

Ghajnsielem Local Council
Annual Report and Financial Statements
For the year ended 31 December 2024

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**Statement of Local Council Members' and Executive Secretary's Responsibilities
For the year ended 31 December 2024**

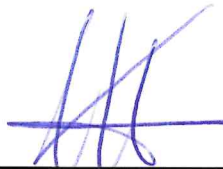
The Local Councils (Financial) Regulations require the Executive Secretary to prepare a detailed annual administrative report which includes the Local Council's statement of comprehensive income for the year and of the Council's retained funds at the end of year. By virtue of the same regulations it 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 Councils (Financial) Regulations, and the Local Councils (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, the Local Councils (Financial) Regulations, and the Local Councils (Financial) Procedures. The Executive Secretary is also responsible for safeguarding the assets of the Local 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 19/2/2025 and signed on its behalf by:



Kevin Cauchi
Mayor



Lucienne Haber
Executive Secretary

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 €	2023 €
Revenue			
Funds Received from Central Government	4	464,472	459,839
Income raised under the Local Enforcement System	5	2,666	2,717
General Income	6	168,573	257,849
		<u>635,711</u>	<u>720,405</u>
Expenditure			
Personal Emoluments	7	(168,693)	(148,662)
Operations and Maintenance	8	(130,444)	(103,617)
Administration and Other Expenditure	9	(370,654)	(528,496)
		<u>(669,791)</u>	<u>(780,775)</u>
Operating Loss for the year	7	(34,080)	(60,370)
Finance Income	10	129	106
Total Loss for the year		<u>(33,951)</u>	<u>(60,264)</u>

The notes on pages 8 to 22 are an integral part of the Financial Statements.

Statement of Financial Position
For the year ended 31 December 2024


	Notes	2024 €	2023 <i>Restated</i> €
ASSETS			
Non Current Assets			
Property, plant and equipment	11	503,107	684,890
Total non-current assets		<u>503,107</u>	<u>684,890</u>
Current Assets			
Receivables	12	701,754	647,178
Cash and cash equivalents	13	545,483	688,141
Total current assets		<u>1,247,237</u>	<u>1,335,319</u>
TOTAL ASSETS		<u>1,750,344</u>	<u>2,020,209</u>
RESERVES AND LIABILITES			
Reserves			
Accumulated fund		624,017	657,968
Total reserves		<u>624,017</u>	<u>657,968</u>
LIABILITIES			
Non-Current Liabilities			
Deferred Income	14	603,067	453,066
Current Liabilities			
Payables	15	523,260	909,175
Total liabilities		<u>1,126,327</u>	<u>1,362,241</u>
TOTAL RESERVES AND LIABILITIES		<u>1,750,344</u>	<u>2,020,209</u>

The notes on pages 8 to 22 are an integral part of the Financial Statements.

These financial statements were approved by the Local council on 19/2/2025 and signed on its behalf by:



Kevin Cauchi
Mayor



Lucienne Haber
Executive Secretary

Statement of Changes in Reserves

For the year ended 31 December 2024

	Accumulated Funds €
At 1 January 2023	623,242
Total Loss for the year	(60,264)
Prior Year Adjustment	94,990
At 31 December 2023	<u>657,968</u>
At 1 January 2024	657,968
Total Loss for the year	(33,951)
At 31 December 2024	<u>624,017</u>

The notes on pages 8 to 22 are an integral part of the Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024	2023
		€	<i>Restated</i> €
Cash flow from operating activities			
Total profit for the year		(33,951)	(60,264)
Reconciliation to cash generated from operations:			
Depreciation		80,383	149,312
Movement in provision for bad debts		6,582	9,732
Interest Receivable		(129)	(106)
Prior Year Adjustment		-	94,990
		-----	-----
Operating profit before working capital changes		52,885	193,664
Increase in receivables		(54,576)	(112,220)
Decrease in payables		(124,857)	(73,840)
		-----	-----
Cash (used in) / generated from operating activities		(126,549)	7,604
		-----	-----
Cash flows from investing activities			
Interest received		129	106
Purchase of property, plant and equipment		(515,912)	(507,452)
Receipt of Grants		404,684	651,985
		-----	-----
Cash (used in) / generated from investing activities		(111,099)	144,639
		-----	-----
Net (decrease)/increase in cash in the year		(237,648)	152,243
Cash and cash equivalents at beginning of year		783,131	630,888
		=====	=====
Cash and cash equivalents at end of year	13	545,483	783,131
		=====	=====

The notes on pages 8 to 22 are an integral part of the Financial Statements.

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

1 General Information

The Ghajnsielem Local Council is the local authority of Ghajnsielem set up in accordance with the Local Councils Act (1993). The office of the Local Council is situated at JF De Chambray, Ghajnsielem. These financial statements were approved for issue by the Council Members on _____. The Local Council's presentation as well as functional currency are denominated in €.

2 Material Accounting Policy Information

The accounting policies that are material to the Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting convention

These financial statements are prepared under the historical cost convention, as modified to include fair values where it is stated in the accounting policies below. These financial statements are prepared in accordance with the provisions of the Local Councils Act Cap 363, the Financial Regulations issued in terms of this Act and the Local Councils (Financial) Procedures 1996 enacted in Malta and with the requirements of the International Financial Reporting Standards (IFRS Accounting Standards) as adopted

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).

New or amended standards adopted by the Local Council

The following amended standards became applicable for the current reporting period:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The term 'significant' was replaced with 'material' in the context of disclosing accounting policy information. In assessing the materiality of the accounting policy information the Council considers the size of transactions, other events or conditions and their nature.

The Council adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee and endorsed by the EU that are mandatory for the current reporting period. The adoption of these amendments to the requirements of IFRS Accounting Standards as adopted by the EU did not result in substantial changes to the Council's accounting policies impacting the Council's financial performance and position.

Notes to the Financial Statements

For the year ended 31 December 2023 (cont'd)

New or amended accounting standards, and interpretations issued by not yet effective

At the end of the reporting period, certain new standards, interpretations and amendments thereto, were in issue and endorsed by the EU, but not yet effective for the current financial year. There have been no instances of early adoption of standards, interpretations or amendments ahead of their effective date. The Council anticipates that the adoption of the new standards, interpretations or amendments thereto, will not have a material impact on the financial statements upon initial application.

Intangible Asset

Computer software is valued at cost less accumulated depreciation and impairment losses to date. Depreciation to write off the cost is calculated on a monthly basis using the straight line method at 20% per annum.

Property, plant and equipment

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

	%
Land	0%
Trees	0%
Buildings	1%
Office furniture and fittings	7.5%
Construction works	10%
Urban Improvements	10%
Special Programmes	10%
Office Equipment	20%
Motor Vehicles	20%
Plant and Machinery	20%
Computer equipment	25%
Plants	100%
Litter Bins	Replacement Basis
Playground Furniture	100%
Traffic Signs	Replacement Basis
Road Signs	Replacement Basis
Street Mirrors	Replacement Basis
Street Lights	100%

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. The residual values and useful lives of the assets are reviewed and adjusted as appropriate, at each Statement of Financial Position date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2024 (cont'd)

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 costs to sell and the value in use. Impairment losses are immediately recognised as an expense in the Statement of Comprehensive Income.

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 amount of the asset and 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.

Revenue

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

Income from central government is not recognised until there is reasonable assurance that the Council will comply with any conditions attached to it, and that the income will be received. The received income is to be recorded gross and any deductions made for non compliance are to be disclosed separately with expenses.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires deducting it from the carrying amount of the asset, using the capital approach.

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 €, which is the Council's functional and presentation currency.

Transactions denominated in foreign currencies are translated into € at the rates of exchange in operation on the dates of the 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 Financial Position.

Financial Instrument

Financial assets and financial liabilities are recognised when the 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 expired.

Notes to the Financial Statements

For the year ended 31 December 2024 (cont'd)

Financial Instrument (cont'd)

Financial assets and financial liabilities are measured initially at fair value plus transaction costs. They are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets of the Council are classified into financial assets at amortised cost upon initial recognition.

Financial assets at amortised cost are subject to review for impairment at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to loans and receivables are presented within 'finance income' or 'finance costs', except for impairment of receivables which is presented within 'administration and other expenditure'.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other available features of shared credit risk characteristics. The percentage of the write down is then based on recent historical counterparty default rates at each identified group.

Financial Liabilities

The Council's financial liabilities includes other payables. These are stated at their nominal account which is a reasonable approximation of fair value.

All interest-related charges are included within 'finance costs'.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historic experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the Council, the accounting estimates and judgements made in the preparation of the financial statements are not difficult, subjective or complex, to a degree that would warrant their description as critical in terms of the requirements of IAS1 (revised) - 'Presentation of Financial Statement'.

4 Funds received from central government

	2024	2023
	€	€
In terms of section 55 of the Local Councils Act	458,472	413,189
Supplementary government income	6,000	3,000
Other government income	-	43,650
	-----	-----
	464,472	459,839
	=====	=====

5 Income raised under the Local Enforcement System

	2024 €	2023 €
Administration Income from Contraventions	2,666	2,717
	<u>2,666</u>	<u>2,717</u>
	=====	=====

6 General Income

	2024 €	2023 €
Permits	20,494	13,401
EU funding	-	168,043
Community and Cultural Events	96,778	23,774
Community Inclusive Employment Scheme	47,373	43,022
Contributions and other income	3,928	9,609
	<u>168,573</u>	<u>257,849</u>
	=====	=====

7 Operating Loss for the year

	2024 €	2023 €
Operating Loss for the year is stated after charging:		
Staff Salaries	168,693	153,189
Depreciation of property, plant and equipment	80,383	149,312
	<u>249,076</u>	<u>302,501</u>
	=====	=====

	2024 €	2023 €
<i>Staff Salaries</i>		
Mayor's Remuneration	11,330	11,079
Mayor and Councillors' Allowances	13,000	13,000
Executive Secretary salary and allowances	44,693	38,000
Employees' Salaries	87,780	76,587
Social security contributions	11,890	9,996
	<u>168,693</u>	<u>148,662</u>
	=====	=====

Average number of persons employed

Employees	7	7
Mayor and Councillors	<u>5</u>	<u>5</u>
	-----	-----

8 Operations and Maintenance

	2024 €	2023 €
<i>Repairs and upkeep</i>		
Road and street pavements	1,204	3,835
Street signs	3,782	2,852
Road markings	473	211
Equipment repairs	-	177
Other repairs and upkeep	8,435	3,152
	----- 13,893	----- 10,227
	=====	=====
<i>Contractual services:</i>		
Refuse collection	78,558	64,473
Bulky refuse collection	6,707	5,057
Road and street cleaning	20,466	15,755
Cleaning and maintenance of public conveniences	3,097	3,703
Cleaning and maintenance of parks and gardens	6,666	4,402
Cleaning council offices	-	-
Street lighting	1,056	-
	----- 116,551	----- 93,390
	=====	=====
Total operations and maintenance expenses	----- 130,444	----- 103,617
	=====	=====

9 Administration and other expenditure

	2024 €	2023 €
Utilities	10,285	9,090
Materials and supplies	48,418	53,037
Rent	7,459	10,386
National and international	500	500
Office services	17,984	14,692
Transport	8,193	6,044
Overseas travel	1,230	3,369
Information services	10,526	5,893
Other contractual services	70	7,394
Professional services	57,646	104,856
Training costs	3,840	3,263
Community and hospitality	99,724	137,106
Depreciation	80,383	149,312
Impairment of receivables	6,582	9,732
Lease of equipment	17,815	13,823
	----- 370,654	----- 528,496
	=====	=====

10 Finance Income

	2024 €	2023 €
Bank Interest receivable	----- 129	----- 106
	=====	=====

11 Property, plant and equipment
a)

	Assets under Construction	Buildings	Office Furniture & Fittings	New Street Signs	Urban Improvements	Computer Equipment	Plant and Machinery	Motor Vehicles	Special Programmes	Trees	Total
	€	€	€	€	€	€	€	€	€	€	€
Cost											
At 1 January 2023	406,333	236,750	29,229	13,246	337,979	13,797	54,324	66,552	1,777,476	3,972	2,939,658
Additions	440,576	-	540	-	56,330	-	4,436	-	4,532	1,038	507,452
Reallocations	(496,665)	-	-	-	-	-	-	-	496,665	-	-
Write offs	-	-	-	(13,246)	-	-	-	-	-	-	(13,246)
At 31 December 2023	350,244	236,750	29,769	-	394,309	13,797	58,760	66,552	2,278,673	5,010	3,433,864
Depreciation											
At 1 January 2023	-	13,707	17,265	13,246	221,059	12,958	40,568	30,599	609,173	-	958,575
Charge for the year	-	-	1,467	-	53,950	312	2,401	4,425	86,757	-	149,312
Write off	-	-	-	(13,246)	-	-	-	-	(94,990)	-	(108,236)
At 31 December 2023	-	13,707	18,732	-	275,009	13,270	42,969	35,024	600,940	-	999,651
Grants											
At 1 January 2023	404,244	223,043	-	-	40,981	-	9,573	28,527	759,361	-	1,465,739
Receipt of grant	277,059	-	-	-	5,487	-	-	-	1,038	-	283,584
Reclassification	(340,968)	-	-	-	-	-	-	-	340,968	-	-
At 31 December 2023	340,335	223,043	-	-	46,478	-	9,573	28,527	1,101,367	-	1,749,323
Net Book Amount											
At 31 December 2023	9,909	-	11,037	-	72,822	527	6,218	3,001	576,366	5,010	684,890

11 Property, plant and equipment
b)

	Assets under Construction	Buildings	Office Furniture & Fittings	New Street Signs	Urban Improvements	Computer Equipment	Plant and Machinery	Motor Vehicles	Special Programmes	Trees	Total
	€	€	€	€	€	€	€	€	€	€	€
Cost											
At 1 January 2024	350,244	236,750	29,769	-	394,309	13,797	58,760	66,552	2,278,673	5,010	3,433,864
Additions	226,639	-	115	-	-	-	8,809	-	268,586	11,763	515,912
Reallocations	(350,244)	-	-	-	6,169	-	-	-	344,075	-	-
Write off									(212,628)		(212,628)
At 31 December 2024	226,639	236,750	29,884	-	400,478	13,797	67,569	66,552	2,678,706	16,773	3,737,148
Depreciation											
At 1 January 2024	-	13,707	18,732	-	275,009	13,270	42,969	35,024	600,940	-	999,651
Charge for the year			1,477		12,022	176	1,552	3,001	62,155	-	80,383
At 31 December 2024	-	13,707	20,209	-	287,031	13,446	44,521	38,025	663,095	-	1,080,034
Grants											
At 1 January 2024	340,335	223,043	-	-	46,478	-	9,573	28,527	1,101,367	-	1,749,323
Receipt of grant	226,639	-	-	-	-	-	10,413	-	164,444	3,188	404,684
Reallocations	(340,335)	-	-	-	5,487	-	-	-	334,848	-	-
At 31 December 2024	226,639	223,043	-	-	51,965	-	19,986	28,527	1,600,659	3,188	2,154,007
Net Book Amount											
At 31 December 2024	-	-	9,675	-	61,482	351	3,062	-	414,952	13,585	503,107

12 Receivables

		2024	2023
		€	€
Amounts receivable	<i>Note</i>	3,692	8,518
Prepayments and accrued income		698,061	633,870
Other receivables		-	1,790
Bank Guarantee		-	3,000
		<u>701,754</u>	<u>647,178</u>
		=====	=====

Amounts receivable

General receivables are analysed as follows:

		2024	2023
		€	€
Within credit period		-	-
Exceeded credit period but no impaired		3,692	8,518
		<u>3,692</u>	<u>8,518</u>
		=====	=====

Note

Receivables are net of provision for doubtful debts of Eur 34,281 (2022: Eur 27,700)

13 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following Statement of Financial Position amounts:

		2024	2023
		€	€
Bank Balances		545,483	688,141
Cash in Hand		-	-
		<u>545,483</u>	<u>688,141</u>
		=====	=====

14 Deferred Income

		2024	2023
		€	€
Deferred income for more than 1 year		603,067	453,066
		<u>603,067</u>	<u>453,066</u>
		=====	=====

15 Payables

		2024	2023
		€	€
Accounts payables		55,954	258,055
Accruals		324,248	202,105
Other payables		23,543	960
Short term deferred income		119,514	448,055
		<u>523,260</u>	<u>909,175</u>
		=====	=====

15 Capital commitments

	2024 €	2023 €
Total capital commitments	1,579,777	1,492,218
	=====	=====
(i) Approved but not yet contracted for:		
Resurfacing works in Triq Hamri	-	-
Valley Storm Water management	-	-
Ampa Interreg Italia	-	-
Restoration of Wied ir-Rghajjes	300,000	300,000
Accessibility and Mobility scheme	85,000	85,000
CCTV's	-	10,413
(ii) Approved and contracted for:		
Qighan Project	-	37,974
Primary School Urban Greening Project	78,353	78,353
Project Green	906,132	906,132
Corallo Project	-	42,118
JF De Chambray Garden	40,950	-
Mgarr Publice Convenience	65,000	-
Zuntier ta Lourdes	80,000	-
Arch	24,342	-
Maintenance projects	-	32,228
	-----	-----
	1,579,777	1,492,218
	-----	-----

Note

Resurfacing works to be carried out will be fully financed by UIF funds.

Note

Special Projects will be partly financed by government entities and EU funds.

16 Related Parties Disclosures

During the year under review, the Council carried out transactions with the following related parties:

<i>Name of entity</i>	<i>Nature of relationship</i>
Department of Local Councils	Significant control
Gozo Regional Committee	Joint control
LESA	No control
Central Regional Committee	No control
North Regional Committee	No control
South Eastern Regional Committee	No control
South Regional Committee	No control
Police General Head Quarters	No control
Malta Environment and Planning Authority	No control
Water Services Corporation	No control
Enemalta Corporation	No control
Department of Agriculture	No control
Director General - Works Division	No control
Department of Lands	No control
Department of Inland Revenue	No control
Airmalta plc	No control

Bank of Valletta plc	No control
Wasteserv Malta Limited	No control
Kunsill Malti għall-iSports	No control
Mitts Limited	No control
Ministry for the Family and social solidarity	No control
Malta Communications Authority	No control
Green MT	No control

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

	2024 €	2023 €
Annual Financial Allocation	458,472 =====	413,189 =====

Key management compensation

Transactions with key management personnel are disclosed in note 6.

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, Councils also receive funds to specific projects as well as other funds for the improvement and betterment of the locality.

17 Financial 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.

Credit Risk

Financial assets which potentially subject the Council to concentrations of credit risk consist principally of cash at bank and receivables. 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 receivables 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.

The maximum exposure to credit risk for amounts receivable at the reporting date, net of impairment losses, by type of customer is as follows:

Receivables from related parties	€ 3,692 =====
----------------------------------	---------------------

Capital management

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

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

Capital management (cont'd)

To achieve the above, the Council carries out a quarterly review of the working capital ratio ('Financial Situation Indicator'). This ratio was positive at the reporting date and has not changed significantly from the previous year. 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.

Liquidity risk

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 curtail current obligations as well as future 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 and cash equivalents the amount of €545,843. This should ensure an ongoing working capital of the Council for the next 12 months. The Council resulted in a net asset position of €120,911 which signifies that there is no adequate headroom available to cover present liabilities as well as short term obligations and commitments arising.

Foreign currency risk

Foreign currency transactions arise when the Council buys or sells goods whose prices is denominated in a foreign currency, or incurs or settles liabilities, denominated in a foreign currency. The Council does not trade in any foreign currencies.

Interest rate risk

Interest rate risk mainly arises through interest bearing liabilities and assets. The objective of interest rate risk management is to optimise the balance between minimizing uncertainty caused by fluctuations in interest rates and maximising the net interest income and expense.

18 Summary of the financial assets and liabilities by category

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

	2024	2023
	€	€
<i>Current Assets</i>		
Trade and other receivables	701,754	647,178
Cash and cash equivalents	545,483	688,141
	<u>1,247,237</u>	<u>1,335,319</u>
	=====	=====
<i>Current Liabilities</i>		
Financial liabilities measured at amortised costs:		
Payables	523,260	909,175
	<u>523,260</u>	<u>909,175</u>
	=====	=====

19 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.

20 Prior Year Adjustment

The Council has adjusted the accumulated depreciation calculations of the previous years according to its Fixed Asset Register.

In view of this, the Financial Statements for the year ended 31 December 2023 have been restated to reflect this correction.

	2023 Originally Reported	Adjustment	2023 Restated
	€	€	€
Property, plant and equipment	515,344	94,990	610,334
Retained earnings	562,978	94,990	657,968