



MOSTA

MOSTA LOCAL COUNCIL

Annual Report

and

Financial Statements

for the year ended 31 December 2024



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Prepared by

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ANNUAL REPORT AND FINANCIAL STATEMENTS

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 a statement of the Local Council's 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 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, the Local Council (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 Local Council on the 24th June 2025 and signed on its behalf by



Joseph Gatt
Mayor



Jeremy Bartolo
Acting Executive Secretary

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024 €	2023 €
Income	<i>Notes</i>		
Funds received from Central Government	5	1,661,367	1,542,918
Income raised under Local Council Bye-Laws	6	26,675	23,864
Income raised under Local Enforcement System	7	39,508	16,602
General Income	8	152,270	116,931
		<u>1,879,820</u>	<u>1,700,315</u>
Expenditure			
Personal emoluments	10	(380,865)	(341,214)
Operations and maintenance	11	(1,309,513)	(1,088,103)
Administrative and other expenditure	12	(672,320)	(588,165)
		<u>(2,362,698)</u>	<u>(2,017,482)</u>
Operating Deficit for the year		(482,878)	(317,167)
Finance income	13	179	144
		<u>179</u>	<u>144</u>
Deficit for the year		<u>(482,699)</u>	<u>(317,023)</u>

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024 €	2023 €
ASSETS			
Non-current assets			
Intangible assets	15	650	1,301
Property, plant and equipment	16	<u>1,751,887</u>	<u>1,418,598</u>
		<u>1,752,537</u>	<u>1,419,899</u>
Current Assets			
Inventories	14	2,758	2,772
Receivables	17	470,574	524,421
Cash and cash equivalents	18	<u>325,983</u>	<u>419,439</u>
		<u>799,315</u>	<u>946,632</u>
Total assets		<u><u>2,551,852</u></u>	<u><u>2,366,531</u></u>
EQUITY AND LIABILITIES			
Reserves			
Retained fund		<u>569,975</u>	1,052,674
		<u>569,975</u>	<u>1,052,674</u>
Non-Current Liabilities			
Borrowings	19	<u>378,924</u>	150,000
		<u>378,924</u>	<u>150,000</u>
Current Liabilities			
Payables	19	1,430,182	982,155
Deferred income	20	<u>172,771</u>	<u>181,702</u>
		<u>1,602,953</u>	<u>1,163,857</u>
Total Equity and Liabilities		<u><u>2,551,852</u></u>	<u><u>2,366,531</u></u>

These financial statements were approved by the Local Council on the 24th June 2025 and signed on its behalf by:



 Joseph Gatt
 Mayor

 

 Jeremy Bartolo
 Acting Executive Secretary

The notes on pages 8 to 24 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Retained Funds €
At 1 January 2023	1,369,697
Loss for the year 2023	(317,023)
	<hr/>
At 31 December 2023	1,052,674
	<hr/> <hr/>
At 1 January 2024	1,052,674
Loss for the year 2024	(482,699)
	<hr/>
At 31 December 2024	596,975
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STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024	2023
	€	€
	<i>Notes</i>	
Cash flows from Operating Activities		
Loss for the year	(482,699)	(317,023)
Reconciliation to cash generated from operations:		
Depreciation and amortisation	15,16 157,810	135,895
Increase/(decrease) in provision for doubtful debtors	17 16,232	(736)
Accounts written off	(4,890)	-
Interest receivable	13 (179)	(144)
Operating profit before working capital changes	(313,726)	(182,008)
Decrease in inventories	14	14
Decrease/(increase) in receivables	42,505	(67,174)
Increase in payables	439,096	63,266
Cash generated from / (used in) operating activities	167,889	(185,902)
Cash flows from Investing Activities		
Interest received	179	144
Purchase of property, plant & equipment	16 (833,989)	(697,217)
Receipt of grants	343,541	217,292
Cash (used in) investing activities	(490,269)	(479,781)
Cash flows from Financing activities		
Increase in long term liabilities	228,924	-
Cash generated from financing activities	228,924	-
Net decrease in cash and cash equivalents	(93,456)	(665,683)
Cash and Cash Equivalents at the Beginning of the year	419,439	1,085,122
Cash and Cash Equivalents at the End of the year	18 325,983	419,439

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The notes on pages 8 to 24 form an integral part of these financial statements

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

1. General Information

The Mosta Local Council is the local Authority of Malta set up in accordance with the Local Councils Act, 1993. The office of the Local Council is situated at Civic Centre, Constitution Street, Mosta, MST9059.

These financial statements were approved for issue by the Council Members on the 24th June 2025. The Local Council's presentation as well as functional currency is denominated in Euro (€).

2. Reporting Procedures

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 as adopted by the European Union (EU).

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 revised Standards or Interpretations

New standards adopted as at 1 January 2024

Some accounting pronouncements which have become effective from 1 January 2024 and have therefore been adopted are:

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

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

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

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Local Council and no Interpretations have been issued that are applicable and need to be taken into consideration by the Local Council.

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

- Lack of Exchangeability (Amendments to IAS 21),
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7),
- IFRS 18 'Presentation and Disclosure in Financial Statements'; and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

None of these Standards or amendments to existing Standards have been adopted early by the Local Council and no Interpretations have been issued that are applicable and need to be taken into consideration by the Local Council.

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

2. Reporting Procedures (cont.)

With the exception of IFRS 18, these amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made. The Local Council will assess the impact on disclosures from the initial adoption of IFRS 18. IFRS 18 will be effective for annual reporting period beginning on or after 1 January 2027. The Local Council is not expected to early adopt this new standard.

3. Material Accounting Policies

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

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

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 (Street Furniture)	10
Special Projects	10
Office Equipment	20
Motor Vehicles	20
Plant and Machinery	20
Computer Equipment	25
Plants	100
Playground Furniture	100
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.

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.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes freight, handling and other direct costs. Costs of inventories include the transfer from retained funds of any gains/losses on qualifying cash flow hedges relating to purchases of stock items. However, borrowing costs and foreign exchange differences are excluded. Net realisable value is the price at which stocks can be sold in the course of Council activities less anticipated costs of selling.

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

3. Material Accounting Policies (cont.)

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of amounts receivable is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying 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.

Payables

Payables are classified as current and non-current liabilities and are stated at their nominal value unless the effect of discounting is material in which case other payables are measured at amortised cost using the effective interest method.

Financial instruments

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions of a 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. Financial assets and financial liabilities are measured initially at fair value plus transactions costs. They are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets of the Council are classified into loans and receivables upon initial recognition.

Receivables are subject to review for impairment at least 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 administrative and other expenditure'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Council's other receivables fall into this category of financial instruments.

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 for each identified group.

Financial liabilities

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

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

Related parties

Related parties are those persons or bodies of persons having relationships with the Council as defined in International Accounting Standard No. 24.

Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

3. Material Accounting Policies (cont.)

Revenue

Revenue is recognised when there are no significant uncertainties concerning the derivation of consideration or associated costs and it can be measured reliably. 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.

Local Enforcement System

As from 2015, the income recognised in the Statement of Comprehensive Income was derived from the Local Enforcement System Agency, which income consists of administration fee of 10% of cash collected on behalf of LESA or the Regional Committee

Government grants

Government grants relating to operating expenditure are recognized 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.

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 € at the rates of exchange prevailing at the date of the Statement of Financial Position.

Profits and losses

Only profits that were realised at the date of the statement of 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.

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.

Capital Management

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

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

To achieve the above, the Council carries out a quarterly review of the working capital ratio ("Financial Situation Indicator"). This ratio was positive at the reporting date. 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.

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

4. Judgments in applying accounting policies and key sources of estimation

Estimates and judgements are continually evaluated and based on historical 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 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.

5. Funds received from Central Government

	2024	2023
	€	€
In terms of section 55 of the Local Councils Act	1,610,659	1,449,800
Other Government Income	50,708	93,118
	<u>1,661,367</u>	<u>1,542,918</u>

6. Income raised under Local Council Bye-Laws

	2024	2023
	€	€
Income from skip permits	994	2,758
Use of facilities	25,681	21,106
	<u>26,675</u>	<u>23,864</u>

7. Income raised under Local Enforcement System

	2024	2023
	€	€
Administrative charge to LESA	7,486	7,527
Contraventions and other fines	32,022	9,075
	<u>39,508</u>	<u>16,602</u>

8. General Income

	2024	2023
	€	€
Cultural Events	23,497	6,146
Income from Permits	128,773	110,785
	<u>152,270</u>	<u>116,931</u>

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

9. Deficit for the year

	2024	2023
	€	€
Profit for the year is stated after charging		
Mayor's remuneration	21,401	20,927
Staff salaries	359,464	320,288
Depreciation and amortisation	157,810	136,249
Movement in provision for doubtful debts	16,232	(736)
	<u> </u>	<u> </u>

10. Personal Emoluments

	2024	2023
	€	€
Mayor's remuneration	21,401	20,927
Councillors' allowances	32,200	32,150
Executive secretary salary and allowances	44,068	43,697
Employees' salaries	243,948	209,390
Social security contributions	25,486	21,932
Overtime	13,762	13,118
	<u> </u>	<u> </u>
	380,865	341,214

The average number of persons employed by the Council during the year was as 13 (2023: 12).

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

11. Operations and maintenance

	2024	2023
	€	€
<i>Repairs and upkeep:</i>		
Patching and pavements	41,908	32,228
Repairs to public property	62,659	120,334
Signs	38,165	21,781
Road markings	55,774	59,966
Plant and machinery	21	713
Handyman repairs and upkeep	36,431	53,856
	<u>234,958</u>	<u>288,878</u>
<i>Contractual services:</i>		
Refuse Collection	658,200	405,691
Bulky Refuse Collection	37,514	38,092
Road & Street Cleaning	154,482	179,988
Cleaning & Maintaining Non-Urban	-	1,377
Cleaning - Public Conveniences	6,310	8,115
Cleaning - Council Premises	-	3,741
Cleaning & Maintaining Parks & Gardens	149,130	153,610
Street Lighting	56,527	4,012
LES related expenditure	12,392	4,599
	<u>1,074,555</u>	<u>799,225</u>
Total Operations and Maintenance Costs	<u>1,309,513</u>	<u>1,088,103</u>

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

12. Administrative and other expenditure

	2024	2023
	€	€
Utilities	19,022	16,166
Other repairs and upkeep	23,612	22,626
Rent	44,939	43,632
National and international memberships	345	250
Office services	5,715	3,420
Transport	1,170	717
Insurance coverage	4,856	6,634
Bank charges	1,497	2,394
Professional services	64,197	35,656
Studies and consultation	14,573	46,266
Social and cultural events	4,685	19,389
Conference expenses	-	13,891
Community services	312,436	231,284
Sundry minor expenses	-	2,355
Provision for doubtful debtors	16,232	(736)
Public relations expenses	1,221	6,790
Permits and licenses	10	1,182
Depreciation	157,810	136,249
	<u>672,320</u>	<u>588,165</u>

13. Finance Income

	2024	2023
	€	€
Bank interest receivable	179	144
	<u>179</u>	<u>144</u>

14. Inventories

	2024	2023
	€	€
Books and other publications	<u>2,758</u>	<u>2,772</u>

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

15. Intangible assets

	Computer software €	Total €
Cost		
At 1 January and 31 December 2024	5,735	5,735
Depreciation		
At 1 January 2024	4,434	4,434
Charge for the year	651	651
At 31 December 2024	5,085	5,085
Net Book value at 31 December 2024	650	650
	Computer software €	Total €
Cost		
At 1 January and 31 December 2024	5,735	5,735
Depreciation		
At 1 January 2023	3,783	3,783
Charge for the year	651	651
At 31 December 2023	4,434	4,434
Net Book value at 31 December 2023	1,301	1,301

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MOSTA LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

16. Property, plant and equipment

	Trees	Computer equipment	Office equipment	Street signs mirrors & lights	Urban Improvements	Plant, & machinery	Office Furniture & fittings	Construction works	Special Programmes	Total
	€	€	€	€	€	€	€	€	€	€
Cost										
At 1 January 2024	122,057	13,013	191,062	128,450	462,331	81,522	193,327	3,355,177	4,011,161	8,558,100
Additions	177,004	940	5,067	-	586,422	680	-	3,901	112,288	886,302
Reversal								(52,313)		(52,313)
At 31 December 2024	299,061	13,953	196,129	128,450	1,048,753	82,202	193,327	3,356,765	4,123,449	9,392,089
Depreciation										
At 1 January 2024	-	10,076	161,981	128,450	364,418	52,897	168,389	2,707,337	697,281	4,290,829
Charge for the year	-	1,548	5,473	-	15,473	352	1,985	78,143	54,185	157,159
At 31 December 2024	-	11,624	167,454	128,450	379,891	53,249	170,374	2,785,480	751,466	4,447,988
Grants										
At 1 January 2024	-	-	9,308	-	15,337	26,308	-	-	2,797,720	2,848,673
Received	-	-	-	-	343,541	-	-	-	-	343,541
At 31 December 2024	-	-	9,308	-	358,878	26,308	-	-	2,797,720	3,192,214
Net Book values										
At 31 December 2024	299,061	2,329	19,367	-	309,894	2,645	22,953	521,288	574,263	1,751,887

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MOSTA LOCAL COUNCIL

Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

16. Property, plant and equipment

	Trees	Computer equipment	Office equipment	Street signs mirrors & lights	Urban Improvements	Plant, machinery & machinery	Office Furniture & fittings	Construction works	Special Programmes	Total
	€	€	€	€	€	€	€	€	€	€
Cost										
At 1 January 2023	37,316	13,013	182,468	128,450	442,099	77,544	185,710	3,106,704	3,687,579	7,860,883
Additions	84,741	-	8,594	-	20,232	3,978	7,617	248,473	323,582	697,217
At 31 December 2023	122,057	13,013	191,062	128,450	462,331	81,522	193,327	3,355,177	4,011,161	8,558,100
Depreciation										
At 1 January 2023	-	8,608	156,638	128,450	354,297	52,544	166,547	2,637,417	650,730	4,155,231
Charge for the year	-	1,468	5,343	-	10,121	353	1,842	69,920	46,551	135,598
At 31 December 2023	-	10,076	161,981	128,450	364,418	52,897	168,389	2,707,337	697,281	4,290,829
Grants										
At 1 January 2023	-	-	9,308	-	15,337	25,000	-	-	2,682,951	2,732,596
Received	-	-	-	-	-	1,308	-	-	114,769	116,077
At 31 December 2023	-	-	9,308	-	15,337	26,308	-	-	2,797,720	2,848,673
Net Book values										
At 31 December 2023	122,057	2,937	19,773	-	82,576	2,317	24,938	647,840	516,160	1,418,598

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

17. Receivables

	2024	2023
	€	€
Receivables	29,579	33,304
Provision for bad debts	(20,859)	(9,795)
Accrued income	451,703	492,061
Prepayments	10,151	8,851
	<u>470,574</u>	<u>524,421</u>

Receivables

General receivables are analysed as follows:

	2024	2023
	€	€
Within credit period	453,810	517,305
Exceeded credit period but not impaired	27,472	8,060
Impaired and provided for	369,981	335,503
Provision for doubtful debts	(369,981)	(335,503)
	<u>486,882</u>	<u>525,365</u>

	2024	2023
	€	€
Financial receivables	460,423	515,570
Non-financial receivables	10,151	8,851
	<u>470,574</u>	<u>524,421</u>

Included in the accounts receivable are amounts due from related parties amounting to €15,875 (2023 : €10,690). These amounts are unsecured, interest free and repayable on demand. Amounts due from LES Debtors amount to €320,389 and are fully provided for.

18. 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
	€	€
Cash at bank	325,440	418,949
Cash in hand	543	490
	<u>325,983</u>	<u>419,439</u>

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

19. Payables

	2024		2023		
	€		€		
Payables	1,123,184		616,211		
Other payables	144,717		95,394		
Accruals	541,205		420,550		
	<u>1,809,106</u>		<u>1,132,155</u>		

2024	0-90 days	91-180 days	180-365 days	over 365 days	Total
	€	€	€	€	€
Payables	462,273	660,911	-	-	1,123,184
Other payables	144,717	-	-	-	144,717
Accruals	162,281	-	-	378,924	541,205
	<u>769,271</u>	<u>660,911</u>	<u>-</u>	<u>378,924</u>	<u>1,809,106</u>

2023	0-90 days	91-180 days	180-365 days	over 365 days	Total
	€	€	€	€	€
Payables	356,101	72,587	187,523	-	616,211
Other payables	95,394	-	-	-	95,394
Accruals	270,550	-	-	150,000	420,550
	<u>722,045</u>	<u>72,587</u>	<u>187,523</u>	<u>150,000</u>	<u>1,132,155</u>

Included in the accounts payable are amounts to related parties amounting to €374,548 (2023 : €312,986). These amounts are unsecured, interest free and repayable on demand.

	2024	2023
	€	€
Financial Payables		
Non-current	378,924	150,000
Current	1,430,182	982,155
	<u>1,809,106</u>	<u>1,132,155</u>

20. Deferred income

	2024	2023
	€	€
Government grants		
At 1 January	181,702	81,575
Used during the year	(51,910)	(39,301)
Received during the year	42,979	139,428
	<u>172,771</u>	<u>181,702</u>
At 31 December	172,771	181,702
Current Deferred Income	<u>172,771</u>	<u>181,702</u>

Handwritten initials/signature

Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

21. Capital commitments

	2024	2023
	€	€
Details of capital commitments at the accounting date are as follows:		
- Approved but not yet contracted for	15,000	297,500
- Contracted for but not provided in the financial statements	-	-
(i) Approved but not yet contracted for:		
Various DPF Projects	-	137,500
Trees	-	50,000
Fondi LESA - Proġetti fil-komunitajiet	-	20,000
SPI 4/2023 Komunita aktar siguri u organizzati	-	25,000
Street lighting	-	50,000
Office Furniture & Fittings	5,000	5,000
Office Equipment	5,000	5,000
Computer Equipment & Software	5,000	5,000
	<u>15,000</u>	<u>297,500</u>

22. Contingent liabilities

There were no contingent liabilities in respect of bank guarantees at year end. However the Council is involved in a number of legal disputes that could give rise to sums to be paid to third parties at year end.

These consists mainly of claims by third parties against the Local Council in the Civil Courts which may result in payments by the Local Council, which sums, if any are still unknown at the time of preparing these financial statements.

The Council may also be subject to legal action from third parties who have suffered damages on Mosta Roads and are stating that the Council was at fault, which claims are bring refused by the Council.

Below is a list of pending Court Cases involving Mosta LC as per 26th February 2025:

- ROCKET TRADING LIMITED ET vs KUNSILL LOKALI MOSTA - 543/2023 - CIVILI, PRIM AWLA – MALTA
- KRIGAR DEVELOPMENTS LIMITED vs KUNSILL LOKALI MOSTA - 542/2023 - CIVILI, PRIM AWLA – MALTA
- GO PLC vs KUNSILL LOKALI MOSTA ET - 302/2023 - TRIBUNAL GHAL TALBIET ZGHAR – MALTA

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

23. Related party transactions

During the course of the year, the Council entered into transactions with related parties which are related through common ultimate controlling party. The Council entered into transactions with the following related parties:

<i>Name of Entity</i>	<i>Nature of relationship</i>
Department of Local Councils	Significant control
North Regional Committee	Joint Control
Street Lighting Joint Committee	Joint control
Local Enforcement System Agency	No control
Eastern Regional Committee	No control
Gozo Regional Committee	No control
Port Regional Committee	No control
West Regional Committee	No control
South Regional Committee	No control
Planning Authority	No control
Water Services Corporation	No control
Enemalta Corporation	No control
Arms Limited	No control
Cleansing Services Department	No control
Director General - Works Division	No control
Wasteserv Malta Limited	No control
Police General Headquarters	No control
Department of Lands	No control
Airmalta plc	No control
Bank of Valletta plc	No control
MCAST	No control
National Library of Malta	No control
Office of the Prime Minister	No control
Housing Authority	No control
Kunsill Malti għall-Isport	No control
Local Councils' Association	No control
Department for Elderly & Community	No control
Malta Communications Authority	No control
Ministry for Energy & Health	No control
Heritage Malta	No control
Ministry for Resources and Rural Affairs	No control

The amounts due from / to related parties at year-end are disclosed in notes 17 and 19. The terms and conditions do not specify the nature of the consideration to be provided in settlement. These amounts are unsecured, interest free and repayable on demand.

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

	Related party activity	2024 Total activity	%	Related party activity	2023 Total activity	%
	€	€		€	€	
<i>Income</i>						
Transactions with central government	1,610,659			1,449,800		
	<u>1,610,659</u>	<u>1,879,820</u>	<u>82</u>	<u>1,449,800</u>	<u>1,700,315</u>	<u>85</u>
<i>Expenditure</i>						
Transactions with government entities	658,200			405,691		
Key personnel remuneration	380,865			341,214		
	<u>1,039,065</u>	<u>2,368,980</u>	<u>86</u>	<u>746,905</u>	<u>2,017,482</u>	<u>37</u>

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

24. 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 relating to specific projects as well as other funds for the improvement and betterment of the locality.

25. Financial Risk Management

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

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 €325,983. This should ensure an ongoing working capital of the Council for the next 12 months. The Council had a current net liability position of €786,478 (2023: €217,225) ensuring that adequate headroom is available to cover present liabilities as well as short term obligations and commitments arising.

Summary of financial assets and liabilities by category:

	<i>Notes</i>	2024	2023
		€	€
Current Assets			
Financial assets at amortised costs:			
Receivables	17	460,623	515,570
Cash and Cash Equivalents	18	325,983	419,439
		786,406	935,009
Non-current Liabilities			
Financial liabilities at amortised costs:			
Borrowings	19	378,924	150,000
Current Liabilities			
Financial liabilities at amortised costs:			
Payables	19	1,430,182	982,155

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Notes to the Financial Statements for the year ended 31 December 2024 (cont.)

25. Financial Risk Management (cont.)

Foreign Currency Risk

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

Interest Rate Risk

The Council operates bank accounts without any financing facilities. As a result, the Council is not exposed to cash flow interest rate risk on bank balances.

Market risks

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

Other risks

The Council's interest rate risk arises from long term borrowings. However, the Council is not currently exposed to such risk since it does not have long term fluctuating interest borrowings. In general, the Council's exposure to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financing position and cash flows are not deemed to be substantial by the Councillors and Executive Secretary in view of the nature of the assets and liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions.

26. Reclassifications

Comparative figures have been reclassified to conform with the current year's presentation of the financial statements.

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Report of the Local Government Auditor

Grant Thornton Malta

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Triq L-Intornjatur, Zone 1
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To the Auditor General

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mosta Local Council set out on pages 4 to 24 which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, except for the effects of the matters described in paragraphs 1 to 3 under the Basis for qualified opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Council as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

Basis for qualified opinion

1. Up to 31 August 2011, all income and expenditure from the Local Enforcement System (LES) were centralised through the North Joint Committee. The North Joint Committee ceased operations on that date. No audited financial statements of the North Joint Committee have been made available to us and consequently we were unable to determine whether the Council is entitled to receive any further income from the North Joint Committee.
2. Included with creditors at 31 December 2024, are other creditors amounting to €13,370 which originated many years ago. The council failed to provide us with sufficient and appropriate audit evidence to enable us to verify this balance and there was no satisfactory alternative procedures which we could perform to ensure that this amount is not misstated.
3. Included in Other Creditors at 31 December 31 2024 is an amount of €70,390 recorded in a Suspense Account representing amounts received by the council on behalf of LESA and the Lands Authority but not yet remitted to those entities. The council failed to provide us with sufficient and appropriate audit evidence to enable us to verify this balance and there was no satisfactory alternative procedures which we could perform to ensure that this amount is not misstated.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of those charged with governance for the financial statements

As described on page 3 the Executive Secretary and the members of the Local Council are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS as adopted by the EU and are properly prepared in accordance with the provisions of the Legislation, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Secretary and the members of the Local Council are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is the intention to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

The Executive Secretary and the members of the Local Council are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Principal on the audit resulting in this independent auditor's report is Mark Bugeja.



Mark Bugeja (Principal) for and on behalf of

GRANT THORNTON

Certified Public Accountants

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24 June 2025