actively securing short to medium cash flows by minimising exposure to financial risks. Credit risk principally arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions.

*Trade and other receivables*

The Local Council monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Council's receivables, taking into account historical experience in collection of accounts receivable.

Receivables are presented net of impairment charges for bad and doubtful debts. However, in the opinion of the Executive Secretary, credit risk with respect to receivables is limited in view of the reputable nature of the Local Council's debtor base for which there is no history of default.

*Cash and cash equivalents*

The Local Council banks only with local financial institutions with high quality standing or rating. As such, the probability of default is considered to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be considered insignificant.



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The Council's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2021	2020
	€	€
<i>Loans and receivables category:</i>		
Trade and other receivables (Note 6)	12,776	19,104
Cash and cash equivalents (Note 7)	773,550	779,084
	786,326	798,188

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Local Council does not hold any collateral as security in this respect.

### 3.2 Liquidity risk

Liquidity risk is the risk that the Local Council will not be able to meet its financial obligations as they fall due. The Local Council is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Notes 8 and 9). The Local Council's trade and other payables are entirely repayable within one year from the end of the reporting period.

The Local Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Generally, the Local Council ensures that it has sufficient cash on demand to meet expected operational expenditure, including the servicing of financial obligations.

The maximum exposure to liquidity risk at the end of the reporting period in respect of the Council's financial liabilities is equivalent to their carrying amount as disclosed in Notes 8 and 9 to the financial statements.

At 31 December 2021 and 31 December 2020, the contractual maturities on the financial liabilities of the Council were as summarised below. Contractual maturities reflect gross cash flows, which may differ from the carrying values of financial liabilities at the date of the Statement of Comprehensive Income.

	2021	2020
	€	€
<i>Tender Obligations:</i>		
Less than 6 months	24,264	53,336
6 to 12 months	20,987	106,072
1 to 5 years	55,518	533,362
	100,769	692,770

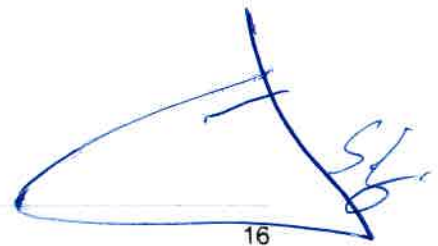
### 3.3 Capital management

It is the policy of the Executive Secretary to maintain an adequate capital base in order to sustain the future development of the Local Council and safeguard the ability of the Local Council to continue as a going concern. In this respect, the Executive Secretary monitors the operations and results of the Local Council.

**3.4 Fair value estimation**

At 31 December 2021 and 2020, the carrying amounts of cash at bank, trade and other receivables, trade and other payables and amounts falling due after one year reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments and relatively short period of time between the origination of the instruments and their expected realisation.

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**QRENDI LOCAL COUNCIL**  
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**4. Property, plant and equipment**

	Office furniture & fittings	Office equipment	Urban improvements	Construction works	Street signs	Assets under construction	Total
	€	€	€	€	€	€	€
<b>COST</b>							
Balance as at 1 January 2020	21,945	40,290	251,775	1,569,033	5,280	-	1,888,323
Additions	-	-	-	-	-	108,310	108,310
At 31 December 2020	21,945	40,290	251,775	1,569,033	5,280	108,310	1,996,633
<b>ACCUMULATED DEPRECIATION</b>							
Balance as at 1 January 2020	17,493	39,618	202,820	1,279,484	5,280	-	1,544,695
Charge for the year	1,447	303	10,259	173,325	-	-	185,334
At 31 December 2020	18,940	39,921	213,079	1,452,809	5,280	-	1,730,029
<b>NET BOOK VALUE</b>							
At 31 December 2020	3,005	369	38,696	116,224	-	108,310	266,604

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**4. Property, plant and equipment – continued**

	Office furniture & fittings	Office equipment	Urban improvements	Construction works	Street signs	Assets under construction	Total
	€	€	€	€	€	€	€
<b>COST</b>							
Balance as at 1 January 2021	21,945	40,290	251,775	1,569,033	5,280	108,310	1,996,633
Additions	-	-	3,094	129,013	-	45,696	177,803
Reclassifications	-	-	-	25,673	-	78,872	104,545
At 31 December 2021	21,945	40,290	254,869	1,723,719	5,280	232,878	2,278,981
<b>GRANTS</b>							
Balance as at 1 January 2021	-	-	-	-	-	-	-
Additions	-	-	3,094	135,042	-	56,100	194,236
As at 31 December 2021	-	-	3,094	135,042	-	56,100	194,236
<b>ACCUMULATED DEPRECIATION</b>							
Balance as at 1 January 2021	18,940	39,921	213,079	1,452,809	5,280	-	1,730,029
Charge for the year	1,163	295	10,056	63,197	-	-	74,711
At 31 December 2021	20,103	40,216	223,135	1,516,006	5,280	-	1,804,740
<b>NET BOOK VALUE</b>							
At 31 December 2021	1,842	74	28,640	72,671	-	176,778	280,005



**5. Leases**

Information about leases for which the Company is a lessee is presented below:

(i) Right-of-use assets

	Garage €	Premises €	Total €
<b>2021</b>			
Balance as at 1 January	-	-	-
Additions	4,827	5,768	10,595
Depreciation charge for the year	(2,413)	(1,154)	(3,567)
Balance as at 31 December	<b>2,414</b>	<b>4,614</b>	<b>7,028</b>

(ii) Lease liabilities

Lease liabilities are classified as follows:

	2021 €	2020 €
Non-current (Note 8(ii))	3,578	-
Current (Note 9)	3,634	-
	<b>7,212</b>	-

(iii) Amounts recognised in profit or loss

	2021 €	2020 €
Depreciation charge on right-of-use assets	3,567	-
Interest expense on lease liability (included in finance cost)	307	-
	<b>3,874</b>	-

(iv) Amounts recognised in statement of cash flows

	2021 €	2020 €
Payment of lease liabilities	3,689	-
Interest expense on lease liability (included in finance cost)	307	-
	<b>3,996</b>	-

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**6. Trade and other receivables**

	2021	2020
	€	€
<b>Current</b>		
Receivable from local enforcement system	80,602	80,602
Provision for doubtful debts	(80,602)	(80,602)
Trade receivables	12,776	17,521
Other receivables	-	1,583
Accrued income	5,489	4,294
Prepayments	1,257	1,074
	19,522	24,472

Trade receivables amounting to €12,776 relate to amounts due from WasteServ Malta Limited (2020: €16,780).

**7. Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2021	2020
	€	€
Cash in hand	153	150
Cash at Bank:		
Current accounts	84,773	752,907
Savings accounts	688,777	10,167
Fixed accounts	-	15,860
	773,703	779,084

**8. Amounts falling due after one year**

	2021	2020
	€	€
(i) Deferred income:		
Repayable between one and two years	76,758	75,000
Repayable between two and five years	13,005	16,875
	89,763	91,875

(ii) Lease liabilities

Non-current (Note 5(ii))	3,578	-
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**9. Trade and other payables**

	2021 €	2020 €
<b>Current</b>		
Trade payables	33,214	47,095
Accruals	21,372	18,756
Deferred income	12,507	157,942
Other payables	2,007	-
	<b>69,102</b>	<b>223,793</b>

Trade payables include amounts due to WasteServ Malta Limited €1,563 (2020: €(2,867)), Water Services Corporation €21,000 (2020: €21,000) and ARMS Limited €735 (2020: €489).

**10. Funds received from Central Government**

	2021 €	2020 €
In terms of Section 55 of the Local Council Act	<b>409,040</b>	<b>393,923</b>

**11. Other government income**

	2021 €	2020 €
Government income for projects and restorations	82,078	20,945
Income from organic waste collection	16,127	16,686
	<b>98,205</b>	<b>37,631</b>

**12. General income**

	2021 €	2020 €
Other income net of contraventions and library services	24,986	38,527
Permits	7,976	-
	<b>32,962</b>	<b>38,527</b>

**13. Income raised from Local Enforcement System**

	2021 €	2020 €
Contraventions	813	958
	<b>813</b>	<b>958</b>


  
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**14. Investment income**

	2021	2020
	€	€
Bank interest received	37	451

**15. Staff Salaries**

	2021	2020
	€	€
Personal emoluments include, inter alia:		
Employees' salaries and bonuses	50,958	36,622
Executive Secretary's salary and allowances	13,979	38,022
Mayor's salary and allowance	10,379	12,804
Councillors' allowances	5,640	7,200
Social security contributions	24,730	4,804
Vice Mayor's salary	2,548	3,400
	108,234	102,852

The average number of persons employed by Qrendi Local Council in 2021 is 8 (2020: 9).

**16. Operations and maintenance**

	2021	2020
	€	€
<b>Repairs and upkeep:</b>		
Bins	19,866	21,379
Street signs	2,771	253
Road markings	429	-
Other repairs and upkeep	-	36
	23,066	21,668



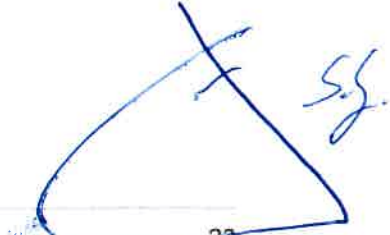
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**16. Operations and maintenance – continued**

	2021 €	2020 €
<b>Contractual services:</b>		
Refuse collection	48,846	59,387
Cleaning and maintenance of public conveniences	18,037	17,828
Cleaning and maintenance – non-urban	10,365	11,076
Bulky refuse collection	9,577	11,300
Street lighting	5,382	11,693
Cleaning and maintenance of parks and gardens	1,947	8,806
	94,154	120,090
	117,220	141,758

**17. Administrative and other expenditure**

	2021 €	2020 €
Depreciation on tangible assets (Note 4)	74,711	185,334
Depreciation on right-of-use assets (Note 5)	3,567	
Professional services	24,241	38,177
General expenses	13,565	147
Other contractual services	11,927	56,774
Community services & events	8,521	7,807
Utilities	8,215	8,610
Material and supplies	4,857	2,257
Advertising	2,934	45
Office services	1,981	11,064
Rent	1,770	3,674
Transport	452	313
Training	-	1,148
Staff Welfare	-	1,062
Information services	-	795
National and international memberships	-	86
	156,741	317,293

  
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**18. Cash generated from operations**

Reconciliation of profit / (loss) for the year to cash generated from operations:

	2021	2020
	€	€
Profit / (loss) for the year	159,689	(90,413)
Adjustments for:		
Depreciation of property, plant and equipment (Note 4)	74,711	185,334
Depreciation on right-of-use assets (Note 5)	3,567	-
Interest payable	307	-
Interest receivable	(37)	(451)
Changes in working capital:		
Trade and other receivables	4,950	(5,034)
Trade and other payables	(156,804)	(33,617)
Cash generated from operations	86,383	55,819

**19. Related party transactions**

During the year the Local Council effected transactions with related parties mainly in connection with income and expenditure transactions as disclosed in Notes 6, 10, 11, 12, 13, 16 and 17 to these financial statements. The following material transactions were carried out with related parties:

	2021	2020
	€	€
Funds received from central government	409,040	393,923

**20. Capital commitments**

Details of capital commitments are as follows:

	2021	2020
	€	€
Demolition and reconstruction of rubble walls	85,657	141,981
Restoration of titular painting of Saint Catherine	8,609	-
Mobility and accessibility – installation of lift	35,000	-
	129,266	141,981