

MALTA STATISTICS AUTHORITY

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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1 March 2012

*The Hon. Tonio Fenech B.A.(Hons) Accty., F.I.A, C.P.A., M.P.
Minister of Finance, the Economy and Investment*

Honourable Minister,

In accordance with Section 29 of the Malta Statistics Authority Act (XXIV of 2000), I am transmitting a copy of the report by the Director General on the activities of the National Statistics Office covering calendar year 2011, as well as a copy of the financial accounts of the Authority for the same period, duly certified by the auditors.

Both the report of the National Statistics Office and the audited financial statements for the year ending 31 December 2011 were discussed and approved by the Malta Statistics Authority Board during the meeting held on 29 February 2012.

General

The Malta Statistics Authority (MSA) came into force on 1 March 2001. Its functions are defined in Section 7 of the said Act as follows:

- To examine and submit, for the approval of the Minister, the business plan and financial estimates drawn up by the Director General for the administration of the Office;
- To regulate and to generally supervise the production of official statistics in accordance with international requirements and standards;
- To discuss and advise on statistical matters, including methodologies, relating to the collection, compilation and dissemination of statistics;
- To establish priorities in responding to the demand for official statistics;
- To liaise between the Office and other public bodies concerning the supply of data and the coordination of activities with statistical implications;
- To publish the business plan after its approval by the Minister of Finance, the Economy and Investment;
- To disseminate the knowledge of official statistics;
- To consider and comment on, where necessary, the yearly report submitted by the Director General on the work of the Office as required by article 9(5)(g).

The MSA Board has a regulatory, supervisory and co-coordinating function. In most countries, the latter function is assumed by a separate technical committee. The National Statistics Office (NSO) is the executive arm of the Authority.

MSA Board

During the year under review, the Minister of Finance, the Economy and the Investment approved certain changes in the Board's membership. Following consultations with the pertinent associations and institutions as provided for in the Malta Statistics Authority Act, four new members were appointed to the Board. These were Ms Pauline Mercieca, Ms Charmaine Portelli, Ms Rita Schembri and Mr Charles Magro. The other members of the previous Board, including Mr Emanuel P. Delia, Prof. Edward Zammit and Mr Michael Pace Ross, were confirmed.

MSA Board Meetings

In terms of Section 6(2) of the MSA Act, the Board is required to meet at least twice every calendar quarter. During the period covered by the report, the Board met eleven times.

The statistical activities undertaken by the NSO during 2011 were duly discussed and monitored as required by the legal provisions of the Act. The need to review existing methodologies and the recruitment of new staff were also important items on the agenda of most meetings of the MSA Board. Around 80 per cent of the meeting time was devoted to the consideration of technical issues. The rest was assigned to administrative issues presented by the Director General. All selection boards to recruit staff at all levels were chaired by Board members.

The quarterly management and financial accounts were submitted to the Board by the Director General, discussed and approved.

As in past years, the Board kept the production and quality of statistical data under constant review. A number of NSO unit managers were invited to attend Board meetings to explain methodological issues. Special attention was given to revisions of the main statistical aggregates carried out by the NSO during the year.

Several presentations were also made, particularly on National Accounts issues, the introduction of new methodology relating to the deflation of the Gross Domestic Product from the Output side and the Retail Price Index, and other issues of a technical nature.

Demands for New Information

As an EU Member State and as a Member of the euro area, Malta has to satisfy the statistical demands of Eurostat, the statistical arm of the Commission, in accordance with the Statistical Acquis.

Since 2004, when Malta became a Member of the European Union and later on, when the country joined the euro area, the National Statistical Office (NSO) had to face considerable challenges to upgrade its methodologies and adopt new demands at a local and European level. Several new areas of statistical information, hitherto not covered by this Office, had to be explored with the help of foreign experts and other inputs from Eurostat. New surveys were introduced, other indicators,

particularly pertaining to the provision of short-term industrial statistics, were worked out to conform with Eurostat regulations. Moreover, the gradual introduction of NACE Rev. 2 was given due priority.

One is pleased to record that since 2004, most of the outstanding indicators pertaining to Malta, both in the economic and social fields, were introduced and published by Eurostat, along with those of other countries, in the comparative monthly bulletins.

In particular, one has to acknowledge the cooperation of business establishments that are submitting output information relating to their activities on a monthly basis. In addition, the Office has succeeded in improving its data submissions to Eurostat, particularly in the field of construction output indicators.

Code of Practice

The European Statistics Code of Practice promoted by Eurostat since 2005, with its focus on the independence, integrity and accountability of statistical authorities, has been strictly observed by the Malta Statistics Authority and by the NSO.

Before referring to the ongoing statistical activities of the NSO, it is worth recalling some of the events that occurred during 2011.

Population and Housing Census

In accordance with Regulation (EC) No. 763/2008 of the European Parliament and of the Council, Malta joined other Member States in carrying out a census of population and housing, six years after the one held in 2005.

The census exercise is perhaps the most complex and expensive initiative to be undertaken by any statistical institution. It entails extensive and very careful planning and the formulation of a good questionnaire in order to provide information on the core variables required by Eurostat. Other information on certain local issues as indicated during consultations with local stakeholders and other organisations was also included.

A unit within NSO was entrusted with the census organisation. More than 1,000 enumerators were recruited for the purpose of carrying out the necessary fieldwork between 7 November and 4 December 2011.

The MSA Board closely followed all these arrangements and was provided with constant updates on the progress of the Census by the Director General. The NSO Annual Report includes more detailed information on this major exercise.

NSO's Tenth Anniversary

The MSA and the NSO, its executive arm, were set up by the Malta Statistics Authority Act XXIV of 2000 which came into effect on 1 March 2001. The tenth anniversary of their setting up was commemorated by a classic organ recital held at

the Metropolitan Cathedral, Mdina. A concise history of the NSO was published to mark the occasion.

Eurostat Missions

During the year, several visits by Eurostat officials, to monitor progress in pertinent statistical fields, were organised. One should mention the visit of an official Eurostat delegation on 13-14 October to discuss compliance with new transmission data programmes that included certain derogations that Malta may request in the near future. Other items included the present use of supply-use tables in national accounting and the compilation of the GDP main aggregates.

Another Eurostat mission visited Malta on 7-11 November. The main objective of the visit was to discuss the reservations in respect of the VAT own resources exercise. Most of these reservations are expected to be lifted in the near future.

The IT Systems Unit of the NSO benefitted from a Eurostat mission in September, in connection with the implementation of the SDMX reference infrastructure. This enhancement puts the NSO in a better position to satisfy the provisions of the forthcoming regulation on data and metadata exchange.

Official Visits

On 25 May, the Hon. Prime Minister, accompanied by the Minister of Finance, the Economy and Investment, paid an official visit to the NSO. The Prime Minister met the MSA Board members and NSO staff. He thanked the Office for their good work and officially announced the holding of a population and housing census in November 2011.

Another official visit by the Hon. Prime Minister took place on 15 December 2011. The Prime Minister toured the Census Office and was briefed on the work being done in the collection of the census questionnaires and inputting of the data.

User Needs and Response Burden

As already noted in this report, the local demand for statistical information continued to increase. User needs were discussed during meetings with the principal stakeholders who, at times, voice concerns about their response burden. In fact, several issues are addressed and solved during such consultation meetings.

The Board is fully aware that the response burden is a pressing issue that must continue to be addressed in the current year. In a small country such as Malta, where several business establishments are asked to complete questionnaires every month, the response burden has to be carefully considered whenever the NSO is required to provide additional information. Indeed, the Board has been conscious of the need to avoid duplication of work in the production of statistical information that would result in a waste of human and other resources of data providers.

The Board is pleased to note that since 2008, further cooperation has been established with several key ministries for the provision of information, in order to

avoid duplicate requests by the NSO to statistical respondents. This initiative resulted in a reduction in the requests for information during surveys addressed to the private sector, and in better use of administrative records for the extraction of information.

The NSO is presently making more extensive reference to administrative registers for the extraction of data.

In addition, standing committees were set up consisting of representatives of the NSO, the Ministry of Finance, the Economy and Investment, the Employment and Training Corporation and the main public entities, with a view to establishing a sustained level of cooperation regarding the provision of relevant data, the collection of which is the competence of these bodies.

The Memorandum of Understanding with the Central Bank of Malta was renewed in the year under review and a standing committee meets regularly to evaluate developments in economic statistics.

In this respect, the MSA would like to acknowledge the support of various ministries and departments, particularly the ministries responsible for finance and social policy, and the Inland Revenue and VAT departments.

Staff

At the end of 2011, the NSO had 166 employees on its books: 62 males and 104 females. The NSO has a relatively young workforce, with 76 per cent less than 41 years old. It is also pertinent to mention that in accordance with government policy on family-friendly measures, 35 staff members are either on reduced hours, teleworking or a combination of both.

The MSA Board is pleased to report that over 55 per cent of NSO staff members are graduates or diploma holders. Several of these also hold a Masters degree while other members are currently reading for a post-graduate degree or diploma. Most graduates are young in experience and for this reason, the intention is to further improve the general professional level of the staff, particularly through participation in specialised meetings and workshops organised by Eurostat and other international organisations.

Indeed, NSO staff attended 131 workshops and meetings abroad during 2011. This involved 315 working days.

Staff training is a priority item on the agenda of all statistical institutions. The NSO Annual Report makes reference to the various initiatives undertaken in this regard, particularly in statistical and methodological issues, ICT-related subjects, and management issues. In addition, several members attended local training courses organised by the Centre for Development, Research and Training (CDRT).

Grant Agreements

As in previous years, several new projects were undertaken by the NSO that were partly financed from EU funds. During 2011, the NSO concluded 16 projects that were all approved by the European Commission. The total value of these projects was €459,821, of which €311,570 was financed by the European Commission and the remaining balance of €148,251 by the NSO. A pre-financing of €53,679 in connection with EU-SILC 2008 was actually received in 2007, although the project was concluded and approved during 2011.

Seven projects were carried out by the Social Statistics and Information Society Directorate, including the surveys on ICT Usage in Households and by Individuals, the ICT Usage and E-Commerce in Enterprises, EU-SILC 2008, the Adult Education Survey, Preparation for the Implementation of ISCO-08, the 2010 LFS ad hoc module, and Career Development of Doctorate Holders 2008 (CDH).

The Business Statistics Directorate was involved in five projects, mainly linked to the Community Innovation Survey, Reduction of Asymmetries in Intrastat, Development of detailed statistics on Energy Consumption in Households, and Support for the development of Indicator Sets to monitor Sustainable Development strategies.

The Economics Statistics Directorate concluded three projects during the year under review, including Research and Development Statistics, Introduction of NACE Rev. 2 in National Accounts and other Improvements in quarterly Sector Accounts, and Production of Purchasing Power Parities data by Member States.

Another project, Community Subsidies for User Support on European Statistics, was concluded by the External Cooperation and Communication Unit.

Surveys

As in previous years, the NSO was commissioned by private agencies to carry out surveys on their behalf. This work is considered an additional source of revenue for the NSO. During 2011, surveys were carried out on behalf of the Broadcasting Authority, Transport Malta and several Ministries including the Ministry of Finance, the Economy and Investment and the Ministry for Health, the Elderly and Community Care.

Quality and Timeliness of Data

The European Statistics Code of Practice is intended to ensure good-quality data and this issue has maintained its place as a priority item on the agenda of the MSA Board during 2011. Although the elimination of duplication of effort resulting in waste of human resources is a priority item, the Board was vigilant in ensuring that this rationalisation of resources would not compromise in any way the quality and reliability of statistical information.

The Board is satisfied that the local perception of statistics produced by the NSO does credit to the organisation.

The Board is also satisfied that the publication of the main social and economic aggregates was regular and timely, in accordance with the advance release calendar.

One should emphasise that timely and good-quality statistics are sometimes difficult to compile without the full support and continued assistance of data providers. Every effort is being made to abide by professional standards in the compilation and dissemination of the main socio-economic indicators.

The Board is also pleased to note that the NSO has succeeded in meeting its obligations with regard to the transmission to Eurostat of the main socio-economic indicators within the prescribed periods. Indeed, progress has been made in the submission of missing indicators.

Dissemination Activities

A primary function of the NSO is to provide users with all the socio-economic data essential for a proper and complete analysis for decision-making. In this regard, every statistical institution may be regarded as pivotal to the economy.

During 2011, the NSO's dissemination activities may be summarised as follows:

- 250 news releases comprising a wide variety of economic and social data. These are issued in accordance with a calendar published three months in advance. It may be noted that the number of news releases published in 2011 has doubled over that of ten years ago;
- Ten official publications;
- The maintenance of a website;
- Contributions to the press and other media;
- An intensive educational campaign in connection with the Census of Population and Housing 2011;
- Participation in the book fair;
- Around 1,800 telephonic requests for information: and
- Around 2,500 online requests for information.

The Media

The MSA Board and the NSO have always considered the media as essential partners in the transmission and dissemination of statistical information to the general public. For this reason, the External Cooperation and Communication Unit has maintained a constant liaison with reporters and analysts of economic developments by providing more information on specific aggregates and clarifications of technical issues as indicated above.

Throughout the past year, the NSO has maintained its policy of providing the main statistical aggregates without interpreting the data, notwithstanding pressure from some correspondents for analytical comments on certain indicators. At the same time and in accordance with the statistical code of practice, all methodological information was provided to enable analysts and commentators to arrive at valid conclusions especially in cases where published data has been subsequently revised.

During 2011 the NSO launched three publications through a press conference.

The MSA Board notes with satisfaction the extensive and fair press coverage that is given to statistical releases. One is also pleased to record that very often press reviews on the release of data continue to be published online within minutes of the release time of the NSO.

In its publication of statistical data, Malta observed the IMF's Special Data Dissemination Standard (SDDS).

Publications by the NSO, Eurostat, international organisations and other EU statistical offices are accessible to the public at the Office's library. The NSO website contains all publications issued in full text and in real time. These are accessible to the public free of charge.

The Retail Price Index Advisory Committee

The Retail Price Index Advisory Committee, replacing the RPI Management Board established in 1998, was set up under Section 33 of the MSA Act. The Committee is composed of representatives of the social partners, and its main function is to analyse and discuss the monthly changes in the Retail Price Index prior to its publication, as well as other factors that contribute towards inflationary pressures.

During the period under review, the Committee met every month to discuss the Index and other relevant issues and changes to the existing basket of goods and services that form the basis of the index.

Harmonised Index of Consumer Prices

The Harmonised Index of Consumer Prices, launched by the EU in 1997 in the context of the EMU convergence criteria under the Maastricht Treaty, is intended to allow price comparisons with other EU Member States. It is a legally binding arrangement and National Statistical Institutes are required to compile it on a monthly basis and submit the results to Eurostat.

The NSO carried out more surveys in order to continue to develop the exercise on economic statistics with regard to Purchasing Power Parities.

The Price Statistics Unit made some modifications to the weighting frame of the HICP based primarily on national accounts data. This update was carried out in anticipation of Commission Regulation (EU) No. 1114/2010 of 1 December 2010

laying down detailed rules for the implementation of Council Regulation (EC) No. 2494/95.

Some 9,600 prices of goods and services are monitored every month in order to compile the two monthly price indices.

National Accounts

The Board noted that the publication of the pertinent releases on the quarterly GDP were published within the established datelines. The Unit also provided support during visits of EU delegations.

In the case of national accounts, a lot of work focused on revisions of past data in the light of new information. Revisions were always accompanied by detailed explanations as required by the European Statistical Code of Practice. Some of these revisions were also the result of the introduction of new methodological norms following the gradual introduction of NACE Rev. 2. Whenever possible preference was given to the micro approach since this would provide a more accurate time series. Sometimes a macro approach had to be adopted whenever there was no direct link between the two systems.

The introduction of NACE Rev. 2 was possible due to enhanced coordination between the National Accounts Unit and the Structural Business Statistics Unit. The latter provided all the required data covering output, value added, compensation to employees and sectoral employment.

During 2011, the Unit updated the published sector accounts for 2005-2009 and transmitted the 2010 sector accounts to Eurostat. The completion of this work was possible through the financial assistance to the NSO by means of the approval of two grant agreements with Eurostat.

The gradual introduction of the deflation of GDP from the output side was initiated during 2010. This has continued in 2011. Primarily the compilation of the relative price indices, their application within the supply-and-use tables and the deflation of the public sector non-market services output.

Public Finance

Throughout the year under review, the Public Finance Unit concentrated on the Excessive Imbalance Procedure regulations that came into force in November but were already known at the beginning of the year. These new regulations are intended to identify imbalances at an early stage and also to establish a scoreboard that would make possible the monitoring of a country's finances.

Bi-annual tables on Malta's Excessive Debt and Deficit Procedure, as established by the Maastricht criteria, were duly submitted to the European Commission. The compilation of these statements is carried out with the cooperation of the Ministry of Finance, the Economy and Investment and the Central Bank of Malta.

During the year, a full set of tables of data on Government expenditure and receipts in respect of social protection was compiled. Work was also initiated on the compilation of an annual publication of social expenditure covering the period 2006-2010. This publication will be issued in 2012.

For the first time, a joint working group between the NSO and the CBM produced the financial accounts of economic sectors. The results were sent to Eurostat. At the same time this group continued to discuss ways on how to improve the quality of these accounts.

The accounts of General Government were regularly published according to the NSO news release calendar.

The Central Bank of Malta provided substantial inputs to this exercise. As a result, a number of outstanding indicators were sent to Eurostat and subsequently published.

An interesting study on the relationships between childbearing and the participation of women in the labour market was carried out jointly with the Centre for Labour Studies of the University of Malta. The results were published in November.

Balance of Payments

As was highlighted in last year's report, following the adoption of the euro on 1 January 2008, Malta was required to submit to the European Central Bank (ECB) a monthly statement of financial transactions between Malta and the rest of the euro area. The Balance of Payments was therefore compiled on a monthly basis, also showing transactions between Malta and the other trading partners. The Office cooperated with the Central Bank of Malta in carrying out monthly surveys of the non-financial and financial sectors.

A statement relating to the International Investment Position (IIP) was compiled and published. Improvements were noted in the collection of data on foreign affiliates and portfolio investments.

More work was directed towards issues related to the classification of resident and non-resident companies.

Malta participated in the Coordinated Direct Investment Survey (CDIS) that illustrates direct investment abroad by local companies and the country of destination. This was submitted to the International Monetary Fund for their publication on direct investment by participating countries.

Business Statistics

Similar to the past three years, attention continued to be focused on a re-organisation of business statistics in order to produce short-term business indicators keeping in mind the response burden on enterprises.

Significant progress has been made in this direction and most of the required short-term business indicators are now available and published by Eurostat. The index of

industrial production and the producer price index for industry are now produced in conformity with the Special Data Dissemination Standard and published with a time lag of 30 days.

During 2011, the construction index has been regularly published with a new sample of construction companies with information classified by NACE Rev. 2.

The Short-term Statistics Unit has extended its sample to 1,000 companies in the trade and services sector in order to collect information on wages, turnover, employment and profit, with a view to producing a services sector index.

Demographic and Social Statistics

The units responsible for the collection and publication of social statistics succeeded in maintaining a regular and timely flow of information on Malta's demography, social conditions and developments in the labour market. They are also responsible for the organisation of two ongoing surveys that are crucial for the collection of data on income and social conditions and labour market statistics.

In 2011, the Survey on Income and Living Conditions (SILC) comprised a sample size of 4,851 households. It was enhanced by improvements in the re-designing of the questionnaire and validations framework in order to detect and minimise interviewing errors. A response rate of 82 per cent was achieved.

This survey is the main source of social data, enabling also the calculation of the at-risk-of-poverty and social exclusion indicators and other socio-economic indicators. Such indicators are widely used in research, especially where longitudinal characteristics are involved.

Culture statistics are also the responsibility of the Demographic, Social and Culture Statistics Unit, which carried out surveys on cultural activities such as band clubs and dance schools.

The other ongoing survey, the Labour Force Survey (LFS), is the principal survey used in the EU to provide comparable labour market indicators. It is a panel survey and also serves as the main basis for projections and targets related to labour market statistics.

Two different releases on the labour market continued to be published during the year. One is based on the administrative data of the ETC and is published monthly, while the other presents the results of the LFS and is published on a quarterly basis.

The Board notes with satisfaction that other related data was published during the year. This included information on accidents at work, a labour cost index, job vacancies and structure of earnings.

Three ongoing surveys, Tourstat, Accomstat and Cruistat, collect data relating to the tourism industry and its contribution to the country's economy. The collected information is published in three separate releases every month.

Other inquiries carried out by the Information Society and Tourism Statistics Unit included those on the Information Society and Posts and Telecommunications.

Agricultural and Fisheries Statistics

During 2011, the Agricultural and Fisheries Statistics Unit continued with a survey to build a mathematical model to establish the volume of water used in agriculture, after taking into account the type of crop and area, and other variables. The survey was spread over a year to capture seasonal factors. Results of this survey were transmitted to Eurostat.

The Unit, in cooperation with the Food and Veterinary Services within the Ministry for Resources and Rural Affairs, launched the Farm Accountancy Data Network (FADN) Survey.

During the same year, a postal census was carried out to collect information on the pig industry.

However, for most of the year the Unit was engaged in the decennial Census of Agriculture, and results were finalised in the second half of 2011.

Future Initiatives

A principal initiative to be undertaken early in 2012 will be the compilation and issue of the preliminary report of Census 2011. This is expected to be presented to the Prime Minister in the second quarter of the year. At the same time, the NSO will embark on a detailed analysis of the census findings. In addition to the core statistics specified in the EU Regulation 763/2008, the report will also highlight certain findings that are of special significance to Malta and Gozo. This analysis is of primary importance for economic and social planning.

The MSA Board will continue to monitor closely the work of NSO. For this reason, it is envisaged that the Board will request information on outstanding issues from the Director General and managers in order to satisfy the requirements of the statistical legislation. More time will be devoted to presentations and discussions of technical issues.

Staff training will continue to be assigned priority. Members will continue to attend courses both locally and abroad. As highlighted earlier in the report, the NSO will continue to cooperate with the University to provide the necessary training.

The Methodology and Research Unit will continue to provide technical advice to other units within the NSO and to meet private requests for sampling and questionnaire designs. It will also consider requests for tailored sample surveys on behalf of third parties.

The Office will resume its efforts to formulate a draft microdata policy based on Eurostat's recommendations. One has to be careful to find the right balance between satisfying requests for microdata and, at the same time, to observe fully the confidentiality provisions of local legislation.

The Economic Statistics Development Programme Committee will continue to meet regularly to identify potential areas for improvement in the local system of national accounts. The participation of the Central Bank of Malta and the Ministry of Finance, the Economy and Investment is very much appreciated.

Special consideration will be given to the economic governance legislative package that came into force in November 2011. This covers the Excessive Imbalances Procedure that is intended to prevent and correct macroeconomic imbalances within the euro area. This exercise will be closely monitored by the MSA Board since it is considered to be an important development for future action both on a local and European level.

The process of converting the general government sector contributions to the GDP from NACE Rev. 1.1 to NACE Rev. 2 classification was a long and delicate exercise. While the past two years have seen considerable input with regard to this exercise, more effort will be made during 2012.

With the assistance of the Department of Health Information, statistics covering occupational diseases will be addressed during 2012.

It is intended to conduct another Adult Education Survey in 2012. This is in line with the importance that is being given to information on lifelong learning.

During 2012, the results of the first domestic tourism survey will be analysed and published.

All surveys connected with tourism statistics (the ongoing frontier survey for inbound and outbound tourism as well as the accommodation survey) will continue during 2012. In addition, more attention will be directed to improve data sources in connection with sea departures and cruise liner visitors.

As already indicated in the report, the NSO will continue with the compilation of Tourism Satellite Accounts. The intention is to have a better picture of the contribution of the tourism industry to the GDP. It is a highly technical exercise that will be carried out with the assistance of an expert and the cooperation of tourism operators.

It is important that work undertaken in connection with the deflation of the GDP from the output approach will continue during 2012. First estimates are already available internally, but more work is needed to produce a deflated GDP from this approach.

The NSO will continue to compile and publish a biannual statement of Foreign Direct Investment (FDI) in a disaggregated form. As has already been anticipated, this exercise may give rise to confidentiality problems that have to be addressed.

Further work and more attention will be addressed to the provision of environment statistics comprising information on the use and supply of water, land, energy, emissions, waste generation and other sustainable indicators.

More training on basic survey techniques will be provided. The NSO will continue to provide courses on official statistics for its own staff and for senior civil servants.

Some difficulties are still being met in the compilation of migration statistics, particularly information relating to migratory outflows. More investigation is needed in this particular area of demographic statistics. Indeed, for the past few years, collaboration with the Commissioner for Refugees has been undertaken in order to capture migration and asylum statistics in a more reliable manner. Such cooperation will be maintained in future.

The NSO will maintain a continuous dialogue and consultation with the principal data users to ensure that their needs are met on time. It will continue to adhere to the advance release calendar in the dissemination of statistical releases.

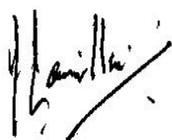
The MSA Board will proceed with its monthly monitoring of methodologies and best practices for the compilation of timely and good-quality statistics in accordance with the European Statistical Code of Practice.

Acknowledgements

The Board would like to thank all ministries, government departments, business enterprises, NGOs, households and individuals that have supplied information to the NSO in the period under review. A special mention should be made with regard to the technical and financial assistance received from Eurostat.

The MSA would like to thank the media for their efforts in communicating official information in an impartial manner, the general public, and all those who offered assistance, suggestions, and showed appreciation of the efforts made by the NSO to give Malta an efficient and reliable statistical service.

In endorsing the detailed and informative report of the NSO Director General, the Board would like to thank the Office's management and staff for their sterling work during 2011.



Reno Camilleri
Chairman

Statement of responsibilities of the Authority

The Authority is governed by a Board consisting of eight members. Among other responsibilities, the Authority is responsible for the production of official statistics in accordance with international requirements and standards.

The Authority is responsible for ensuring that:

- a. Proper accounting records are kept of all transactions entered into by the Authority, and of its assets and liabilities;
- b. Adequate controls and procedures are in place for safeguarding the assets of the Authority, and the prevention and detection of fraud and other irregularities.

In preparing the financial statements, which give a true and fair view of the state of affairs as at the end of each financial period and of its surplus or deficit for that period, the Authority:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- follows International Financial Reporting Standards as adopted by the European Union; and
- prepares the financial statements on the going concern basis unless this is considered inappropriate.

Income and expenditure account

	Notes	2011 €	2010 €
Income	5	4,407,855	3,847,891
Expenditure		(4,402,929)	(3,884,294)
		4,926	(36,403)
Finance income	6	85	229
Profit (loss) before tax	7	5,011	(36,174)
Tax expense	8	(13)	(34)
Profit (loss) for the year		4,998	(36,208)

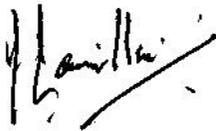
Statement of financial position

	Notes	2011 €	2010 €
Assets			
Non-current			
Property, plant and equipment	9	<u>468,637</u>	<u>566,202</u>
Current			
Inventories	10	48,934	61,970
Trade and other receivables	11	501,522	118,129
Cash and cash equivalents	12	242,777	103,409
		<u>793,233</u>	<u>283,508</u>
Total assets		<u>1,261,870</u>	<u>849,710</u>

Statement of financial position – continued

	Notes	2011 €	2010 €
Equity			
Retained funds		195,885	190,887
Liabilities			
Non-current			
Deferred income	13	247,849	297,299
Current			
Trade and other payables	14	818,136	361,524
Total liabilities		1,065,985	658,823
Total equity and liabilities		1,261,870	849,710

The financial statements on pages 16 to 33 were approved by the Authority Board, authorised for issue on 29 February 2012 and signed on its behalf by:



Reno Camilleri
Chairman



Prof. Edward Zammit
Member

Statement of changes in equity

	Retained funds €
At 1 January 2010	227,095
Loss for the year	(36,208)
At 31 December 2010	190,887
At 1 January 2011	190,887
Profit for the year	4,998
At 31 December 2011	195,885

Statement of cash flows

	Notes	2011 €	2010 €
Operating activities			
Profit (loss) before tax		5,011	(36,174)
Adjustments	15	79,435	45,937
Net changes in working capital	15	87,056	(11,579)
Tax paid		(13)	(34)
		171,489	(1,850)
Investing activities			
Payments to acquire property, plant and equipment		(32,206)	(24,710)
Interest received		85	229
		(32,121)	(24,481)
Net change in cash and cash equivalents		139,368	(26,331)
Cash and cash equivalents, beginning of year		103,409	129,740
Cash and cash equivalents, end of year	12	242,777	103,409

Notes to the financial statements

1 Nature of operations

The Authority is responsible for the production of official statistics.

2 General information

The Malta Statistics Authority is incorporated and domiciled in Malta. The address of the Authority's registered office, which is also its principal place of business, is Lascaris, Valletta VLT 2000.

The financial statements of the Authority have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union, and in accordance with the Malta Statistics Authority Act, 2000.

The financial statements are presented in euro (€), which is also the functional currency of the Authority.

3 Changes in accounting policies

3.1 Adoption of Improvements to IFRSs 2010

The Improvements to IFRSs 2010 made several minor amendments to a number of IFRSs. Such amendments have been applied by the Authority but are not expected to have any significant impact on the financial position, results or classifications of assets and liabilities of the Authority.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Authority

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations of existing standards have been published by the IASB but are not yet effective, and have not been adopted by the Authority. Management anticipates that all of the relevant pronouncements will be adopted in the Authority's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Authority's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Authority's financial statements.

IFRS 9 *Financial Instruments* (effective from 1 January 2013)

The IASB aims to replace IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. IFRS 9 is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2013. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact that this amendment is likely to have on the financial statements of the Authority. However, they do not expect to implement the amendments until all chapters of IFRS 9 have been published and they can comprehensively assess the impact of all changes.

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies and measurement bases that have been used in the preparation of these financial statements are summarised below.

4.2 Income and expense recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Authority for services provided, excluding trade discounts.

Revenue from the sale of services provided is recognised when all the following conditions have been satisfied:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

Government grants and EU grants are recognised in the income and expenditure account on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants and EU grants related to assets are presented in the statement of financial position by setting up the grant as deferred income and is recognised in the income and expenditure account on a systematic basis over the useful life of the asset.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Operating expenses are recognised in the income and expenditure account upon utilisation of the service or at the date of their origin.

4.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Authority, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items in the statement of financial position at year-end exchange rates are recognised in the income and expenditure account.

4.4 Employee benefits

Contributions towards the state pension in accordance with local legislation are recognised in the income and expenditure account when they are due.

4.5 Property, plant and equipment

Items of property, plant and equipment are carried at acquisition cost less subsequent depreciation and impairment losses.

Depreciation is calculated using the straight line method to write off the cost or valuation of the assets over their estimated useful lives on the following bases:

	%
- Improvements to premises	2
- Computer equipment	20 - 33.33
- Furniture, fixtures and fittings	15
- Office equipment	15
- Motor vehicles	20

No depreciation is provided on assets that are not yet brought into use.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the income and expenditure account within other income or administrative and other expenses.

4.6 Impairment testing of tangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested 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 asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, the Authority's management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by the Authority's members.

Impairment losses are recognised immediately in the income and expenditure account. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.7 Financial instruments

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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 Authority are classified into loans and receivables upon initial recognition.

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

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 Authority's cash and cash equivalents, trade and most 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 Authority's financial liabilities include trade and other 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' or 'finance income'.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to acquiring the inventories and to bringing them to their existing location and condition. Financing costs are not taken into consideration. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise demand deposits.

4.10 Significant management judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Use of available information and application of judgement are inherent in making estimates. Actual results in future could differ from such estimates and the differences may be material to the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the opinion of the members, 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 (revised).

5 Income

	2011 €	2010 €
Government subvention		
- direct: paid to MSA	2,930,164	2,731,976
- indirect: expenses paid by Ministry	42,775	55,572
- programmes and initiatives	835,966	299,987
- refurbishment of premises paid by Ministry	1,815	5,004
Government grant	74,985	70,099
EU grant agreements	337,493	383,777
Sale of publications and surveys	130,805	255,701
Other income	53,852	45,775
	4,407,855	3,847,891

6 Finance income

The following amounts have been included in the income and expenditure account line for the reporting periods presented:

	2011	2010
	€	€
Bank interest received	85	229
Finance income	85	229

7 Profit (loss) before tax

Profit (loss) before tax is stated after charging:

	2011	2010
	€	€
Board members' remuneration	35,232	37,270
RPI Advisory Committee members' remuneration	9,927	9,830
Staff costs	3,179,217	3,041,881
Auditors' remuneration	1,000	1,000
Depreciation of property, plant and equipment	101,236	115,702

8 Tax expense

	2011	2010
	€	€
Malta income tax:		
Final withholding tax at 15%	13	34

9 Property, plant and equipment

The Authority's property, plant and equipment and their carrying amounts can be analysed as follows:

	Improvements to premises €	Computer equipment €	Furniture and fittings €	Office equipment €	Motor vehicles €	Total €
Cost						
At 1 January 2010	276,567	664,090	341,578	245,706	45,276	1,573,217
Additions	-	343,013	9,100	9,532	-	361,645
Disposals	-	(389,497)	-	-	-	(389,497)
At 31 December 2010	276,567	617,606	350,678	255,238	45,276	1,545,365
At 1 January 2011	276,567	617,606	350,678	255,238	45,276	1,545,365
Additions	2,672	41,348	11,040	3,084	-	58,144
Disposals	(53,331)	(1,505)	(31,822)	(80,039)	(4,892)	(171,589)
At 31 December 2011	225,908	657,449	329,896	178,283	40,384	1,431,920
Depreciation						
At 1 January 2010	47,807	656,847	298,845	205,811	43,085	1,252,395
Depreciation for the year	5,531	77,877	16,158	13,945	2,191	115,702
Released on disposal	-	(388,934)	-	-	-	(388,934)
At 31 December 2010	53,338	345,790	315,003	219,756	45,276	979,163
At 1 January 2011	53,338	345,790	315,003	219,756	45,276	979,163
Depreciation for the year	4,518	75,581	9,642	11,495	-	101,236
Released on disposal	(6,270)	(301)	(27,695)	(77,958)	(4,892)	(117,116)
At 31 December 2011	51,586	421,070	296,950	153,293	40,384	963,283
Carrying amounts						
At 1 January 2010	228,760	7,243	42,733	39,895	2,191	320,822
At 31 December 2010	223,229	271,816	35,675	35,482	-	566,202
At 31 December 2011	174,322	236,379	32,946	24,990	-	468,637

10 Inventories

	2011 €	2010 €
Books and publications	33,615	39,317
Stationery	15,319	22,653
	48,934	61,970

11 Trade and other receivables

	2011 €	2010 €
Trade receivables	46,426	91,534
Accrued income	420,195	6,325
Financial assets	466,621	97,859
Prepayments	34,901	20,270
Trade and other receivables	501,522	118,129

The carrying value of short-term loans and receivables is considered a reasonable approximation of fair value.

The Authority does not have any credit terms with its trade receivables. The age of trade receivables is as follows:

	2011 €	2010 €
Not more than 1 month	38,035	79,567
More than 1 month but not more than 3 months	8,301	11,563
More than 3 months but not more than 6 months	90	404
	46,426	91,534

12 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2011 €	2010 €
Cash at bank	242,777	103,409
Cash and cash equivalents in the statement of financial position and statement of cash flows	242,777	103,409

The Authority did not have any restrictions on its cash at bank at year end.

13 Deferred income

	2011 €	2010 €
Government grants		
At 1 January	372,285	105,449
Amount transferred to income and expenditure account	(74,986)	(70,099)
Additions	31,847	336,935
Disposals	(1,204)	-
At 31 December	<u>327,942</u>	<u>372,285</u>
Comprising:		
Current deferred income	<u>80,093</u>	<u>74,986</u>
Non-current deferred income		
Between two and five years	155,475	208,116
After more than five years	92,374	89,183
	<u>247,849</u>	<u>297,299</u>

Note -

	Government grant €	European Union grant €	Total €
Cost			
At 1 January 2010	389,724	77,943	467,667
Additions	336,935	-	336,935
At 31 December 2010	<u>726,659</u>	<u>77,943</u>	<u>804,602</u>
At 1 January 2011	726,659	77,943	804,602
Additions	31,847	-	31,847
Disposals	(1,505)	-	(1,505)
At 31 December 2011	<u>757,001</u>	<u>77,943</u>	<u>834,944</u>
Amortisation			
At 1 January 2010	284,275	77,943	362,218
Amounts transferred to income and expenditure account	70,099	-	70,099
At 31 December 2010	<u>354,374</u>	<u>77,943</u>	<u>432,317</u>
At 1 January 2011	354,374	77,943	432,317
Amounts transferred to income and expenditure account	74,986	-	74,986
Released on disposal	(301)	-	(301)
At 31 December 2011	<u>429,059</u>	<u>77,943</u>	<u>507,002</u>
Balance			
At 1 January 2010	<u>105,449</u>	-	<u>105,449</u>
At 31 December 2010	<u>372,285</u>	-	<u>372,285</u>
At 31 December 2011	<u>327,942</u>	-	<u>327,942</u>

14 Trade and other payables

	2011 €	2010 €
Trade payables	164,482	56,563
Accrued expenses	545,333	120,402
Financial liabilities	709,815	176,965
Deferred income from Government grants	80,093	74,986
Other deferred income	20,000	59,390
Other payables	8,228	50,183
Trade and other payables - current	818,136	361,524

Short-term financial liabilities are carried at their nominal value which is considered a reasonable approximation of fair value.

15 Cash flow adjustments and changes in working capital

The following non-cash flow adjustments and adjustments for changes in working capital have been made to the pre-tax result for the year to arrive at operating cash flow:

	2011 €	2010 €
Adjustments:		
Depreciation of property, plant and equipment	101,236	115,702
Interest income	(85)	(229)
Government grants transferred to income and expenditure account	(74,986)	(70,099)
Loss on disposal of property, plant and equipment	53,270	563
	79,435	45,937
Net changes in working capital:		
Change in inventories	13,036	(2,343)
Change in trade and other receivables	(377,484)	18,606
Change in trade and other payables	451,504	(27,842)
	87,056	(11,579)

16 Related party transactions

The Malta Statistics Authority is an autonomous public institution and reports to Parliament on an annual basis. The Board members of the Authority are appointed by the Government of Malta.

During the period under review, the Authority entered into transactions with a number of Government-related entities.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related parties are unsecured and interest free. Outstanding balances are usually settled in cash. Amounts receivable from related parties are shown separately in note 11.

Income recognised for the year under review relating to subventions received from the Government of Malta are disclosed in note 5.

17 Risk management objectives and policies

The Authority is exposed to credit risk, liquidity risk and market risk through its use of financial instruments which result from both its operating and investing activities. The Authority's risk management is coordinated by the Board members and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Authority is exposed are described below. See also note 17.5 for a summary of the Authority's financial assets and liabilities by category.

17.1 Foreign currency risk

The Authority is not significantly exposed to foreign currency risk since most of its transactions are carried out in euro.

17.2 Interest rate risk

The Authority is not exposed to interest rate risk on its payables since all these are interest free.

17.3 Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognised at the end of the reporting period, as summarised below:

	Notes	2011 €	2010 €
Classes of financial assets – carrying amounts			
Trade and other receivables	11	466,621	97,859
Cash and cash equivalents	12	242,777	103,409
		<u>709,398</u>	<u>201,268</u>

The Authority's Board members consider that all the above financial assets for each of the reporting dates under review are of good credit quality.

None of the Authority's financial assets is secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Authority is not exposed to any significant credit risk exposure to any single counterparty. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

17.4 Liquidity risk

The Authority's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise trade and other payables. Prudent liquidity risk management includes maintaining sufficient cash and committed credit facilities to ensure the availability of an adequate amount of funding to meet the Authority's obligations when they become due.

The Authority ensures a steady and healthy cash flow through persistent chasing of receivables on a weekly basis to ensure that target inflows are received monthly. Targets are set by the chairman, who monitors cash flow regularly together with the accountant.

The Authority's financial liabilities at the reporting date under review are all short term and their contractual maturities fall within one year.

17.5 Summary of financial assets and liabilities by category

The carrying amounts of the Authority's financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorised as follows:

	2011 €	2010 €
Current assets		
Loans and receivables:		
- Trade and other receivables	466,621	97,859
- Cash and cash equivalents	242,777	103,409
	<u>709,398</u>	<u>201,268</u>
Current liabilities		
Financial liabilities measured at amortised cost:		
- Trade and other payables	<u>709,815</u>	<u>176,965</u>

18 Capital management policies and procedures

The Authority's capital management objectives are:

- To ensure the Authority's ability to continue as a going concern, and
- To provide official statistics from the capital investment made in the Authority.

The capital structure of the Authority consists of cash and cash equivalents and reserves.

The Board's policy is to maintain a strong capital base to maintain Government, public and creditor confidence and to sustain future development of the Authority's ever-growing role and activities.

19 Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Independent auditors' report

To the Board of

Malta Statistics Authority

Report on the financial statements

We have audited the accompanying financial statements of Malta Statistics Authority set out on pages 16 to 33, which comprise the statement of financial position as at 31 December 2011, and the income and expenditure account, 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 information.

Authority Board's responsibility for the financial statements

The Authority Board is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Authority Board determine 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. 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 of 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 Board, 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.

Opinion

In our opinion, the financial statements give a true and fair view of the Authority's financial position as at 31 December 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and have been properly prepared in accordance with the requirements of the Malta Statistics Authority Act, 2000.

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long horizontal stroke that tapers to the right.

Mark Bugeja (Partner) for and on behalf of

GRANT THORNTON
Certified Public Accountants

Tower Business Centre, Suite 3
Tower Street
Swatar BKR 4013
Malta

29 February 2012

Income statement

	Page	2011 €	2010 €
Income			
Government subvention			
- direct: paid to MSA		2,930,164	2,731,976
- indirect: expenses paid by Ministry (note)		42,775	55,572
- programmes and initiatives		835,966	299,987
- refurbishment of premises paid by Ministry		1,815	5,004
Government grant		74,985	70,099
EU grant agreements		337,493	383,777
Income from sale of publications and surveys		130,805	255,701
Other income		53,937	46,004
		4,407,940	3,848,120
Expenditure			
Administrative and other expenses (note)	37	(4,402,929)	(3,884,294)
Profit (loss) before tax		5,011	(36,174)

Note –

As from the year ended 30 September 2005, certain IT support services provided to the Authority were paid for directly by the Ministry of Finance. The amount in question cannot be determined and therefore has not been included with Income and with Expenses as done in previous years. This has no effect on the reported result for the year.

Income and expenditure account schedule

	2011 €	2010 €
Administrative and other expenses		
Board members' remuneration	35,232	37,270
RPI Advisory Committee members' remuneration	9,927	9,830
Salaries	3,179,217	3,041,881
Surveys and interviews	270,635	140,550
IT Support – paid by Ministry (refer to note on page 36)	5,228	22,384
Training costs	4,479	10,704
Telecommunications	37,530	37,231
Water and electricity	37,420	40,036
Rent	19,499	18,718
Printing and stationery	142,095	47,912
Postage and couriers	63,857	27,198
Publicity	96,184	5,384
Repairs and maintenance	26,430	37,627
Cleaning expenses	36,667	33,424
Accountancy fee	764	4,310
Legal and professional fees	45,067	21,453
Auditors' remuneration	1,000	1,000
General expenses	2,635	3,935
Depreciation	101,236	115,702
Hire of equipment	6,275	7,215
Travelling	128,991	134,754
Transport	5,416	4,911
Hospitality and entertainment	7,697	5,607
Bank interest and charges	395	576
Uniforms	2,941	3,197
Licences, memberships and subscriptions	39,226	23,654
Motor vehicle running expenses	8,647	6,868
Computer maintenance	2,199	1,833
Allowances	19,901	22,127
Medical services	3,281	4,381
Insurance	4,735	7,414
Bad debts written off	135	-
Loss on disposal of property, plant and equipment	53,270	563
Conferences	4,718	4,645
	4,402,929	3,884,294

Included in the above administrative and other expenses is an amount of €405,503 which was incurred in relation to the Census of Population and Housing.

Ministeru tal-Finanzi, l-Ekonomija u
Investiment

Uffiċċju tas-Segretarju Permanenti



Ministry of Finance, the Economy &
Investment

Office of the Permanent Secretary

18 November 2011

Director General
National Statistics Office

**SERVICE PENSION PAYABLE TO PUBLIC OFFICERS RETIRING FROM THE
NATIONAL STATISTICS OFFICE**

Reference is made to the amount of € 409,680.36, due by the National Statistics Office representing the sum accruing as at 31 December 2010, in respect of service pension payable to ex-public officers retiring from the National Statistics Office who are eligible to receive this pension.

It is confirmed that the Government of Malta will compensate the National Statistics Office for the outlay that it will make in settling the amount due, up to the amount indicated and up to the extent that it shall not be possible for the National Statistics Office to meet this expenditure out of its annual budgetary allocation.

A handwritten signature in black ink, appearing to read "Alfred Camilleri".

Alfred Camilleri
Permanent Secretary