



LOCAL COUNCIL GHARGHUR
Report and Financial Statements
for the year ending 31 December 2010



**ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2010**

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Financial Statements for the year ended 31 December 2010

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

The Local Councils (Financial) Regulations require the Executive Secretary to prepare a detailed annual administrative report which includes a statement of the Local Council's income and expenditure for the year and of the Council's retained funds at the end of 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 income and expenditure of the Local Council for the year and its retained funds as at the year end, and that they comply with the Act, the Local Council (Financial) Regulations, and the Local Council (Financial) Procedures issued in terms of the said Act.

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, and the Local Councils (Financial) Procedures. The Executive Secretary is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council and signed on its behalf on 6/12/2011 by:



Mario Gauci
Mayor



Fabian Mizzi
Acting Executive Secretary

LOCAL COUNCIL GHARGHUR

Report of the Local Government Auditors to the Auditor General

We have audited the accompanying financial statements of LOCAL COUNCIL GHARGHUR, which comprise the statement of financial position on page 5 as of 31st December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Statements

The Council Members and the Executive Secretary are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as discussed in the following paragraphs, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members and the Executive Secretary, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Council entered into a pooling agreement with a number of local councils within the Local Enforcement System. Due to the fact that no proper audited financial statements have been prepared by the Joint Committee, we could not obtain reasonable assurance on the completeness of the share of income amounting to €1,505, which were recorded in the financial statements as well as on any possible accrued income or liabilities present as at end of the current financial year.

IFRS require that all applicable standards and their disclosure requirements are adhered to. These financial statements lack appropriate disclosure in respect to a number of disclosures as required by IAS 1 - Presentation of Financial Statements; IAS 2 - Inventories, IAS 8 - Accounting policies, Changes in accounting estimates and errors, IAS 16 - Plant, Property & Equipment, IAS 20 - Government Grants, IAS 24 - Related Party Disclosure, IAS 36 - Impairment of Assets, IAS 37 - Provisions, contingent liabilities and contingent assets as well as IFRS 7- Financial Instrument: Disclosures.


Opinion

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, the financial statements give a true and fair view of the financial position of Local Council Gharghur as at 31st December 2010 and of its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Opinion on Other Legal and Regulatory Requirements

These financial statements do not comply fully with the Local Council (Financial) Procedures, 1996.

According to the Financial Procedures supplementing the Financial Regulations issued in terms with the Local Councils Act 1993, the financial statements should include the budget for the year. In line with Local Councils' generally accepted reporting procedures, the budget has been excluded from these financial statements.



This copy of the report has been signed by
Neville Cutajar (Partner) on its behalf

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Certified Public Accountants
The Penthouse, Level 3
Palazzo Ca' Brugnera
Valley Road
Birkirkara BKR9024
Malta

Date: 6th July 2011


STATEMENT OF FINANCIAL POSITION

As at 31 December 2010


ASSETS	Notes	2010 €	2009 €
Non-Current Assets			
Property, plant and equipment	3	<u>636,990</u>	<u>478,353</u>
		<u>636,990</u>	<u>478,353</u>
Current Assets			
Trade and other receivables	4	53,833	1,477
Cash and Cash Equivalents	5	<u>68,666</u>	<u>144,993</u>
		<u>122,499</u>	<u>146,470</u>
Total Assets		<u>759,490</u>	<u>624,823</u>
RESERVES AND LIABILITIES			
Capital and reserves			
Retained Fund		508,399	505,172
Long-Term Liabilities			
Long term payables	6	161,578	-
Liabilities			
Trade and other payables	7	89,513	119,651
TOTAL RESERVES AND LIABILITIES		<u>759,490</u>	<u>624,823</u>

The notes on pages 10 to 18 are an integral part of the financial statements.

These Financial Statements were approved by the Local Council on 6/12/2011 and signed on its behalf by:



 Mario Gauci
 Mayor



 Fabian Mizzi
 Acting Executive Secretary

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	Notes	Year ended 31 Dec 2010 €	Period from 1 Apr to 31 Dec 2009 €
INCOME			
Funds received from central government	8	228,508	149,394
Funds raised under Local Enforcement System	9	1,505	942
Investment income	10	322	173
General Income	11	<u>25,587</u>	<u>6,776</u>
		<u>255,922</u>	<u>157,285</u>
EXPENDITURE			
Personal emoluments	12	(75,520)	(52,859)
Operations and maintenance	13	(89,510)	(64,579)
Administration and other expenditure	14	<u>(78,987)</u>	<u>(54,906)</u>
		<u>(244,017)</u>	<u>(152,344)</u>
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR/PERIOD			
		<u>11,905</u>	<u>4,941</u>

The notes on pages 10 to 18 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2010

	Retained Funds €
At 31 March 2009	497,348
Profit for the period	4,941
Previous year Adjustment	<u>2,883</u>
At 31 December 2009	505,172
Profit for the year	11,905
Prior Year Adjustment	<u>(8,678)</u>
At 31 December 2010	<u>508,399</u>

The notes on pages 10 to 18 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 December 2010

	Note	2010 €	2009 €
Cash Flows from Operating Activities			
Total Comprehensive (Loss)/Income for the year/period		11,905	4,941
Adjustments for:			
Depreciation		37,016	21,483
Interest receivable		(322)	(173)
Operating Profit before Working Capital Changes		<u>48,599</u>	<u>26,251</u>
(Increase)/decrease in receivables		(52,356)	4,479
(Decrease)/Increase in payables		<u>(30,138)</u>	<u>100,775</u>
Net Cash inflow from operating activities		<u>(33,895)</u>	<u>131,505</u>
Cash flows from Investing Activities			
Purchase of property, plant and equipment		(207,045)	(77,224)
Adjustment to Property Plant & Equip		2,713	-
UIF Funds written back			(30,398)
Interest received		322	173
Increase in deferred income		161,578	-
Cash Flow used in Investing Activities		<u>(42,432)</u>	<u>(107,449)</u>
Net Decrease in Cash and Cash Equivalents		(76,327)	24,056
Cash and Cash Equivalents at the Beginning of period/year		144,993	120,937
Cash and Cash Equivalents At the End of year/period	5	<u>68,666</u>	<u>144,993</u>

The notes on pages 10 to 18 are an integral part of the financial statements.

SCHEDULE OF SPECIAL NEEDS
 For the period ended 31 December 2010

Funds Received and expended	Brought forward	Received	Utilised	Balance at
	01-Jan-10	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2010	31-Dec-10
Accessibility funds	4,875	-	-	4,875
Embellishment - Pjazza tal-Knisja - Benches	-	6,118	6,118	-
Embellishment - Pjazza tal-Knisja - Lanterns	-	5,080	5,080	-
Restoration Painting - Our lady of Devine Providence	-	5,000	5,000	-
Public Private Partnership scheme - resurfacing	-	31,874	31,874	-
	4,875	48,072	48,072	4,875
Commitments	01-Jan-10	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2010	31-Dec-10
Accessibility funds	4,875	-	-	4,875
Embellishment - Pjazza tal-Knisja - Benches	-	6,118	6,118	-
Embellishment - Pjazza tal-Knisja - Lanterns	-	5,080	5,080	-
Restoration Painting - Our lady of Devine Providence	-	5,000	5,000	-
Public Private Partnership scheme - resurfacing	-	31,874	31,874	-
	4,875	48,072	48,072	4,875
Capital Commitments	01-Jan-10	1 Jan - 31 Dec 2010	1 Jan - 31 Dec 2010	31-Dec-10
Accessibility funds	4,875	-	-	4,875
Embellishment - Pjazza tal-Knisja - Benches	-	6,118	6,118	-
Embellishment - Pjazza tal-Knisja - Lanterns	-	5,080	5,080	-
Restoration Painting - Our lady of Devine Providence	-	5,000	5,000	-
Public Private Partnership scheme - resurfacing	-	31,874	31,874	-
	4,875	48,072	48,072	4,875

The notes on pages 10 to 18 are an integral part of the financial statements.

Notes to the Financial Statements for the year ended 31 December 2010

1. General Information

Hal Gharghur Local Council is the local authority of Hal Gharghur setup in accordance with the Local Councils Act.

The office of the Local Council is situated at Triq San Nikola Hal Gharghur.

2. Accounting Policies and Reporting Procedures

These 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 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 and comply with the Local Councils Act Cap 363, the Financial Regulations issued in terms of this Act and the Local Councils (Financial) Procedures 1996.

The principal accounting policies and reporting procedures used by the Local Councils are as follows:

a. Revenue recognition

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs. Interest income is recognised in the income statement as it accrues.

b. Local Enforcement System

Hal Gharghur Local Council forms part of Tramuntana / North Joint Committee. The amount disclosed in the financial statements under Local Enforcement Income represents the share of profit derived from the Joint Committee after deducting the related expenses.

c. Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment loss to date. Depreciation is calculated on a monthly basis using the reducing balance method at rates calculated to write off the cost less residual value of each asset over its expected useful life as follows:

Land	%
Trees	0
Buildings	0
Office Furniture and Fittings	1
Construction Works	7.5
Urban Improvements (Street Furniture)	10
Special Projects	10
Office Equipment	10
Motor Vehicles	20
Plant and Machinery	20
Computer Equipment	20
Plants	25
Litter Bins	100
Playground furniture	100
Traffic Signs	100
Road Signs	100
Street Mirrors	100
Street Lights	100

Notes to the Financial Statements for the year ended 31 December 2010 - continued

d. Government Grants

Government grants are accounted for on the Income Approach according to IAS 20. They are accounted for on a systematic basis in the Income and Expenditure Account over the periods necessary to match them with the related costs which they are intended to compensate. If such costs have already been incurred when the grant is made, or if there are no related cost, then the grant is accounted for when it becomes receivable.

e. 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 asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less cost to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Income and Expenditure.

f. Amounts Receivable

Amounts receivable 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 Income and Expenditure.

g. Foreign Currencies

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 Council's functional and present currency.

Transaction 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 into Euro at the rates of exchange prevailing at the date of the Statement of Affairs.

h. Profit and Losses

Only profits that were realised at the date of the Statement of Affairs 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.

i. Cash and Equivalents

Cash and Cash Equivalents are carried in the Statement of Affairs at face value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash in hand and balances held with banks.

j. Trade and other 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.

Trade and other amounts 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 company.

Notes to the Financial Statements for the year ended 31 December 2010 - continued

k. Related parties

Related parties to the Local Council comprise the Department for Local Government, the Joint Committee and other Government entities.

The related party that exercises a significant control is the Department for Local Government. Those that exercise no control are the Joint Committee and other Government entities such as Water Service Corporation.

l. Recognition and measurement

The council recognises a financial instrument in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Receivables are initially recognised at fair value. All regular way transactions in assets classified in the receivables category are accounted for using settlement date accounting, i.e. on the date an asset is delivered to or by the entity.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the council has transferred substantially all risks and rewards of ownership or has not retained control of the financial asset.

The council assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If there is objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Amounts due from related parties are recognised and carried at cost.

m. Critical accounting estimates and judgements

In preparing the financial statements, the Executive Secretary is required to make judgements, estimates and assumptions that effect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted for in the period the changes become known.

In the opinion of the executive secretary, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) – 'Presentation of financial statements'.

Hal Gharghur Local Council

Notes to the Financial Statements for the year ended 31 December 2010 - continued

3a Property, Plant and Equipment

Tangible Assets	Construction	Land and Buildings	Office Furniture / fittings	New Street Signs	Trees & Plants	Urban Improvements	Office Equipment	Plant & Machinery	Computer Equipment	Special Programmes	Total
Cost	€	€	€	€	€	€	€	€	€	€	€
At 1 January 2010	970,436	124,117	13,218	10,949	3,005	67,686	8,558	1,189	4,707	92,817	1,296,682
Additions	162,483	4,668	234	(162)	-	39,434	211	198	479	(500)	207,045
Disposals	(831,139)	(436)	(15,203)	(270)	(3,005)	(3,586)	(830)	(1,558)	571	804,479	(6,680)
Reclassification of Assets	301,780	112,224	28,655	14,475	-	109,652	9,461	18,247	5,757	896,796	1,497,050
At 31 December 2010	(411,166)	-	-	-	-	(3,010)	-	-	-	(65,730)	(479,906)
Grants and other reimbursements	(411,166)	-	-	-	-	(3,010)	-	-	-	(65,730)	(479,906)
At 31 December 2010	(411,166)	-	-	-	-	(3,010)	-	-	-	(65,730)	(479,906)
Accumulated Depreciation											
At 1 January 2010	(259,813)	(928)	(7,577)	(10,949)	(2,423)	(34,645)	(7,263)	(688)	(3,224)	(10,918)	(338,428)
Charge for the year	(29,250)	(1,238)	(420)	162	-	(4,084)	(242)	(111)	(335)	(1,497)	(37,015)
Depreciation on Disposals	622,547	436	(4,659)	270	2,423	3,586	830	1,558	(259)	6,680	(11,391)
Depreciation released on Impairment	333,484	(4,908)	(12,656)	(14,637)	-	(40,075)	(6,312)	(7,279)	(3,818)	(623,949)	(380,154)
At 31 December 2010	224,098	107,216	15,999	(162)	-	66,567	3,149	10,969	1,939	207,117	636,990
Net Book Value											
At 31 December 2010	224,098	107,216	15,999	(162)	-	66,567	3,149	10,969	1,939	207,117	636,990

Notes to the Financial Statements for the year ended 31 December 2010 - continued

3b Property, Plant and Equipment

Tangible Assets	Construction	Land and Buildings	Office Furniture / fittings	New Street Signs	Trees & Plants	Urban Improvements	Office Equipment	Plant & Machinery	Computer Equipment	Special Programmes	Total
Cost	€	€	€	€	€	€	€	€	€	€	€
At 1 April 2009	898,917	124,117	12,766	10,949	3,005	63,980	8,558	1,189	4,707	91,270	1,219,458
Additions	71,519	-	452	-	-	3,706	-	-	-	1,547	77,274
At 31 December 2009	970,436	124,117	13,218	10,949	3,005	67,686	8,558	1,189	4,707	92,817	1,296,682
Grants and other reimbursements											
At 1 April 2009	(411,564)	-	-	-	-	(3,010)	-	-	-	(65,730)	(510,304)
UIF Funds written back	30,398	-	-	-	-	-	-	-	-	-	30,398
At 31 December 2009	(411,166)	-	-	-	-	(3,010)	-	-	-	(65,730)	(479,906)
Accumulated Depreciation											
At 1 April 2009	(243,694)	-	(7,264)	(10,949)	(2,423)	(32,361)	(7,052)	(606)	(2,915)	(9,677)	(316,941)
Charge for the year	(16,119)	(928)	(313)	-	-	(2,284)	(211)	(82)	(399)	(1,237)	(21,483)
At 31 December 2009	(259,813)	(928)	(7,577)	(10,949)	(2,423)	(34,645)	(7,263)	(688)	(3,224)	(10,914)	(338,424)
Net Book Value											
At 31 December 2009	299,457	123,189	5,642	-	582	30,031	1,295	501	1,483	16,172	478,353

Notes to the Financial Statements for the year ended 31 December 2010 – continued

	2010	2009
	€	€
4 Receivables		
Trade receivables	8,584	2
Prepayments & Accrued Income	45,249	1,475
	<u>53,833</u>	<u>1,477</u>

	2010	2009
	€	€
Trade receivables		
Within the current period	53,833	1,477
Exceeded credit period but not yet impaired	-	-
	<u>53,833</u>	<u>1,477</u>

5 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance with banks. Cash and cash equivalents included in the statement of cash flow comprise the following amounts in the Local Council's statement of financial position:

	2010	2009
	€	€
Bank Balances:		
Ordinary funds	68,433	144,877
Cash in hand	233	116
Cash at bank and in hand	<u>68,666</u>	<u>144,993</u>

	2010	2009
	€	€
6 Long Term Payables		
PPP long term creditors	68,273	-
Deferred Income	93,305	-
	<u>161,578</u>	<u>-</u>

	2010	2009
	€	€
7 Payables		
Trade Creditors	17,330	11,267
Deferred UIF funds	40,218	30,374
Accruals	31,965	78,010
	<u>89,513</u>	<u>119,651</u>

Notes to the Financial Statements for the year ended 31 December 2010 – continued

	2010	2009
8 Funds received from Central Government	€	€
In terms of section 55 of the Local Councils Act (CAP 363)	212,970	145,483
Other Government income	<u>15,538</u>	<u>3,911</u>
	<u>228,508</u>	<u>149,394</u>
	2010	2009
9 Income raised under the Local Enforcement System	€	€
Income from contraventions	<u>1,505</u>	<u>942</u>
	<u>1,505</u>	<u>942</u>
	2010	2009
10 Investment income	€	€
Bank Interest Receivable	<u>322</u>	<u>173</u>
	<u>322</u>	<u>173</u>
	2010	2009
11 General Income	€	€
Permits	6,150	2,828
Tender Documents	3,201	-
UIF and other funds chargeable to the period	3,588	1,995
Sponsorships	-	360
Refunds - Green MT	1,260	-
General	3,202	1,593
WSC reinstatement	7,950	-
Libraries	<u>236</u>	<u>-</u>
	<u>25,587</u>	<u>6,776</u>
	2010	2009
12 Personal Emoluments	€	€
Personal emoluments include, inter alia:		
Mayor's Allowance	8,835	4,500
Councillor's Allowances	6,400	-
Executive Secretary salary and allowance	22,982	7,920
Employees' Salary and Allowances	33,115	18,566
Social Security Contributions	<u>4,188</u>	<u>1,873</u>
	<u>75,520</u>	<u>32,859</u>

Notes to the Financial Statements for the year ended 31 December 2010 – continued**13 Operations and Maintenance**

Operations and maintenance includes, inter alia:

	2010	2009
	€	€
Repairs and Upkeep:		
Road and Street Pavements (patching works)	3,202	9,817
Walkways	662	1,531
Street Signs	3,026	302
Road Markings	2,811	3,556
Others	7,728	3,090
Total	<u>17,428</u>	<u>18,296</u>

Contractual Services:

Refuse Collection (including bins on wheels)	29,139	17,593
Bulky Refuse Collection (including open skips)	2,969	2,327
Bring-in sites	565	2,631
Road and Street Cleaning (mechanical and manual)	15,823	11,340
Tipping fees	12,012	3,912
Cleaning and Maintenance of Public Conveniences	3,129	1,995
Cleaning and Maintenance of Parks and Gardens	2,460	1,813
eGovernment	1,707	140
Cleaning - Council Premises	591	370
Local Enforcement System expenses	-	61
Street Lighting	3,687	4,101
	<u>72,082</u>	<u>46,283</u>
Total Operations and Maintenance Expenses	<u>89,510</u>	<u>64,579</u>

14 Administration and other expenditure

	2010	2009
	€	€
Utilities	6,526	3,363
Materials & Supplies	2,190	2,363
Rent	2,667	2,058
National and International Memberships	384	248
Office Services	1,604	3,453
Transport and travel	1,054	233
Information services (including library)	3,080	3,288
Professional Services	7,668	3,634
Insurance	1,992	1,671
Community and Hospitality	14,398	13,074
Training	60	-
Sundry expenses	348	38
- Depreciation	37,016	21,483
	<u>78,987</u>	<u>54,906</u>

Notes to the Financial Statements for the year ended 31 December 2010 – continued

14 Capital Commitments

The Council has Capital commitments are as follows:

	2010	2009
	€	€
Roads Resurfacing		30,000
Road resurfacing PPP - 2011	72,837	-
Road resurfacing PPP - 2012 to 2019	185,309	-
Public Convenience	-	6,000
Urban/other Improvements	-	20,000
Photovoltaic Panels	-	10,000
	<u>258,146</u>	<u>66,000</u>

All commitments have been accounted for in the financial statements under long term liabilities. These included the amounts relating to the Private Public Partnership project for resurfacing works that have been completed but will be paid over a period of 8 years the final payment being made in 2019.

15 Contingencies

The council forms part of a Local Enforcement Pooling System, profits or losses generated from which system cannot be quantified at year end and have been excluded from these financial statements.

16 Related Parties

The ultimate controlling party of the local 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, Councils also receive funds relating to specific projects as well as other funds for the improvement and betterment of the locality.

The Council also receives revenue from other Government entities such as Water Services Corporation for trenching works carried out in the locality, and for the reinstatement of roads as a result of the trenching works.

17 Prior Year Adjustment

During 2010 an exercise was carried out on the fixed asset register of the council. The asset register was revised, whereby the assets were reclassified and reviewed for impairment. Some assets from previous years that were no longer in use were written off. The depreciation adjustment upon reconstruction of the Fixed Assets Register was treated as a Prior Year Adjustment.