

ANNUAL REPORT **2019**



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LABOUR MARKET TRENDS IN 2019

EMPLOYMENT AND UNEMPLOYMENT LEVELS

Over the last year, the labour market has continued to build on the recent past trend of increased employment levels, lower levels of registered unemployment, and inflow of foreign workers.

Jobsplus employment records for July 2019 indicate that the gainfully occupied population reached the figure of 219,375 persons when compared to the figure of 208,190 in the same month of 2018. This represents an increase of 11,185 persons or 5.4%. The Administrative and Support Service Activities and Construction sectors contributed most to increased employment.

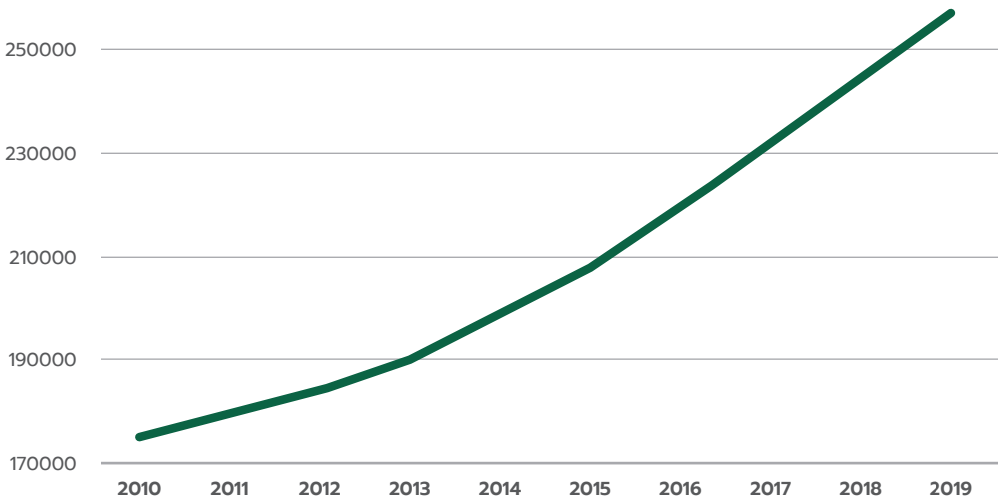
Employment in the private sector went up to 171,209 persons hence representing an increase of 10,484 or 6.5% over the same month last year, while the public sector increased by 701 persons or 1.5%. Full-time employment for men and women went up by 5% and 6% respectively.

Part-time employment increased to 68,239 persons in July 2019, representing an increase of 4.5% over the same month of the previous year. Part-time employment as a secondary job remained the main contributor to the increase in part-time employment.

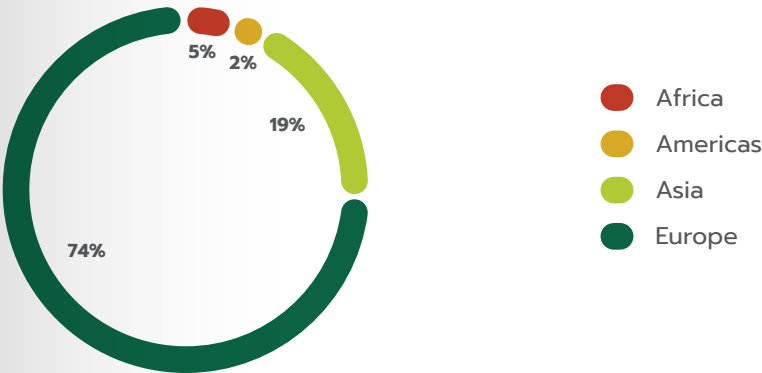
The total number of persons in full-time and part-time employment as a primary job was of 257,401 persons in July 2019 against a figure of 245,840 in the same month of 2018. This represents an increase of 11,561 persons or 5% in one year, i.e. the same figure registered for the period July 2017 - July 2018. Foreign workers represent 24% of total employment.

The number of women in employment rose to 107,123 in July 2019, thereby contributing to 43% of the total increase in employment during the period July 2018 – July 2019. Compared to the figure of July 2010, Malta has achieved a significant increase of 52% in female employment.

TOTAL EMPLOYMENT

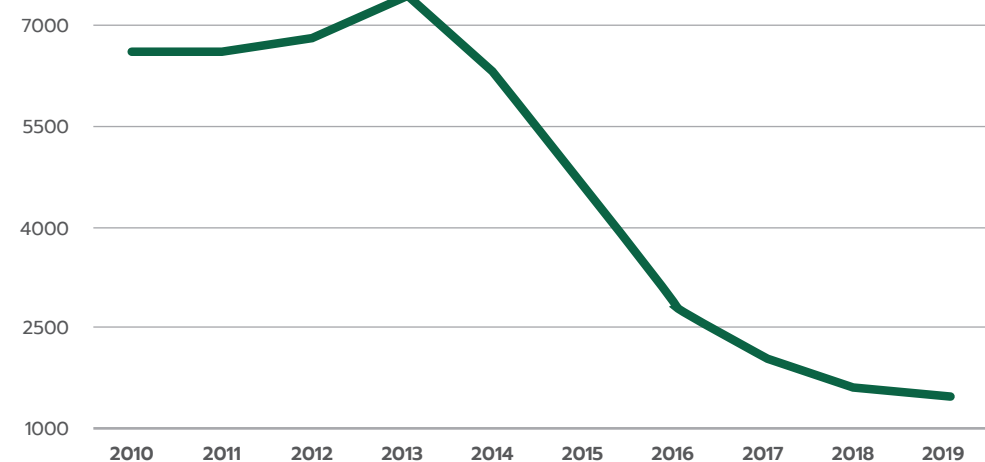


SHARE OF FOREIGN EMPLOYMENT IN MALTA BY CONTINENT as at end december 2018



Registered unemployment stood at 1,642 persons at end December 2019. There were 123 less registered jobseekers in that month when compared to December 2018. Men accounted for 91% of total registered unemployed.

REGISTERED UNEMPLOYED



LABOUR MARKET FORECASTING

The work which commenced in 2018 on the construction of an econometric model designed to forecast labour market demand and supply in Malta, gained pace in 2019. The developed model is a system of two interconnected, but methodologically different sub-models, each predicting development of a different side of the Maltese labour market in order to give a quantified, comprehensive and consistent overview of (anticipated) labour demand and supply in Malta. During 2019, a series of training sessions were carried out both in Malta and Slovakia in an effort to gain in-depth insight of the functioning of the model, as well as to provide the necessary feedback at every stage of development. Moreover, consultations were also held with the Economic Policy Department within the Ministry for Finance and the Central Bank of Malta, whose representatives gave expert advice on econometric issues surrounding the

modelling of the Maltese economy and reactions to initial results attained from the model. In the process, the model was updated and some final refinements were carried out in an effort to make the model more robust. The results attained from the model are expected to help policy-makers in a number of different fields, including education and migration.

CAPTURING, PROCESSING AND DERIVING LABOUR MARKET INFORMATION

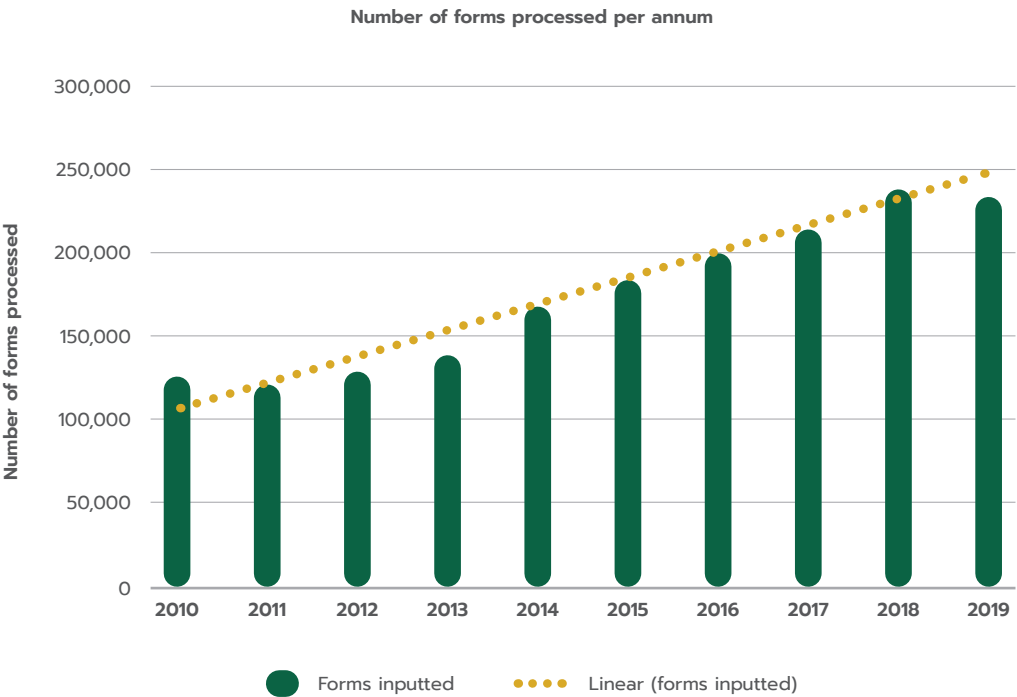
Jobsplus endeavours to provide timely and accurate labour market information, not only for statistical but also for labour market policy objectives. This requires the continuous chase for information updates from employers and other sources, process employment forms received in the shortest time possible, and issue revisions of employment data on a regular basis.

One of the core operations of Jobsplus is the processing of employment forms. During 2019, 233,192 employment forms were processed by Jobsplus. Despite Jobsplus

having been offering web facilities to employers to report to Jobsplus the engagement or termination of employees as per legal requirements, only 59% of submissions by employers were made through the web facilities. The other submissions were made through the manual filling of forms and sending by normal mail or email to Jobsplus. This traditional method of manual form filling is time-consuming for employers and also for Jobsplus who in turn has to input all the information contained in the forms into the database. The limited usage by employers of Jobsplus' website services is hindering it in eliminating manual processes and resorting more to ICT-based services.

Forms processed by Jobsplus have been increasing substantially over the past years as can be evidenced from the below diagram:

FORMS PROCESSED BY JOBSPLUS BETWEEN 2010 AND 2019



Source: HRIS database

In addition to processing of employment forms, an average of 9,328 clients were serviced monthly on a face-to-face basis, by email or by phone to update their employment records contained in Jobsplus' database. Other services provided included the issuing of employees lists to employers and employment histories to employees, and the updating of records resulting from Jobsplus' law compliance investigations.

With the assistance of an external contractor, Jobsplus continued with its scanning project of all engagement and termination forms received from employers. Till the end of December 2019, all forms received at Jobsplus from 1994 to 2018 have been scanned. A repository of these scanned forms is now being created, encompassing over 3 million records, split according to their respective year of activity. This repository is expected to be finalised by the first quarter of 2020, following which a search function will be made available to all Jobsplus employees allowing them access to any form required to assist Jobsplus clients.

In order to assist employers to fulfil their legal obligation of submitting the required employment forms for their employees, frequently asked questions (FAQs) were published on the Jobsplus portal.

Jobsplus compiled national employment and unemployment statistics on a monthly basis which were then published through National Statistics Office News Releases.

During 2019, 1,110 requests for information were

replied to; 49% of which were ad-hoc requests originating from students, public entities, research units, Parliamentary questions and Jobsplus' internal departments. Weekly reports on redundancies and data concerning service inputs and outputs were prepared to assist management with operations.

Time series data about employment, unemployment, employment of foreign nationals, and vacancies is published on the Jobsplus website for use by the general public to download as an Excel file or PDF document. During this operational year, more statistical tables and charts were added based on client feedback. The tables that were included are the following:

- Vacancies data has been upgraded to include information on trend analysis of vacancies notified to Jobsplus, and segmented by major occupation group and main economic sector. A table that combines both variables for the period 2013 to 2018 has been added.
- Data of foreign nationals has been updated to include a detailed tabulation segmented by gender, nationality, and employment type for the period 2002 to 2018.
- A whole new module was created entitled: "Other Info". This module contains information related to (a) Labour Turnover in Malta and Gozo (2014-2018) and (b) Count of Employers segmented by Size (five-year time series from 2005 to 2018 was used).



Employment and Jobseekers' Trends	
Employment	Unemployment
Vacancies	Foreign Nationals
Other Info	



PERFORMANCE MANAGEMENT AND REPORTING

During 2019, nine process flowcharts were developed and an additional fifty-four were either updated, reviewed, or re-confirmed. The regular review of such process flowcharts provides senior personnel with the opportunity to reflect on the aims and intended outcomes of such processes with a view to bringing about service improvement. The collection of performance data in the form of Inputs-Outputs-Outcomes continued throughout 2019. The model used by Jobsplus has been recognised as good practice, and has been widely disseminated to members of the European Network of Public Employment Services.

Following several meetings with internal respective stakeholders, data for Business Plan Key Performance Indicators started being collected through the business intelligence tool available at Jobsplus. More performance data is being generated about the number and profile of migrants and job changers making use of Jobsplus' employment services. Constant efforts are being made to capture even more information about the employment status of Jobsplus' clients at specific time periods following the completion of a scheme or service provision to monitor the effectiveness of Jobsplus' services. Over the past year, such effectiveness indicators were captured for persons benefitting from services such as work placement, work exposure, and traineeships.

Throughout 2019, Jobsplus provided feedback to the Ministry for Education and Employment about progress achieved in respect of measures mentioned in the national strategy to address poverty, the Electoral Manifesto Measures, and the National

Reform Programme. Other Government requests serviced were related to Digitisation of Forms as part of Government's Digitisation Plan 2019 – 2020, streamlining of processes through the use of ICT, Mapping Tomorrow - Stock-taking Exercise, quality labelling, and Wi-Fi availability in public-facing offices and one-stop shops.

The Mystery Shopping Exercise undertaken on behalf of the Quality and Standards Directorate within the Office of the Prime Minister continued at various Jobsplus sites. The Mystery Shopping Exercise covered all the organisations outposts including Gozo, and the services delivered from its Head Office in Hal Far. The findings from this exercise enabled Jobsplus to improve the accessibility of its services and to increase the speed of provision of both front-and back-office services. They led to the updating of internal databases that show which services are

provided by client segment and who are the relative contact points.

A Business Intelligence Platform is gradually being implemented using an agile user-centric approach for optimum user satisfaction and software functionality. This platform is composed of several dashboards, pertaining to different departments. Each dashboard is composed of different types of visualizations which best fit the type of analytics that support customisability and drilling-down, and self-service facilities. All corporate Key Performance Indicators have now been automated and transformed into BI visualization in order to assist the management periodic and real-time analytics. These visualizations have proven to be valuable managerial assets due to the vision and insight they provide in following up on the statistics and operational processes.





CONTRIBUTING TO EU EMPLOYMENT POLICY MAKING & IMPLEMENTATION

EU AFFAIRS

Throughout 2019, the European Union continued to strengthen its capacity to respond to common employment challenges such as migration, social exclusion, poverty, skills mismatches, and labour shortages among other topics.

Malta has pursued an open and constructive dialogue with European institutions across various EU institutional forums; ranging from the more technical ones, such as the working groups in the Council, to the highest political level formations, such as the European Council and the Summits with Eurozone partners.

Creating more and better jobs is one of the main goals of the Europe 2020 strategy, and thus job creation and continued economic growth have become key elements in a wide array of joint political strategies and programmes in the EU over the past years. Jobsplus' technical support work fits into this framework. In 2019, Jobsplus collaborated with several stakeholders engaged in promoting and developing policies aimed at creating more and better-quality jobs in both the Maltese labour market and the European context.

In 2019, Jobsplus provided feedback on various themes discussed at EU level which include: upskilling of the workforce, European Pillar of Social Rights, future of work, and the integration of migrants and Brexit, amongst others. During the same year, Jobsplus

was also requested to provide its feedback on a number of European Social Charter Articles related to the right to work and vocational guidance, and the rights of persons with disabilities to independence, social integration and participation in the life of the community. Jobsplus' feedback was also requested for a number of European Migration Network ad-hoc questionnaires and Annual Report.

In addition to the above topics, Jobsplus provided its input on a number of EU documents issued annually as part of the European Semester. Such documents include the Country Report, Employment Performance Monitor, Joint Employment Report and the Annual Growth Sustainable Survey. Jobsplus' feedback is incorporated into Malta's consolidated position, and sent to the European Commission for further discussion bilaterally and with other Member States.

Furthermore, Jobsplus officials represented Malta in a number of official meetings including the Employment Committee and its subgroups, the European Public Employment Service Network, the EURES Committee, the Technical and Advisory Committee on Free Movement of Workers, and a Working Group on Work-Life Balance. Amongst the tasks assigned to the Working Group, Malta contributed to the drafting of the Framework for Work-Life Balance Indicators. Such indicators are being developed to monitor the implementation of the Directive on work-life balance for parents and carers which came into force on August 1, 2019.

JOBSPLUS AS A MEMBER OF THE EUROPEAN PES NETWORK

2019 has been another eventful year for Jobsplus in respect of its participation and contribution to the proceedings and activities of the European Network of Public Employment Services (PES). Jobsplus contributed actively to the workings of the Network in a number of ways. Its representatives attended meetings of the Network for Heads, assistants for European PES affairs, and the Benchlearning Working Group. During 2019, Jobsplus was one of a number of European PES which took part in a working group to create an EU innovation lab for the joint creation and development of new PES services that address current and future labour market needs.

Jobsplus participated in the Joint Benchlearning Assessors Training Workshop aimed at equipping Network assessors with the skills required to professionally assess the various facets of management and operations of peer PESs while using the set benchlearning assessment criteria. Such criteria were revised during 2019, and Jobsplus was actively involved in this process as well.

In 2019, Jobsplus attended a Thematic Learning Dialogue to learn about strategic performance management of major PES reforms, and used this concept in improving the service offer for the long-term unemployed. In turn, it participated in another dialogue during which it acted as a mentor to other PESs in the formulation of performance management monitoring systems.

Involvement in activities of the European PES Network was also realised in the provision of feedback to many questionnaires and surveys sent to Jobsplus by the European Commission and peer PES about the development of indicators on sustainable employment and early activation of jobseekers, and the design and offer of employment advisory services. It also provided feedback in response to requests concerning PES services for platform work; the privatisation of job-matching services; innovative instruments to improve the service offer; emigration avoidance and repatriation strategies; inspections and audits; and use of big data sources for labour market analysis.

LABOUR MARKET ANALYSIS

Jobsplus carries out annual data collection exercises in line with EU monitoring frameworks. The Youth Guarantee and the Long-term Unemployment

monitoring exercises are linked to the EU Council Recommendations published in 2013 and 2016 respectively¹.

The data collection exercise - in relation to the assessment and monitoring of long-term unemployed in Malta - incorporates different levels of assessments in order to visualise the context within which such Recommendation is being implemented, the direct use and effectiveness of Job Integration Agreements within the country as well as the sustainability of positive outcomes. The Youth Guarantee exercise involves an indicator framework which includes indicators related to three levels: aggregate, direct and follow-up monitoring.

Data for the Labour Market Policy Database was collated and submitted as requested by the European Commission. Such database is aimed at incorporating all labour market interventions which are explicitly targeted towards people with challenges in the labour market - namely the unemployed, inactive,

and employed at risk. This database includes both quantitative (information on participants and expenditure) and qualitative data (defining the qualification criteria of schemes, how the schemes work, financing sources) on all interventions/schemes falling within this remit.

Over the past year, a number of requests for information and data received from private companies, private researchers, students and NGOs were processed in accordance with Jobsplus' research policy. Moreover, extensive work was done to prepare three surveys, namely: (1) Surplus and Shortages Survey, (2) Employers' Satisfaction Survey, and (3) Jobseekers' Satisfaction Survey. Two surveys will be conducted each year over a span of four years. Preparations involved the development of questionnaires, collating populations and establishing valid samples.

Surplus and Shortages Survey: the aim of this study is to analyse which occupations experience shortages or surpluses in skills and/or employees, and how

employers in Malta deal with shortages or surpluses. Data collection for this survey is planned to be conducted during the year 2020, as well as on a yearly basis for the coming four years.

Employers/Jobseekers Satisfaction Surveys: Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services requires Jobsplus to undertake satisfaction surveys among the two main customer groups - jobseekers and employers. Jobseekers/employers satisfaction plays an important role as it indicates customer loyalty and levels of satisfaction, whilst highlighting ways of service improvement.

The Employers Satisfaction Survey will be focused on the overall satisfaction with Jobsplus' services, on the satisfaction with Jobsplus' website/online services, as well as the satisfaction with the quality of Jobsplus' services, with a focus on the different schemes and services offered by Jobsplus. The Jobseekers Satisfaction Survey will cover different cohorts to exhaust all services provided by Jobsplus.

Data collection for the afore-mentioned three surveys will be conducted by a third party. A service tender to carry out Labour Market Surveys has been published in the year 2019, and the winning bidder will be responsible to finalize the data collection phase. Jobsplus will then analyse the collected data, write the final report and present the results.

During past years, Jobsplus formed part of the V18 Foundation's Evaluation and Monitoring Steering Committee, to investigate the effect of investment and management in V18 on employment in Malta's Cultural and Creative Industries. In 2019, Jobsplus concluded all the necessary research in this regard, through the evaluation of a number of indicators to establish changes in the employment structure in Cultural and Creative Industries pre- and during Valletta 2018.

¹ Council Recommendation of 22 April 2013 on establishing a Youth Guarantee
Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market



REGISTRATION OF JOBSEEKERS AND JOB-MATCHING

REGISTRATION SERVICES

Unemployed jobseekers wanting to register with Jobsplus may do so by visiting one of the five Job Centres around the island. In 2019, a total of 9,240 registration interactions took place. Of the 7,497 unique jobseekers that made use of Jobsplus' registration services, 2,418 were new service users.

At the end of December 2019, there were only 1,642 unemployed Registrants on Parts 1 and 2 of the register for Malta and Gozo. This represents a drop of 123 persons over the same month in 2018. 13,546 website account requests by jobseekers wanting to make use of Jobsplus' online employment services were accepted.

JOBSEEKERS' ADVISORY SERVICES

In 2019, 2,551 new personal action plans for jobseekers were drawn up through the jobseekers' advisory services of Jobsplus. These were followed-up by a total of 12,567 action plan reviews. 12,562 jobseekers were referred for short training courses, traineeships, and work exposure.

The past year has seen an increase in outreach activities and collaboration with schools with the aim of bridging the school-to-work transition. Clearly, here was a gap which Jobsplus is now filling with

the number of intervention requests increasing to 36 and spanning over 50 days. These sessions varied from basic presentations/information sessions on topics such as Jobsplus services, job searching tips, career paths, skills, competencies etc. to other more time and resource demanding interventions such as career tests; workshops on various topics such as interviewing skills; mock interviews; career mind map sessions; CV writing sessions; Jobsplus presence during career fairs; training sessions for career advisors and other guidance teachers within schools; and other relevant collaborative meetings.

On a wider level, Jobsplus was represented in five Career Days, organised by a private entity in collaboration with a number of Local Councils.

In 2019, the jobseekers' advisory services continued to outreach towards beneficiaries of subsidiary protection and other migrants.

LONG-TERM UNEMPLOYED

The services which Jobsplus offers to the long-term unemployed were re-designed. Aware that *'old ways won't open new doors'* and keeping in mind the EU's recommendation on the integration of the long-term unemployed into the labour market (2016/C 67/01), significant work has been put into creating a new programme for the client cohort. The new

methodology will allow for better assessment of individual needs, and introduce a multidisciplinary approach to the development of individualised job-integration programmes. Additional professional services will also be made available to them when required.

VACANCIES RECEIVED AND JOB-MATCHING

Jobsplus advertise the job vacancies that employers entrust to it through various channels including Job Centres, Jobsplus' website, EURES website, daily electronic auto-mailers, and contact with employment advisors. In 2019, a total of 8,688 private sector vacancies were received and processed.

In addition, the Corporation continued to offer bespoke recruitment services. Eleven Customised Recruitment Services and one Recruitment Drive (Hospitality Industry) were held. The recruitment services adopted ranged from the simple receipt and filtering of applications, to more advanced pre-assessment and short-listing of applicants based on the needs of the employer.

Jobsplus continued to review the online matching system in order to ensure its relevance to the local labour market. This required ongoing and extensive labour market research, and gathering feedback from stakeholders. Following the changes carried out in 2018, creating additional solutions to simplify the system or enhance the accuracy of the match results was not necessary.

A total of 1,035 vacancies from public sector entities were notified to Jobsplus according to the provisions of Article 15 Chapter 343 of the Laws of Malta.

The number of persons placed in employment by Jobsplus amounted to 5,610 in 2019.

LAW COMPLIANCE

During 2019, 3,920 inspections were carried out and 2,477 infringements were identified. Apart from ad hoc inspections, seven joint inspections were held with the Immigration Police in accordance with duties and responsibilities laid down in the Sanctions Directive 2009/52/EC. Cases of suspected human trafficking were brought to the attention of the Executive Police.

On the 26th November 2019 the new Employment and Training Services Act, Chapter 594, came into force and amongst other changes it brought about a significant increase in the administrative penalty.

During 2019, Jobsplus issued 655 warnings to registering clients who failed to attend their first

Jobsplus active measure. A total of 1,389 justifications were received of which 191 (14%) were upheld by the client whilst the remaining 1,068 (77%) were upheld by Jobsplus, 130 (9%) still needed to be processed. 735 persons were removed from the unemployment register.

INTERNSHIP NOTIFICATIONS

Between January and December of 2019, Jobsplus received a total of 855 Internship Notifications spread across a total of 192 different employers. 392 of the notifications were confirmed, whereas 372 of the cases were closed since the employers did not provide the necessary pending documentation or clarifications within the internship timeframe. Only 59 of the cases were not confirmed, and at the end of December 32 of the cases were still being processed. The majority (75%) of internship applications received were from EFTA/EU nationals, with the largest influx being recorded from French, Italian and Dutch nationals.

PROVIDING EVIDENCE IN LEGAL FORA

Jobsplus provides support to the Attorney General, Law Courts, Industrial Tribunal, various Boards including the Immigration Appeals Board, the Executive Police and Social Assistance Board when it is summoned to provide evidence regarding individuals, entities, companies and employment licences. Evidence was provided in 627 Criminal/Civil Court sittings, 46 Tribunal Sittings and 133 Family Court sittings.

RELATIONS WITH EMPLOYERS

Jobsplus activated 2,625 website accounts for employers and reached out to 1,401 different employers to offer them a personalized service of one-on-one meetings in order to highlight all Jobsplus services and optimization of usage of the Jobsplus website. 757 employers operating in various sectors took up the offer.

As a result of these visits, 396 employers showed an interest in initiatives offered by Jobsplus, such as training courses and the job brokerage service, as well as schemes such as Access to Employment, Investing in Skills, Traineeship, Work Exposure, Youth Guarantee and the Training Pays Scheme.

Mass outreach through twelve customised automailers informed employers about the various Jobsplus initiatives and notified jobseekers about 2,750 vacancies.

The Occupational Handbook was published and promoted with schools, career advisors and guidance teachers.

UPSKILLING OF THE WORKFORCE



TRAINING COURSES ORGANISED BY JOBSPLUS

In 2019, Jobsplus continued to offer various courses to registered unemployed, inactive, and employed individuals. The courses offered by the Corporation included office skills, employability skills, language and numeracy skills, caring skills, trade skills, IT skills, sales and marketing, security guard courses, first aid and food handling. 5,459 individuals started a course with Jobsplus. Data indicates that almost 87% of trainees managed to successfully complete the course. 74% of the persons trained were employed. These courses were offered at various sites namely Jobsplus' Training Complex in Hal Far, in Gozo, as well as at the employers' premises.

All Jobsplus courses are free of charge. In addition, under the Average Wage Earners Scheme, Jobsplus offers a financial allowance to those that attend its courses and earn less than €300 (basic) per week. In 2019, 644 individuals benefited from this scheme and the funds disbursed amounted to €133,475.

TRAINEESHIP, WORK EXPOSURE AND WORK PLACEMENT SCHEMES

Throughout 2019, three training schemes; namely the Traineeship, Work Exposure and Work Placement schemes, which are part-financed by the European Social Fund; were once again on offer. These schemes are intended to facilitate transition into employment by providing jobseekers with initial hands-on training that will help them obtain the knowledge, skills, and competence required to find and retain employment. The following table illustrates the number of persons placed in 2019 per scheme and the trainees' status as at end December 2019:

SCHEME	STARTED	COMPLETED THE SCHEME
Traineeship	58	49 (7 of these started in 2018)
Work Exposure	469	342 (14 of these started in 2018)
Work Placement	19	19 (6 of these started in 2018)

MONITORING OF TRAINING

In a bid to ensure that training and work exposure placements are yielding the desired results and that funds are being maximised in accordance with EU priorities, Jobsplus' officials conducted a number of monitoring visits.

In 2019, 1,198 visits were held in Malta and Gozo of which 821 were announced and 377 were unannounced. These visits covered the following schemes: Work Exposure, Traineeship, Youth Guarantee, Work Placement and the Work Programme Initiative. These visits serve the purpose of observing participants during their hands-on experience in the workplace, in their training sessions or during their placements. Such visits enhance accountability both on an internal and external level, as officials observe and conduct interviews and questionnaires with employers and participants. Through these visits, participants are engaged in performance improvement whilst also providing evidence-based information which can be used for designing future schemes.



TRAINING PAYS SCHEME

The Training Pays scheme reimburses individuals the equivalent of 75 percent of the training cost they incur should they participate in courses that are not offered by Jobsplus, and that are pegged up to MQF Level 5. In 2019, Jobsplus received 605 applications and the sum of €225,919 was disbursed.

TRADE TESTING

Persons who apply for trade testing would have acquired the knowledge, skills and competence of a particular occupation through non-formal and informal learning but are not in possession of a formal qualification to prove their competence. In 2019, 623 individuals were assessed in fourteen occupations such as childcare, care for the elderly, tile laying, plastering, electrical fitting, plumbing, rubble wall building, and limestone block and hollow concrete block laying. 85% successfully completed the trade test and were awarded a Certificate of Competence.

TRAINING DESIGN AND QUALITY ASSURANCE

Almost two hundred visits were held to quality assure the training being delivered by Jobsplus or on its behalf. Desk-based checks were conducted on all course files. These checks are performed prior to the processing of trainers’ payments, and the issuing of trainees’ certificates.

Jobsplus sought the accreditation or re-accreditation of the following courses in 2019:

	COURSE NAME	PROPOSED MQF LEVEL
NEW COURSES	Award in Customer Handling Skills	4
	Award in Effective Team Working	4
	Award in Planning and Organisational Skills	4
	Award in Communication Skills	4
	Award in Work Ethics	4
	Award in Interpersonal Skills	4
	Award in Business English	4
RE-DESIGNED COURSES	Elementary Award in Maltese as a Foreign Language	1
	GE Award in Business Accounting	3
	GE Award in Advanced Business Accounting	4
	VET Award for Plasterer	3
	VET Award as Assistant Plumber	2

INVESTING IN SKILLS

The Investing in Skills Scheme provides financial grants to employers to upskill their employees. The Scheme has a budget allocation of €5 million, and is open till June 2023.

During 2019, Jobsplus undertook an intensive marketing campaign to promote the scheme through radio adverts broadcasted on the top four local radio stations. By the end of 2019, Jobsplus saw a 66% increase in the number of applications submitted when compared to 2018.

The target output is to facilitate the training of 6,000 trainees by 2023. By the end of 2019, Jobsplus had already supported 4,790 trainees through the scheme. Furthermore, significant success was registered as the percentage of trainees that obtained a certificate or qualification on completion of training stood at 98% against the 2023 target of 87%.

Since the launch of the scheme in March 2017, 2,310 applications were received of which 1,202 were submitted in 2019. Jobsplus paid a total of 874 grants to the amount of €1.3 million till the end of the year under review. Jobsplus has the obligation to conduct 10% monitoring visits in relation to the Scheme. As at end 2019, a total of 1,085 visits were conducted, 94% of which were unannounced. At the end of 2019, there were 1,664 valid Applications/Grants, meaning that over 63% of these were monitored.



ACTIVATING THE ECONOMICALLY INACTIVE AND JOBSEEKERS

FREE CHILDCARE SCHEME

Over the past six years, more than 19,400 children aged 0-3 have benefitted from free care at any particular month. The demand for care has translated into an increase in childcare centres operating the scheme: from 69 in April 2014, to a total of 140 by the end of 2019. Approximately 90 per cent of these centres are privately owned.

7,341 children benefitted from the Free Childcare Scheme at any particular month during 2019, out of which 3,579 were new applicants. The Free Childcare Scheme Office received a total of 3,994 new applications, processed a total of 28,949 change requests, as well as issued payments to centres which exceeded €26 million.

In order to optimise the quality of the service being offered, the Quality Control Unit - which was initially set up in 2017 when Jobsplus took over the management of the Scheme - continued to conduct rigorous monitoring checks. These checks included a series of unannounced site visits covering all the childcare centres which were carried out on a weekly basis throughout 2019.

Following the successful introduction of direct communication with beneficiaries of the scheme in 2018, efforts were sustained in the form of an ongoing informative Facebook campaign, and sending out complementary newsletters on a monthly basis, highlighting key aspects of the scheme; such as using fobs, communicating with the centres, and managing absence entitlement, which also features an explainer video.

It is safe to say that the Scheme continues to substantially contribute towards strengthening Malta's social and economic infrastructure. Since its inception in April 2014, the Maltese labour market has experienced a steady increase of female participation, leading to a more gender-balanced workforce, higher state contributions, and reduced dependency on state welfare.

YOUTH GUARANTEE

SEC PREVENTIVE CLASSES

Over the past year, 602 participants benefitted from the SEC Preventive Classes initiative with 414 registering a marked improvement in the results obtained. From the statistical information extracted from this year's students' questionnaires, it is evident that the majority of students were very satisfied, as 97% of the students would recommend these classes to their peers. Furthermore, the same percentage of students felt that the number of lessons per week was sufficient, and the majority stated that the number of students in their class was adequate. A substantial number of students felt that enough individual support was provided throughout the lessons, and contributed to the effectiveness of the initiative. On average, students indicated that their level of knowledge in their respective subject/s improved after attending the Preventive Classes, and the majority felt prepared for their resit exam/s.

MCAST PREVENTIVE CLASSES

109 students participated in the 2019 edition of the MCAST Preventive Classes initiative, with 96 achieving full qualification or progressing in the course. Following improvements made over the past couple of years, this year students were once again offered the possibility to receive revision classes in VET subjects.

NEET ACTIVATION SCHEME II

From 2016 until the end of December 2019, 46 training groups had been organised under the NEET Activation Scheme II. Five training groups were held in Gozo, while the remaining 41 were held in Malta. 487 young persons were profiled thanks to this scheme. 235 participants attended over 80% of their training, and 142 participants have achieved a training certificate accredited at MQF Level 2. Moreover, 129 participants have successfully attended 80% or more of the entire NEET Activation Scheme.

Following a recent survey conducted by Jobsplus with employers offering a work placement opportunity to the young participants, it appears that the majority were satisfied with their participants' performance and found the experience to be positive. With regard to the young participants' survey, many praised the scheme for providing a good job and training experience, which also served as an opportunity to meet new people and gain new skills and confidence.

By reducing the eligibility age from 16 to 15 years, students who have just completed obligatory schooling now have the opportunity to transit directly into one of the Youth Guarantee initiatives, and further their education and training to enhance their employment prospects.

On the other hand, those participants who complete a particular scheme or drop out will continue to receive access to support and guidance until they are able to face the next step on their own. In light of this, the Youth Guarantee continues to be instrumental in ensuring that local youths, especially the most vulnerable, receive the psychosocial support and opportunities they need to be able to build their potential, develop their skills, and ultimately find personal and professional success.

YOUTH GUARANTEE PROFESSIONALS

Working with youths who are at risk of social exclusion requires a dynamic multi-disciplinary approach that is continuously adapted to the social and economic challenges that youths face. Consequently, in an increased commitment by Youth Guarantee Malta to

improve the systems which are already in place, a series of focus groups have been held and a manual of best practices produced.

The aim of these focus groups was to provide insights into the challenges that the youth workers and other professionals face when they encounter young people in line with their remit, and provide strategies which they can use to overcome these challenges. The results of these focus groups have been made available in the format of a manual of best practices. The advantage gained through such a manual is that the insights are codified and can be used by the youth workers and professionals working directly with youths at risk of social exclusion.





OUTREACH ACTIVITIES

Building on the success of previous marketing efforts, multiple initiative-specific social media promotion and awareness campaigns were launched throughout the year across the Malta Youth Guarantee channels (Facebook, Twitter and YouTube). The content shared seeks to be clear, concise and visually engaging, so as to communicate a message which resonates and motivates. In an attempt to be as practical and user-friendly as possible, the website now houses digitised versions of all application forms, reports and other downloadable informative materials.

Various outreach activities have once again taken place throughout 2019; ranging from informative sessions with educators and psychosocial teams to full-blown national events such as the I Choose fair, where participants constituted Malta and Gozo's entire school-leaving cohort (4th and 5th formers). In addition to receiving comprehensive materials and custom Youth Guarantee merchandise, students were also given the opportunity to engage in focus-group style motivational sessions with the team. Attending such events has also helped forge valuable connections with the schools' psychosocial teams.

Targeted initiative-specific newsletters are sent out to a database including educators, school psychosocial teams, and senior management school staff. They are in turn uploaded to the schools' internal platform, and disseminated to parents and students alike. Through this approach, an on-going referral system for youth who would have finished obligatory schooling and who would be considered at risk of falling under the NEET category has been set up.

Custom newsletters are also sent out to the Jobsplus employer database, inviting all local employers to participate in the NEET Activation Scheme, and provide the young participants with a valuable on-the-job training and work experience.

COMMUNITY WORK SCHEME ENTERPRISE FOUNDATION

A concession Agreement for the Operation and Management of the Community Work Scheme Enterprise Foundation was signed between Malta Investment Management Company Ltd and the General Workers Union in 2016. At end 2019, the number of participants amounted to 919 employees, of whom 740 are men and 179 are women.

WORK PROGRAMME INITIATIVE

2019 saw the termination of the Work Programme Initiative; a national initiative targeting the long-term unemployed. Working together with the private sector through three Service Providers, Jobsplus provided jobseekers with the assistance they required to re-insert themselves in the labour market.

The initiative ended in September 2019, with participants being assisted directly by Jobsplus from there on. Participants who were employed during the initiative are still being supported by the service providers. From the beginning of the project until end September 2019, 1,635 Work Programme contracts were signed (1031 men and 604 women). Since 2015, 1,607 profiles were drawn up and 1,222 participants started a training course, amounting to 4,292 course instances. Engagement forms processed up till 2019 show there were 523 placements after mandatory training and 418 placements before mandatory training, adding up to 941 placements, distributed amongst 574 participants.

VASTE PROGRAMME

Together with its partner, the Lino Spiteri Foundation (LSF), Jobsplus has continued the successful implementation of the VASTE Project ESF.02.048, whose duration has been extended till 2022 with a revised budget of €13 million. The overall strategic objective is to develop a holistic and innovative concept by creating an extensive series of employability-enhancing training and work related experiences, and support development options aimed at different employment channels for targeted clientele, namely disabled persons and vulnerable individuals (former inmates, former substance-abusers, and other socially-challenged individuals).

Since 2016, 1,247 unique individuals, out of which 130 are Gozitans, received one or more of the following support or training measures. These mainly included professional assessments, sheltered employment training, pre-employment training, basic ICT training and mentoring, job coaching services and employers’ services.

Two activities within this project, namely the LSF’s job coaching services and relations with employers were recognised as promising best practices and have been listed in the EU Commission’s database for ‘inspiring practices from Public Employment Services across Europe’. Consequently, Jobsplus and LSF participated in an ESF project on tackling long-term unemployment, taking place within the ESF Transnational Platform’s Thematic Network on Employment as a donor country, to share with other EU countries job carving and employer relations as best practices in the recruitment of long-term unemployed and vulnerable cohorts.



Pre-employment Training VASTE

Awareness Campaign

Employers’ info session VASTE

Staff training VASTE

Sheltered Employment Training VASTE

In relation to the latter, in May 2019 Jobsplus hosted a meeting of the LTU Project Thematic Network on Employment where Maltese employers participated to share their experience with participants from EU countries. During this visit, participants from several EU Member States had the opportunity to visit and gain more knowledge about Jobsplus/LSF activities, most of which are incorporated in the VASTE Programme.

Through the project, Jobsplus entered into agreements with Caritas Malta, Oasi Foundation and Richmond Foundation to offer counselling and psychotherapy sessions, mental health assessments and social workers’ services. During 2019, 20 disabled persons benefitted from these services. In turn and through the VASTE Programme, Jobsplus assisted these NGOs to build their capacity through specific training to enhance the skills and expertise of their employees.

In 2019, an awareness campaign has been launched to reach out to the segment of our society that would be eligible and can benefit from the specialised services provided through this project. Moreover, employers’ info sessions are held on a regular basis to create awareness about the support available through this project and its success stories.

VULNERABLE GROUPS

A total of 134 vulnerable clients were placed in employment during 2019, of whom 23 benefited from the Bridging the Gap Scheme. The cooperation agreements with CARITAS Malta and OASI Foundation yielded a further 48 placements of persons who successfully completed their rehab programmes. Another 10 vulnerable clients made use of the counselling, psychotherapy sessions and mental health assessments, offered by these Social Partners and the Richmond Foundation.

88 vulnerable individuals were supported through mentoring services in their pathway towards employment. This support was offered to their respective employers. Another four vulnerable persons

were supported to start their own business through the LEAP2Enterprise grant.

Outreach services were provided to former substance abusers at the Stimulants and Detox clinics. Profiling and guidance services continued to be offered on a weekly basis to inmates at least two months prior to their release date in continuous collaboration with their care planners and other professionals. Out of the 175 inmates profiled in 2019, 15 benefitted from work experience on the Bridging the Gap scheme, and 37 entered gainful employment. In 2019, outreach and job search services were extended to unemployed vulnerable individuals at Mount Carmel Hospital, the Msida and Birgu Leap Centres, and Dar Papa Frangisku - an emergency shelter for the homeless.

EMMAUS UK ORIENTATION VISIT

During October 2019, three Jobsplus officials went for an orientation visit to Emmaus UK with the aim of enhancing Jobsplus' knowledge about specific profiling tools and their programmes, involving the provision of accommodation and employment to unemployed vulnerable persons.

MEDICAL AND OCCUPATIONAL THERAPIST ASSESSMENTS

In the year under review, 285 individuals were added to the Jobsplus' Persons with Disability Register. Subsequently, occupational therapy assessments were conducted for 136 disabled job seekers.

LINO SPITERI FOUNDATION (LSF)

The foundation's fourth year of operations experienced a steady growth, generating positive results during 2019 in the services provided to both disabled persons and companies, with a total of 234 disabled persons being placed in employment through LSF's support. 64 of these have also benefitted from the Jobsplus Bridging the Gap Scheme.

The Lino Spiteri Foundation has provided recruitment, advisory and support services to circa 248 unique companies, of which 87 were new contacts. This resulted in 140 new vacancies which have been carved to suit the specific needs of individuals and companies. Support to companies experiencing challenges during the employment of disabled persons brought about a retention success rate of 85%. LSF followed up disabled persons to encourage them to actively participate in pre-employment labour market measures. The timeframe in between one-to-one meetings was further decreased in order to curtail the individual's waiting time, and increase the prospect of finding a suitable employment opportunity.

In 2019, 34,000 job coaching hours were provided to support 400 unique disabled persons to sustain new and current employment. In addition, 23 new clients were enrolled in the Headstart programme to facilitate their pathway towards employment.

LSF also continued to solidify its outreach and collaborations with NGOs, schools, and other institutions to ensure continuity in its efforts to provide holistic support for disabled persons.

DOCUMENT MANAGEMENT PROJECT

The number of Gozitan employees deployed on the Document Management Project increased to 65. These persons are scanning the documents of fourteen public entities under the supervision of MaltaPost p.l.c. and with the support of LSF's job coaches.

EXEMPTION OF THE EMPLOYER'S SHARE OF THE NATIONAL INSURANCE CONTRIBUTION AND FISCAL INCENTIVE SCHEME

In 2019, Jobsplus processed 220 applications for the exemption of the employer's part of the National Insurance Contribution. In addition, another 75 different companies received fiscal incentives amounting to €364,000 in relation to the employment of 157 disabled employees.

ACCESS TO EMPLOYMENT SCHEME

This Scheme provides employment aid to enterprises in Malta and Gozo to promote the recruitment of the disadvantaged, severely disadvantaged, and registered persons with disability. The first call for applications for the Access to Employment Scheme (A2E) closed at the end of 2019. A second call for applications will be launched during 2020 with more advantageous reimbursement rates which reflect the raises in the COLA since the A2E's launch in 2015.

Since the launch of the A2E scheme in June 2015 until the end of 2019, 778 unique employers applied for the funding of 2,029 participants. 1,310 of these participants engaged with 573 unique employers, remained active in the scheme with a total of €7.9 million being committed. Jobsplus paid a total of €5.6 million to beneficiaries till the end of 2019. 75% of the target set for participation has been reached by the end of 2019 as 1,262 unique participants have been supported against a target of 1,675. In addition, the output indicator target in relation to participants aged over 54 has already been surpassed by 2019, since there are 152 unique participants in the scheme against the 2023 target of 75.

Jobsplus has the obligation to conduct 100% monitoring visits in relation to the A2E Scheme. During these visits, the monitoring officers will check that the employment of the participant and that the respective employment parameters are being adhered to by the employer. As at end 2019, a total number of 5,200 visits have been conducted by the Jobsplus Monitoring Officers at 579 different Entities.

ADDRESSING LABOUR MARKET DEMAND THROUGH MIGRATION

EURES MALTA

In 2019, EURES Malta processed 318 vacancies which resulted in 48 placements. 713 jobseekers and 187 employers were assisted. While 90% of jobseekers were foreigners intending to work in Malta, all the employers that made use of the EURES services were locally based, and were seeking foreign employees to fill their vacancies.

EURES Malta participated in a number of recruitment events online and abroad to attract foreign workers to sectors which cannot be filled by the local labour force. 1,099 job applications were received, filtered and shortlisted for the various vacancies managed on behalf of employers.

The Maltese NCO continued to attend EU level meetings concerning the operations and strategy of EURES, as well as providing data and information as requested by the European Commission and as specified in the EURES Regulation. In addition, work on the interoperability of the Jobsplus and EURES systems continued in order to automatically transfer CV and vacancy data as per obligations specified in the EURES Regulation 2016/589.

PROJECT FOR MIGRANTS

Following the signing of the grant agreement under the Asylum Migration Integration Fund (AMIF), Jobsplus continued to offer guidance and job brokerage services to asylum seekers and migrants with a protection status.

Jobsplus outreached to a total of 1,947 migrants since the launch of the project in May of 2017 (1,843 in Malta and 104 in Gozo). In 2019 the outreach was carried mainly through phone calls. Several clients were called, however advisors did not manage to get through to them. Guidance meetings were set for a total of 671 (567 MT and 104 GZ) unique migrant individuals. Unfortunately, not all of these eventually turned up for the meeting with only 274 unique individuals attending the planned meeting with the Employment Advisor.

In 2019, the Job Brokerage Office received 456 requests for the short-term employment of migrants by registered companies/NGOs. The office enrolled a total of 1,087 additional eligible migrants onto the service. In all, 956 short-term placements were processed under the scheme. Out of these, 68 migrants informed Jobsplus that the company subsequently offered them full-time employment. In addition, the Job Brokerage team also facilitated the creation of various CVs for eligible migrants.

A number of tailor-made interventions targeted at migrants and/or other relevant stakeholders were also undertaken, including the participation in information sessions, workshops and seminars/conferences. 2019 also saw the signing of a tender for the provision of specifically developed basic English and Maltese language courses for Employment. These courses will start to be offered to eligible migrants early in 2020.

EMPLOYMENT LICENCES

Given Malta's current healthy economic situation, 2019 witnessed a steady influx of third- country nationals entering Malta to seek employment opportunities. This increase in economic migration has encouraged the Employment Licences Unit to further amend its procedures with the aim to reduce unnecessary bureaucracy, and assist employers in filling the significant labour shortages found in various industries.

To further support employers in meeting their labour market needs and to encourage the employment of Third Country Nationals who are already in Malta, the Employment Licences Unit, in collaboration with other entities, is facilitating the issuing of extensions of Single Residence/Work Permit applications. Thus, employers are now only required to provide evidence of efforts made to fill the post by Maltese/EEA Swiss Nationals through the presentation of one advert.

In 2019, a total of 45,942 applications were processed resulting in a 32% increase over the previous year and more than double the amount of applications processed in 2017. 36,984 were Single Permit Applications (including Blue Card applications). Jobsplus issued 42,751 Employment Licences, out of which 33,822 were sent as recommendations to Identity Malta for the issue of Single Permits. It objected to 2,041 applications. Other applications have been withdrawn by the employer, have expired or were still being processed.

COMMITTING OURSELVES TO EMPLOYEE DEVELOPMENT AND WELL BEING

RECRUITMENT AND SELECTION

Recruitment was limited to replacing employees who resigned or retired during 2019. While the number of managers and employees making use of family-friendly measures increased, total staff complement was not increased as telework arrangements were agreed to between management and those benefitting from such arrangements.

CAREER PROGRESSION

The number of staff members eligible for career progression in 2019 was fifty. Yet only fifteen of these applied to be considered for a higher grade. Of these, six persons were successful. The success rate in the career progression process for 2019 was 40%

compared to 51.6% achieved in 2018. A number of those who did not succeed have lodged an appeal.

TRAINING AND DEVELOPMENT

Jobsplus channelled considerable investment towards the personal and professional development of its employees to fulfil their potential and further their skills. As in 2018, most of the training which Jobsplus staff attended was delivered by the Institute for Public Services. The total number of staff training hours delivered in 2019 was 6,650; this pushed the mean number of training days per employee to 22.6 days. Two staff members applied for sponsorship to undergo tertiary level education and their request was entertained by management.



ANNUAL STAFF MEETING

The Annual Staff Meeting was held on 10th December 2019. During this meeting, attendees listened to presentations about an employer's experience in recruiting employees and the viewpoint of Caritas regarding the link between employment, drug addiction and poverty. Team building exercises were then held to continue to foster a team culture at Jobsplus.

HEALTH AND SAFETY

Twenty-three risk assessments and a number of fire drills were conducted in 2019. The identified shortcomings were brought to the attention of management by the risk assessor and the fire drill conductor. Most of these shortcomings were addressed before year-end.

EMPLOYEE WELL BEING

Well-being tips were disseminated to all employees on a weekly basis in the form of video clips. The Training Calendar of Events and Health and Safety Newsletter are also being disseminated to all on a monthly basis. The fleet of Corporation cars was replaced during 2019 as the lease had expired.

DATA PROTECTION

In 2019, all managers were updated about how data protection laws and regulations are being implemented, and what has been the national experience to date. One data breach and one objection to continue receiving vacancy notifications were reported to the DPO. The data breach was notified to IDPC. Following examination, it was concluded that the breach was of negligible risk to the data subject, as the information involved in the breach was limited to personal data which is anyway in the public domain. The objection to continue receiving vacancy notifications was addressed and the client's expectations were met. One other data breach was directly reported by Jobsplus to the IDPC. This case was still under investigation by IDPC by year end.

MAKING THE BEST USE OF OUR FINANCIAL AND ICT RESOURCES

PROCUREMENT AND PURCHASING CONTROL

During 2019, sixteen calls for tenders were issued amounting to €4.4 million (excluding VAT). These calls included both locally funded and EU-funded calls for tenders. All tenders with a budget estimate between €10,000 and €250,000 (excluding VAT) were published through the Ministerial Procurement Unit, while tenders exceeding a budget of €250,000 (excluding VAT) were published through the Department of Contracts. From the above, fifteen calls for tenders were awarded, amounting to a total of €1.6 million (excluding VAT). Twenty-three direct orders were awarded.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Support in the form of ICT services were provided to enhance the front-end part of the database of the employed population. A number of new electronic

forms that were required by several internal business process owners were developed and integrated within the Corporation's and the Servizz.gov portals. Support was also provided to MITA and Business First in relation to the self-employed e-form that is available on the Business First portal. Integration web services were developed for the integration of the Corporation's database system with the Health Entitlement benefit system of the Health Ministry.

A new application for use in law compliance was developed for Jobsplus and deployed in 2019. The Corporation's internal systems have been upgraded to make use of a more secure access protocol aimed at increasing system access security. So as to enhance the users' data security, users' laptops/notebooks hard drives were encrypted.

The Corporation's CCTV system which covers several of the Corporation's premises that are located around Malta and Gozo has been upgraded and centralized into one holistic system to be able to be monitored from one single location from within the security guard room at the Head Office premises.

The live data centre server infrastructure was upgraded to newer and modern hardware technology with higher computing resources. Moreover part of the database management systems of the Corporation have been migrated to new DBMS software technology. This upgrade has been carried out and confirmed on the test environment, and the plan is to migrate such database management systems on the live environment during 2020. New uninterruptable power supplies were purchased and installed within the Corporation's Disaster Recovery Site hardware equipment. A backup system for the users' shared data has also been purchased and installed in the Disaster Recovery Site. Furthermore, an upgrade was effected on the Corporation's PABX comprising of a newer operating system and hardware to support newer telephone set models.

The process of the documentation of the Corporation's business processes, along with the ICT systems flow of logic and data flows, started last year and will be completed in 2020.

Works continued on the major project related to the modernization of the Corporation's ICT systems. During 2019, several workshops were conducted with the Corporation's managers and employees to gather their information systems' needs. On this basis, the Corporation has started to compile an Information Systems Strategic Plan which shall set the strategic direction which the Corporation will take regarding its future ICT systems.



REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2019

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the audited financial statements for the year ended 31 December 2019.

DIRECTORS

In accordance with Section 6 subsection (5) of the Employment and Training Services Act, the Board of Directors shall be appointed for a period of one year and the members of the previous board are eligible for reappointment.

The following have served on the Board of Directors of the Corporation during the year under review:

Mr Clyde Caruana - Chairperson
Ms Alexandra Gatt - Deputy Chairperson
Ms Gabriella Calleja
Mr James Pearsall
Mr Anglu Fenech
Mr Josef Bugeja
Mr Gaetano Tanti
Mr Joseph Farrugia
Mr Francis Farrugia (*resigned on 25 November 2019*)
Mrs Marie Grech Caruana
Ms Abigail Psaila Mamo
Mr Oliver Scicluna
Ms Maria Antonia Cassar
Mr Michael Grech
Mr Ingrid Vella Scerri
Mr Andrew Triganza Scott
Mr Andrew W.J. Mamo (*appointed on 12 December 2019*)
Ms Sharon Camenzuli - Board Secretary

The term of office of the current Board of Directors extends to 31 August 2020

PRINCIPAL ACTIVITIES

Jobsplus has functioned since 3 August 1990 as Malta's national employment service by keeping a register of job seekers and by engaging in the matching of job vacancies with job seekers; a register of persons in employment is also kept to supply data on Malta's gainfully occupied population. It engages in the implementation of active measures in the form of employment and training programmes and schemes with the aim of assisting job seekers to find gainful employment. Job search assistance and training is also extended to persons already in employment to contribute towards the upgrading of the skills portfolio of the workforce.

Jobsplus is an active member of the European Network of Public Employment Services (PES) whose mission statement reads:

In improving the functioning of the labour market within which it operates, any PES member shall set national targets and outcomes which will benefit directly their Jobseeker and Employer customers, and which meet the requirements established by Government. A PES member should contribute to:

- the development of labour market policy through the provision and analysis of relevant labour market information and trends;
- the appropriate implementation of labour market policies;
- improved dissemination of employment opportunities;
- a decrease in unemployment through active engagement with jobseekers;
- a reduction in bottlenecks and mismatches in the labour market;
- an increase in labour market participation rates and employment;
- helping the disadvantaged and the more marginalised jobseekers into the active labour market;
- engage in partnerships with other relevant organisations; and
- engage in continuous development of staff skills.

The PES mission statement identifies the strategies to be adopted to reach the above objectives as being: customer focus, early identification and intervention to reduce unemployment spells, modernising service delivery through self service facilities, partnerships and networking, effectiveness and quality of services. The activities of the Corporation must remain consistent with such mission statement for the foreseeable future.

RESULTS

The Corporation based its expenditure for the year under review on its budgetary expenditure as approved by Parliament.

During the year, the Corporation continued to adopt International Financial Reporting Standards as adopted by the European Union (EU) in its presentation of the financial statements.

The Corporation is reporting an excess of income over expenditure for the year of €1,718,906 (2018: €2,906,021) which when added from the reserves brought forward from the previous year amounting to €6,540,771 leaves a balance of €8,212,919 in reserves accumulated at the end of the financial year.

The result for the year is arrived after considering Government subvention received amounting to €24,693,386 (2018: €24,299,819), recurrent expenditure amounting to €25,770,247 (2018: €24,799,088) and other income amounting to €2,810,227 (2018: €3,335,357)

DISCLOSURE OF INFORMATION TO THE AUDITOR

At the date of making this report, the directors confirm the following:

- As far as each director is aware, there is no relevant information needed by the independent auditor in connection with preparing the audit report of which the independent auditor is unaware, and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information needed by the independent auditor in connection with preparing their report and to establish that the independent auditor is aware of that information

EVENTS AFTER THE REPORTING PERIOD

There were no particular important events affecting the Corporation which occurred since the end of the reporting period.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Employment and Training Services Act, section 32(1) requires the Corporation to keep proper books of accounts and other records in respect of its operations and to prepare a statement of accounts in respect of each financial year.

"PUBLIC EMPLOYMENT SERVICES AS PUBLIC SERVICES HAVE A SPECIFIC ROLE IN THE LABOUR MARKET: THEY DELIVER SERVICES FREE OF CHARGE TO JOBSEEKERS (BOTH UNEMPLOYED AND JOB CHANGERS) AS WELL AS TO EMPLOYERS, WHICH AIM TO BRING JOBSEEKERS AND VACANCIES TOGETHER, AND ALSO CONTRIBUTE TO IMPROVED TRANSPARENCY IN THE LABOUR MARKET. THEY PLAY THIS SPECIFIC ROLE AMONG OTHER ACTORS."

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and to enable them to ensure that the financial statements have been properly prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Corporation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

PKF Malta Limited, Certified Public Accountants and Registered Auditors, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting. This report was approved and authorized for issue by the Board of Directors on 12 March 2020 and signed on its behalf by:



Mr Clyde Caruana
Chairperson



Ms Alexandra Gatt
Deputy Chairperson

Registered Address:
Head Office
Hal Far, BBG 3000
Malta

Date: 12 March 2020

PKF MALTA

PKF

INDEPENDENT AUDITORS' REPORT

To the members of Jobsplus:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Jobsplus set out on pages 6 - 28 which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the balance sheet of the Corporation as at 31 December 2019, and of its financial performance 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 Section 32(1) of the Employment and Training Services Act (CAP. 594).

BASIS FOR OPINION

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

OTHER MATTER

The financial statements of the Corporation for the year ended 31 December 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 22 February 2019.

OTHER INFORMATION

The management is responsible for the other information. The other information comprises the directors' report shown on pages 1 to 3. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

In addition, in light of the knowledge and understanding of the Corporation and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information. We have nothing to report in this regard.

RESPONSIBILITIES OF THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In addition, Section 32(1) of the amended Employment and Training Services Act (CAP. 594), states that the Corporation shall cause to be kept proper books of account and other records in respect of its operations and shall cause to be prepared a statement of accounts in respect of each financial year.

In preparing the financial statements, the management is responsible for assessing the Corporation'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 management or the Government of Malta either intend to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



George Mangion (partner) for and on behalf of

PKF Malta Limited
Certified Public Accountants and Registered Auditors
35, Mannarino Road,
Birkirkara,
BKR 9080,
Malta

Date: 12 March 2020

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019	2018
		€	€
Subvention from Consolidated Fund	4.	24,693,386	24,299,819
Recurrent Expenditure		(25,770,247)	(24,799,088)
(Deficit) from recurrent expenditure	5.	(1,076,861)	(499,269)
Finance costs		(14,460)	-
Income from disability contribution	6.	1,348,400	1,268,200
Income from employment licences and other services		725,087	463,975
Income from ESF projects' indirect expenditure		736,740	1,603,182
		1,718,906	2,836,088
European Social Fund projects			
Project finance		4,585,272	5,035,943
Project costs	8.	(4,585,272)	(4,966,010)
Deferred grants		43,915	61,654
Depreciation on ESF property, plant and equipment		(43,915)	(61,654)
		-	69,933
Net excess of expenditure over income		1,718,906	2,906,021

The notes on pages 11 to 28 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	2019	2018
		€	€
ASSETS			
Non current assets			
Intangible assets	10.	107,235	152,444
Property, plant and equipment	11.	1,603,413	1,243,638
Property, plant and equipment ESF Projects	12.	446,285	1,632,875
Total non-current assets		2,156,933	3,028,957
Current assets			
Inventories	13.	19,806	20,725
Trade and other receivables	14.	1,417,667	2,513,977
Cash and cash equivalents	15.	8,712,367	5,847,589
Total current assets		10,149,840	8,382,291
TOTAL ASSETS		12,306,773	11,411,248

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	2019	2018
		€	€
EQUITY AND LIABILITIES			
Equity			
Endowment Capital	16.	582,343	582,343
Accumulated reserves		8,212,919	6,540,771
Total equity		8,795,262	7,123,114
Liabilities			
Non-current liabilities			
Lease Liability	9.	154,511	-
Deferred grants	17.	407,393	445,703
Total non-current liabilities		561,904	445,703
Current liabilities			
Lease Liability	9.	48,434	-
Deferred grants	17.	38,894	43,721
Trade and other payables	18.	2,862,279	2,655,259
Total current liabilities		2,949,607	2,698,980
Total liabilities		3,511,511	3,144,683
TOTAL EQUITY AND LIABILITIES		12,306,773	10,267,797

The notes on pages 11 to 28 form an integral part of these financial statements.

These financial statements on pages 6 to 28 were approved by the Board of Directors on 12 March 2020 and were signed on its behalf by:

Mr Clyde Caruana
Chairperson

Ms Alexandra Gatt
Deputy Chairperson

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	CAPITAL	RESERVES	EQUITY
	€	€	€
Balance as at 01 January 2018	582,343	3,634,750	4,217,093
Excess income over expenditure for the year	-	2,906,021	2,906,021
Balance as at 31 December 2018	582,343	6,540,771	7,123,114

	CAPITAL	RESERVES	EQUITY
	€	€	€
Balance as at 01 January 2019	582,343	6,540,771	7,123,114
Adjustment on initial application of IFRS 16	-	(46,758)	(46,758)
Equity restated as at 1 January 2019	582,343	6,494,013	7,076,356
Excess income over expenditure for the year	-	1,718,906	1,718,906
Balance at 31 December 2019	582,343	8,212,919	8,795,262

The notes on pages 11 to 28 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019	2018
		€	€
Operating activities:			
Profit from operations		(1,091,321)	(429,336)
Adjustments	19.	423,339	344,128
Net changes in working capital	19.	1,304,253	2,425,886
Income received from disability contribution, employment licences and other services		2,073,487	1,732,175
Interest expense to reconcile to profit (loss) from operations		14,460	-
Income received from ESF Projects' indirect expenditure		736,740	1,603,182
Net cash flows from operating activities		3,460,958	5,676,035
Cash flows from investing activities:			
Payments to acquire property, plant and equipment		(469,795)	(113,220)
Payments to acquire intangible assets		(59,712)	(66,962)
Net cash flows used in investing activities		(529,507)	(180,182)
Cash flows from financing activities:			
Repayment of lease liabilities		(67,450)	-
Proceeds to finance acquisitions of property, plant and equipment ESF Projects		777	11,418
Net cash flows (used in)/from financing activities		(66,673)	11,418
Net cash from in cash and cash equivalents		2,864,778	5,507,271
Cash and cash equivalents at beginning of year		5,847,589	340,318
Cash and cash equivalents at end of year	15.	8,712,367	5,847,589

The notes on pages 11 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Jobsplus was set up on 3 August 1990 through the Employment and Training Services Act, 1990. Its registered office is at Head Office, Hal Far, BBG 3000, Malta.

The financial statements of the Corporation have been prepared and presented in accordance with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the provisions of Section 32(1) of the Employment and Training Services Act (CAP. 594).

The financial statements are presented in euro (€), which is the Corporation’s functional currency.

2. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS AS ENDORSED BY THE EU EFFECTIVE IN THE CURRENT YEAR

IFRS 16 Leases (effective for annual reporting periods beginning on or after 1 January 2019). This standard introduces a comprehensive model for the identification of lease arrangement and accounting treatments for both lessors and lessees. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised, with the exception of short term and low value leases. IFRS 16 superseded the lease guidance of IAS 17 and the related interpretations. The standard is mandatory for periods commencing on or after 1 January 2019.

The Corporation has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4, as permitted under the specific transition provisions in the standard.

On adoption of IFRS 16, the Corporation recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.65%.

	2019
	€
Operating lease commitments (IAS 17)	309,813
Operating lease commitments discount based on weight average incremental borrowing rate of 5.65%	(53,878)
Lease Liability (IFRS 16)	255,935

In applying IFRS 16 for the first time, the Corporation elected to use the transitional practical expedient to not re assess whether a contract is, or contains, a lease. Instead, the Agency applied the standard only to contracts that were previously identified as leases applying IAS 17.

3. SIGNIFICANT ACCOUNTING POLICIES

A. OVERALL CONSIDERATIONS

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation’s accounting policies.

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

The accounting policies have been consistently applied by the Corporation and are consistent with those used in previous years.

B. INCOME AND EXPENSE RECOGNITION

I GOVERNMENT SUBVENTION

Income from subvention voted to the Corporation from the consolidated fund is accrued for in accordance with the Corporation’s approved budget for the year.

II ESF REIMBURSEMENTS

ESF claims for reimbursements are recognised in the period in which the eligible expenses are incurred.

III ESF PROJECTS’ INDIRECT EXPENDITURE REIMBURSEMENTS

ESF projects’ indirect expenditure reimbursements pertains to additional funds received based on the eligible claims processed by the managing authority. It also includes eligible profiling and training services expenses which are not reported in the claims for reimbursements. These are recognised on cash basis.

IV OTHER INCOME

Other income, including income from disability contribution, employment licences and other services, are recognised on cash basis.

V INTEREST

Interest income and expenses are reported on an accrual basis using the effective interest method.

VI DEFERRED GRANTS

Deferred grants in relation to property, plant and equipment co financed by the EU are released to the statement of income and expenditure yearly in amounts equivalent to the depreciation charge on the related assets.

VII OPERATING EXPENSES

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

VIII PROVISION FOR EXPENDITURE ON PROJECTS AND EMPLOYMENT AND TRAINING INITIATIVES

Expenditure on projects and employment and training initiatives include funds committed by way of a provision in the financial statements.

C. RIGHT OF USE ASSET

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Corporation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Corporation has elected not to recognise a right of use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low value assets. Lease payments on these assets are expensed to profit or loss as incurred.

D. LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest

rate implicit in the lease or, if that rate cannot be readily determined, the Agency’s incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right of use asset, or to profit or loss if the carrying amount of the right of use asset is fully written down.

E. INTANGIBLE ASSETS

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortisation and impairment losses.

Amortisation is provided at rates intended to write down the cost of the assets over their expected useful lives. The annual rates used, which are consistent with those applied in the previous year, are as follows:

Computer software	25%
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F. PROPERTY, PLANT AND EQUIPMENT

I. VALUE METHOD

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

II. DEPRECIATION

Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives of items of property, plant and equipment, using the rates below. The rates applied, which are consistent with those applied in the previous year, are as follows:

Building Improvements	4-20%
Motor Vehicles	20%
Computer and Other Equipment	10-25%
Furniture and Fittings	10%

Gains and losses on the disposal or retirement of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount at the date of disposal. The gains or losses are recognised in the statement of comprehensive income as other operating income or other operating costs, respectively.

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

G. IMPAIRMENT TESTING OF INTANGIBLE ASSETS AND PROPERTY, PLANY AND EQUIPMENT

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, which is the higher of its fair value less costs of disposal and its value

in use. To determine the value in use, the Corporation’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 current market assessment of the time value of money and asset specific risk factors.

Impairment losses for cash generating units reduce first the carrying amount of any goodwill allocated to that cash generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all asses are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset’s or cash generating unit’s recoverable amount exceeds its carrying amount.

H. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Stocks are determined by the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

I. FINANCIAL INSTRUMENTS

I. RECOGNITION AND DERECOGNITION

Financial assets and financial liabilities are recognised when the Corporation 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 substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

II. CLASSIFICATION AND INITIAL MEASUREMENT OF FINANCIAL ASSETS

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

In the periods presented the Corporation does not have any financial assets categorised as FVPTL and FVOCI. The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset

III. SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation’s cash and cash equivalents and receivables fall into this category of financial instruments.

IV. IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9’s impairment requirements use more forward looking information to recognise expected credit losses the ‘expected credit loss (ECL) model’. This replaces IAS 39’s ‘incurred loss model’. Instruments within the scope of the new requirements included loans and other debt type financial assets measured at amortised cost and

FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss. Recognition of credit losses is no longer dependent on the Corporation's first identifying a credit loss event. Instead the Corporation considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12 month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Corporation's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Corporation's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in statement of income and expenditure are included within finance costs or finance income.

J. TAXATION

Section 34 of the employment and training Service Act (CAP. 594), exempts the Corporation from any liability for the payment of income tax.

K. CASH AND CASH EQUIVALENTS

For the purpose of the statement of affairs and statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits.

L. ENDOWMENT CAPITAL

The endowment capital is classified as equity.

M. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions for legal disputes, onerous contracts or other claims are recognised when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Corporation can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

N. SIGNIFICANT MANAGEMENT JUDGEMENT

The Corporation uses its judgement in determining whether an arrangement contains a lease, based on the substance of the agreement and makes assessment whether it is dependant on the use of a specific asset or assets, conveys a right to use the asset and transfers substantially all the risks and rewards incidental to ownership to/from the Corporation.

O. ESTIMATION UNCERTAINTY

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different

I. IMPAIRMENT OF NON FINANCIAL ASSETS

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 2g).

II. USEFUL LIVES OF DEPRECIABLE ASSETS

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

4. SUBVENTION FROM CONSOLIDATED FUND

The Corporation is entitled to a yearly subvention from the Government of Malta. The subventions from consolidated fund were allocated as follows:

	2019	2018
	€	€
Subvention received under recurrent vote 13 item 5876	14,795,483	14,399,983
Subvention received under recurrent vote 13 item 6163	9,897,903	9,899,836
Total	24,693,386	24,299,819

5. (DEFICIT) FROM RECURRENT EXPENDITURE

The (deficit) from recurrent expenditure is stated after charging:

	2019	2018
	€	€
Staff costs (note 7)	7,414,087	7,232,580
Directors' fees (note 7)	60,893	66,818
Amortisation of intangible assets	104,921	124,585
Depreciation of property, plant and equipment	548,789	216,283
Loss on disposal of property, plant and equipment	5,428	3,260
Auditor's remuneration	3,540	3,717

6. INCOME FROM DISABILITY CONTRIBUTION

The following amounts have been included in the statement of income and expenditure for the reporting periods presented.

	2019	2018
	€	€
Income from disability contribution	1,348,400	1,268,200

Income from disability contributions comprises income received by virtue of the Disability Quota Contributions in terms of Article 16 of the Persons with Disability (Employment) Act, Chapter 210 Laws of Malta.

The contributions received during 2019 amounting to €1,348,400 (2018: €1,268,200) have been utilised to finance the following expenditures:

	2019	2018
	€	€
Contributions towards 'Lino Spiteri Foundation'	1,240,000	1,000,000
Fiscal Incentives for Persons with Disability	488,844	433,536
Inclusive job support for vulnerable persons	73,379	107,095
Total	1,802,223	1,540,631

7. STAFF COSTS

A. WAGES AND SALARIES

Payroll costs for the year comprise of the following:

	2019	2018
	€	€
Staff Costs	7,414,087	7,232,580
Board Fees	60,893	66,818
Total	7,474,980	7,299,398

B. AVERAGE NUMBER OF EMPLOYEES

The average number of persons employed by the Corporation during the year was as follows:

	2019	2018
Directors	15	16
Employees	298	285
Total	313	301

8. EUROPEAN SOCIAL FUND PROJECT COSTS

The Corporation is the beneficiary on projects funded under the European Social Fund Cohesion Policy, 2014-2020. Funding for these projects is to be provided by the EU (80%) and the Government of Malta (20%). The disbursements on these projects are detailed below:

	2019	2018
	€	€
ESF.01.001 'Training for Employment'	1,169,668	615,150
ESF.01.002 'Youth Guarantee 2.0'	795,522	475,431
ESF.02.048 'The VASTE Programme'	2,085,512	3,023,198
ESF.02.056 Work Programme Initiative (WPI)	440,374	337,367
MT/2017/AMIF/11.01 Asylum, Migration and Integration Fund	94,196	143,225
Total	4,585,272	4,594,371

Salaries included in the above costs amounted to €455,685 (2018: €569,563).

9. LEASE LIABILITY

	2019	2018
	€	€
Lease Liability on Property	202,945	-

	2019	2018
	€	€
Non current	154,511	-
Current	48,434	-
Total	202,945	-

	LESS THAN ONE YEAR	ONE TO FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
	€	€	€	€

Maturity Analysis

Lease Liability on Property	48,434	115,002	39,509	202,945
	48,434	115,002	39,509	202,945

10. INTANGIBLE ASSETS

The carrying amounts of the Corporation’s computer software are as follows:

	COMPUTER SOFTWARE
	€
Cost	
At 1 January 2018	590,227
Additions	66,962
At 31 December 2018	657,189
At 1 January 2019	657,189
Additions	59,712
At December 2019	716,901
Amortisation	
At 1 January 2018	380,160
Charge for the year	124,585
At 31 December 2018	504,745
At 1 January 2019	504,744
Charge for the year	104,921
At 31 December 2019	609,665
Carrying Amounts	
At 31 December 2018	152,444
At 31 December 2019	107,235

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise right of use of property, improvements, motor vehicles, computer and electronic equipment and furniture and fittings. The carrying amounts can be analysed as follows:

	RIGHT OF USE ASSET	BUILDING IMPROVEMENTS	FURNITURE AND FITTINGS	MOTOR VEHICLES	COMPUTER AND OFFICE EQUIPMENT	TOTAL
	€	€	€	€	€	€
Cost						
Opening balance	-	1,971,394	687,434	110,611	2,635,200	5,404,639
Additions	444,976	87,122	19,807	122,880	239,205	913,990
Disposals	-	-	(5,014)	-	(31,097)	(36,111)
Balance at 31 December 2019	444,976	2,058,516	702,227	233,491	2,843,308	6,282,518
Depreciation						
Opening balance	-	(1,079,832)	(567,237)	(94,367)	(2,419,565)	(4,161,001)
Disposals	-	-	3,869	-	26,816	30,685
Depreciation	(277,621)	(92,517)	(27,421)	(32,897)	(118,333)	(548,789)
Balance at 31 December 2019	(277,621)	(1,172,349)	(590,789)	(127,264)	(2,511,082)	(4,679,105)
Carrying amount						
At 31 December 2018	-	891,562	120,197	16,244	215,635	1,243,638
At 31 December 2019	167,355	886,167	111,438	106,227	332,226	1,603,413

12. PROPERTY, PLANT AND EQUIPMENT ESF PROJECTS

Property, plant and equipment ESF Projects comprise improvements, computer and electronic equipment and furniture and fittings. The carrying amounts can be analysed as follows:

	IMPROVEMENTS	COMPUTER & OFFICE EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
	€	€	€	€
Cost				
Opening balance	800,623	342,828	87,454	1,230,905
Additions	-	777	-	777
Balance at 31 December 2019	800,623	343,605	87,454	1,231,682
Depreciation				
Opening balance	(348,486)	(321,624)	(71,371)	(741,481)
Depreciation	(32,025)	(7,948)	(3,943)	(43,916)
Balance at 31 December 2019	(380,511)	(329,572)	(75,314)	(785,397)
Carrying amount				
At 31 December 2018	452,137	21,204	16,083	489,424
At 31 December 2019	420,112	14,033	12,140	446,285

Since 2007, the Corporation has been the beneficiary for eleven (2018: eleven) projects involving property, plant and equipment funded under European Social Fund Cohesion Policy and under the European Regional Development Fund (ERDF). Funding for projects for the period 2007 2013 was provided by the European Union (85%) and the Government of Malta (15%). For the period 2014 2020, funding for projects is to be provided by the EU (80%) and the Government of Malta (20%).

13. INVENTORIES

	2019	2018
	€	€
Stationery and consumables	19,806	20,725
Total	19,806	20,725

14. TRADE AND OTHER RECEIVABLES

	2019	2018
	€	€
Trade receivables	784,784	1,206,261
Other receivable	390,966	992,979
Financial assets	1,175,750	2,199,240
Prepayments	241,917	314,737
Trade and other receivables	1,417,667	2,513,977

The carrying value of receivables is considered a reasonable approximation of fair value.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of the cash flow statement are as follows:

	2019	2018
	€	€
Cash on hand	5,609	6,214
Bank balances	8,706,758	5,841,375
Cash and cash equivalents	8,712,367	5,847,589

The Corporation did not have any restrictions on its cash in hand and at bank at year end.

16. ENDOWMENT CAPITAL

In accordance with Section 19(1) of the Employment and Training Services Act, 1990, the endowment capital of the Corporation is €582,343.

17. DEFERRED GRANTS

	YOUTH GUARANTEE	VASTE	ESF 3.59 NISTA	ESF 3.1114 ESEP	ESF 3.113 ESPD	ESF 3.60 YEP	ESF 2.4 EP	ERDF O8	ERDF O45	ESF 2.65 TAF	ESF 3.64 EAP	TOTAL
	€	€	€	€	€	€	€	€	€	€	€	€
Cost												
At 1 January 2018	-	2,950	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,221,032
Additions	2,832	8,586	-	-	-	-	-	-	-	-	-	11,418
At 31 December 2018	2,832	11,536	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,232,450
At 1 January 2019	2,832	11,536	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,232,450
Additions	-	777	-	-	-	-	-	-	-	-	-	777
At 31 December 2019	2,832	12,313	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,233,227
Depreciation												
At 1 January 2018	-	685	914	2,131	39,871	14,215	7,322	348,312	253,507	8,341	6,074	681,372
Transfer to Income Statement	709	2,322	-	65	12,775	-	391	17,321	27,200	505	366	61,654
At 31 December 2018	709	3,007	914	2,196	52,646	14,215	7,713	365,633	280,707	8,846	6,440	743,026
At 1 January 2019	709	3,007	914	2,196	52,646	14,215	7,713	365,633	280,707	8,846	6,440	743,026
Transfer to Income Statement	708	2,517	-	65	3,580	-	-	17,321	19,724	-	-	43,915
At 31 December 2019	1,417	5,524	914	2,261	56,226	14,215	7,713	382,954	300,431	8,846	6,440	786,941
Net Book Value												
At 31 December 2019	1,415	6,790	-	130	17,835	-	-	207,855	212,262	-	-	446,287
At 31 December 2018	2,123	8,529	-	195	21,415	-	-	225,176	231,986	-	-	489,424

Since 2007, the Corporation has been the beneficiary for eleven (2018: eleven) projects involving property, plant and equipment funded under the European Social Fund Cohesion Policy and under the European Regional Development Fund (ERDF). Funding for projects for the period 2007-2013 was provided by the EU (85%) and the Government of Malta (15%). For the period 2014-2020, funding for projects is to be provided by the EU (80%) and the Government of Malta (20%). The grants received are being deferred and released to the statement of income and expenditure yearly over the useful lives of the assets.

18. TRADE AND OTHER PAYABLES

	2019	2018
	€	€
Trade payables	1,308,995	856,030
Accruals	1,553,284	1,483,095
Provisions	-	316,134
Total	2,862,279	2,655,259

The carrying value of receivables is considered a reasonable approximation of fair value.

19. ADJUSTMENTS AND NET CHANGES IN WORKING CAPITAL

The following non cash flow adjustments and net changes in working capital have been made to the (deficit) income on recurrent expenditure and European Social Fund projects for the year to arrive at operating cash flow:

	2019	2018
	€	€
Adjustments:		
Depreciation charge of property, plant and equipment	356,905	277,937
Interest on lease liability	14,460	-
Amortisation of intangible assets	104,921	124,585
Release of grant on property, plant and equipment ESF projects	(43,915)	(61,654)
Loss on disposal of property, plant and equipment	5,428	3,260
Total adjustments	437,799	344,128
Net changes in working capital:		
Change in inventories	919	2,658
Change in receivables	1,096,310	2,346,008
Change in payables	207,020	77,220
Total net changes in working capital	1,304,249	2,425,886

20. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation 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 Corporation’s risk management is coordinated by the Board of Directors and focuses on actively securing the Corporation’s short to medium term cash flows by minimising the exposure to financial risks.

The most significant financial risks to which the Corporation is exposed to are described below. See also note 20.5 for a summary of the Corporation’s financial assets and liabilities by category.

A. CREDIT RISK

The Corporation’s exposure to credit risk is limited to the carrying amount of financial assets is recognised at the end of the reporting periods, as summarised below:

	2019	2018
	€	€
Trade and other receivables	1,175,750	2,199,240
Cash and cash equivalents	8,712,367	5,847,589
	9,888,117	8,046,829

The Corporation continuously monitors defaults of its counterparty receivables, identified either individually or by group, and incorporate this information into its credit risk controls. The Corporation’s policy is to deal only with creditworthy counterparties.

The Corporation’s management considers that the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

None of the Corporation’s financial assets is secured by collateral or other credit enhancements.

The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

B. LIQUIDITY RISK

The Corporation’s exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise payables, accruals and provisions (see note 18). 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 Corporation’s obligations when they become due.

The Corporation manages its liquidity needs through cash flow forecasts by carefully monitoring expected cash inflows and outflows on a daily basis. Except as described below, the Corporation’s liquidity risk is not deemed to be significant in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, as well as the Corporation’s reliance on funding available from the Government of Malta. Included within financial liabilities are amounts totalling €748,274 (2018: €748,274) representing funds provided by the Government over a number of years to cover various schemes and projects. Should payment of these amounts be requested, the Corporation might require additional funding in order to cover its financial liabilities as these fall due.

The Corporation’s financial liabilities at the reporting dates under review are all short term and their contractual maturities fall within one year (see note 18).

C. FOREIGN CURRENCY RISK

The Corporation transacts in euro and therefore the Corporation has no exposure to foreign currency risk.

D. INTEREST RATE RISK

The Corporation is exposed to interest rate risk on its bank balances at variable rates.

The Corporation does not expect significant shifts in the interest rates in the next 12 months. Based on current market conditions a change of +/- 25 basis points in the market interest rates is considered possible. Consequently, the effect on the results of the Corporation resulting from a change in the cash returns derived from variable short term assets would be considered negligible.

E. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amounts of the Corporation’s financial assets and liabilities as recognised at the end of the reporting periods under review may also be categorized as follows. See note 3.8 for explanations about how the category of financial instruments affects their subsequent measurement.

	2019	2018
	€	€
Current assets		
Financial assets measured at amortised cost:		
Receivables (note 14)	1,175,750	2,199,240
Cash and cash equivalents (note 15)	8,712,367	5,847,589
	9,888,117	8,046,829
Current liabilities		
Financial liabilities measured at amortised cost:		
Payables (note 18)	2,862,279	2,655,259

21. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Corporation was set up on 3 August 1990 through the Employment and Training Services Act, 1990. In addition to the initial endowment capital introduced by means of the requirements of Section 19(1) of the Act, amounting to €582,343, the Corporation receives annual subventions from the consolidated fund as approved by Parliament through its recurrent vote.

The Corporation monitors the level of debt, which includes payables less cash and bank balances against total capital on an ongoing basis. The Board of Directors considers all funding received from the Government and income from other sources and in order to maintain its capital, adjusts the level of expenditure in line with the funds made available to the Corporation.

22. COMMITMENTS

	2019	2018
	€	€
Purchase of property, plant and equipment	5,902	39,248
Employment and training initiatives	1,191	1,424
Other recurrent expenditure	13,490	15,804
	20,583	56,476

The Corporation’s committed expenditure represents commitments to purchase property, plant and equipment, expenditure on employment and training initiatives and other recurrent expenditure.

23. CONTINGENT LIABILITIES

The Corporation presently has court cases pending against it, for which no provision has been made in the financial statements since the outcome of such claims and damages is still unknown. Based on the information available to date, the Corporation is not expecting any significant damages to be borne by the Corporation and accordingly no provision is deemed necessary by the Board of Directors.

24. ULTIMATE CONTROLLING PARTY

The equity of the Corporation is held entirely by the Government of Malta.

25. POST REPORTING DATE EVENTS

There were no adjusting or significant non adjusting events which occurred between the end of the reporting period and the date of authorisation by the Board.

SCHEDULES

PROGRAMMES & INITIATIVES

	2019	2018
	€	€
Employment and training initiatives	537,136	594,555
EU Projects related Expenditure	6,562	43,929
Community Work Scheme	11,794,440	11,593,830
Work Programme	15,186	83,342
Data Document Management	1,218,770	1,112,864
Contribution towards Lino Spiteri Foundation	1,240,000	1,000,000
Inclusive Support	73,379	107,096
Persons with Disability Fiscal Incentive	488,844	433,536
Total Training Programme	15,374,317	14,969,152

SCHEDULES - CONTINUED

OTHER RECURRENT EXPENDITURE

	2019	2018
	€	€
Staff Costs	7,414,087	7,232,580
Board Fees	60,893	66,818
Staff training	156,853	160,815
Childcare expenses	56,899	75,379
Telework expenses	12,947	12,776
Uniforms	3,954	3,417
Rent payable	39,603	106,522
Licences and permits	11,907	12,893
Insurance	66,635	64,541
Water and electricity	76,427	70,089
Cleaning	182,370	152,999
Repairs and maintenance	162,055	131,756
Office supplies	96,215	87,508
Marketing and advertising	303,909	115,515
Postage and telecommunications	238,615	257,352
Security	74,206	40,935
Medical expenses	3,161	2,126
Transport expenses	293,356	284,193
Travelling and accommodation	109,128	137,011
Professional Fees	335,399	272,238
Audit Fee	3,540	3,717
Financial charges	30,457	7,561
Staff welfare	23,459	17,109
General expenses	18,490	7,111
Amortisation of intangible assets	104,921	124,585
Depreciation of property, plant and equipment	271,168	216,283
Depreciation - right of use asset	41,822	-
Loss on Disposal	5,428	3,261
Call centre expenses	143,255	127,491
Research	54,771	35,355
Total Other Recurrent Expenditure	10,395,930	9,829,936

NOTES



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