

# Annual Report 2016





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# Board of directors

**Clyde Caruana** - *Executive Chairperson*

**Pauline Miceli** - *Deputy Chairperson (resigned on 1 July 2016)*

**Tanya Sammut Bonnic** - *Deputy Chairperson (appointed on 1 July 2016)*

**Anglu Fenech** - *Director*

**James Henry Pearsall** - *Director*

**Gaetano Tanti** - *Director*

**Joe Farrugia** - *Director*

**Gabriella Calleja** - *Director*

**Alexandra Gatt** - *Director*

**Marie-Elise Agius** - *Director*

**Emanuel Darmanin** - *Director*

**Josef Bugeja** - *Director*

**Frank V. Farrugia** - *Director*

**Marie Grech Caruana** - *Director*

**Mario Brincat** - *Director*

**Oliver Scicluna** - *Director (appointed on 1 July 2016)*

**Abigail Psaila Mamo** - *Director (appointed on 1 July 2016)*

**Andrew Triganza Scott** - *Board Secretary*





# Labour market developments in 2016

The labour market continued to expand significantly during the year under review.

## Gainfully occupied population

Administrative data compiled by Jobsplus for August 2016 shows that, over a period of one year, the labour supply increased by 3.4 per cent over August 2015, reaching the figure of 184,866 persons. This was mainly attributed to an increase in the full-time gainfully occupied population (7,742 persons) and a drop in registered unemployment (1,653 persons).

A comparison between the number of gainfully occupied in August 2016 and the same month of 2015 reveals that it increased by 4.5 per cent whilst part-time employment as a primary job increased by 5.8 per cent. The Arts, entertainment and recreation and Administrative and support service activities sectors contributed mostly to the increase in employment.

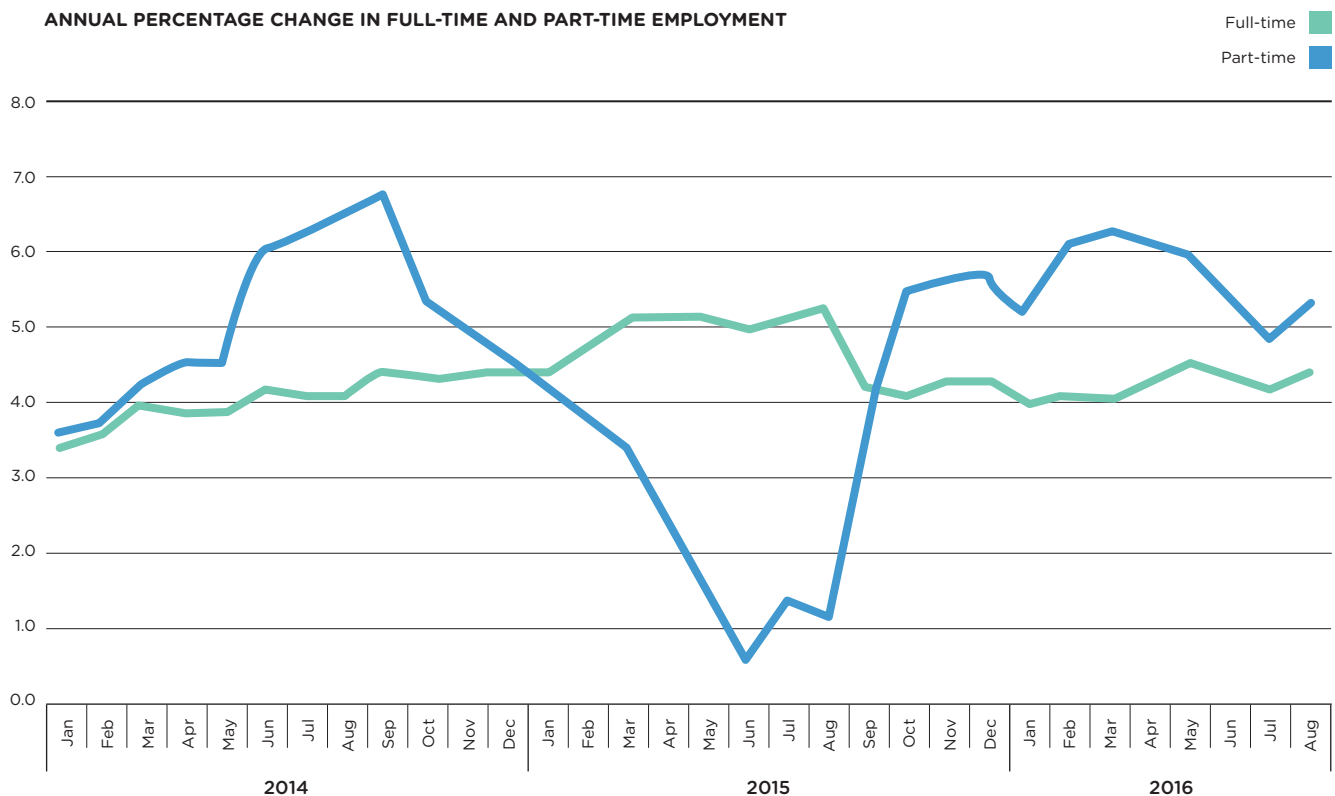
The number of persons in full-time employment in the private sector in August 2016 increased by 7,648 persons to reach the figure of 137,116 persons. Public sector full-time employment increased by only 94 persons. The number of full-time self-employed persons increased by 451 when compared to August 2015. Full-time employment of women increased by almost double the figure registered for men with increases of 6.4 and 3.3 per cent respectively.

## Part-time employment

The number of persons having a part-time job as their primary job was 37,756 in August 2016 representing an increase of 2,057 persons or an increase of 5.8 per cent over August 2015. The number of part-timers who also held a full-time job amounted to 24,611 or an increase of 1,235 persons or 5.3 per cent when compared to the corresponding month in 2015. Thus, total part-time employment reached the figure of 62,367 persons.

The Wholesale and retail trade; repair of motor vehicles and motorcycles; Accommodation and food service activities; and Transportation and Storage were the sectors that contributed most to the overall increase in part-time employment.

The chart below shows the expansion of both full-time and part-time employment between January 2014 and August 2016.



(NSO release 027/2017)

## Registered unemployment

In December 2016, the number of persons registering for work stood at 2,912 compared to 4,615 in the same month of 2015. This represents a significant decrease of 37% in just one year.

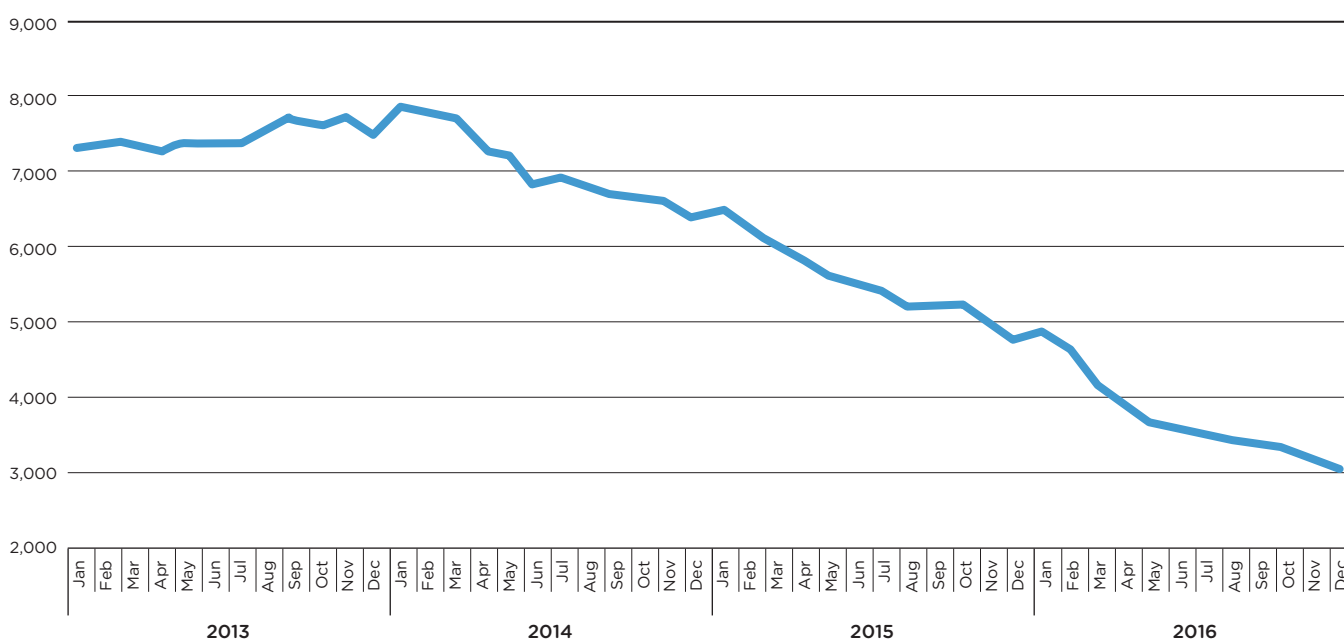
There was a decrease of 1,489 persons registering under Part I and a decrease of 214 persons registering under Part II of the unemployment register, when compared to December 2015.

Decreases in registered unemployment was recorded for all age groups except those under 20 years of age which increased by only five persons. The duration of unemployment decreased for all groups with the largest decrease recorded among persons who had been registering for over one year. The number of persons with a disability who were registering for work also decreased. Men accounted for 72.6 per cent of total registered unemployment. Most men sought employment as craft and related trades workers whereas women opted more for clerical occupations.



The chart below shows the trend in registered unemployment from January 2013 to December 2016.

#### REGISTERED UNEMPLOYED



(NSO release 015/2017)

### Organisational development

The year 2016 is a milestone in the Corporation's history. In its twenty sixth year of operations, the Corporation underwent a major change in its strategic posture. It changed its name to Jobsplus as the responsibilities entrusted to it are now wider than ever before; Jobsplus is not simply Malta's public employment service. It re-branded itself through the adoption of a new logo and new livery to promote itself as a re-energised organisation that continuously strives to offer quality services that meet labour market needs.

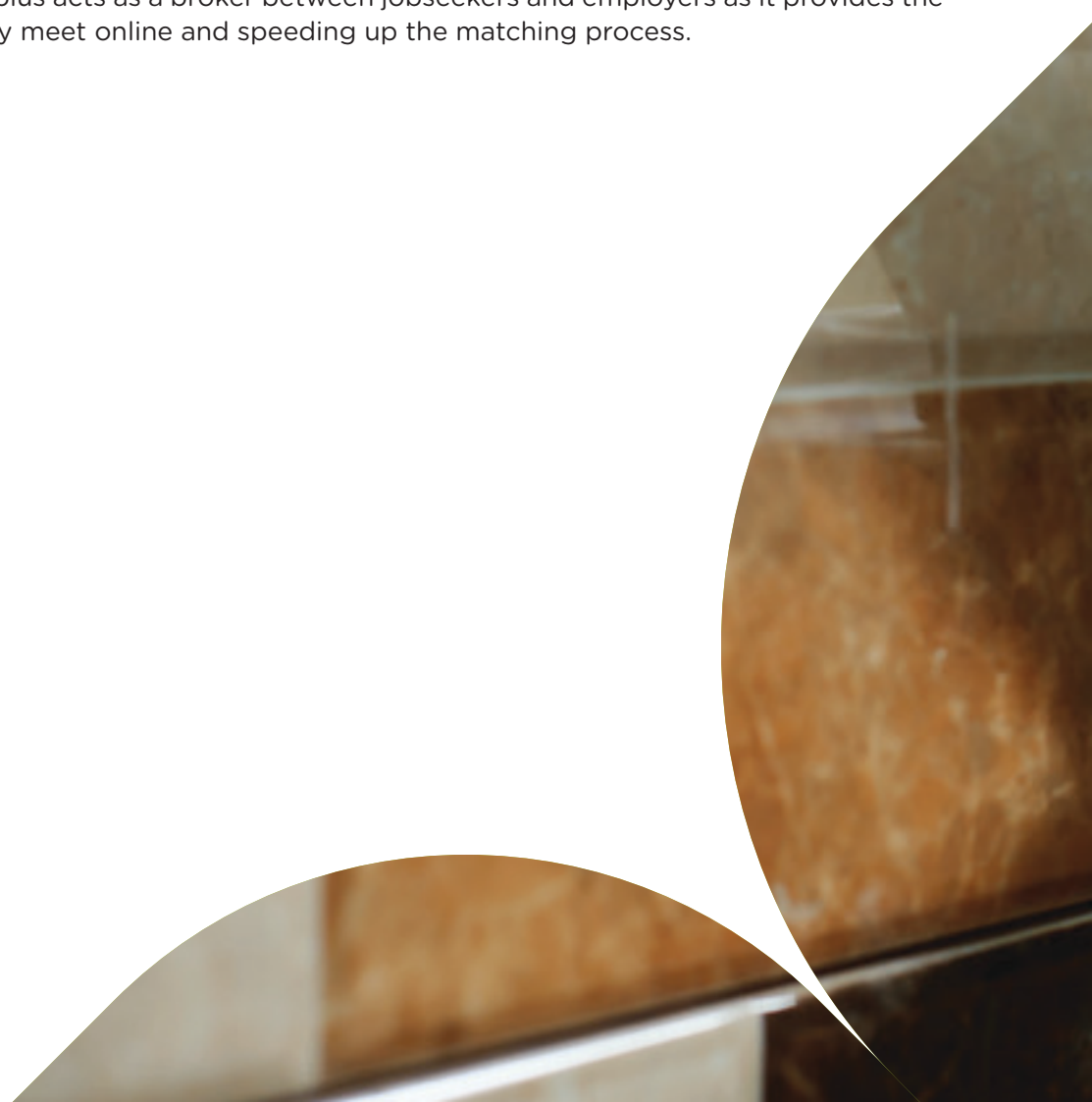
A Strategic Plan for the years 2016-2018 was adopted to guide the Corporation's operations. A new and exhaustive performance management system was put in place that informs management of the progress being achieved at regular intervals on key performance indicators. These new performance management tools are also being used to report on the achievement of objectives assigned to Jobsplus through the Electoral Manifesto, National Reform Programme and National Estimates.

In early 2016, the Corporation undertook a self-assessment based on criteria set by the European Network of Public Employment Services. This was followed up by external assessment carried out by a foreign specialist team on behalf of the Network. Both exercises were useful as they highlighted the strengths and areas for improvement.

An Employers Relations Unit was set up to outreach to employers that never made use of Jobsplus services so as to inform them of the services on offer and to better understand their labour and skills needs. A Labour Market Analysis Unit was also set up to undertake analysis of labour market trends not only from the social but also the economic point of view.

Two consultation documents were issued; one relating to amendments to the Employment and Training Services Act and the other relating to the setting-up of a Job Brokerage Office for migrants. Feedback was received on both documents and by end December, Jobsplus was at an advanced stage of preparations for their implementation.

Finally, the year 2016 also saw the launch of a new online job matching system that gives due merit to the skills and competences that a jobseeker possesses in the job vacancy matching process. This matching engine matches the vacancy specifications with the jobseekers' profiles on the basis of qualifications, skills, competences and work experience and informs users of the percentage match. In this way, Jobsplus acts as a broker between jobseekers and employers as it provides the tools for them to virtually meet online and speeding up the matching process.







## EU affairs and research

### EU AFFAIRS

During the course of 2016, the EU Affairs, Labour Market Analysis and Employers' Relations Division continued to contribute to national and EU policy by providing feedback on EU documentation that included amongst others matters related to the European Semester; up-skilling; integration of migrants and other vulnerable groups; and free movement of workers. Furthermore, in liaison with respective Ministries, Jobsplus was also involved in outlining and discussing the reforms adopted during the reference year to address the country-specific recommendations and key employment challenges submitted by the European Commission.

Preparations started being made for the holding of activities during Malta's Presidency of the EU Council in the first six months of 2017. Jobsplus will be hosting the Informal Employment Committee (10th and 11th April), and the Managing Board of Public Employment Services (8th - 9th June).

Jobsplus officials represent Malta on a number of committees at EU level. These include the Employment Committee, the Network of Heads of Public Employment Services, the EURES Committee, as well as the Technical and Advisory Committee on Free Movement of Workers.

## LABOUR MARKET ANALYSIS

As highlighted in the National Budget Speech, Jobsplus was called to strengthen the labour market analysis function with the aim of providing evidence-base to policies, as well as analysing the impact of reforms.

During 2016, the Unit focused on a number of analytical projects. The National Commission for Further and Higher Education, Jobsplus and Malta Enterprise, have conducted the National Skills Survey which is a representative survey with employers on skills needs and shortages; filling of vacancies; and collaboration with education providers. Findings indicate that the most used source for recruitment was word of mouth (20.9%), followed by notification to Jobsplus (19.9%) and social media (15.8%). Out of all the vacancies that were deemed as hard to fill, clerical support workers (22.2%) and service and sales workers (15.3%) recorded the highest number of hard to fill vacancies. Employers stated that the main reason for hard to fill vacancies was the lack of applicants with the required skills (56.2%), followed by the required attitude and personality (43.7%). Skills lacking in applicants for vacancies that are hard to fill were written communication skills (32.9%), technical skills (32.1%), problem solving skills (30.9%) and team-working skills (29.3%). The main skills considered as important by employers were oral communication (78.7%), team working (78.6%), English language (74.4%) and customer handling (72.3%). In order to address skills shortages, employers stated that they recruit non-Maltese nationals (39.6%), increase advertising and recruitment expenditure (24.7%) and increase salaries (23.3%). The highest increase in recruitment in the next twelve months is expected to be of clerical support workers (22.0%), service and sales workers (21.0%) and professionals (18.0%). 56.9% and 52.7% of respondents viewed traineeships and apprenticeships respectively, as useful. The most commonly type of skills cited by respondents as requiring up-skilling were planning and organisation (17.9%), customer handling (16.2%), team working (15.5%) and ability to multi-task (12.7%). Finally, the majority of employers (94.6%) declared that there should be more collaboration between education providers and employers.

In the course of 2016, Jobsplus issued two Research policies: one targeted at students and the other targeted at private researchers. The aim is to facilitate research whilst safeguarding data and subjects' information, in accordance with Jobsplus policies and data protection provisions.

## LABOUR MARKET INFORMATION

The Labour Market Information Unit continued to compile administrative data, which is either published on a monthly basis through releases issued by the National Statistics Office (Gainfully Occupied Population; Registered Unemployed); or data requests received from Members of Parliament, public entities, and other interested parties. As of 2016, the public can access data collated by this Unit through the new website. All available data can be downloaded as an Excel file or PDF document. Time series data on four main areas is presented: employment; unemployment; foreign nationals and vacancies.









## **Employment services**

### **REGISTRATION SERVICES**

2016 saw a paradigm shift in the Registration Process. Since 2001, weekly registrations of the unemployed were made by means of fingerprint recognition registration machines placed in Job Centres and District Offices of the Department for Social Security. As of October 2016, new jobseekers are being registered and immediately assigned to their respective Employment Advisor by giving them an appointment in two weeks' time. On the first encounter, Employment Advisors together with the clients draw up a Personal Action Plan coming up with specific activities that the registrants need to perform and report back at the next meeting which will be held in another two weeks' time. This process would repeat itself fortnightly. We have also done away with the Registration Cards so new/repeat registrants can attend any Job Centre to re/activate their registration. All these improvements have reduced service costs and improved customer service.

The Jobsplus register is highly in use by jobseekers. Between January and December 2016 a total of 19,252 registrations took place. This is an average of 74 per working day. A total of 12,447 unique jobseekers used the registration services (parts 1, 2 or 3). 3,337 of these were new service users and therefore had never used the registration services provided by the Employment Services Division before.

At the end of December 2016, there were only 2,912 Registrants on Parts 1 and 2 of the register for Malta and Gozo. When compared to end December 2015, there was a decrease of 1,696 registrants. This shows that Jobsplus' unemployment register is a dynamic register which is increasingly being used by persons in genuine search for employment. Despite the high number of registrations, the stock at the end of the year is the lowest ever recorded signifying that the register is now addressing frictional rather than structural unemployment and no longer serving as a convenient depository for passive jobseekers who make a livelihood on unemployment and social benefits.

Jobsplus was not pleasant with potential abusers of the unemployment register. During 2016, 1,105 persons were removed from the register because they failed to honour their active jobsearch obligations.

## JOBSEEKERS' ADVISORY SERVICES

Between January and end December 2016, 2,443 new personal action plans were developed for registered jobseekers. In addition, 13,715 personal action plan reviews and follow-ups were carried out. Through these action plans and also through other interview exercises organized during the year, a total of 3,590 persons were referred for training. The Corporation started offering jobseekers who are uncertain of which career to follow, or those who need to undergo a change in career, the opportunity to carry out a career test. The career test can be completed directly by jobseekers or else with the assistance of one of our Employment Advisors.

Jobsplus created a new hierarchy of qualifications which aims to allow matching with employer requirements and qualifications of jobseekers on a spectrum of levels from exclusively specific (a particular course/qualification issued by a particular institution) to more generic (level, topic and/or subject). This new qualification database has been integrated in the client profiling and vacancy matching system and acted as the foundation to some of the enhancements the Corporation launched in 2016 with regards to the new Jobsplus website and matching system.

A new online matching system was launched allowing for the matching of jobseekers with job vacancies not only based on job preference, qualifications and work experience but also on skills and competences.

Apart from dealing with registered jobseekers, the Corporation's employment advisers took an active part in recruitment drives with a number of local organisations and in facilitating the re-employment of persons affected by main redundancy. A number of information sessions for youth were organized by the Jobseekers' Advisory Services in cooperation with LEAP and Agenzija Zghazagh. Jobsplus services for youth were promoted in ten schools and in job fairs.

## RECRUITMENT SERVICES

20,887 private sector vacancies were notified to Jobsplus. These vacancies were marketed through various channels including the Jobsplus website, EURES website and daily electronic automailers.

In addition to the basic vacancy marketing and matching service, the Corporation once again continued to offer a more customised recruitment service to employers who requested such a service. A total of 30 such exercises were held throughout the year. These bespoke recruitment services ranged from simple receipt and filtering of jobseeker applications to more advanced pre-assessment and short listing of the applicants based on the needs of the particular employer.

Fourteen recruitment drives with various employers were held during 2016. Furthermore, one major exercise involving the holding of one to one interviews with a total of 635 registered clients was held in order to determine their eligibility for vacancies in the cleaning sector notified to Jobsplus by ten employers.

3,881 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 or through Jobsplus agreements/contracts with partners amounted to 4,390 in 2016.

## YOUTH GUARANTEE

Following the successful implementation of the first phase of the Youth Guarantee scheme, Jobsplus has once again recommitted itself to ensure that all young people under the age of 25 years receive a good quality offer of continued education, traineeship or employment. The second phase of the scheme was launched in 2016 and is part financed through the 2014-2020 ESF Programming Period for Malta.

The Youth Guarantee Scheme plays a dual role and offers a number of preventive, supportive and reactive measures. It is comprised of four main initiatives for young people who would have just completed compulsory schooling or who are not in education, employment or training. These youth are offered opportunities for education, training and personal assistance, thereby facilitating their transition from education to gainful employment, and consequently improving their quality of life and social integration.

The services being offered are:

- SEC Revision Classes programme for secondary school students who obtained SEC results in Maltese, English Language, Mathematics, Biology and Physics ranging from 6, 7, absent or unclassified. These classes are provided free of charge during the summer period. Throughout 2016 770 students made use of the SEC Revision classes.

- Students who fail one of the exams of the foundation programmes at Levels 1, 2 or 3 at the Malta College for Arts, Science and Technology (MCAST) are given the opportunity to receive Remedial Classes during the summer period free of charge. 83 students benefitted from this initiative throughout the summer of 2016.
- The Summer ICT Course for ALP Students (ALP) is targeted at meeting the needs of 15/16-year-old secondary school students who attend the Alternative Learning Programme in Paola. A two-tier ECDL course is offered to these students for which they are given a small stipend. Throughout 2016, 92 students attended this course.
- The NEET Activation Scheme II is aimed at young people not in education, employment or training. The scheme consists of 6 weeks of tailor made employability skills training and 12 weeks of work exposure. Participants are offered the support of a Youth Worker and are given a stipend throughout the scheme.

Experience has shown that the participating young persons need additional and ongoing support once they are placed with an employer. In order to facilitate the success of such placements, the Corporation made use of the services of Job Coaches. The level of service offered by the job coaches varied in accordance with the needs of the participants. 37 youth were assigned a job coach during 2016. 222 interventions were carried out by job coaches.

## MATURE WORKERS RULE

The Mature Workers Scheme was once again available to employers recruiting persons aged between 45 and 65, who have been registering for work on Parts 1 and 2 of the unemployment register for the preceding six months. Eligible employers who apply for the tax deduction under this Rule will have their income tax deducted pro-rata receiving up to maximum of €11,600 in tax deductions for the first two years of employment for each employee employed under the scheme. Thus, saving upto €5,800 per annum. Employers are also eligible for further tax deduction equivalent to 50% of the cost of training, up to a maximum of €400. The unit carried out an exercise to target publicity amongst employers who are eligible under this rule. 231 applications by employers were processed this year.

## COMMUNITY WORK SCHEME

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. at end December 2016, there were 589 persons providing community services under this Agreement.

## WORK PROGRAMME INITIATIVE

The Work Programme Initiative is targeted towards the long-term unemployed. Jobsplus, together with three private sector Service Providers, are working to help long-term job seekers re-integrate

in the labour market. The Work Programme structure is based on a process that should lead the participant to improve his/her employability skills, with the final aim of placing the person in sustainable employment.

The three Work Programme Service Providers are FSS & Outlook Joint Venture, Melita Tourism and Resource Management (MTRM) and P5+ Management Ltd. The Work Programme Unit within Jobsplus works closely with the three Service Providers to monitor the implementation of the initiative. This initiative is based on three specific objectives. These are: assessing, placing and ensuring work retention as much as possible. These objectives will be implemented through three main phases which are: profiling, training and placement of participants.

During the year 2016, 989 Work Programme contracts were signed. Also during this period, 1,425 participants were referred to one or more training courses. 53 participants who finished their first mandatory training course as required by the tender regulations, were also placed into employment.

## EURES MALTA

EURES Malta advised and assisted local jobseekers who intended to move abroad and EU national jobseekers intending to move to Malta to work, as well as local employers who wanted to recruit EU National employees and foreign employers who want to recruit Maltese workers. Eures Advisors assisted jobseekers and employers either via email, phone, social media, online chat and in person.

684 vacancies were processed by EURES Malta which resulted in 78 placements. 1,296 jobseekers and 493 employers were serviced. While 87% of jobseekers were foreigners intending to work in Malta, most of the employers that made use of the EURES services were locally-based and they were seeking foreign employees to fill their vacancies. A total of 347 persons attended events during which EURES Malta services and vacancies were promoted.

In 2016 the EURES team participated in the KSU Careers Convention and Freshers Week, and in three fairs held abroad and various online recruitment fairs with a view of attracting qualified persons to Malta.

Two Information sessions for EU Nationals and their Dependents about living and working in Malta were held. The subjects dealt with included EURES and Jobsplus services, social benefits and pension rights, residence cards, conditions of work in Malta and the Maltese healthcare system. Five information sessions were delivered to a groups of interns in Malta where the same information was provided.

EURES Malta pursued the recruitment drive for Malta Public Transport. Due to a change in the administration of the public transport in Malta and the increase in bus routes and operating hours, over 200 new drivers were required. Outreach was carried out with numerous countries with the most successful collaboration being with Italy. Thirty eight placements were made that were attributed to EURES Malta's intervention and there is likely to be more that were not traced.

In 2016, EURES Malta continued to receive and filter applications made in response to all the vacancies notified to it. This is an added service offered to employers. A total of 6,100 CVs were

received for the various vacancies. In addition towards the end of the year all applicants started to receive an email whereby they were informed of EURES and the services offered. The aim of this is to continually outreach to people, especially before they leave their home country.

During 2016, the EURES Malta Facebook page continued to be one of EURES Malta's main query and outreach tools. This page now has more than 6,000 'likes'. Continual assessment was carried out in relation to the reach of the various posts in order to ensure the content posted was relevant to our followers. EURES Malta also continued to update the LinkedIn page.

Two updates of 'Living and Working in Malta' and the 'Labour Market Information' documents have been submitted to the EU Commission and uploaded on the EURES portal. They are beneficial to those individuals who are considering to moving to Malta since it gives broad information of every aspect of moving to another country.

## EMPLOYMENT LICENCES

The Employment Licences Unit further amended its procedures to assist employers fill any labour shortages which cannot be met by Maltese/EEA/Swiss workers.

The Vacancy Exemption List exempts local employers from advertising the job with Jobsplus and in the appropriate local media before being given the approval to recruit non-EU nationals. This list was updated to feature shortage occupations in specific industries such as Gaming and Information Technology. Employers were also given the possibility to provide a declaration that they are satisfied with the credentials of these applicants filling these occupations for which there is a known shortage, exempting the applicant from submitting the required qualification certificates and/or reference letters.

Jobsplus committed itself to process applications for Employment Licences within 4 weeks from the submission date of an application. Stakeholders and clients started being given a deadline for feedback submission to ensure such timeframes are adhered to. Additionally, following the implementation of the Key Employee Initiative, a national scheme launched by Identity Malta to attract highly skilled individuals, the Employment Licences Unit agreed to provide feedback to Identity Malta regarding these applicants within 3 working days.

In 2016, the ELU processed a total of 14,509 applications of which 8,932 were Single Permit Applications (including Blue Card applications). Out of these applications, Jobsplus recommended to Identity Malta the approval of 7,561 applications and objected to 797 applications. Other applications have been withdrawn by the employer, have expired or were still being processed.

## LAW COMPLIANCE

Throughout the year 2016, the Law Compliance Unit focused its inspections on targeting activities and areas which are synonymous with illegal employment to be more effective. Most of the inspections were conducted in the hospitality industry and in dense business areas. The performance of the Unit now includes qualitative aspects and is no longer limited solely to quantitative results. The intelligence base was widened by tapping into social media.

Between January and December 2016 a total of 5,814 inspections were carried out during which 3,557 law infringements were identified. The ratio of infringements to inspections conducted was therefore maintained at a very high level.

The Corporation believes in educating the employers in complying with the legal provisions. Thus, employers are informed of the breach found during the inspection and invited to regularise their position. If, on the other hand, the employer does not abide by the provisions listed in the notification, then an administrative fine is imposed. In those cases where the employer still does not regularise the position of irregular employees notwithstanding the notification and penalty letter, legal action is taken by the Corporation against the employer.

With the aim of contributing to curbing the trafficking of human beings, nine joint inspections were held with the Immigration Police in accordance with duties and responsibilities laid down in the Sanctions Directive 2009/52/EC. Even though instances of human trafficking were not detected, a number of employers were arraigned by the Executive Police to answer for breaches against the Immigration Act.

During 2016 the Law Compliance Unit attended 15 court sittings, during which 605 cases were presented and 524 cases were processed. Cases presented included instances of employers found employing persons illegally (including minors and non-EU nationals) and against persons who were found working and registering at the same time.





## Inclusion Services

### INCLUSION SERVICES FOR VULNERABLE PERSONS

By the end of December, 173 vulnerable jobseekers were placed in employment in Malta and Gozo. Of these, 86 individuals were placed through cooperation agreements that Jobsplus has with Caritas and Oasi Foundation. In 2016, the Inclusive Employment Services Division in collaboration with jobseekers developed and reviewed 1,631 personal action plans for vulnerable clients in Malta and Gozo. Services were further enhanced in 2016 through motivational interviewing by Jobsplus' occupational therapist. 74 of the most vulnerable and least employable cohort of jobseekers within the caseload benefited from this service in 2016. The service will be extended to the entire caseload in 2017.

The employment advisors working with vulnerable jobseekers interviewed and profiled 403 persons at the Detox Centre and the Corradino Correctional Facility. This service, which is offered on a monthly basis, consists of individual assessment, career exploration, skills identification and referrals to a work exposure scheme.

Furthermore, an outreach exercise with employers was conducted to obtain vacancies for vulnerable job seekers and to establish a personalized relationship with employers, which would enable the provision of the necessary support by Jobsplus during the recruitment and subsequent employment of vulnerable individuals.

## LINO SPITERI FOUNDATION

During the first year of its operation, the Lino Spiteri Foundation, which is a partnership between Jobsplus and the Private sector, set up its Profiling and Guidance Unit and the Corporate Relations Unit.

The Profiling and Guidance Unit supports persons with disabilities that are registering on the Jobsplus database and seeking gainful employment. The Profiling and Guidance Officers profile the persons with disability in Malta and Gozo, formulate and review Personal Action Plans, which would lead the individuals towards suitable employment and/or training opportunities. Persons with disability are prepared and supported during the interview of referred vacancies.

The Corporate Relations Unit outreaches to companies with the aim of carving jobs suitable for persons with disabilities that are registered unemployed. The Corporate Relations Officers provide comprehensive support to employers for the entire recruitment process including selection, interviews, work trials, information on schemes, as well as retain a long term relationship with the company following recruitment.

In 2016, LSF started to build its internal job coaching capacity and expertise in order to provide one-to-one/group coaching according to set objectives, on-site (within the employers' premises) or off-site as required. The job coaches support the colleagues and supervisors working closely with the individual to ensure better workplace inclusion. LSF provided job coaching services to individuals employed with Tanseana Ltd through the Document Management Jobsplus Project and also to Headstart Programme participants in order to support them in attaining their personal goals whereby a quality coach will also be on board to ensure quality levels are achieved according to expectation.

The aim of the Headstart Programme is to serve as a launch pad into employment. The Programme aims to simulate a real work environment and to support individuals in increasing their skills and employability. Quality and production outputs of participants are measured and opportunities of employment are targeted accordingly. During the definite period of the Programme, participants receive a stipend of €90 per month.

By the end of 2016, the Foundation had conducted a total of 695 visits to various companies and 264 individuals were employed following the creation of a vacancy and assistance by LSF into employment. More than another 100 individuals were also supported with less assistance in their access to employment either to other private companies or government entities. Around 19,000 hours of job coaching were provided to support individuals in attaining or maintaining their employment throughout the year.

## SHELTERED EMPLOYMENT AND PRE-EMPLOYMENT TRAINING

The Sheltered Employment Training Programme is a one year programme which has been revised following the pilot project implemented during the previous years. It offers the opportunity to clients with multiple disabilities to work within a simulated work environment and within groups under the constant supervision of job coaches. The job coaches' role is to emphasise punctuality, work ethics, independent living, communication and social skills in order to increase the client's ability to move from sheltered to supported and open employment. Clients have the opportunity to receive hands-on training in different work tasks such as light office work, assembly of products, packaging, and sorting. The clients might have the opportunity to receive this training in actual workplace settings, with constant supervision and guidance. During 2016, 40 individuals have been enrolled in this Programme.

98 disadvantaged jobseekers benefited from pre-employment training and have been awarded a certificate of attendance. Sixteen of the participants were trained to make use of the public transport system and hence improve their mobility. The Job Bridge Training Centre delivered various information sessions to schools and various NGOs. The aim of these sessions was to create awareness about Jobsplus' services for disadvantaged jobseekers. 93 visits to various NGOs and associations in Malta and Gozo were conducted as part of the outreach exercise.

## MEDICAL AND OCCUPATIONAL THERAPIST ASSESSMENTS

In 2016, 502 persons were medically assessed by Jobsplus's medical officer, as a result of which 426 persons were accepted on the Persons with Disability Register. Subsequently, the occupational therapist conducted 501 assessments for new entrants and for those whose profile required a review.

## BRIDGING THE GAP SCHEME

111 disadvantaged jobseekers participated in the Bridging the Gap Scheme during 2016. Of these, 60 were persons with disability while the other 51 were vulnerable jobseekers. A tracer study conducted on 89 participants between July 2015 and June 2016 showed that 70% were employed within 6 months of the scheme's completion. 94% of the persons with disability and 37% of the vulnerable jobseekers were employed within 6 months after the scheme's completion.

## EXEMPTION OF EMPLOYER'S SHARE OF NATIONAL INSURANCE CONTRIBUTION

During 2016 Jobsplus received 175 applications from 154 different employers requesting to be exempted from paying their share of national insurance contributions in respect of employees that were persons with disability. These applications were referred to the Inland Revenue Department for confirmation of eligibility and exemption.

## FISCAL INCENTIVE SCHEME

In the year under review, Jobsplus received applications from twelve employers for the reimbursement of 25% of the basic wage of 54 persons with disability that were employed.



## Training and employers' services

### TRAINING SERVICES

The Training Services Department offered a number of initiatives aimed at up-skilling and improving the employability of individuals. These include training opportunities, work exposure and traineeships. 2016 saw the closure of two ESF projects; the Employability Programme (ESF2.4) and the Enhancing Employability through Training (ESF2.201). A new ESF project: Training for Employment (ESF01.001) was approved by the Managing Authority of EU funds in 2016.

In 2016, Jobsplus trained 4,393 individuals in various courses including IT skills, office skills, caring skills, language skills, sales skills, trade skills, first aid and food handling. Data indicates that almost 83 per cent of trainees managed to successfully complete the course. 60 per cent of the persons trained were employed.



Three courses, namely, the VET Award Foundation in Assistant Tile Laying; VET Award in Plastering and Operational English for Care Workers were accredited by the National Commission for Further and Higher Education. Another three courses were level-rated: Foundation in Employability Skills (MQF Level 1); First Aid (MQF Level 3); and Paediatric First Aid (MQF Level 3).

Among the various initiatives offered, Jobsplus continued running the Trade Testing system. A number of requests for assessment were received in the following occupations: care work; plastering; tile laying; and car mechanics. The number of persons trade tested is 351 made up of 171 apprentices and 180 non-apprentices.

Jobsplus is also working in collaboration with the Building Industry Consultative Council in the issuing of the Construction Industry Skill Card.

## EMPLOYERS' SERVICES

The Employer Relations Unit was set up in 2016. The main aim of this Unit is to outreach to employers and inform them about the different services and initiatives offered by Jobsplus. Jobsplus is committed to be an active listener and take note of employers' concerns and recommendations so as to better address their needs. The Unit facilitated the employers' use of the new Jobsplus website including the Job Matching System.

In 2016, 470 employers based in Malta and 297 employers based in Gozo were contacted. As a result of these contacts, 548 job vacancies were obtained. Furthermore, a number of employers showed an interest in participating in a scheme offered by Jobsplus, whilst 98 employers registered on the website immediately after or during an on-site visit. The Employer Relations Unit participated in a number of employers' fora organised by social partners, with the aim of disseminating information on the services offered by Jobsplus.



## MONITORING OF TRAINING AND WORK EXPOSURE

Through the functions of the Monitoring Department, Jobsplus evaluates the sustainability of initiatives, by tracing participants following intervention received from Jobsplus; conducting exit questionnaires, monitoring the placements, and gathering feedback from both participating employers and jobseekers.

The visits (both announced and unannounced) enable Jobsplus to gather relevant information on the work relationship between the employer and the trainee; the attitude and aptitude towards work of the jobseeker; and the skills needs of the employer. Such information is used as a basis for facilitating matching of placements, measure the programmes' outcomes, as well as guiding participants on the skills needed to integrate in the labour market.

Monitoring officers build a relationship with both the participants and employers. In cases where the need of job coaching services is identified, jobseekers are referred to such services to facilitate the success of the placement. Through this personalised and timely support, there is a higher probability of retention of trainees in employment following their participation in the programme.







### **EU funded schemes**

In 2016 the Access to Employment Programme continued to be implemented successfully while the design and planning stages of the Investing in Skills Programme were completed. Both schemes are being implemented in line with Commission Regulation (EC) 651/2014 of the 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

## ACCESS TO EMPLOYMENT (A2E) SCHEME

The Access to Employment Programme (A2E) is co-financed from the European Social Fund (Programming Period 2014-2020), the Maltese Government and Employers with a total allocated budget of €12 million. This Scheme provides employment aid to enterprises in Malta and Gozo to promote the recruitment of the more challenged amongst job seekers and inactive persons.

During the ESF 2014–2020 Programming Period, Jobsplus has continued to further simplify the scheme by introducing further simplifications at payment stage. As a result, focus was shifted to the conducting of regular unannounced visits at the employer’s premises which are held on a regular basis to ensure that the activity being subsidised is actually taking place. By December 2016, a total of 996 monitoring visits were conducted at 245 different beneficiary organisations.

As at end December 2016, applications for a total of 604 applications were received in respect of 686 participants from 365 different employers. At end December 2016, there were 459 valid grant agreements with a total financial commitment of approximately €3.5 million.

## INVESTING IN SKILLS PROGRAMME

The Investing in Skills Programme will be supporting undertakings that provide training to their workforce by offering part-refund of the training costs involved. In 2016, a Delegated Act has been presented to the European Commission establishing a standard scale of unit cost for tuition and wage cost. In addition a number of simplifications have also been proposed and accepted. A total budget of €8 Million has been allocated to this scheme which is planned to be launched in the near future.









### **Services in Gozo**

The Gozo Services Division of Jobsplus provides services to the Gozitan community. It worked closely with various entities like the Gozo Business Chamber, the Gozo Tourism Association and the Ministry for Gozo, in their common effort to address the specific needs of the labour market in Gozo.

## TRAINING COURSES

During the year under review, the Gozo Services Division delivered 4,464 hours of training and a total of 16 courses with a completion rate of 94%. The number of persons trained amounted to 245.

## WORK EXPOSURE SCHEME AND TRAINEESHIPS

During the year Work Exposure Schemes and Traineeships funded by the ESF were offered in Gozo.

During the application period a total of 126 WES applications were submitted and accepted by Jobsplus of whom 107 trainees fully completed the 12-week period of work exposure with Gozo private sector employers.

The Traineeship scheme which also incorporated a short-training course in Gozo, namely Vocational Education in Life Skills for the Work Environment was planned to commence after the WES scheme in order to allow and facilitate higher participation from Gozitan trainees. In total there were 34 applications of which 26 trainees completed successfully the 14-week period.

## SCHEMES FUNDED BY THE MINISTRY FOR GOZO

As in previous years, the Gozo Division worked and collaborated closely with the Ministry for Gozo in its various initiatives and measures aimed to enhance the employability of the unemployed persons in Gozo. During this year Jobsplus administered two particular schemes. These were the Work Trial Scheme for Youths and the Work Exposure Scheme. The Work Trial Scheme for Youths aimed for youths between the age of 16 and 20 years, offered a work exposure opportunity with the private sector and NGOs for a definite period of 5 weeks during the summer period. A total of 443 trainees and 378 employers participated in this scheme. The Work Exposure Scheme aimed for registrants on Part 1, offered a work exposure opportunity with the public sector. At the end of December 2016 there were 171 participants active on the scheme.

## DATA VERIFICATION

In order to continuously validate the administrative labour market information maintained by Jobsplus, we continued with the massive data checking and updating exercise started in November 2014. Once the exercise with employers was completed in 2015, employees in the private sector were contacted to verify their employment data. Parallel to this massive exercise, Jobsplus was also undertaking the synchronisation of the IRD PE Number with the Jobsplus Employer Number. This will eventually simplify matters for employers in liaising with both public organisations. Jobsplus is planning to initiate similar initiatives with other Government Entities namely the VAT Department, Identity Malta and the Malta Financial Services Authority.

## HOSPITALITY INDUSTRY SCHEMES – NATIONAL BUDGET 2015

The two schemes financed by the National Budget 2015 that commenced on October 2015 came to an end as planned at the end of October 2016 with the months of November and December of the same year open for reimbursement claims of the National Insurance Refund Scheme. On the other hand, the Seasonality Scheme reimbursement claims were processed and finalised between May and July 2016.

The National Insurance Refund Scheme aimed at stimulating full-time employment and enticing employers in the tourism sector to employ additional staff and retain current employees. Through this scheme, employers were encouraged to recruit additional staff on a full-time basis and convert part-time employment into full-time employment. In total 18 employers participated in this scheme who in turn employed with them 46 new full time employees of whom 35 were economically inactive.

The Seasonality Scheme aimed at alleviating the wage costs of employers during the winter period and to enhance the skills of full-time and part-time (primary job) employees working in the tourism sector through related training. In total 19 employers participated and 83 employees applied to participate in training courses, out of which 39 persons attended.





## Corporate services

### PEOPLE MANAGEMENT

Jobsplus seeks to provide a stimulating work environment where opportunities for learning and career development are offered. We implement a number of family-friendly measures such as flexible working hours, reduced hours and teleworking to mention a few. Childcare facilities are also offered to the forty three registered users.

A number of recruitment drives took place during 2016 to employ new staff to replace persons who resigned from employment as well as to temporarily replace staff members who have adopted family friendly measures. The job tenure stands at an average of 6.6 years while the average age of Jobsplus employees is 38.9 years.

Jobsplus has invested substantially in the personal and professional development of its employees. Employees undertook a number of formal training programmes including training in basic and mental health first aid, use of IT software, leadership, mental health, data protection, coaching and mentoring, team building, people management, mobility and migration. Specialized courses for employees working with persons with disability were also held. Individual training passports indicating the training that an employee underwent started being issued.

A social climate survey was administered among employees during 2016 and findings were presented during the Annual Staff Meeting held in November. Employees were given the opportunity to provide further feedback during such a meeting. Management then compiled the aggregate results and is acting on the feedback achieved.

Throughout the year various activities were organized by the Sports and Social Club Committee. Among these were fund raising initiatives from which ALS and id-Dar Tal-Providenza benefitted.

One of Jobsplus's core values is safeguarding its employees' health. With a view to safeguarding the employees' health, the People Management Department organized a Health Day and a Mental Health Day during which talks by professionals on a wide range of issues were delivered followed by discussion. Health and well-being messages are being regularly passed to employees.

Jobsplus is contributing to a greener environment through the purchase of energy efficient lightings, waste separation, recycling of plastic bottle caps, e-payroll and issuing of SMS to jobseekers.

## PROCUREMENT AND PURCHASING CONTROL UNIT

The Procurement and Purchase Control Unit maintained its support to other divisions within the Corporation by procuring the necessary services, supplies and works, operating within the Public Procurement Regulations framework. In line with new Government direction re public procurement, all calls for quotations and tenders are now being published online through the Electronic Public Procurement System (e-PPS).

During 2016, Jobsplus published fourteen calls for tenders and ten calls for quotations amounting to €1.15 million. These calls included both locally funded and co-funded calls for tenders and quotations. Ten calls for quotations and ten calls for tenders were awarded, amounting to €0.9 million. Three calls were cancelled, one of which was re-issued and awarded. One call for tenders is still being evaluated.

## THE INFORMATION AND COMMUNICATION TECHNOLOGY UNIT

The main projects that the ICT Department worked on during the year 2016 were the new online job matching system and the new website. The new job matching engine and website offer a more “Virtual Labour Market Environment” concept which allows jobseekers to be matched to all available vacancies in Malta and Gozo based on their respective online profile and job competencies. Similarly, employers now have the facility to design vacancies and within seconds matched them with jobseekers based on the criteria and job competencies they themselves set in the vacancy requirements. This allows employers to have a very efficient and quick selection process, besides saving on recruitment costs. The new web portal can even highlight which criteria are missing in the job seeker’s profile with respect to the vacancy demands referred to as the “gap analysis”.

It has to be noted that the Jobsplus new web-portal has been shortlisted as a finalist for the Malta Communications Awards (Best e-Government Initiative) for the year 2016.

The Jobsplus ICT team was engaged in the preparation of the core logic and web services development for the job matching system and the development of all the backend related works including web-services development that were required for the new web-portal. In addition the software development work of all the internal profiling and matching applications that are used by Jobsplus EAs (including the job seeker profiling system; vacancy profiling system; CV vetting system; vacancy vetting system; user accounts vetting system, data reporting tool; competency management tool; and the “what if” matching tool) was all carried out by the Jobsplus ICT team. It was a very tough and hectic job for the ICT team to coordinate, develop, test and integrate all the systems together with the inclusions of new matching criteria that are now being used for job matching. Even the database structure had to be modified accordingly in order to accommodate the new data structures to be used by the new matching process, which included mainly the introduction of job competencies and skills, together with an enhanced flexibility for matching purposes. After that all the backend software development was completed and finalized, the ICT software team was involved in the rigorous tasks of user acceptance testing and integration of all the internal developed applications, web site and job matching system. This task entailed the analysis, debugging and trouble shooting of matching performance issues both from a network perspective and an application perspective. The ICT hardware team also took the necessary steps to setup the virtual machines on the Jobsplus web server that is being used for hosting the new website, while the web-administrators team took care of the full web content upload within the new web-portal. The front end user interface of the new web site was handled by an external contractor.

During the year 2016, the ICT team was involved in other tasks that provide the necessary support for the proper function of operations by other Divisions. Among others these included:

- The installation of a new Net-app system for data storage pertaining to Jobsplus users.
- The installation of three new UPSs for the main server room.
- The network infrastructure setup of the Ghajnsielem hub.
- The network infrastructure setup of the new premises at Mosta.
- The migration of the R4GL environment on to Informix 11.
- The dismantling of all enrolment and renewal registration machines.
- The finalization of all the ICT related works at Msida premises.
- The completion of a new contract for printers supply.



# Report and Financial Statements

31 December 2016



# Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2016.

## Directors

In accordance with Section 6 subsection (5) of the Employment and Training Services Act, 1990, 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*

**Dr Tanya Sammut Bonnici** - *Deputy Chairperson (appointed on 1 July 2016)*

**Ms Gabriella Calleja**

**Mr James Pearsall**

**MrAnglu Fenech**

**Dr Marie-Elise Agius**

**Ms Alexandra Gatt**

**Mr Josef Bugeja**

**Mr Gaetano Tanti**

**Mr Joseph Farrugia**

**DrMario Brincat**

**Mr Emanuel Darmanin**

**Mr Frank V. Farrugia**

**Mrs Marie Grech Caruana**

**Ms Abigail PsailaMamo** (*appointed on 1 July 2016*)

**Mr Oliver Scicluna** (*appointed on 1 July 2016*)

**Ms Pauline Miceli** (*resigned on 1 July 2016*)

**Mr Andrew Triganza-Scott** - *Board Secretary*

The term of office of the current Board of Directors extends to 17 May 2017.

## Principal activities

Jobsplus formerly The Employment and Training Corporation (the “Corporation”) 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:

***“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.”***

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
- 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 in its presentation of the financial statements. These standards do not allow disclosure of reserve utilization in the income and expenditure account.

The Corporation is reporting an excess of expenditure over income for the year of € 35,727 (2015: excess of income over expenditure of € 184,379) which when deducted from the reserves brought forward from the previous year amounting to € 775,629 leaves a balance of € 739,902 in reserves accumulated at the end of the financial year.

The result for the year is arrived after considering Government subvention received amounting to € 18,000,000 (2015: € 8,699,998), Corporation expenditure amounting to € 18,349,147 (2015: € 9,177,821) and Corporation earned income amounting to € 313,420 (2015: € 662,202).

## **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
- Each director has taken all steps that he ought to have taken as a director 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, 1990 Section 20(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.



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**

The auditor Grant Thornton has intimated its willingness to continue in office.

This report was approved and authorized for issue by the Board of Directors on 3 March 2017, and signed on its behalf by:



**Mr Clyde Caruana**  
*Chairperson*



**Dr Tanya Sammut Bonnici**  
*Deputy Chairperson*

Registered address:  
Head Office  
Hal Far, BBG 3000  
Malta

3 March 2017

# Statement of income and expenditure

	NOTES	2016	2015
		€	€
<b>Subvention from Consolidated Fund</b>	4	18,000,000	8,699,998
Recurrent expenditure		(18,349,147)	(9,177,821)
<b>Deficit on recurrent expenditure</b>	5	<b>(349,147)</b>	<b>(477,823)</b>
Income from employment licences and other services		313,420	662,202
		<b>(35,727)</b>	<b>184,379</b>
<b>European Social Fund projects</b>			
Project finance		-	3,351,532
Project costs	8	-	(3,351,532)
Deferred grants		75,056	75,547
Depreciation on ESF property, plant and equipment		(75,056)	(75,547)
		-	-
<b>Net excess of expenditure over income</b>		<b>(35,727)</b>	<b>184,379</b>

# Statement of affairs

	NOTES	2016	2015
		€	€
<b>Assets</b>			
<b>Non-current</b>			
Intangible assets	10	189,822	156,061
Property, plant and equipment	11	1,459,304	1,485,408
Property, plant and equipment ESF projects	12	596,020	671,076
		<b>2,245,146</b>	<b>2,312,545</b>
<b>Current</b>			
Inventories	13	27,755	20,333
Receivables	14	1,517,589	190,976
Cash and cash equivalents	15	1,055,446	1,988,237
		<b>2,600,790</b>	<b>2,199,546</b>
<b>Total assets</b>		<b>4,845,936</b>	<b>4,512,091</b>

# Statement of affairs – continued

	NOTES	2016	2015
		€	€
<b>Equity</b>			
Endowment capital	16	582,343	582,343
Accumulated reserves		739,902	775,629
<b>Total equity</b>		<b>1,322,245</b>	<b>1,357,972</b>
<b>Liabilities</b>			
<b>Non-Current</b>			
Deferred grants	17	537,396	596,012
		537,396	596,012
<b>Current</b>			
Deferred grants	17	58,624	75,064
Trade and other payables	18	2,927,671	2,483,043
		2,986,295	2,558,107
<b>Total liabilities</b>		<b>3,523,691</b>	<b>3,154,119</b>
<b>Total equity and liabilities</b>		<b>4,845,936</b>	<b>4,512,091</b>

The financial statements on pages 5 to 25 were approved and authorized for issue by the Board of Directors on 3 March 2017 and signed on its behalf by:



\_\_\_\_\_  
**Mr Clyde Caruana**  
 Chairperson



\_\_\_\_\_  
**Dr Tanya Sammut Bonnici**  
 Deputy Chairperson

# Statement of changes in equity

	ENDOWMENT	ACCUMULATED	TOTAL
	capital	reserves	equity
	€	€	€
At 1 January 2015	582,343	591,250	1,173,593
Excess of income over expenditure for the year	-	184,379	184,379
<b>At 31 December 2015</b>	<b>582,343</b>	<b>775,629</b>	<b>1,357,972</b>
At 1 January 2016	582,343	775,629	1,357,972
Excess of expenditure over income for the year	-	(35,727)	(35,727)
<b>At 31 December 2016</b>	<b>582,343</b>	<b>739,902</b>	<b>1,322,245</b>

# Statement of cash flows

	NOTES	2016	2015
		€	€
<b>Operating activities</b>			
Deficit on recurrent expenditure		(349,147)	(477,823)
Adjustments	19	383,746	478,467
Net changes in working capital	19	(889,407)	460,877
Income received		313,420	662,202
<b>Net cash flows (used in) generated from operating activities</b>		<b>(541,388)</b>	<b>1,123,723</b>
<b>Investing activities</b>			
Payments to acquire intangible assets		(133,860)	(151,895)
Payments to acquire property, plant and equipment		(257,915)	(283,163)
Proceeds from disposal of property, plant and equipment		372	10,902
<b>Net cash used in financing activities</b>		<b>(391,403)</b>	<b>(424,156)</b>
<b>Financing activities</b>			
Proceeds to finance acquisitions of property, plant and equipment ESF projects		-	72,001
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>72,001</b>
Net change in cash and cash equivalents		(932,791)	771,568
Cash and cash equivalents, beginning of year		1,988,237	1,216,669
<b>Cash and cash equivalents, end of year</b>	<b>15</b>	<b>1,055,446</b>	<b>1,988,237</b>







# Notes to the financial statements



## 1 GENERAL INFORMATION

Jobsplus (“the Corporation”) 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 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the provisions of Section 20(1) of the Employment and Training Services Act, 1990.

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

## 2 CHANGES IN ACCOUNTING POLICIES

### 2.1 New and revised standards that are effective for annual periods beginning on or after 1 January 2016

The company has not adopted any new standards or amendments that have a significant impact on the company’s results or financial position.

### 2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the company. Information on those expected to be relevant to the company’s financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the company’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the company’s financial statements.

### IFRS 9 ‘Financial Instruments’ (2014)

The new standard for financial instruments (IFRS 9) introduces extensive changes to IAS 39’s guidance on the classification and measurement of financial assets and introduces a new ‘expected credit loss’ model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- the classification and measurement of the company’s financial assets will need to be reviewed based on the new criteria that considers the assets’ contractual cash flows and the business model in which they are managed;
- an expected credit loss-based impairment will need to be recognised on the company’s trade receivables and investments in debt-type assets currently classified as AFS and HTM, unless classified as at fair value through profit or loss in accordance with the new criteria;
- it will no longer be possible to measure equity investments at cost less impairment and all such investments will instead be measured at fair value. Changes in fair value will be presented in profit or loss unless the company makes an irrevocable designation to present them in other comprehensive income.

- if the company continues to elect the fair value option for certain financial liabilities, fair value movements will be presented in other comprehensive income to the extent those changes relate to the company's own credit risk.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

### IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. Management has started to assess the impact of IFRS 15 but is not yet in a position to provide quantified information.

### IFRS16 'Leases'

IFRS 16 will replace IAS 17 and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability.

IFRS 16 is effective from periods beginning on or after 1 January 2019. Management is yet to fully assess the impact of the Standard and therefore is unable to provide quantified information. However, in order to determine

the impact the Corporation is in the process of performing a full review of all agreements to assess whether any additional contracts will now become a lease under IFRS 16's new definition.

## 3 SUMMARY OF ACCOUNTING POLICIES

### 3.1 Overall considerations

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

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

### 3.2 Income and expense recognition

#### 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.

#### ESF reimbursements

European Social Fund reimbursements are accounted for in the period in which the related expense is recognized.

#### Other income

Other income, including income from employment licences, are recognized on an accrual basis.

#### Interest

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

## Deferred Grants

Deferred grants in relation to property, plant and equipment co-financed by the European Union are released to the Income Statement yearly in amounts equivalent to the depreciation charge on these assets.

## Operating expenses

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

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.

### 3.3 Leases

Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

### 3.4 Intangible assets

Intangible assets are initially recorded at cost. They are subsequently stated at cost less accumulated amortization 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:

	%	Method
Computer software	25	Straight line

### 3.5 Property, plant and equipment

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

Property, plant and equipment are derecognized on disposal of or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in the Statement of Income and Expenditure in the period of derecognition.

Depreciation is charged on a straight-line basis so as to write off the cost of the assets over their estimated useful lives using the following rates. The annual rates used are consistent with those applied in the previous year.

	%	Method
Improvements	4	Straight line
Motor vehicles	20	Straight line
Computer and office equipment	10 - 25	Straight line
Furniture and fittings	10	Straight line

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

### 3.6 Impairment

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 the greater 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 assets 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.

### 3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

### 3.8 Financial instruments

#### Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially

at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into loans and receivables upon initial recognition:

Loans and receivables are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to loans and receivables that are recognised in profit or loss are presented within other income, except for impairment of trade receivables which is presented within recurrent expenditure.

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

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Corporation's financial liabilities include payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the Statement of Income and Expenditure.

### **3.9 Income taxes**

Section 22 of the Employment and Training Services Act, 1990, exempts the Corporation from any liability for the payment of Income Tax.

### **3.10 Cash and cash equivalents**

For the purpose of the statement of affairs and statement of cash flows, cash and cash equivalents comprise cash in hand and at bank.

### **3.11 Endowment capital**

The endowment capital is classified as equity.

### **3.12 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.

### **3.13 Significant management judgement in applying accounting policies and estimation uncertainty**

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

## Significant management judgement

Management considers that there are no significant management judgements in applying the accounting policies of the Corporation that have a significant effect on the financial statements.

## 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.

## Impairment

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 3.6).

## 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.

## Inventories

The Corporation estimates allowance for those inventories that are damaged, have become wholly or partially obsolete or if their selling prices have declined. Though management believes that the assumptions used in the estimation of allowance for any inventory obsolescence reflected in the financial statements are appropriate and reasonable, it does not expect that changes in the valuation of inventories will have any material impact on the results of the Corporation.

#### 4 Subvention from Consolidated Fund

The Corporation is entitled to a yearly subvention from the Government of Malta. The subvention from Consolidated Fund was allocated as follows:

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Amount voted to the Corporation under recurrent vote 13 item 6163	11,000,000	8,800,000
Add/(less) amount added/(deducted) after budget reviews by Ministry of Finance	7,000,000	(100,002)
	<b>18,000,000</b>	<b>8,699,998</b>

#### 5 Deficit on recurrent expenditure

The deficit on recurrent expenditure is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Staff costs (note 6)	6,779,533	5,915,454
Directors' fees	49,340	60,279
Amortisation of intangible assets	100,099	78,444
Depreciation of property, plant and equipment	281,807	280,442
Loss on disposal of property, plant and equipment	1,840	119,581
Auditor's remuneration	4,130	3,245



## 6 Staff costs

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Wages and salaries (including directors' fees and excluding the amount included in European Social Fund projects' costs)	6,828,873	5,915,454
	<b>6,828,873</b>	<b>5,975,733</b>

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

	<b>2016</b>	<b>2015</b>
Directors	18	15
Employees	297	301
	<b>315</b>	<b>316</b>

## 7 Tax expense

No income tax has been provided in these financial statements in view of the Corporation's exemption status granted by Section 22 of the Employment and Training Services Act, 1990, which exempts the Corporation from any income tax liability.

## 8 European Social Fund projects' costs

The Corporation has been beneficiary for projects funded under the European Social Fund Cohesion Policy, 2007 - 13. Funding for these projects was provided by the European Union (85%) and the Maltese Government (15%). It is to be noted that in co-ordination and with the approval of the Managing Authority, payment for projects under the indicated programming period have been made beyond 2013.

The disbursements on these projects are detailed below:

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Employment Support for Persons with Disabilities	-	1,117,193
Enhancing Employability through Training (EET)	-	2,212,855
Integrating TCNs in Maltese Society	-	18
Creation and Translation of Publications aimed to assist Third Country Nationals wishing to reside and work in Malta	-	21,466
	-	<b>3,351,532</b>
Salaries included in above eligible project costs disbursed	-	<b>643,784</b>

## 9 Leases

The Corporation's future minimum lease payments are as follows:

	<b>Minimum lease payments due</b>			<b>Total</b>
	<b>Within 1 year</b>	<b>2 to 5 years</b>	<b>More than 5 years</b>	
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
31 December 2016	120,204	342,754	205,084	668,042
31 December 2015	134,946	392,907	275,135	802,988

Lease payments recognised as an expense during the year amounted to € 134,946 (2015: € 85,789). This amount consists of minimum lease payments. No sublease payments or contingent rent payments were made or received. No sublease income is expected as all assets held under lease agreements are used exclusively by the company.

## 10 Intangible assets

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

	<b>Computer software</b>
	<b>€</b>
<b>Cost</b>	
At 1 January 2015	161,882
Additions	151,895
At 31 December 2015	313,777
At 1 January 2016	313,777
Additions	133,860
At 31 December 2016	447,637
<b>Amortisation</b>	
At 1 January 2015	79,272
Charge for the year	78,444
At 31 December 2015	157,716
At 1 January 2016	157,716
Charge for the year	100,099
At 31 December 2016	257,815
<b>Carrying amounts</b>	
At 1 January 2015	<b>82,610</b>
At 31 December 2015	<b>156,061</b>
At 31 December 2016	<b>189,822</b>

## 11 Property, plant and equipment

Property, plant and equipment comprise improvements, motor vehicles, computer and office equipment and furniture and fittings. The carrying amounts can be analysed as follows:

	Improvements	Motor vehicles	Computer and office equipment	Furniture and fittings	Total
	€	€	€	€	€
<b>Cost</b>					
At 1 January 2015	1,956,206	69,006	2,672,167	608,332	5,305,711
Additions	49,472	21,800	118,072	21,818	211,162
Disposals	(217,658)	-	(126,515)	(132)	(344,305)
At 31 December 2015	1,788,020	90,806	2,663,724	630,018	5,172,568
At 1 January 2016	1,788,020	90,806	2,663,724	630,018	5,172,568
Additions	141,732	-	97,723	18,460	257,915
Disposals	(8,281)	-	(58,673)	(4,813)	(71,767)
At 31 December 2016	1,921,471	90,806	2,702,774	643,665	5,358,716
<b>Depreciation</b>					
At 1 January 2015	832,922	35,047	2,278,618	473,953	3,620,540
Charge for the year	80,446	18,085	157,544	24,367	280,442
Released on disposals	(87,317)	-	(126,412)	(93)	(213,822)
At 31 December 2015	826,051	53,132	2,309,750	498,227	3,687,160
At 1 January 2016	826,051	53,132	2,309,750	498,227	3,687,160
Charge for the year	87,707	18,085	151,108	24,907	281,807
Released on disposals	(8,281)	-	(57,304)	(3,970)	(69,555)
At 31 December 2016	905,477	71,217	2,403,554	519,164	3,899,412
<b>Carrying amounts</b>					
At 1 January 2015	1,123,284	33,959	393,549	134,379	1,685,171
At 31 December 2015	961,969	37,674	353,974	131,791	1,485,408
At 31 December 2016	1,015,994	19,589	299,220	124,501	1,459,304

## 12 Property, plant and equipment ESF projects

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

	Improvements	Computer and office equipment	Furniture and fittings	Total
	€	€	€	€
<b>Cost</b>				
At 1 January 2015	800,623	281,661	63,797	1,146,081
Additions	-	49,063	22,938	72,001
Disposals	-	(1,545)	-	(1,545)
At 31 December 2015	800,623	329,179	86,735	1,216,537
At 1 January 2016	800,623	329,179	86,735	1,216,537
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2016	800,623	329,179	86,735	1,216,537
<b>Depreciation</b>				
At 1 January 2015	220,386	207,420	43,653	471,459
Charge for the year	32,025	34,847	8,675	75,547
Released on disposals	-	(1,545)	-	(1,545)
At 31 December 2015	252,411	240,722	52,328	545,461
At 1 January 2016	252,411	240,722	52,328	545,461
545,461	32,025	34,365	8,666	75,056
75,056	-	-	-	-
At 31 December 2016	284,436	275,087	60,994	620,517
<b>Carrying amounts</b>				
At 1 January 2015	580,237	74,241	20,144	674,622
At 31 December 2015	548,212	88,457	34,407	671,076
At 31 December 2016	516,187	54,092	25,741	596,020

Since 2007, the Corporation has been beneficiary for nine projects involving property, plant and equipment funded under European Social Fund Cohesion Policy 2007 - 2013 and under the European Regional Development Fund (ERDF) for the total amount of € 1,216,537. It is to be noted that in co-ordination and with the approval of the Managing Authority, payment for the projects under the European Social Fund cohesion policy have been made beyond 2013. Funding for these projects is provided by the European Union (85%) and the Maltese Government (15%).

### 13 Inventories

	2016	2015
	€	€
Stationery and consumables	27,755	20,333
	<b>27,755</b>	<b>20,333</b>

### 14 Receivables

	2016	2015
	€	€
Amounts owed by Government departments and parastatal bodies	30,891	112,115
Other receivables	1,200,089	47,379
<b>Financial assets</b>	<b>1,230,980</b>	<b>159,494</b>
Prepaid expenses	286,609	31,482
<b>Trade and other receivables - current</b>	<b>1,517,589</b>	<b>190,976</b>

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

### 15 Cash and cash equivalents

Cash and cash equivalents in the statement of affairs and statement of cash flows include the following component:

	2016	2015
	€	€
Cash and bank balances	1,055,446	1,988,237
<b>Cash and cash equivalents</b>	<b>1,055,446</b>	<b>1,988,237</b>

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

	ESF 3.59 Nista	ESF 3.1114 ESEP	ESF 3.113 ESPD	ESF 3.60 YEP	ESF 2.4 EP	ERDF 08	ERDF 045	ESF 2.65 TAF	ESF 3.64 EAP	TOTAL
	€	€	€	€	€					
<b>Cost</b>										
At 1 January 2015	914	2,391	2,060	14,215	7,713	590,809	512,693	8,846	6,440	1,146,081
Additions	-	-	72,001	-	-	-	-	-	-	72,001
At 31 December 2015	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,218,082
At 1 January 2016	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,218,082
Additions	-	-	-	-	-	-	-	-	-	-
At 31 December 2016	914	2,391	74,061	14,215	7,713	590,809	512,693	8,846	6,440	1,218,082
<b>Depreciation</b>										
At 1 January 2015	914	1,500	802	9,025	6,149	269,364	171,907	6,823	4,975	471,459
Charge for the year	-	501	13,147	2,618	391	30,818	27,200	506	366	75,547
At 31 December 2015	914	2,001	13,949	11,643	6,540	300,182	199,107	7,329	5,341	547,006
At 1 January 2016	914	2,001	13,949	11,643	6,540	300,182	199,107	7,329	5,341	547,006
Charge for the year	-	65	13,147	2,572	391	30,808	27,200	506	367	75,056
At 31 December 2016	914	2,066	27,096	14,215	6,931	330,990	226,307	7,835	5,708	622,062
<b>622</b>										
<b>Net book value</b>										
At 1 January 2015	-	891	1,258	5,190	1,564	321,445	340,786	2,023	1,465	674,622
At 31 December 2015	-	390	60,112	2,572	1,173	290,627	313,586	1,517	1,099	671,076
At 31 December 2016	-	325	46,965	-	782	259,819	286,386	1,011	732	596,020

### Deferred grants

Since 2007, the Corporation has been beneficiary for nine projects involving Property, plant and equipment funded under European social Fund cohesion Policy 2007-2013 and under the European Regional Development Fund (ERDF) for the total amount of € 1,218,082. It is to be noted that in co-ordination and with the approval of the Managing Authority payment for projects under the European Social Fund Cohesion Policy have been made beyond 2013. Funding for these projects is provided by the European Union (85%) and the Maltese Government (15%). The grants received are being deferred and released to income statement yearly over the useful lives of the assets.

## 18 Payables

	2016	2015
	€	€
Payables	1,339,399	1,028,573
Accruals and provisions	1,588,272	1,454,470
<b>Financial liabilities</b>	<b>2,927,671</b>	<b>2,483,043</b>

The carrying value of financial liabilities is considered a reasonable approximation of fair value.

## 19 Statement of cash flows

The following non-cash flow adjustments and adjustments for changes in working capital have been made to the deficit on recurrent expenditure for the year to arrive at operating cash flow:

	2016	2015
	€	€
<b>Adjustments:</b>		
Depreciation charge of property, plant and equipment	356,863	355,989
Amortisation	100,099	78,444
Release of grant on property, plant and equipment ESF projects	(75,056)	(75,547)
Loss on disposal of property, plant and equipment	1,840	119,581
<b>Total adjustments</b>	<b>383,746</b>	<b>478,467</b>
<b>Net changes in working capital:</b>		
Change in inventories	(7,422)	5,942
Change in receivables	(1,326,613)	498,886
Change in payables	444,628	(43,951)
<b>Total changes in working capital</b>	<b>(889,407)</b>	<b>460,877</b>



## 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.

### 20.1 Credit risk

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

	NOTES	2016	2015
		€	€
<b>Classes of financial assets - carrying amounts</b>			
Receivables	14	1,230,980	159,494
Cash and cash equivalents	15	1,055,446	1,988,237
		<b>2,286,426</b>	<b>2,147,731</b>

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. In respect of receivables, with the exception of an amount of € 1,160,857 receivable on two programmes entirely funded by the Government and the European Union, the Corporation is not exposed to any other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. This amount of € 1,160,857 will be recovered through submissions to be made by the Corporation to the responsible authority managing these funds. All amounts due from government entities and employment programmes are considered by the Board of Directors to be recoverable in full.

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

## 20.2 Liquidity risk

The Corporation's exposure to liquidity risk arises from its obligations to meet its financial liabilities, which comprise payables, accruals and other 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 totaling € 748,274 (2015:

€ 748,274) representing funds provided by 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).

## 20.3 Foreign currency risk

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

## 20.4 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.

## 20.5 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 categorised as follows. See note 3.8 for explanations about how the category of financial instruments affects their subsequent measurement.

	NOTES	2016	2015
		€	€
<b>Current assets</b>			
<b>Loans and receivables</b>			
Receivables	14	1,230,980	159,494
<b>Cash and cash equivalents</b>	<b>15</b>	<b>1,055,446</b>	<b>1,988,237</b>
		<b>2,286,426</b>	<b>2,147,731</b>
<b>Current liabilities</b>			
Financial liabilities measured at amortised cost:			
Payables	18	2,927,671	2,483,043
		<b>2,927,671</b>	<b>2,483,043</b>

## 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 contributions 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.

## 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 contributions 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

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Purchase of property, plant and equipment	16,107	20,125
Employment and training initiatives	238	96,600
Other recurrent expenditure	5,441	9,362
	<b>21,786</b>	<b>126,087</b>

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

	<b>2016</b>	<b>2015</b>
	<b>€</b>	<b>€</b>
Contingent liabilities in relation to ESF projects	-	-
	-	-

The Corporation did not have any contingent liabilities as at 31 December 2016 and 31 December 2015.

**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.



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# ACCOUNTING

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# Independent auditor's report



## **Qualified Opinion**

We have audited the financial statements of Jobsplus set out on pages 5 to 25, which comprise the statement of affairs as at 31 December 2016, and the statement of income and expenditure, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2016, and of its financial performance and its cash flows for the year the ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with Section 20(1) of the Employment and Training Services Act, 1990.

## **Basis for Qualified Opinion**

Included with Other receivables in note 14 to these financial statements is an amount of € 1,160,857 receivable on two programmes co-financed by Government and the European Union in connection with the European Social Fund. We were unable to obtain direct confirmation of this balance from the debtor and there were no satisfactory alternative procedures we could apply to ensure that the amount is recoverable.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements 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 20(1) of the Employment and Training Services Act, 1990, 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, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management or the Government of Malta either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

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

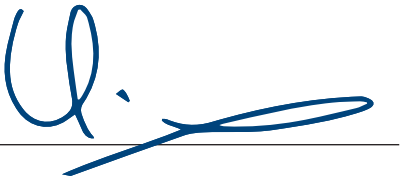
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Corporation to cease to continue as a going concern.

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



*Mark Bugeja (Partner) for and on behalf of*

**GRANT THORNTON**  
**Certified Public Accountants**

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

3 March 2017





# Independent auditor's report

	Pages	2016	2015
		€	€
<b>Subvention from Consolidated Fund</b>		18,000,000	8,699,998
Recurrent expenditure	29	(18,349,147)	(9,177,821)
<b>Deficit on recurrent expenditure</b>		<b>(349,147)</b>	<b>(477,823)</b>
<b>Income from employment licences and other services</b>			
Bank interest		482	1,122
Income from training services		5,910	5,070
Income from employment licences		212,304	478,131
Other income		94,724	177,879
		<b>313,420</b>	<b>662,202</b>
		<b>(35,727)</b>	<b>184,379</b>
<b>European Social Fund projects</b>			
Project finance		-	3,351,532
<b>Project eligible costs paid</b>		<b>-</b>	<b>(3,351,532)</b>
Deferred income		75,056	75,547
Depreciation on ESF projects property, plant and equipment		(75,056)	(75,547)
		<b>-</b>	<b>-</b>
<b>Net excess of income over expenditure</b>		<b>(35,727)</b>	<b>184,379</b>

# Income statement schedules

	2016 €	2015 €
<b>Operational expenditure</b>		
Employment and training initiatives	473,711	295,641
Data document management	87,461	-
Community work scheme	6,872,383	-
Work programme	639,117	39,910
Fiscal incentives for persons with disability	98,588	-
EU projects related expenditure	(27,936)	33,705
	<b>8,143,324</b>	<b>369,256</b>
<b>Administrative expenditure</b>		
Salaries	6,779,533	5,915,454
Directors' remuneration	49,340	60,279
Staff training	131,355	124,633
Childcare expenses	34,771	38,787
Telework expenses	8,462	6,098
Uniforms	5,738	7,268
Rent payable	104,341	105,511
Licences and permits	12,353	11,859
Insurance	64,859	65,109
Water and electricity	66,047	81,465
Cleaning	132,030	145,043
Repairs and maintenance	139,557	130,297
Office supplies	130,041	119,627
Marketing and advertising	81,212	25,627
Postage and telecommunications	242,243	282,740
Security	32,090	24,639
Medical expenses	2,682	1,215
Transport expenses	278,710	257,240
Travelling and accommodation	73,222	95,732
Legal and professional	133,258	128,960
Audit	4,130	3,245
Bank charges	1,275	1,631
Staff welfare	21,034	18,268
General expenses	11,175	10,080
Amortisation	100,099	78,444
Depreciation	281,807	280,442
Loss on disposal of PPE	1,840	119,581
Inclusive job support for vulnerable persons	526,287	276,110
Call centre expenses	96,332	93,181
Contributions towards 'Lino Spiteri Foundation' administrative expenses	660,000	300,000
	<b>10,205,823</b>	<b>8,808,565</b>
Total recurrent expenditure - to page 28	<b>18,349,147</b>	<b>9,177,821</b>







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