

Annual Report  
and  
Financial Statements

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Malta Statistics Authority

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Photo credits

Communication and Dissemination Unit of the National Statistics Office, Keith Grech an employee of the Malta Statistics Authority and Pixelbay.

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Malta Statistics Authority  
Annual Report &  
Financial Statements  
2019

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29<sup>th</sup> May 2020.

The Hon. Prof Edward Scicluna  
Minister for Finance and Financial Services  
Maison Demandols  
South Street  
Valletta VLT 1102

LETTER OF TRANSMITTAL

In terms of article 29 of Chapter 422 of the laws of Malta I have the honour to transmit to you, in your capacity as Minister responsible for statistics, a copy of the Annual Report of the Malta Statistics Authority for the financial year ended 31 December 2019.



Yours sincerely

Prof Albert Leone Ganado  
Chairman  
Malta Statistics Authority

# Malta Statistics Authority

## The Board

Prof Albert Leone Ganado  
*Chairman*



Dr Aaron G. Grech  
*Deputy Chairman*

### *Members*

Mr Gianluca Cutajar  
Mr Emanuel P. Delia  
Dr Vincent Marmara  
Mr Godwin Mifsud  
Ms Fleur Vella  
Mr Josef Vella



Mr Etienne Caruana  
*Director General, NSO*  
*Ex-Ufficio Member*

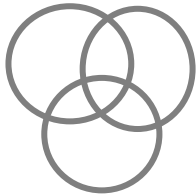


Mr Joseph Bonello  
Board Secretary

# Malta Statistics Authority

## Sub-Committees

### Governance



Chaired by: Prof Albert Leone Ganado

Members: Dr Aaron G. Grech  
Mr Emanuel P. Delia  
Dr Vincent Marmara

### Monitoring and Assessment



Chaired by: Mr Godwin Mifsud

Members: Prof Albert Leone Ganado  
Dr Aaron G. Grech  
Dr Vincent Marmara

### Risk and Assurance



Chaired by: Dr Aaron G. Grech

Members: Prof Albert Leone Ganado  
Ms Fleur Vella  
Mr Josef Vella

## Our Mission

The Malta Statistics Authority, as the regulator of official statistics executes post release verifications on official statistics produced and compiled by the National Statistics Office.

Our objective is to ensure that the quality of official statistics meets the expected standards of excellence set by international statistical bodies.

The Malta Statistics Authority also protects citizens' right to access of data.

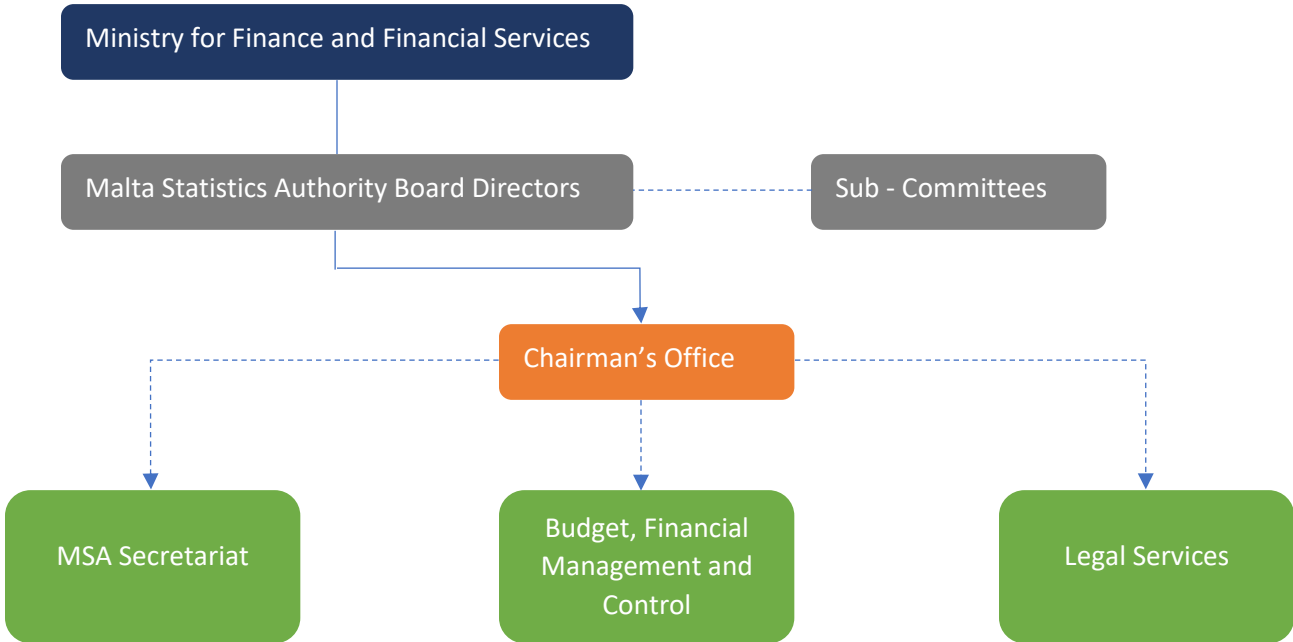
We believe that official statistics form part of decision-making processes in government and business organisations.

We are privileged to be an important part of this process for the benefit of the Maltese community.



# Malta Statistics Authority

## Organisational Chart



# Meetings | Events | Conferences

## 2019



# Chairman's Statement



The regulatory function of the Malta Statistics Authority (MSA) is unique in many ways. Unlike other regulators which are entrusted with ensuring market competitiveness, the Authority's obligation towards the general public is to monitor the quality of official statistics as well as to promote the use of official statistics for research and policy making in the economic, political and social spheres.

## **The role of the Malta Statistics Authority**

Statistical regulation is a specific discipline and due to its technical nature very rarely features in national debates. Nevertheless, it is a key component of the nation's governance and underpins a lot of the country's international obligations. The Authority serves as the guardian of the National Statistics Office (NSO), guaranteeing that official statistics are produced independently from any interference, be it political, business or any other source.

One of the functions of the Authority is to ensure the quality of official statistics, compiled and published, by its executive arm the National Statistics Office, in line with approved international methodologies. The Authority performs this function through the Monitoring and Assessment Sub-Committee. Its remit is to execute post release reviews, with the objective of ensuring the integrity of official statistics produced for both national and international use.

Such reviews are carried out in terms of its legislative remit as well assessing the methods adopted in the preparation of official statistics against the principles of the European Code of Practice<sup>1</sup>.

Within the European context, the MSA has a similar set-up to the UK<sup>ii</sup> and France. In general, a homogenous statistical environment exists across the European Union.

Statistical production is entrusted to a National Statistics Institute (NSI) with the Director General responsible for the overall production of all statistical outputs. NSIs are supported by statistical advisory councils. Within this context the Authority is of the opinion that a uniform framework should be considered across the European Union with a clear separation of powers between the national compiler and the regulator.

As Chairman, I am of the understanding that matters of policy and regulation should be the responsibility of the Authority and the national compiler should focus specifically on the production methods, compilation, compliance and communication of official statistics.

Statistical Offices are moving away from the concept of dissemination and veering into the realm of communication. Dissemination is just one building block of the communication process; the function of spreading results in an impartial manner to everybody. Communication has a more profound meaning: providing targeted information to multiple audiences in a strategic and effective manner. The objective is to keep the public informed in a way that they can correctly understand and digest the data.

During the year the MSA participated in an EU programme managed by the Structural Reform and Support Programme (SRSP). The Authority proposed a set of amendments to the Malta Statistics Authority Act that would modernise it and bring it more in line with practices in

other EU countries. The existing act was enacted in the year 2000 prior to Malta's accession into the European Union.

## **MSA Board Meetings**

During 2019 the Malta Statistics Authority Board convened ten (10) times, exceeding the remit specified by law<sup>iii</sup>. During these meetings the Malta Statistics Authority are kept informed by the Director General, NSO on the progress made towards achieving the statistical outputs set in the business plan and in turn the board provides advice on the overall quality of the national statistical system.

## **Statistical Dissemination**

The Board is pleased to note that the NSO has fulfilled its statistical obligations for 2019. During the year the NSO has published 209 statistical news releases with the economics and social directorates responsible for 75 news releases each, 54 news releases were issued by the business directorate and 5 were published by the Director General's Office. All content was published as stipulated in the advance news release calendar published by the NSO except for two (2) releases. In general, the quality of the news releases was of a high standard with this year's novelty being the inclusion of infographics in several releases.

In addition, the NSO issued five publications. Its hallmark annual publication being, Key Figures for Malta - Visuals and Words – 2019 together with other thematic publications featuring Transport Statistics, Social Protection, Regional Statistics and Self-employment. All publications are available to the general public, free of charge in an e-book format.

These publications have received extensive coverage in both the printed, broadcast and online media thanks to the good relations the NSO has with all media houses.

## **Staff Compliment**

During 2019 the Maltese economy continued to perform at full employment levels. While this augurs well for the wellbeing of the country, it also brings about specific challenges for the recruitment of employees especially when the expertise required to compile official

statistics is in short supply. While the number of tertiary level students continued to increase on a year-on-year basis, the number of graduates in the areas of information communication, technology, statistics, economics and mathematics remains small compared to the employment needs of the public and private sectors.

Over the past year the MSA supported the NSO in a marketing strategy to attract more students in these areas of study and research related to official statistics. As part of the efforts to attract students at a very early stage the Office adopted a strategy to employ interns, which is proving to be successful.

The full employment labour market situation in 2019 presented challenges to fill in all employment vacancies. Our human resource records also indicate that the level of staff retention remained comparable with previous years.

In total, eleven (11) employees resigned. In 2019, the calculated employee turnover rate stood at six (6) per cent. Retention of new recruits was the biggest challenge. Five (5) out of the thirty (30) new recruits resigned shortly after their engagement. Exit employment interviews pointed to more remunerative job opportunities as the main reason for resignation.

At year end the total headcount reported was of one hundred and seventy-nine (179) full-time employees and seventy-four (74) part-time survey interviewers. These figures were in line with those of the original business plan approved by Parliament.

I am also pleased to note that for the first time in many years, we now have a full complement of NSO senior management staff with all Director positions filled.

One of the reasons leading to the satisfactory retention levels of employees was the introduction of improved family friendly measures, a good working relationship between staff and management and the recent collective agreements.

## **MSA Premises**

I am pleased to report that in October the Authority has signed an agreement with the Lands Authority providing it with office space at Lascaris. Towards the end of 2019 government architects were consulted and in 2020 a tender should be compiled to award the necessary works. The designated area is in shell form and works need to be carried out in line with policies to transform the area into much needed office space.

## **Professional Executive Training**

Having spent all my working life in various academic posts at the University of Malta, I understand and am committed to the importance of upskilling employees. During 2019 the Malta Statistics Authority continued to invest heavily in its employees. Apart from participating in the European Statistical Training Programme (ESTP), our employees benefitted from specialised training initiatives funded from the Structural Reform Support Programme (SRSP) and the European Social Fund (ESF). Training programmes were structured for all employee grades and varied from soft to hard skills.

## **Active participation in Conferences**

The Malta Statistics Authority Board has always encouraged continuous professional development and over the years has introduced various incentives towards this end. This sustained encouragement is yielding favourable results and some employees have taken the initiative to write technical papers and present them at international conferences.

A professional institution such as the NSO should gradually make its mark in niches of the international official statistics society, especially in the areas of policy and statistics for small island states.

## **Journal of Statistics**

In 2019 with the support of the NSO Director General, an initiative for an open-access journal featuring both theoretical and applied articles in the realm of official statistics was launched.

The response from employees was encouraging, with several papers being submitted by NSO staff and peer reviewed by a panel of internal and external experts. The journal is expected to be launched during the second quarter of 2020.

### **Preparations for the Census of Population and Housing**

During 2019, I on behalf of the Malta Statistics Authority recommended the Director General, Mr Etienne Caruana, to the Minister for Finance and Financial Services to become the next Census Officer. The nomination was confirmed by the Prime Minister and published in the government gazette on 14 October 2019.

Although the Population and Housing census, is regulated by a legislative framework separate from the MSA Act, the Director General is keeping the Board informed with his operational plans during board meetings. During 2020 a wide consultation exercise is expected to be carried out by the census officer among interested parties and stakeholders.

### **Globalisation**

Capturing effectively international business activities in business and economic statistics is becoming ever more difficult. This concern has featured very prominently on the agendas of statistical circles during 2019, and few subjects are as controversial – and poorly understood – as globalisation.

While in its broadest sense, economic globalisation is as old as trade itself, the recent international financial crisis has amplified the complexity associated with the global interconnectedness of the world's economies.

Globalisation affects an array of macro-economic statistics such as international trade in goods, international trade in services, foreign affiliates, foreign direct investment as well as international sourcing and national income statistics. In view of the complexities of compiling



these statistics the Board supports the initiative suggested by the NSO Director General towards the creation of a Large Cases Unit which will also be responsible for business profiling.

## **Annual Audit**

Once again, the auditor's report and the accompanying annual statutory audit are a statement of trust in the MSA Board. Apart from the subvention and statistical programmes and initiatives voted to the MSA during each national budget, the Office, through the hard work of the financial controller supplements its income with European Commission Grants and other supplementary income sources. For instance, in the year under review, grants from Eurostat and the European Social Fund (ESF) amounted to €730,703. The former was a directed input towards improvements to the statistical production system while the Authority's participation in an ESF programme provided training possibilities to all its staff. A professional institution such as the NSO requires the continuous upskilling of its employees to be able to meet the increasing technical demands of both the local and European statistical programme. On the expenditure side, recurrent expenditure for the year was €6,940,745, with the largest overhead being payroll related costs.

The financial aim of the MSA Board is to achieve a balanced budget. The financial resources accrued over 2019 are earmarked against long-term projects and specific statistical objectives, such as the investment in a new data warehouse and the agricultural census among other matters.

Apart from the MSA board's policy direction, this financial success is due to the fine stewardship of the Director General and the accounts unit spearheaded by the financial controller. Regular reports are made to the Board in its monthly meetings and to the Risk and Assurance Sub-Committee.

## **Conclusion**

In conclusion I would like to thank especially the Minister for Finance and Financial Services, the Hon Prof Scicluna, for his understanding and appreciation of official statistics and for his continuous support. I would also like to show my appreciation to Mr Alfred Camilleri and Mr

Joseph Caruana, both permanent secretaries within MFIN, for their continuous support to the Board in both financial and administrative matters over the years.

I would also like to extend my thanks to the MSA Secretariat, the MSA board members, the Director General and all NSO staff for their continuous support and professional service in the execution of their duties.

The Board, since its inception, has always been composed of professionals from different walks of life and is highly respected in local and foreign statistical and economic circles. The collaboration and expertise shown by my colleagues has served my office well and provided the Director General with useful advice for the continuous improvement in the quality of official statistics.

This report and accompanying audited financial statements prove that for another year the Authority has managed wisely the funds allocated to it. The Authority ensures that the funds granted to its executive arm, the NSO, are used efficiently in the production of official statistics and in improving the skills of its professional workforce to sustain existing and future statistical projects.

Finally, official statistics would not be possible without the cooperation of households and enterprises. While the Authority is aware of the burden placed on families and businesses, their contribution is essential to society, especially in the provision of quantitative data for

the development and monitoring of social and economic policies, research and the continuous development of an informed society.



**Prof Albert Leone Ganado**

Chairman

Malta Statistics Authority

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<sup>i</sup> An opinion differs significantly from an audit and the Authority normally conducts the former and only in exceptional and rare cases it performs an audit.

<sup>ii</sup> Following a general election, Parliament ratified the withdrawal agreement, and the UK left the EU on 31 January 2020.

<sup>iii</sup> The Malta Statistics Authority Act (Chapter 422) specifies that it must meet two times per quarter.

## Malta Statistics Authority Board Meetings

### Recommendations | Advice | Policy

#### Senior management positions

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All senior management positions have been filled during 2019.

#### ESGAB conference

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Participated in an ESGAB Conference in which the Chairman, Prof Albert Leone Ganado participated in a panel discussion.

#### Training

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The NSO and the Malta Statistics Authority Secretariat has benefitted from training funds by the Structural Reform Support Programme (SRSP), the European Social Fund (ESF), the European Statistical Training Programm (ESTP) and National Funds.

#### Statistical Journal

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The Board launched an initiative for the compilation of a statistical journal. Papers were accepted during 2019 and the journal is expected to be launched in the second quarter of 2020.

#### Collective agreement (Management)

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The collective agreement was signed on the 11 July and covers the period 2017-2022.

#### Census of Population and Housing 2021

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The Board was briefed by the Director General on the plans for the Census of Population and Housing.

#### Legislative recommendations

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Changes to the Malta Statistics Authority Act were recommended to the Ministry for Finance.

#### Large Cases Unit

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Issues pertaining to globalisation were raised in various meetings by the Director General. The Malta Statistics Authority Board supports strongly the initiative for the creation of a large cases unit.

Malta Statistics Authority  
Audited Financial Statements  
for the year ended 2019

## Authority Board Report

### For the year ended 31<sup>st</sup> December 2019

The members of the Authority Board present their report, together with the audited financial statements of the Authority, for the year ended 31<sup>st</sup> December 2019.

### Authority

The persons responsible for these financial statements are

Prof. Albert Leone Ganado – Chairperson

Dr. Aaron George Grech – Deputy Chairperson

Mr. Etienne Caruana – Director General (ex officio)

Dr. Vince Marmara – Member

Mr. Emanuel P. Delia – Member

Mr. Godwin Mifsud – Member

Mr. Gianluca Cutajar – Member

Mr. Josef Vella – Member

Ms. Fleur Vella – Member

Mr. Joseph Bonello – Board Secretary

### Principal activity

The Malta Statistics Authority (MSA) is a public corporate body with regulatory responsibility relating to the production of official statistics in accordance with internationally harmonised methodologies, for the benefit of the Government of Malta, the European Union, international organisations and the general public. The Authority was set up through the enactment of the Malta Statistics Authority Act (Chapter 422 of the Laws of Malta). The Malta Statistics Authority reports to the Minister responsible for official statistics and the Authority's statutory audit financial statements are to be tabled in Maltese Parliament as per Article 26 (4) of the said Act.

### Review of business development and financial position

The results for the year under review are disclosed on page 26, while the financial position of the Authority as at 31<sup>st</sup> December 2019 is disclosed on page 27.

### Events after the end of the reporting year

No significant events, having an effect on the financial results and position of Authority, have taken place after the end of the reporting year.

### Future developments

No changes are envisaged in operations during the forthcoming year.

### Surplus of Funds

The surplus for the year amounted to €641,829 and is being carried forward to the next financial year.

**Auditor**

The auditor, Mr. Charles Scerri, has intimated his willingness to continue in office. A resolution proposing his re-appointment will be put before the members during the Malta Statistics Authority Board Meeting of the month of March, 2020.

Approved by the Authority on 17 March 2020 and signed on its behalf by:



**Prof. Albert Leone Ganado**  
Chairperson



**Dr. Aaron George Grech**  
Deputy Chairperson

**Registered address:**

Lascaris,  
Valletta, VLT 2000  
Malta.

## Statement of responsibilities of the Authority

The Authority is governed by a Board consisting of Chairperson, Deputy Chairperson, the Director General (ex officio) and six members. Their responsibility is to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Authority at the end of each financial year and of the gain or loss for the year then ended. In preparing the financial statements, the Authority:

- Selects suitable accounting policies and apply them consistently
- Makes judgements and estimates that are reasonable and prudent; and
- Prepares the financial statements on a going concern basis, unless it is appropriate to presume that the Authority will not continue in business

The Authority is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Authority is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible to ensure that it establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management considers the risks that the financial statements may be materially misstated as a result of fraud.

Approved by the Authority on 17 March 2020 and signed on its behalf by:



**Prof. Albert Leone Ganado**  
Chairperson



**Dr. Aaron George Grech**  
Deputy Chairperson



**INDEPENDENT AUDITOR'S REPORT****To the members of the Malta Statistics Authority**

I have audited the financial statements of Malta Statistics Authority as set out on pages 26 to 41, which comprise the statement of financial position as at 31st December 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statement, including a summary of the significant accounting policies and explanatory notes.

***Opinion***

In my opinion, the financial statements give a true and fair view of the financial position of the Authority as at 31<sup>st</sup> December, 2019 and of its financial performance for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU and have been prepared in accordance with the requirements of the Malta Statistics Authority Act (Cap. 422).

***Basis for Opinion***

I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described below in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to my audit of the financial statements in accordance with the Accountancy Profession Act (Cap. 281) in Malta, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

***Other information***

The representatives of the Authority are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT****To the members of the Malta Statistics Authority*****Responsibilities of the representatives of the Authority and those charged with governance for the audit of the financial statements***

The representatives of the Authority are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the representatives of the Authority determines necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements the representatives of the Authority are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the representatives either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

***Auditor's responsibility for the audit of the financial statements***

My objective is 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 my 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 ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the representatives.

**INDEPENDENT AUDITOR'S REPORT****To the members of the Malta Statistics Authority**

- Conclude on the appropriateness of the representatives' 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 Authority's ability to continue as a going concern. If it is concluded that a material uncertainty exists, it is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. 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 Authority 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.

I will communicate with the representatives of the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Charles Scerri****Certified Public Accountant and Registered Auditor****The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425**

17 March 2020

**Statement of comprehensive income**  
**For the year ended 31st December 2019**

	Note	2019 €	2018 €
Income	4	7,582,274 -----	6,555,864 -----
Administrative expenses		(6,940,745)	(6,158,850)
Finance income	5	300 -----	277 -----
Surplus for the year	6	641,829 =====	397,291 =====

**Statement of financial position**  
**As at 31<sup>st</sup> December 2019**

	Note	2019 €	2018 €
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	273,849	226,292
		-----	-----
		273,849	226,292
		=====	=====
<b>Current assets</b>			
Inventories	9	45,098	57,812
Trade and other receivables	10	753,210	637,777
Cash at bank	13	3,272,805	2,464,409
		-----	-----
<b>Total current assets</b>		<b>4,071,113</b>	<b>3,159,998</b>
		-----	-----
<b>Total assets</b>		<b>4,344,962</b>	<b>3,386,290</b>
		=====	=====
<b>Equity</b>			
Accumulated funds		2,284,542	1,642,713
		-----	-----
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred income	11	162,982	136,407
		-----	-----
<b>Total non-current liabilities</b>		<b>162,982</b>	<b>136,407</b>
		-----	-----
<b>Current liabilities</b>			
Trade and other payables	12	1,897,438	1,607,170
		-----	-----
<b>Total current liabilities</b>		<b>1,897,438</b>	<b>1,607,170</b>
		-----	-----
<b>Total liabilities</b>		<b>2,060,420</b>	<b>1,743,577</b>
		-----	-----
<b>Total equity and liabilities</b>		<b>4,344,962</b>	<b>3,386,290</b>
		=====	=====

The financial statements on pages 26 to 28 were approved by the Authority's representatives on 17 March 2020 and signed on its behalf by:



**Prof. Albert Leone Ganado**  
**Chairperson**



**Dr. Aaron George Grech**  
**Deputy Chairperson**

**Statement of changes in equity**  
**For the year ended 31<sup>st</sup> December 2019**

	<b>Accumulated fund</b>
	<b>€</b>
At 1 <sup>st</sup> January 2018	1,245,422
Surplus for the year	397,291
	-----
At 31 <sup>st</sup> December 2018	1,642,713
	=====
<b>At 1<sup>st</sup> January 2019</b>	<b>1,642,713</b>
<b>Surplus for the year</b>	<b>641,829</b>
	-----
<b>At 31<sup>st</sup> December 2019</b>	<b>2,284,542</b>
	=====

**Statement of cash flows**  
**For the year ended 31<sup>st</sup> December 2019**

	<b>2019</b>	<b>2018</b>
	€	€
<b>Cash flow from operating activities</b>		
Surplus for the year	641,829	397,291
<b>Adjustments for:</b>		
Depreciation	64,538	63,201
Government grant transferred to Income & Expenditure Account	(60,941)	(54,544)
<b>Movements in working capital for:</b>		
Inventories	12,714	777
Trade and other receivables	(115,433)	301,203
Trade and other payables	265,689	428,893
	-----	-----
Net cash inflow before interest	808,396	1,136,821
Interest receivable	(300)	(277)
	-----	-----
Net cash inflow from operating activities	808,096	1,136,544
	-----	-----
<b>Cash flow from investing activities</b>		
Payments to acquire property, plant and equipment	(112,095)	(40,456)
Interest receivable	300	277
	-----	-----
Net cash outflow used in investing activities	(111,795)	(40,179)
	-----	-----
<b>Cash flow from financing activities</b>		
Government capital grants	112,095	38,235
	-----	-----
Net cash inflow from financing activities	112,095	38,235
	-----	-----
<b>Movement in cash and cash equivalents</b>	<b>808,396</b>	<b>1,134,600</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,464,409</b>	<b>1,329,809</b>
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>3,272,805</b>	<b>2,464,409</b>
	=====	=====

## 1.1 Reporting Authority

The Malta Statistics Authority was set up by the Parliament through the Malta Statistics Authority Act (Chapter 422 of the Laws of Malta) and the statutory financial statements are tabled to Parliament as per article 26 (4) of the said act.

## 1.2 Basis of preparation

## 1.3 Statement of compliance

The financial statements have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRSs) and the requirements of the Malta Statistics Authority Act (Chapter 422 of the laws of Malta).

### ***Standards, interpretations and amendments to published standards effective in 2018***

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in substantial changes to the Authority's accounting policies.

### ***Standards, interpretations and amendments to published standards that are not yet effective***

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Authority. The Authority has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Authority's members are of the opinion that, there are no requirements that will have a possible significant impact on the Authority's financial statements in the year of initial application.

## 2.0 Basis of measurement

The financial statements are prepared under the historical cost basis. The accounting policies set out below have been applied consistently to all years presented in these financial statements.

### 2.1 Functional and presentation currency

The financial statements are presented in Euro, which is the Authority's functional currency.

Transactions in foreign currencies are translated to the functional currency of the Authority at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Profits or losses made on foreign currency conversions are recorded in the statement of comprehensive income.

### 2.2 Critical accounting estimates and judgments

Estimates and judgments 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 Authority representatives, the accounting estimates and judgments 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.



### 3.0 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

#### 3.1 Property, plant and equipment

Property, plant and equipment, are initially recorded at cost and are subsequently stated at cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount, 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 group, and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Income, during the financial year in which they are incurred.

##### Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful life of the assets concerned having regard to their residual value. The annual rates used for this purpose, which are applied consistently, are:

	%
Improvement to leasehold premises	2
Furniture and fixtures	15
Office equipment	15
Motor Vehicles	20
Computer software	20
Computer equipment	20 – 33.33

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses arising on the disposal or retirement of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income within the other income or administrative and other expenses categories.

#### 3.2 Inventories

Inventories are stated at the lower of cost and net realisable value. Stocks are determined by the weighted average basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

#### 3.3 Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

#### 3.4 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 3.5 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 3.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable by the Authority for services provided. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably.

- The following specific recognition criteria must also be met before revenue is recognised:
- 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 not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the statement of comprehensive income on a systematic basis over the years in which the Authority 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 statement of comprehensive income on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the statement of comprehensive income in the year in which they become receivable.

Interest income

- Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

### 3.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Authority becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Authority's contractual rights to the cash flows from the financial assets expire or if the Authority transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date,

i.e., the date that the Authority commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Authority's obligations specified in the contract expire or are discharged or cancelled.

### **3.8 Financial assets**

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

All income and expenses relating to loans and receivables are presented within 'finance cost', '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 default rates for each identified group.

### **3.9 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'.

### **3.10 Reserves**

The retained fund includes all current and prior year retained surpluses and deficits.

### **3.11 Going concern**

The financial statements have been prepared on the going concern basis, which assume that the Authority will continue in operational existence for the foreseeable future. With reference to the Malta Statistics Authority Act, 2000 Part 4 article 19 sub-article 3, the Government shall pay the Authority to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or of a similar capital nature.

**4 Income**

	2019 €	2018 €
Government subvention:		
Direct: paid to MSA	5,200,000	4,700,000
Indirect: expenses paid by the Ministry of Finance	29,525	70,231
Programs and initiatives	1,150,000	1,016,122
Household budgetary survey	-	3,878
Household budgetary survey - expenditure	-	(3,878)
Refurbishment of premises paid by the Ministry for Finance	148,218	48,184
Government grant – Capital nature (Note 11)	60,941	54,544
EU Grant agreements	461,422	307,336
European social fund	269,281	9,223
Sale of publications and surveys	217,941	297,377
Other income	44,946	52,847
	----- 7,582,274 =====	----- 6,555,864 =====

**5 Finance income**

	2019 €	2018 €
Bank interest received	300 =====	277 =====

**6.0 Surplus for the year**

**6.1 The surplus** for the year is stated after charging the following:

	2019 €	2018 €
Audit fee	2,288	2,288
Depreciation (note 8)	64,538 =====	63,201 =====
	2019 €	2018 €
<b>Staff costs:</b>		
Board members remuneration	57,073	53,573
RPI Advisory Committee members' remuneration	8,153	8,153
Staff wages and salaries	5,371,434 =====	4,703,679 =====

The average number of persons employed during the year was made up as follows:

	2019 Number	2018 Number
Average number of MSA employees	174	161
Average number of casual survey interviewers	66 =====	44 =====

## 7 Taxation

The Board as per previous practice, considers the Authority as tax exempt and did not provide for taxation at 35% in the financial statements. A request in terms of Article 12(2) of the Income Tax Act to obtain a tax exemption on its surplus will be made with the Ministry of Finance. To date, no such exemption has been received.

## 8 Property plant and equipment

	Improvement to premises €	Computer equipment €	Furniture & Fittings €	Office Equipment €	Motor vehicles €	Total €
<b>Cost</b>						
At 1 <sup>st</sup> January 2019	232,295	805,919	317,128	232,035	23,474	1,610,851
Additions	4,019	78,077	16,735	13,264	-	112,095
	-----	-----	-----	-----	-----	-----
<b>At 31<sup>st</sup> December 2019</b>	<b>236,314</b>	<b>883,996</b>	<b>333,863</b>	<b>245,299</b>	<b>23,474</b>	<b>1,722,946</b>
	-----	-----	-----	-----	-----	-----
<b>Depreciation</b>						
At 1 <sup>st</sup> January 2019	84,407	782,997	291,509	215,550	10,096	1,384,559
Charge for the year	5,793	39,381	9,099	5,805	4,460	64,538
	-----	-----	-----	-----	-----	-----
<b>At 31<sup>st</sup> December 2019</b>	<b>90,200</b>	<b>822,378</b>	<b>300,608</b>	<b>221,355</b>	<b>14,556</b>	<b>1,449,097</b>
	-----	-----	-----	-----	-----	-----
<b>Net book value</b>						
<b>At 31<sup>st</sup> December 2019</b>	<b>146,114</b>	<b>61,618</b>	<b>33,255</b>	<b>23,944</b>	<b>8,918</b>	<b>273,849</b>
	=====	=====	=====	=====	=====	=====
Net book value At 31 <sup>st</sup> December 2018	147,888	22,922	25,619	16,485	13,378	226,292
	=====	=====	=====	=====	=====	=====

## 9 Inventories

	2019 €	2018 €
Books and publications	33,346	42,637
Stationery	11,752	15,175
	-----	-----
	<b>45,098</b>	<b>57,812</b>
	=====	=====

Publications which are given for free are valued at their original cost.

**10 Trade and other receivables**

	Note	2019 €	2018 €
Trade receivables	10.1	<b>252,026</b>	69,280
Accrued income		<b>488,654</b>	434,123
		-----	-----
Financial assets		<b>740,680</b>	503,403
Prepayments		<b>12,530</b>	134,374
		-----	-----
		<b>753,210</b>	637,777
		=====	=====

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

	2019 €	2018 €
More than 1 month	<b>74,800</b>	17,377
More than 1 month but not more than 3 months	<b>176,510</b>	24,528
More than 3 months but not more than 6 months	<b>716</b>	27,375
	-----	-----
	<b>252,026</b>	69,280
	=====	=====

**10.2 Accrued Income**

Accrued income includes €400,000 as of 31st December 2019 (2018: €400,000) representing a sum payable by the National Statistics Office to ex-public officers in respect to retiring service pension which sum shall be compensated in full by the Government of Malta in the event that the National Statistics Office is unable to meet this expenditure out of its annual budgetary allocation. The members of the Authority Board are of the opinion that it shall not be possible for the National Statistics Office to meet this expenditure out of its annual budgetary allocation. A corresponding amount is recognised as accrued expense (Note 12).

**11 Deferred income**

	<b>2019</b>	2018
	€	€
<b>Government grants</b>		
At 1st January	<b>166,000</b>	182,309
Additions	<b>112,095</b>	38,235
Amounts transferred to income and expenditure account	<b>(60,941)</b>	(54,544)
	-----	-----
At December	<b>217,154</b>	166,000
	=====	=====
	<b>2019</b>	2018
	€	€
<b>Comprising</b>		
Current deferred income	<b>54,172</b>	29,593
	=====	=====
Non-current deferred income		
Between 2 and 5 years	<b>80,220</b>	54,741
After more than 5 years	<b>82,762</b>	81,666
	-----	-----
	<b>162,982</b>	136,407
	=====	=====

This refers to government grants with respect to computer equipment, improvements to premises, furniture, fixtures and fittings and office equipment, which are deferred over the assets' useful lives.

<b>Government grants</b>	<b>2019</b>	2018
	€	€
<b>Cost</b>		
At 1st January	<b>975,301</b>	937,066
Amounts transferred to income and expenditure account	<b>112,095</b>	38,235
	-----	-----
At 31st December	<b>1,087,396</b>	975,301
	=====	=====
<b>Amortisation</b>		
At 1st January	<b>809,301</b>	754,757
Amounts transferred to income and expenditure account	<b>60,941</b>	54,544
	-----	-----
At 31st December	<b>870,242</b>	809,301
	=====	=====
<b>Balance</b>	<b>217,154</b>	166,000
	=====	=====

**12 Trade and other payables**

	Note	2019 €	2018 €
Trade payables		42,834	25,752
Accruals		712,545	667,719
		-----	-----
Financial liabilities		755,379	693,471
Deferred income from Government grants	11	54,172	29,593
Deferred income from Eurostat grants		317,972	68,003
Prepaid income		730,115	799,964
Other payables to be paid from ESF funds		33,497	17,067
Other vat liability		6,303	(928)
		-----	-----
		<b>1,897,438</b>	<b>1,607,170</b>
		=====	=====

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

**13 Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	2019 €	2018 €	Movement €
Cash at bank	3,272,805	2,464,409	808,396
	=====	=====	=====

**14 Related party transactions**

Malta Statistics Authority is an autonomous public institution enacted by the Malta Statistics Authority Act (Chapter 422 of the Laws of Malta). The Authority is the regulator for official statistics in Malta. In accordance with article 26 (4) of the Malta Statistics Authority Act, audited financial statements shall be tabled in Parliament by the Authority's line Minister.

During the year under review, the Authority entered into transactions with a number of Government-related entities. As at 31<sup>st</sup> December 2019, the Authority had an outstanding receivable balance due from other governmental entities amounting to €69,663 (2018: €59,436), and an outstanding payable owed to other governmental entities amounting to €294 (2018: €1,896).

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Transactions with related entities are unsecured and interest free. Outstanding balances are usually settled in cash.

Income recognised for the year under review relating to subventions received from the Government of Malta are disclosed in note 4.

**15 Financial risk management**

The Authority is exposed it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. 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 risk.

#### 15.1 Foreign currency risk

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

#### 15.2 Interest risk

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

#### 15.3 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 year, as summarised below;

	Note	2019 €	2018 €
Classes of financial assets – carrying amounts			
Trade and other receivables	10	753,210	637,777
Cash and cash equivalents	13	3,272,805	2,464,409
		-----	-----
		<b>4,026,015</b>	<b>3,102,186</b>
		=====	=====

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 are 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.

#### 15.4 Liquidity risk

The Authority's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise of 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 debtors on a weekly basis to ensure that target inflows are received monthly. Targets are set by management and are monitored through continuous cash flow analysis with the financial controller.

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

## 16 Statutory information

The Malta Statistics Authority (MSA) ("the Authority") is the Authority which ensures that official statistics produced independently by its executive arm, the National Statistics Office, are reliable, robust, timely and impartial. The Authority is enacted by the virtue of the Malta Statistics Authority Act, (Chapter 422 of the laws of Malta).

**Detailed income statement**  
**For the year ended 31<sup>st</sup> December 2019**

	2019 €	2018 €
<b>Income</b>	<b>7,582,274</b>	<b>6,559,742</b>
	-----	-----
<b>Administrative and other expenses</b>		
Air conditioning running costs	5,504	1,928
Auditor's remuneration	2,288	2,288
Bank interest and charges	866	758
Board members' remuneration	57,073	53,573
Cleaning expenses	39,047	33,105
Conference expenditure	250	2,132
Donations and miscellaneous expenses	2,050	4,100
Depreciation	64,538	63,201
European Social Fund	256,437	19,111
General expenses	4,404	3,061
Hire of equipment	11,269	10,784
Hospitality and entertainment	12,008	8,544
Insurance fees	12,175	12,392
IT Support	140,902	43,370
Consultancy and professional fees	112,057	153,774
Licences, memberships and subscriptions	43,688	44,746
Medical services	1,802	774
Motor vehicles running expenses	7,568	10,093
Pensions payable to ex government employees	80,787	365,804
Postage and couriers	21,559	20,925
Print and stationery fees	46,832	25,703
Publicity fees	13,905	9,814
Rental fees	20,582	19,439
Repair and maintenance	30,736	20,291
RPI Advisory Committee members' remuneration	8,153	8,153
Salaries	5,371,434	4,703,679
Surveys and interviews	338,056	309,851
Training costs	11,275	8,818
Telecommunication costs	24,780	21,346
Travelling expenses	152,723	140,728
Uniform expenses	3,905	2,979
Water and electricity fees	26,260	23,425
Premises maintenance	15,832	10,161
	-----	-----
	<b>6,940,745</b>	<b>6,158,850</b>
	-----	-----

	<b>2019</b>	2018
	€	€
<b>Household budgetary survey expenditure</b>		
Conferences	-	1,247
Printing and stationery fees	-	1,201
Publicity	-	1,430
	-----	-----
	-	3,878
	-----	-----
Household budgetary survey expenditures are netted with income in note 4.		
<b>Total operating expenses</b>	<b>6,940,745</b>	6,162,728
	-----	-----
<b>Finance income</b>	<b>300</b>	277
	-----	-----
<b>Surplus for the year</b>	<b>641,829</b>	397,291
	=====	=====

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Malta Statistics Authority

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