

KUNSILL LOKALI SANTA VENERA

Triq il-Kbira San Gużep
Santa Venera SVR 1013

Tel: 21491030 Fax: 21491664
E-Mail: santavenera.lc@gov.mt
Web page: <http://www.stvenera.gov.mt>

19 May 2025

Grant Thornton

Fort Business Centre
Triq L-Intornjatur, Zone 1,
Central Business District
Birkirkara CBD1050
Malta

Dear Sirs,

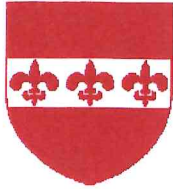
This representation letter is provided in connection with your audit of the financial statements of Santa Venera Local Council for the year ended 31 December 2024 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Local Council as at 31 December 2024 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

We confirm that we have fulfilled our responsibilities, on behalf of the Local Council members, for the fair presentation of the financial statements in accordance with IFRSs as adopted by the EU.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations:

1. The financial statements referred to above are fairly presented in accordance with the requirements of the Local Council Act, 1993, the Financial Regulations issued in terms of the Act, the Supplementary Financial Procedures and IFRSs as adopted by the EU.
2. We have provided you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, minutes of all meetings and other matters;
 - ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.



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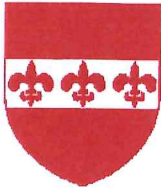
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3. There have been no communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
4. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The attached summary of adjusting journal entries for the year ended 31 December 2024, which have been proposed by you are approved by us and will be recorded on the book of the Local Council.
6. We believe that the effects of any uncorrected financial statement misstatements are not material, both individually and in the aggregate, to the financial statements taken as a whole.
7. FSS has, where applicable, been correctly deducted and accounted for on all relevant payments made by the Local Council to its employees.
8. All receivables and amounts due from debtors are collectible except for those amounts for which a provision has been made in the financial statements.
9. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with IFRS as adopted by the EU, we selected the estimation technique considered to be the most appropriate to the council's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.
10. We understand that the term "fraud" includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity's assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

There have been no instances of fraud or suspected fraud affecting the Local Council involving:

- i. management;
- ii. employees who have significant roles in internal control; or
- iii. others where the fraud could have a material effect on the financial statements.



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There have been no allegations of fraud, or suspected fraud, affecting the Local Council's financial statements communicated by employees, former employees, regulators or others.

11. We confirm that we have reviewed all financial assets and liabilities outstanding as of balance sheet date and have correctly classified them as either:
- financial assets and financial liabilities at fair value through profit or loss;
 - financial assets and financial liabilities at amortised cost; or
 - financial assets and financial liabilities through other comprehensive income

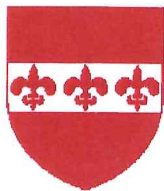
in accordance with the requirements of IFRS 9 *Financial Instruments*, and that they are appropriately recorded at their fair value, amortised cost or cost based on their classification.

12. We have reviewed the risk disclosures included in the financial statements as required under IFRS 7 – *Financial Instruments: Disclosures*. We confirm that we have satisfied ourselves that the qualitative information included represents adequately the risk management processes and procedures operated during the year. We are satisfied that the quantitative information disclosed is reasonable. We are satisfied that the quantitative information disclosed relating to the sensitivity analysis has been based on the knowledge and experience of management.
13. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
14. We have disclosed to you all the information of which we are aware regarding the identification of related parties and all the related party relationships and transactions. Related party transactions and related amounts receivable or payable, including sales, purchases and leasing arrangements have been properly recorded or disclosed in the financial statements.

For the purpose of this letter, we understand the following to be the definition of the term “related party”:

Affiliates of the Local Council; members of the immediate families of principal members of the Local Council and its management; and other parties with which the Local Council may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. Another party also is a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

15. Guarantees, whether written or oral, under which the Local Council is contingently liable have been properly recorded or disclosed in the financial statements.
16. There are no:



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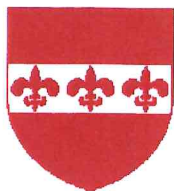
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- i. unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*; and
 - ii. other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by IAS 37.
17. The Local Council has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. The Local Council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
19. To the best of our knowledge and belief, no events have occurred subsequent to the reporting date and to the date of this letter that would require adjustment to, or disclosure in the aforementioned financial statements.
20. In our opinion, it is appropriate for the going concern basis to be adopted in preparing the financial statements. In making this judgement, we have paid particular attention to:
 - i. circumstances which we consider may occur in the period up to 18 May 2026;
 - ii. any planned or expected changes in operations in that period;
 - iii. the need to disclose in the financial statements information regarding any significant uncertainty regarding going concern in the financial statements.After making these enquiries, we have a reasonable expectation that the Local Council has adequate resources to continue operations for the foreseeable future.
21. We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

The approval of this letter of representation was minuted by the Local Council at its meeting on 19 May 2025

Signed on behalf of the Local Council.

Yours faithfully,



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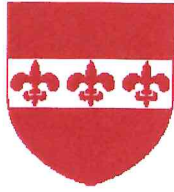
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Gianluca Falzon
Mayor

19 May 2025

Tiffany Abela
Executive Secretary

19 May 2025



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Santa Venera Local Council
31 December 2024

Adjusting entries

No.	Description	Account	Account Description	Debit	Credit
1	To rectify the duplicate entry of the same invoice in 2023.	4000	Creditors Control Account	6,034.24	
		3360	Social Events		6,034.24
2	To clean-up long-outstanding payables to Rocco Mifsud	3051	Road & Street Cleaning		11,660.58
		4000	Creditors Control Account	11,660.58	
3	To record 2024 credit note Cleansing & Maintenance Division	4000	Creditors Control Account	4,633.34	
		3051	Road & Street Cleaning		4,633.34
4	CAJE: To record overpayment of FSS	4101	FSS Tax & NI Due)	1,389.00	
		1150	Executive Secretary Sala		1,389.00

Reclassification entries

No.	Description	Account	Account Description	Debit	Credit
1	To reclass debit balance from creditors account.	GT01	Debit balances in creditor	3,833.11	
		4000	Creditors Control Account		3,833.11
2	Being adjustment to properly classify between construction and special programmes.	8090	Grants Construction	338,791.00	
		8090000A	Grant - Construction		338,791.00
3	Being adjustment to properly present fixed assets	7605	PPE Urban Improvement	68,546.13	
		7251	Improvements Works		68,546.13
4	Being adjustment to properly classify accumulated depreciation	8042	Accum Depn Motor Vehi	83.23	
		8036	Acc. Dep. -Office Equipme		83.23

Uncorrected adjusting entries

No.	Description	Account	Account Description	Debit	Credit
1	Movement in report 622	0036	Contraventions	4,961.19	
		0210	LES Debtors		4,961.19
2	Long outstanding receivable with no provision	3700	Provision for Bad Debts	4,115.69	
		0202	Provision of Bad Debts		4,115.69
3	To reverse bad debts related to LES Debtors, as it exceeds the related balance.	0222	Provision for Bad LES De	4,125.99	
		GT03	Bad Debts Reversal		4,125.99

Gianluca Falzon
Mayor

19 May 2025

Tiffany Abela
Executive Secretary

19 May 2025