



ANNUAL REPORT AND FINANCIAL STATEMENTS
2015

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Chairman's Address

During last year, **the Malta Competition and Consumer Affairs Authority (MCCAA)** continued to strive to meet its mission statement of having a market where fair trading prevails and consumer welfare is enhanced.

The responsibilities of MCCAA are quite vast since these emanate from six different legislation namely the Competition Act, the Consumer Affairs Act, the Product Safety Act, the Metrology Act, the Pesticides Control Act and the Food Safety Act.

During this year we continued to strengthen the staff complement of the four entities of the Authority namely the Office for Competition, the Office for Consumer Affairs, the Standards and Metrology Institute and the Technical Regulations Division through the recruitment of various officials the majority of which were professionals.

The Office for Competition (OC) has continued to enforce the antitrust legislation by launching investigations on its own motion or as a result of

complaints received. Such investigations entail long and complicated economic analysis of the relevant market and must follow the parameters laid down in the relative legislation as it would otherwise risk being challenged on technical legal points if it does not do so when pronouncing its decisions. However during this year this office reduced significantly its pending cases when compared to those prevailing at the end of 2014.

The OC concluded its sector inquiry on bank loan interests to identify competition concerns relating to interest rates charged by commercial banks on loans to Small and Medium Sized Enterprises (SMEs). In its report the OC proposed a number of recommendations to address structural or behavioural competition concerns in the market.

The Office for Consumer Affairs (OCA) continued with its educational campaign aimed at consumers and traders to divulge information regarding not only the rights but also the obligations emanating from consumer legislation including amongst



Mr Marcel Pizzuto
Chairman Malta Competition
and Consumer Affairs Authority

others Unfair Commercial Practices, Unfair Contract Terms, Guarantees (legal and commercial ones), as well as the Price Indication Regulations.

This educational campaign is giving results as many consumers have managed to reach an amicable settlement with traders without having to approach the OCA when a problem crops up during or after the purchase of a product or service. However in those cases where the intervention of OCA was requested, the number of amicable settlements reached through the mediation by OCA officials has also increased. The percentage of complaints received in 2013 which were settled amicably was 35%. In 2015 this figure rose to 48% thanks also to the collaboration found from both traders and consumers who are now much more knowledgeable about their rights and obligations.

This year, the *Servizz bi Tbissima* (Service with a Smile) award was also launched in order to award those traders who offer the best service to their clients. The award recognises the practices adopted during the actual sales transaction, the guarantees offered, the after sales provided, including dealing with complaints and repairing or replacing defective products in line with both legal guarantees, to which consumers are entitled, and also to commercial guarantees which add to the legal guarantees.

The Standards and Metrology Institute (SMI) continued to provide the basis for an effective quality infrastructure for the Maltese community through the delivery of relevant standards, metrology and calibration services, testing, certification, inspections and other quality related services.

SMI continued with its programme of monitoring and verification. This programme included the verification and monitoring of commercial balances and petrol pumps. It also included the verification of gas-filling plants and the monitoring of gas cylinders as well as the verification of speed cameras.

During this year, the SMI also published three new Maltese standards namely those concerning Photovoltaic Panels installation, Residential Services for persons with disability and those concerning Accessibility for All in the built up environment.

A significant increase in construction material testing was carried out this year by the SMI. This in order to provide the quality control being requested on the extensive roadworks being carried out in Malta. Also a further increase in testing over the previous year was that carried out in the quality assurance of medical gases as a result of increased demand due to newly set up wards at Mater Dei Hospital.

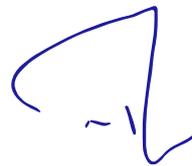
Another Entity within MCCA is the **Technical Regulations Division (TRD)**. Notable increase was registered in the number of motor vehicle type approval certificates issued. There was also an increase in the zonal authorization of plant protection products.

An increase in RAPEX notifications effected by TRD to alert other Member States regarding unsafe products found on the local market was also registered. Enforcement operations were carried out on a number of products which could constitute a hazard to local consumers. The major operations undertaken included inspections of toys, electrical household appliances, hand-held power tools, pesticides, construction products, recreational craft, lifts and cosmetics.

Way Forward

Daunting challenges lie ahead in 2016, foremost of which is to have our officials prepared to efficiently carry out their responsibilities during meetings which Malta will be chairing once it assumes the EU Presidency. The Authority will also strive to ensure that Government policy and targets are met including that of simplifying bureaucracy. It will also have to ensure that our clients, being traders or consumers, will be able to obtain information or submit complaints on-line without having to visit our offices. MCCAA will also be recommending amendments to the present legislation so as to be in a better position to enforce legislation for which it is responsible. The main aim is not to impose fines but to act as a deterrent against those undertakings which do not abide with fair trading rules to the detriment of both traders and consumers.

I am confident that during 2016, MCCAA will be able to continue to improve on its 2015 performance since the Management is striving to have an environment in which employees can perform and feel that their contribution and participation is recognised an improvement which has been recognised by the British Standards Institute following an ISO 9001 audit carried out last year on the MCCAA Quality Management System.



Marcel Pizzuto
Chairman
MCCAA



From left to right:

- **Mr Edward Xuereb**
Director General
Technical Regulations Division
- **Ms Joyce Borg**
Director General
Office for Consumer Affairs
- **Mr Marcel Pizzuto**
Chairman
- **Ms Marcelle Carabott**
Personal Assistant to the Chairman
- **Mr Godwin Mangion**
Director General
Office for Competition
- **Ing Francis Farrugia**
Director General
Standards and Metrology Institute



Mission Statement

*Having a market where fair trading
prevails and consumer
welfare is enhanced.*

Board of Governors



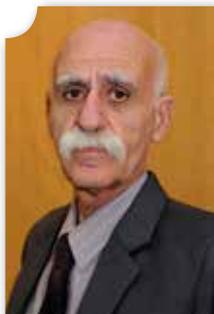
Mr Marcel Pizzuto
Chairman



Mr John Abela
Deputy Chairman



Dr Phyllis Aquilina



Mr Benny Borg Bonello



Mr Joseph Camilleri



Ing. Mario Cassar



Dr Gordon Cordina



Mr Reginald Fava



Ms Anna Spiteri



Office for Competition

The Office for Competition (OC) is responsible to apply and enforce Articles 5 and 9 of the Competition Act by investigating practices which restrict competition in the market. Article 5 prohibits anti-competitive agreements and concerted practices between undertakings, the most harmful being cartels involving price-fixing. Article 9 prohibits abusive conduct by undertakings having a dominant position in a relevant market. The OC is also empowered to apply Articles 101 and 102 of the TFEU concurrently with the national substantive competition law provisions where the agreement, practice or conduct may have an effect on trade between Member States.

Competition is the driving force of a market economy. It encourages price and cost reductions, improves choice and quality, encourages innovation and supports economic growth. The effective enforcement of competition law is essential in ensuring fair competition in the market which ultimately will enhance consumer welfare.

The OC may undertake market sector inquiries where it deems that competition on particular markets could be restricted or distorted. The OC also has the responsibility to examine and assess mergers and acquisitions to see if they might lead to a substantial lessening of competition.

In addition, the OC can foster competition through non-enforcement measures by virtue of its advocacy

role. Thus, the OC has the obligation to provide advice to public authorities on the competition constraints imposed by legislation, policy and administrative practices and to encourage undertakings and associations of undertakings to comply with competition law. The intervention of the OC benefits everyone - consumers, businesses and the economy in general.

Main operations

The OC concentrated its resources so as to decrease the number of pending cases which there was at the beginning of the year. Moreover, sixteen new cases (including concentration notifications) were submitted during the year while the OC started an investigation on its own motion. Forty-one cases were resolved



From left to right:

- **Dr Aloysius Bianchi**
Director Inspectorate and
Cartel Investigations
- **Dr Geraldine Spiteri**
Director Primary, Manufacturing and
Retail Markets
- **Mr Godwin Mangion**
Director General,
Office for Competition

during the year. The cases investigated during the year covered various sectors, including carriage of passengers, food, sale of fuel, excessive parking rates, renting of gowns, a yacht marina concession and an exclusive agreement of food services. An important judgement issued by the Consumer and Competition Appeals Tribunal confirmed the OC's position that where a government entity is exercising a regulatory function, it is not considered as an 'undertaking' and thus cannot be investigated under the Competition Act.

Sector Inquiry

In July, the OC concluded a sector inquiry on bank loan interest rates for small and medium enterprises and the report was tabled in Parliament by the Minister for Finance during the 2016 budget speech and was uploaded on the MCCA's website. The aim of this inquiry was to assess the degree of competition in the market for bank loans to SMEs, to identify competition concerns relating to interest rates charged by commercial banks on loans to SMEs, and propose recommendations to address structural or behavioural competition concerns to enhance competition in the market. The OC had consulted the main core banks, representatives of SMEs, the Central Bank of Malta and the Malta Financial Services Authority (MFSA) and carried out a public consultation. This report sets out a number of recommendations addressed to commercial banks, to the Central Bank of Malta and the Planning & Priorities Coordination Department as well as SMEs, all of which are conducive to encouraging more competition on the market. The OC will be meeting the stakeholders in the first quarter of 2016, to discuss the conclusions of the report and to encourage stakeholders to take the necessary steps to implement the recommendations established in the report. The recommendations put forward by the OC address the following issues: free of charge quotations for SMEs, more information on business loans (also in Maltese), charges to be listed

on bank websites, restricted information on future pricing, EU-funding packages through more than one bank and encouraging SMEs to shop around. Another recommendation is the setting up of a credit register by Government.

Control of Concentrations

By the powers entrusted to it, under the Control of Concentrations Regulations 2003, the OC has examined concentrations in terms of their effect on the competition in the markets in which the undertakings concerned operate. In this regard, the OC received twelve notifications of concentrations in several markets, including importation and distribution of food products, business advisory services, pharmaceuticals, installation of industrial machinery and equipment, hotel accommodation, storage systems, IT services and distribution of flour. Two of the notifications did not fall under the threshold as established by the Control of Concentrations Regulations and were thus not deemed notifiable. Seven concentrations qualified under the simplified procedure and were declared lawful. These concentrations involved the acquisition of (i) Vahlmor Borg Import & Export by Azzopardi Fisheries; (ii) Grant Thornton International and EMCS Holdings Limited; (iii) Pharmathen S.A. by BC partners; (iv) Solutions & Infrastructure Services Limited by Midi plc; (v) Part of both Paul Bonnici & Son Ltd and Paul Bonnici Limited by P Cutajar & Co Ltd; (vi) Iceland Topco Limited by Brait CM1 Limited and (vii) Island Hotels Group Holdings plc by International Hotel Investments plc. Three other notifications were still under consideration by the end of the calendar year.

Other Interventions

The OC imposed administrative fines on undertakings that failed to notify a concentration on time or did not provide the information requested by the OC by the indicated deadline.

In pursuit of its advocacy role, the OC provided advice to public authorities, notably with respect to calls for tenders, to ensure as wide a participation as possible by potential bidders thereby guaranteeing equal opportunities to small undertakings, better prices and quality. It also continued to promote sound trading practices and to encourage undertakings and associations of undertakings to comply with competition law.

The OC played an active role in European and international fora aimed at increasing cooperation and coherence amongst competition authorities. The OC participated in meetings organised by the European Competition Network (ECN), the Competition Committee within the Organisation for Economic Cooperation and Development (OECD) and the Euro Mediterranean Competition Forum (EMCF). Participation in such meetings was highly beneficial to the OC as experiences were shared with other national competition authorities thereby assimilating best practices, including new economic methodologies and legal thinking. Besides participating in meetings, the OC cooperated with other national competition authorities within the ECN through exchanges of information. The OC also presented its Annual report

for Competition Policy in Malta for the first time during the OECD Competition Committee meeting held in Paris in October 2015.

Projected Activities

In January 2016, the OC, in collaboration with UNCTAD and the Austrian Competition Authority, will be hosting the fourth Euro-Mediterranean Competition Forum Conference. The impact assessment of competition law enforcement and a review of best strategies for young competition agencies are amongst the topics that will be discussed between the competition authorities in the Mediterranean region and guest speakers from other European Competition Authorities.

The OC will be working on the transposition of the Antitrust Damages Directive into Maltese law. This Directive is meant to ensure that anyone who has suffered harm caused by an infringement of the Competition Act is able to claim and obtain compensation for actual loss and for loss of profit plus payment of interest from the time in which the harm occurred until compensation is actually paid. The Directive is to be transposed by 27th December 2016.



"Competition is the driving force of a market economy. It encourages price and cost reductions, improves choice and quality, encourages innovation and supports economic growth."



Office for Consumer Affairs

The Office for Consumer Affairs (OCA) comprises three Directorates: the Information, Education and Research Directorate, the Complaints and Conciliation Directorate and the Enforcement Directorate. The OCA endeavours to promote and protect consumer interests whilst ensuring that the right balance is achieved between the rights and obligations of both consumers and traders alike.

Information, Education and Research Directorate

The Directorate participated in 105 television and 101 radio programmes and published 85 articles for the printed media featuring consumer rights and obligations. A full-page advert on consumer issues featured in the school magazine *Sagħtar*. Figure 1 gives a breakdown of the media coverage for 2015.

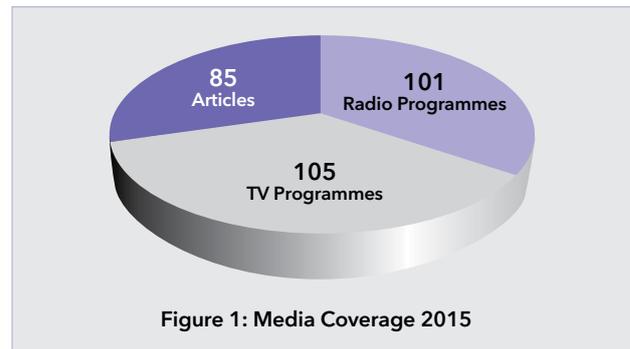


Figure 1: Media Coverage 2015

In 2015, the Directorate continued to set up Information Desks with the aim of providing guidance on consumer rights to consumers and traders. The four shopping centres where such desks were set up were in Main Street, Paola; Daniels, Hamrun; The Plaza, Sliema; and The Embassy, Valletta.

good trading practices, thus encouraging a better relationship between traders and consumers. By the end of 2015, 169 businesses had joined as members of this scheme.

In collaboration with the Enforcement Directorate, the Directorate continued to promote the Trust You Scheme. The aim of this scheme is to stimulate

Following requests from traders, the Directorate organised several information sessions on consumer protection legislation for employees. Through these discussion-based talks, traders gathered information concerning their legal rights



From left to right:

- **Ms Odette Vella**
Senior Information Officer
- **Ms Grace Stivala**
Director Enforcement
- **Ms Josephine Borg**
Director General,
Office for Consumer Affairs



Information Desk in Commercial Centres

and obligations, thus enabling them to tackle consumer complaints better.

Furthermore, the Directorate dealt with 927 email queries from consumers and traders, requesting information on consumer legislation. The Directorate continued its work in implementing the Awareness Campaign Project co-financed by the European Social Fund. During 2015, the following initiatives were implemented through this project:

- publication of two separate booklets on consumer rights, respectively aimed at children and adults;
- MCCA merchandised items, namely, pens, pencils and USBs;
- design of 12 web banners in Maltese and English used in an advertising campaign in the Times of Malta website.

On the occasion of the World Consumer Rights Day 2015, the Directorate organised a family activity at the Galleria Shopping and Entertainment Centre in Fgura. Since the chosen theme was Healthy Eating, this activity was organised in collaboration with the Health Promotion Department, Primary Health and the Home Economics teachers. The public was provided with information material on how to live a healthy life. The Hon Minister Dr Helena Dalli distributed prizes to winners of competitions carried in the *Sagħtar* and *L-Għażla* magazines.

In 2015 the seventh edition of *L-Għażla* magazine was published and distributed to all households in Malta and Gozo.

Furthermore, the Directorate continued to assist consumers in instances where the Consumer Claims Tribunal decisions were not honoured. 36 such decisions were honoured following the Directorate’s intervention.

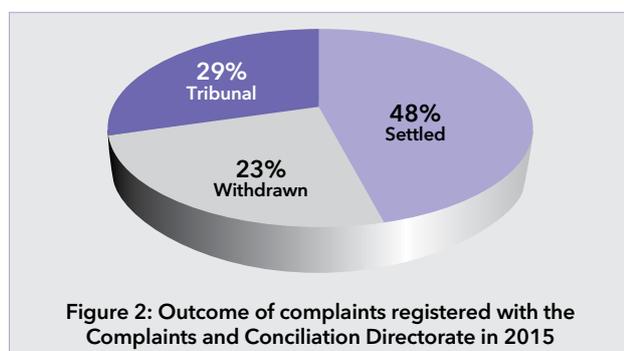
2015 also marked the launch of the first edition of the *Servizz bi Tbissima* Award wherein winners were announced during an Award Ceremony. An appointed jury evaluated the 18 applicants for the Award and subsequently selected the three winners. BHS (Sliema) placed first, Mothercare (Valletta) second, and MSV Life placed third.

The Directorate also enrolled as a partner in the One Stop Shop initiative. Officers within this Directorate coordinate with One-Stop Shop Agents to provide the required information to citizens who request consumer related assistance when they visit the One Stop Shop offices.

Furthermore, the Directorate actively participated in the initiative - *Għaqal id-Dar, Hajja Aħjar* by conducting talks on consumer rights at local councils.



Complaints Handling Office



Complaints and Conciliation Directorate

During the year under review, the Directorate addressed 14,260 telephone queries at the Authority's offices and on the free-phone service operated from Gozo. Additionally, 879 queries and complaints reached the Directorate through the generic e-mail accounts. While the majority of queries addressed were initiated by consumers, the Directorate also dealt with correspondence from traders enquiring about their obligations under the applicable consumer legislation. These queries were either related to a particular situation faced by the trader at the time, or of a more generalised nature, but which could affect future interactions of the said trader with consumers in the carrying out of his business or profession.

In 2015, the number of consumer complaints registered for conciliation was 1,228. Of the total processed, an amicable settlement was reached in 581 cases following the intervention of the Directorate's complaints handlers. A further 281 cases were withdrawn by the complainants concerned. The percentage of cases amicably settled in 2015 was 48% which reflected a marked increase on the 35% registered in 2013. Figure 2 indicates the percentage outcome of the registered complaints.

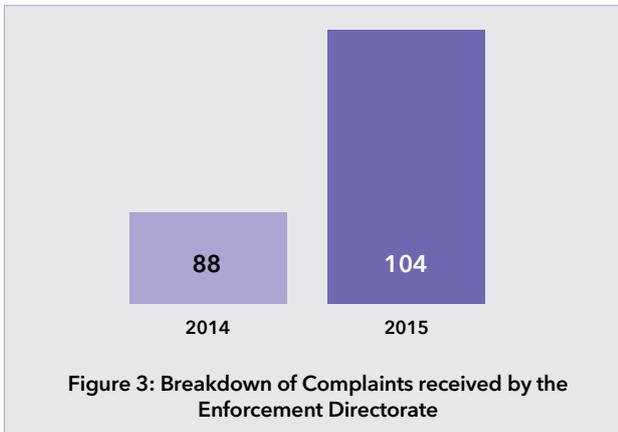
In those cases where no settlement was reached complainants proceeded to pursue their claim in front of the Consumer Claims Tribunal. In collaboration with the other Directorates of the OCA, one public warning statement was issued against a trader who failed to honour the Tribunal's decision.

As National Enforcement Body (NEB) under the EC Regulation 261/2004 on cancellation and delay of flights, the Directorate's staff offer guidance to consumers and communicate with airline operators in an attempt to resolve amicably a complaint received. In 2015, 150 claims were registered on behalf of 346 consumers. 3 claims were referred to the European Consumer Centre (Malta) and 19 claims were referred to other NEBs. Through the intervention of OCA, 86 consumers were compensated by the airline operator involved in their dispute. In total, 86 passengers received €33,398.36 in compensation.

Following the transposition of the ADR Regulations, the Directorate was designated to perform the functions of residual ADR entity as established in the Third Schedule of the Consumer Affairs Act as amended by Act XXX of 2015.

Locality	No of Outlets Visited	Final Discounted Price		Items on Sale Clearly Marked		Conditions of Sale	
		Yes	No	Yes	No	Yes	No
Valletta	101	87	14	96	5	85	16
B'Kara	75	70	5	72	3	64	11
Hamrun	82	79	3	82	0	71	11
Tigne Point	74	71	3	74	0	70	4
Sliema	82	82	0	82	0	80	2
Mosta	56	51	5	52	4	42	14
Paola	73	69	4	71	2	71	2
Baystreet	47	47	0	47	0	47	0
Victoria	80	77	3	80	0	73	7
Total	670	633	37	656	14	603	67

Table 1: Breakdown of sales exercises



Enforcement Directorate

The Enforcement Directorate carried out 10,089 inspections in retail outlets, fruit and vegetable hawkers, open air markets, village feast kiosks and beach kiosks to ensure compliance with the Price Indication Regulations. In particular, bimonthly inspections totalling to 3,085 were carried out in main shopping outlets in Valletta, Birkirkara, Paola, Hamrun, Sliema, Mosta, St Julians and Rabat (Gozo). A total of 240 outlets were found to be non-compliant with regulations and this necessitated remedial action. Pre-certification and certificate renewal inspections were also carried out in respect of the Trust You scheme.

A Unit Price Converter was created in collaboration with the Ministry for Economy, Investment and Small Business (MEIB) with the aim of aiding traders in calculating the unit price of goods and facilitating the work in relation to this obligation. This is accessible from MCCA's and MEIB's website.

Additionally, 270 magazines and leaflets were checked for compliance with the Price Indication Regulations and unfair commercial practices in particular regarding possible misleading advertising.

The Directorate also monitored the prices of a number of commodities regularly sold in various outlets including 15 supermarkets, 12 corner shops, 25 butchers, 10 fishmongers, 15 alcohol outlets and 33 fruit and vegetable hawkers/outlets. Comparative analysis reports were regularly compiled.

The Directorate undertook two exercises to monitor the sales in the clothing sector during January and July. The total number of inspections carried out in this respect amounted to 731. Table 1 gives a breakdown on the outcome of the sales exercises in 2015.

The authenticity of trade fair discounts on the price of white goods was also ascertained during the course of 143 inspections.

A number of complaints, mainly related to price indication, were received through emails and telephone calls. The Directorate is committed to address such complaints within 5 working days and follow up accordingly. Figure 3 compares the number of complaints received in 2014 and 2015.

Administrative proceedings were initiated against three service providers in relation to infringements of the Consumer Rights Regulations, unfair



commercial practices and unfair contract terms. One service provider voluntarily complied, and the other two cases were pending by the end of 2015. Following an enforcement request through the Consumer Protection Cooperation System, administrative proceedings were also initiated against a company offering services to Swedish consumers. One Public Warning Statement was issued against a trader selling products through social media. Furthermore, the Directorate followed up on the EU Sweep 2014, wherein following a number of meetings and assistance to the traders, the majority voluntarily regularised their position.

The Directorate is responsible for implementing the Consumer Protection Cooperation Regulation. Officials participated in a number of related activities, including the EU Sweep 2015 and common projects and actions. EU Sweeps are the EU-wide screening of websites conducted in a form of simultaneous, coordinated checks to identify breaches of consumer law and to subsequently ensure its enforcement. In 2015, two common activities on the Setup and Equal Capability of Internet Researchers and European Unfair Terms

Strategy were finalised. The Directorate has also committed itself to participate in another CPC common action to be initiated in 2016.

Another ongoing commitment of the OCA is that of ensuring fair and affordable prices of medicines to consumers. In a synergistic effort with the Medicines Authority, the OCA managed to secure the price revision of 39 medicines in 2015. Moreover, the Directorate regularly engaged with consumers to resolve complaints or address queries related to medicine pricing. Market surveillance officers carried out 102 inspections in community pharmacies to monitor medicine prices.

The way forward

In 2016, the Office for Consumer Affairs shall strive to improve its overall performance. New information leaflets on the ADR Regulations will be distributed so as to create awareness on these Regulations. A new setup for inspection personnel should improve the quality of inspections and also reach out more localities. Furthermore, the OCA will enhance the monitoring on traders offering online shopping to



"The Enforcement Directorate carried out 10,089 inspections in retail outlets to ensure compliance with the Price Indication Regulations."

address the ever growing trend of both domestic and crossborder purchases with a view of ensuring compliance with the relevant consumer protection legislation.

The OCA will be transposing the Mortgage Credit Directive as a result of which the current Home Loan Regulations will be amended to bring them in line with the said Directive.

It is envisaged that a number of dossiers in the area of Consumer Protection and Information will be under discussion during the Malta Presidency of the Council of the EU and OCA will be following up and preparing itself accordingly.



Servizz bi Tbissima Award 2015

Standards and Metrology Institute (SMI)

The Standards and Metrology Institute is composed of three directorates: the Standardisation Directorate, the Metrology Directorate and the Laboratory Services Directorate. These aim at providing the basis for an effective quality infrastructure for the Maltese community through the delivery of relevant standards, metrology and calibration services, testing, certification, inspection and other quality-related services.

The Standardisation Directorate

The Standardisation Directorate acts as the National Standards Body representing the Maltese economic and social interests across all European and international standards organisations. Its main functions include the preparing, adopting, issuing and maintaining of Maltese national standards. Being a full member of the three European Standardisation Organisations (CEN, CENELEC and ETSI), the Directorate has to meet Malta's obligation towards the European Union so that European standards are implemented as relevant Maltese standards. Figures 4 and 5 show the number of European standards adopted as Maltese standards during 2015.

In order to ensure that the social and economic interests of all parties involved (i.e. SMEs, consumers,

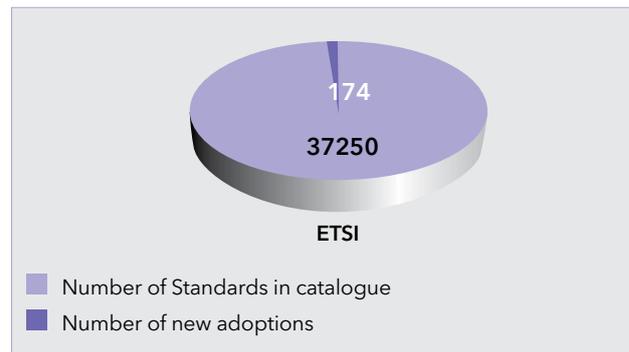


Figure 4: Adoption of European Standards as Maltese Standards during 2015

industry, commerce, public entities, etc.) are safeguarded, the Directorate offers a number of services that include: a standards reference library and help desk, free participation in local technical committees, access to European and international technical committees, and training courses on



From left to right:

- **Dr Mario Mifsud**
Director Laboratory Services
- **Mr George Cutajar**
Director Standardization
- **Ing Francis Farrugia**
Director General,
Standards and Metrology Institute
- **Mr Nicola Testa**
Director Metrology

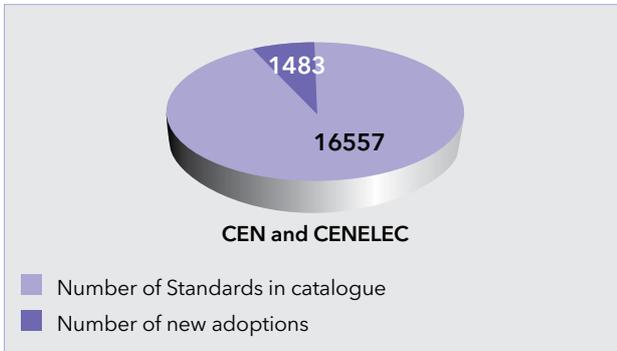


Figure 5: Adoption of European Standards as Maltese Standards during 2015

standards that are of interest to standards users. During 2015, the Directorate has published three new Maltese standards that are not originating from European Standards Organisations, namely:

- SM 5100:2015 - "Photovoltaic Installations - Requirements for electrical safety of single phase systems"
- SM/DSWS 4200:2014 - "Residential Services for Persons with Disability"
- SM 3800:2015 - "Accessibility for All in the Built up Environment".

The Directorate also provides a number of conformity assessment schemes so as to assist the Maltese industry to be more competitive and to

support public entities to implement their roles which finally lead to greater consumer protection and a more effective quality infrastructure. Table 2 lists the different types of certification and inspection schemes that were offered during 2015.

The Metrology Directorate

The Directorate has the legal responsibility to maintain and disseminate national measurement standards and ensure their upkeep. The Directorate is active in the areas of both legal and scientific metrology and operates state-of-the-art metrology laboratories from its site at the Kordin Business Incubation Centre.

The Metrology Directorate continued to provide accredited services in areas of pressure and non-automatic weighing instruments covering a considerable number of weighing systems, ranging from micro-analytical balances to weighbridges. It has continued with its program of monitoring and verification of commercial balances and fuel pumps to ensure that they are properly sealed and affixed with a verification sticker. The proof of the Authority's on-site verification process provides peace of mind for consumers. The process ensures that the right



"Providing the basis for an effective quality infrastructure for the Maltese community."

Certification/Inspection services offered during 2015	No. of certificates
Quality Management System to MSA EN ISO 9001:2008	75
Environmental Management System to MSA EN ISO 14001:2004	10
Occupational Health & Safety Management System to OHSAS 18001	2
Organic Farming to Council Regulation (EEC)No. 834/2007	27
Motor Vehicle Garages to MSA 1400:2006	392
Language Study Tour Provider to MSA EN 14804:2005	2
Pest Management Control to MSA 2000:2009	2
Security Clearance of Personnel to Security Council	267

Table 2: Certification/Inspection Services Offered During 2015

tools, which are correctly calibrated, are in fact being used to service clients. The programme also includes the verification of gas-filling plants and the monitoring of gas cylinders and speed camera calibration verification.

In the field of scientific metrology, the Directorate has maintained national measurement standards for seven physical quantities - mass, length, temperature, pressure, humidity, electricity, time and frequency - which helped provide international traceability of measurements. Figures 6 and 7 show the number of verifications and calibration certificates issued to customers covering all sectors of the Maltese economy.

Through its international memberships in the Bureau International des Poids et Mesures (BIPM), the European Association of National Metrology Institutes (EURAMET) and the European Cooperation for Accreditation (EA), the Directorate has carried out a number of interlaboratory comparisons involving the participation of two (bilateral) or more

(multilateral) laboratories. In 2015 the Directorate has submitted measurement results for intercomparison exercises in the field of pressure, humidity and length.

The Laboratory Services Directorate

This Directorate has as its prime objective that of providing testing facilities to Government entities as well as to provide scientific support to the private sector. Advisory and testing services are provided as established under the provisions of the MCCAA Act.

In view of the extensive road works being carried out, the year 2015 continued to register a significant increase in requests for construction material testing. During 2015, the laboratory invested in new equipment to analyse the Marshall stability and flow of asphalt samples automatically with less human intervention. Validation tests have been carried out and employees were given training on such new system. The laboratory proved to be efficient in meeting this increase in demand whilst at the same time adhering to the rigorous requirements of the accredited tests on offer.

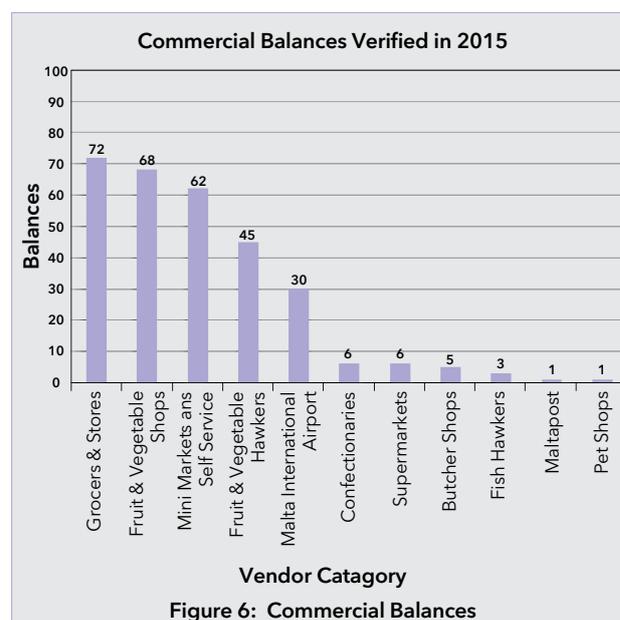
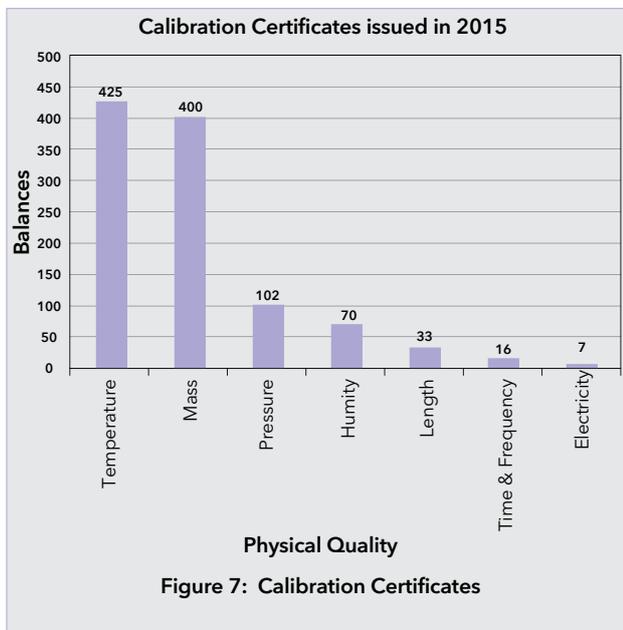


Figure 6: Commercial Balances



The year was also characterised by a further increase, over the previous year, in the quality assurance testing of medical gases. This was necessary further to an increased demand from newly set up wards at Mater Dei Hospital.

The Directorate also participated in a number of inter-laboratory comparisons which show that the laboratory ranks highly in comparison to other European accredited laboratories abroad.

Figure 8 shows the volume of work carried out by this laboratory during 2015.

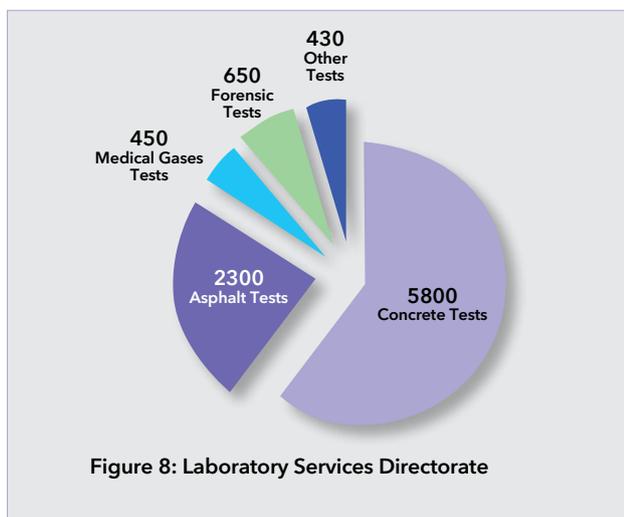
The way forward

The Standards and Metrology Institute is to continue to build on the achieved results of the previous years. For 2016, the Standardisation Directorate is in the process of drafting and finalising a number standards as shown in Table 3. To address the increasing demand from industry to further support their needs, it is expected that new certification schemes will be launched during 2016 in the areas of: Food Safety Management Systems (based on the international standard ISO 22000), Occupational Health and Safety (based on the new ISO 45001) and on Social Responsibility (based on the principles of ISO 26000).

In line with the mission of MCAA, SMI services in 2016 will continue to fulfil the Maltese societal



"Ensure that the social and economic interests of all parties involved are safeguarded."



expected demand for greater consumer protection and a safe and sustainable environment. These expectations will be delivered according to European and internationally-recognised practices that promote economic efficiency and international competitiveness.

The Laboratory Services Directorate will continue to expand its services mainly as a quality controller in construction works for public entities. It will also

be seeking new collaborative agreements with the private sector so as to offer specialised testing in forensics, toxicology and pesticide residue testing.

In the area of legal metrology, the existing legislation covering the Non-Automated Weighing Instruments and the Measuring Instruments Directives will be updated so as to be in line with the revised European regulation in the field.

Standardisation work programme 2015-2016	Development Stage	Expected Publication Stage
Photovoltaic Installations - General Safety Requirements of PV panel installations	Final Draft	April 2016
Combat Sport	Drafting	September 2016
National Annexes of Structural Building Eurocodes	Drafting	September 2016
Participation of minors in marketing communication	Initial Proposal	February 2017

Table 3: Standardisation work programme 2015-2016

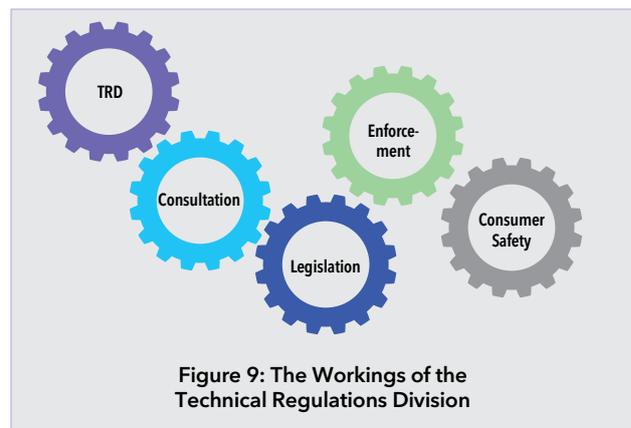


The Technical Regulations Division

The responsibilities of the Technical Regulations Division (TRD) are described in Part VI of the Malta Competition and Consumer Affairs Act (cap. 510). These responsibilities are both of a regulatory and enforcement nature (Figure 9). Due to these two interrelated but distinct functions, the Technical Regulations Division is therefore composed of two Directorates: The Regulatory Affairs Directorate (RAD), and the Market Surveillance Directorate (MSD).

The TRD is responsible for the transposition and implementation of legislation and to ensure that only goods conforming to regulations are available on the market. These functions are performed by its two Directorates, namely, Regulatory Affairs Directorate and Market Surveillance Directorate by virtue of three different Acts, namely the Product Safety Act, the Food Safety Act and the Pesticides Control Act.

The main functions include the transposition and implementation of legislation with respect to the three Acts. This involves the active participation to European and international fora where legislation is being discussed. This is very important so as to ensure the survival and success of businesses, whilst also ensuring consumer interest and product safety. Due to this function TRD assists various sectors of the industry to understand and meet the essential

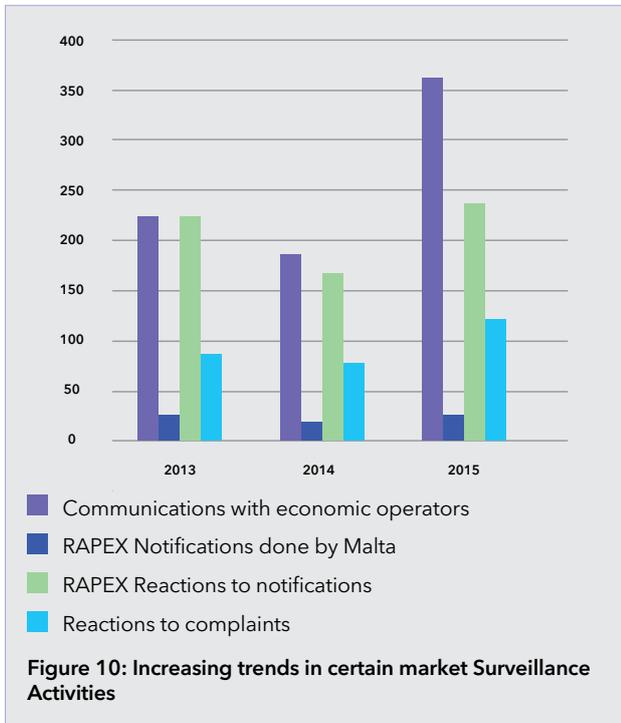


requirements of the technical legislation and it also advises other Government agencies in issues related to food and product safety. To help the Division in this role, it also performs risk assessment and it can set up technical committees for them to advise the Division on various technical issues.



From left to right:

- **Mr Edward Xuereb**
Director General,
Technical Regulations Division
- **Ms Ingrid Borg**
Director Regulatory Affairs
- **Ing Micheal Cassar**
Director Market Surveillance



The implementation of technical legislation is not enough to ensure this regulatory balance. Market surveillance is also important and an essential part for the proper functioning of the regulatory aspect. Due to this, TRD coordinates and implements regulatory programmes in the areas falling under its remit.

In fact one of its functions is to act as the national contact point for the Rapid Alert System for non-food dangerous products. This facilitates the rapid exchange of information between national authorities of 31 countries and the European Commission on dangerous products found on the market.

TRD believes that information and education is important to ensure that the legislation is complied with. To carry out information dissemination, TRD formulates and gives effect to programmes of technical assistance aimed at business operators for the purpose of facilitating their compliance with relevant technical regulations. This also involves training activities. It also communicates to the general public and to interested parties any information regarding the regulatory programmes in its areas of competence.

The Regulatory Affairs Directorate

During 2015, the Regulatory Affairs Directorate processed a substantial number of Vehicle Type Approvals. There were also a record number of requests (ten) where the Directorate accepted to act as the Zonal Rapporteur for plant protection products which resulted in an increase in the income of the Authority.



"All transpositions were carried out by the deadline, and 98% of which were performed before the deadline."

Moreover, the Directorate streamlined internal procedures in place so as to reduce bureaucracy and enhance its working outputs particularly in the Lifts and Plant Protection Products sectors.

The Directorate in collaboration with the European Chemicals Agency (ECHA) organised a seminar on the hazardous classification of chemicals and chemical mixtures, which was intended for the Maltese Industry.

ECHA provided the expert trainer and speaker. This seminar was a success and all participants expressed their satisfaction at the professional way it was organised. Other seminars on plant protection products and food labelling were also organised by this Directorate.

The Market Surveillance Directorate (MSD)

During 2015, the Market Surveillance Directorate undertook further enforcement operations on a number of products falling under different Directives. The Directives in question included General Products Safety Directive (GPSD), Low Voltage Directive (LVD), Medical Devices, Electro Magnetic Compatibility (EMC), Radio and Telecommunications Terminal Equipment (RTTE), Toys, Construction Products



The ECHA Seminar

Regulation (CPR), Pesticides, REACH, Cosmetics, Paints and Lifts. Moreover, the Market Surveillance Directorate carried out operations on Persistent Organic Pollutants (POPs), Pre-Informed Consent (PIC) as well as F-gases regulations which were until 2014 under the remit of MEPA.

Operations during 2015 primarily targeted products used by vulnerable and very vulnerable consumers, giving special attention in our operations to products used by children and older people. Other priorities that were associated with risks concerning the population at large were also identified and followed.

The major operations undertaken in 2015 included the inspections related to toys, electrical household



"Legal actions were taken against infringements of lifts and plant protection products regulations."



EMC ADCO meeting held in Malta

appliances and hand-held power tools for LVD and energy labelling, pesticides, construction products, recreational craft, lifts, vehicle refinishing products, cosmetics and also other chemical products intended for household use.

The year 2015 showed a considerable increase in the number of communications between the Market Surveillance Directorate and economic operators or consumers. In fact there were approximately 520 instances of recorded communications with consumers and/or economic operators, either through complaints, comments, one-to-one discussions and even media usage, in order to disseminate information as necessary. All the complaints received were investigated to an extent that depended on the risk assessed and established evidence.

Joint Actions were also followed at European level and tests were carried out as part of these Joint Actions. These included products such as child care articles, PV inverters, smoke detectors, kick scooters and children's clothes. Other Joint Actions concerned discussions about Risk Assessment and best practice identification amongst member states. As a result of these initiatives, TRD-MSD is envisaged to take the overall lead in Prosafe Joint Actions starting in the first Quarter of 2016, whilst also leading two specific actions during these same joint actions.

Legal actions were taken regarding infringements on lifts and plant protection products, a number of which are still ongoing. A new case on lifts was instituted after the Market Surveillance Directorate applied its legal powers to name and shame economic operators who repeatedly failed to comply with legal requirements.

As the RAPEX contact point for Malta, a total of eight new notifications were uploaded on this system by MSD until the end of September. The products involved varied between vehicles and toys to electrical equipment and cosmetics.

The Way Forward

In 2016 TRD will continue to improve the notification and registration systems by moving to an online system where operators can notify/register their products more efficiently. This will reduce the processing time and will provide a better service to the Industry. Moreover, further improvements in the local legislation with respect to pesticides and lifts are in the pipeline.

This will allow a better level playing field for the organisations involved, better legal instruments allowing enforcement and an increase in the safety of the products. During 2016, TRD will also concentrate on the preparation for the 2017 MT Presidency. This is a challenge for the Directorate given the vast remit it follows, and will therefore be involved in good planning and a focused approach to ensure a successful accomplishment.

In 2016, The Market Surveillance Directorate will continue with its operations to ensure a safer market for consumers and a level playing field for economic operators. It will continue to cover the current directives, giving priority to vulnerable and very vulnerable consumers and to those products which have an effect on a larger number of consumers due to their intended use.

European Consumer Centre Malta

The European Consumer Centres' Network (ECC-Net) is a joint action by the European Commission and the Member States. The aim of the Network is that of increasing consumer confidence in the European Internal Market. An ECC office is present in all 28 Member States of the EU and in Norway and Iceland. The main functions of these offices are to provide information to consumers on cross-border purchases and to assist them with any complaints they may have with a business in another Member State. ECC Malta is hosted by the MCCAA.

The Centre's Main Objectives

The European Consumer Centre Malta operates under nine main objectives revolving around providing assistance to consumers whilst maintaining a high quality service, promoting the Network as well as providing information to consumers aiming at increasing consumer awareness of their rights and obligations.

Assisting Consumers

The Centre maintained its commitment to improve the quality of its case-handling operations, mainly those of providing free legal advice to consumers and practical assistance in contacting traders and achieving redress. In 2015, ECC Malta dealt with 987 contacts, comprising 428 requests for information and 559 complaints made by Maltese consumers

against a business based in the EU or by EU consumers against a business based in Malta. From the number of complaints received, 369 were resolved without the need for referral to another ECC for their intervention whilst 190 were shared with the Centre where the trader is based. Following mediation, a total of 150 cases were closed with 66 reaching amicable settlement. In 2015 ECC MT registered an increase of 7% of cases being resolved positively over the previous year.



Dr Phyllis Bezzina
 Head European Consumer
 Centre Malta



"In 2015 ECC MT registered an increase of 7% of cases being resolved positively over the previous year."

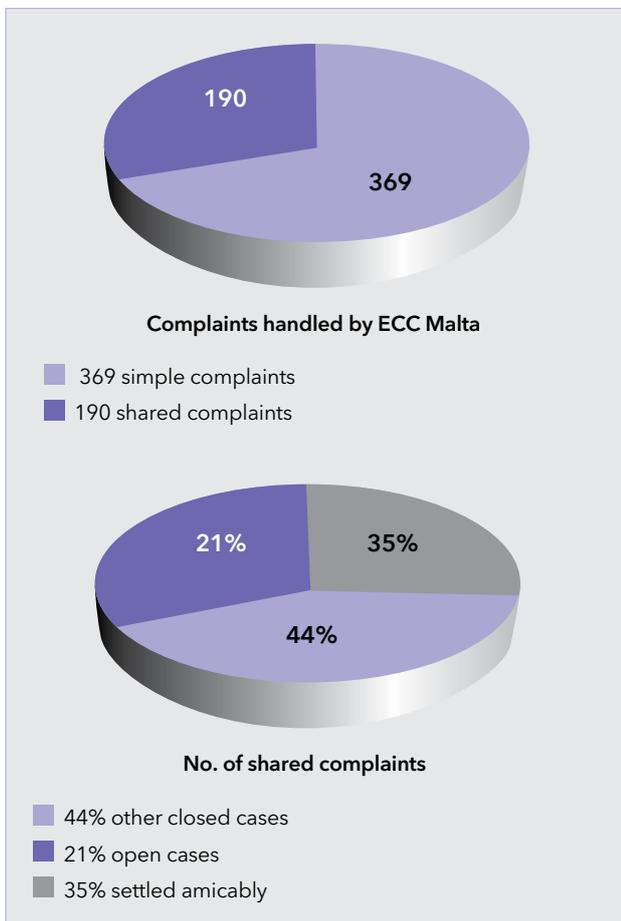


Figure 11: Adoption of European Standards as Maltese Standards during 2015

It is the aim of the Centre to assist consumers in exploring other means of redress and where possible a number of cases were referred to an alternative dispute resolution scheme.

Providing Information

One of the Network's main objectives is that of providing information and increasing awareness about European consumer legislation and policies. For this reason throughout 2015 the Centre has directed its efforts towards increasing its visibility in the media. In line with our strategy of targeting

all groups of consumers, the Centre has identified various communication channels with the intent of maximizing consumer outreach.

Use of traditional media as well as information technology had been made. In this context in 2015, the Centre developed a presence in social media. This has been one of the main targets for 2015. The Centre has also increased its appearance in the media through participation on radio and television programmes; submitted for publication a number of information articles in newspapers and published 2 information leaflets - *'Your Consumer Rights when Buying Goods and Services Within the EU'* and *'Renting a Car in Europe? Be Informed!'* During 2015 the Centre also started the publication of an online newsletter and issued 3 editions throughout the year.

Public events are another means of reaching out to the general public with information. The Centre has made use of a number of opportunities to make a presence and to distribute information. ECC Malta has collaborated with the Malta Competition and Consumer Affairs Authority and organised an information desk at the Malta International Airport on Air Passenger Rights' Day. Information material and advice were given to consumers relating to air passenger rights. Furthermore, the ECC participated in a local event organised by the MCCA during World Consumer Rights Day.

Networking and contributing to Consumer Policy

Throughout 2015 the Centre continued to take an active part in contributing to the development of the Online Dispute Resolution Platform and took part in a number of meetings in Brussels in connection with the development of the ODR Platform. Additionally, the ECC participated in the test exercise of this platform in the role of the ODR contact point.

In attaining its objectives of working within the Network and promoting the Centre's objectives, ECC Malta participated in all of the joint research projects undertaken by the Network and disseminated the results. These joint projects covered different cross-border consumer issues. The Network worked on two main joint projects during 2015 namely improving the ECC Net Travel App and another joint project relating to commercial warranties. Moreover, the Centre maintained its commitment in giving its feedback to surveys and queries launched by other Centres, the European Commission and other stakeholders in the field of consumer protection.

Plans for 2016

In setting our implementation strategy for 2016 a number of needs and targets were determined. Among these, the need for further communication about the Centre's activities was identified, increasing the success rate in resolving consumer disputes and handling complaints effectively as well as increasing the number of contacts with the Centre.

In line with this strategy the Centre is planning to increase its activities in disseminating information by issuing further information on relevant consumer topics, continuing with the publication of the online newsletter and strengthening its presence in social media.

Pursuant to the coming into force of Regulation 524/2013 on Online Dispute Resolution for Consumers it is envisaged that the Centre will have a new role as the ODR contact point in 2016. This is a web based platform that is specifically designed to help consumers settle their disputes for their online purchases when buying goods or services online from a trader based in an EU country. The Centre will work towards promoting the use of this platform which will be launched by the European Commission in the beginning of 2016. Ultimately our goals remain those of delivering an efficient and effective service to consumers whilst empowering them to make informed choices within the European internal market.



Administration

Human Resources

The Human Resources Unit provides HR-related activities and initiatives which are the vehicle for reaching the Authority's objectives. An HR strategy was prepared and presented to the Board of Governors in October 2015 with the overall aim of integrating staff from all entities, reducing bureaucracy and becoming an employer of choice.

At the heart of the HR strategy, there is the need for a more agile workforce structure to meet changing needs within the Authority in order to ensure sustainable organisational performance. A specialised core staff component of professionals is essential to guarantee continuity of the entities, comprising of key roles where specific knowledge is required. During this year, more professionals joined MCCAA in order to ameliorate the service being provided by the Authority.

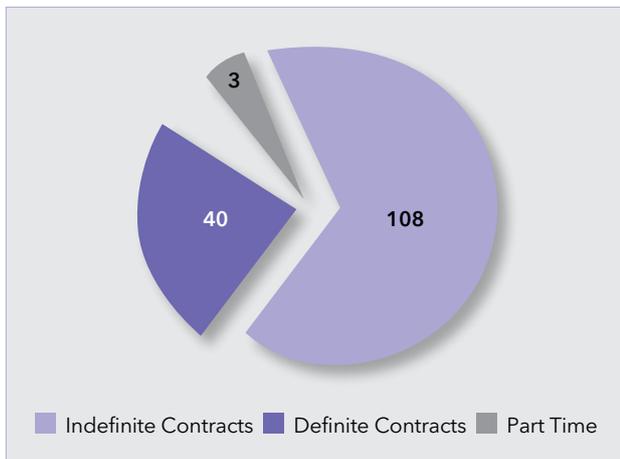


Figure 12: Employment Contracts

Figures 12 and 13 provide data of MCCAA workforce.

The HR strategy contributes to the achievements of MCCAA's goal of efficient administrative support, in which the HR component plays a central role - defining strategies, driving programmes and implementing activities.

During this year, positive results and further improvements were achieved through various initiatives.



From left to right:

■ **Mr Jean Pierre Fava**
Chief Operating Officer

■ **Mr Marcel Pizzuto**
Chairman

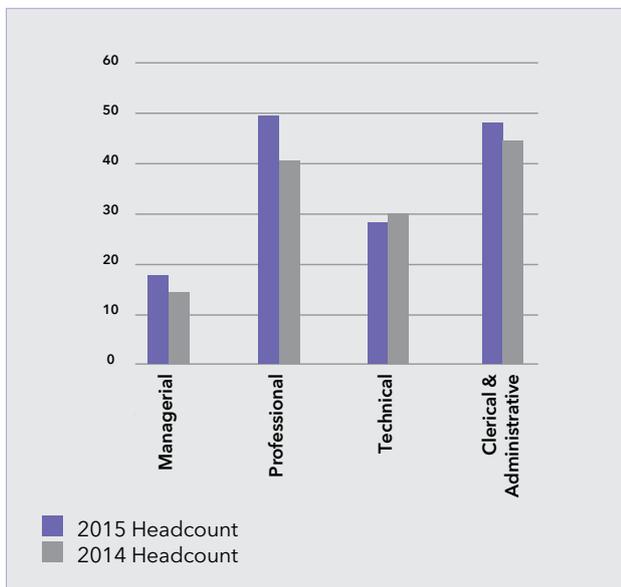


Figure 13: Recruitment by Profession

Enhanced Communications

A number of staff briefings were held to enhance staff understanding about MCCAAs initiatives and targets.

Organisational design to meet MCCAAs needs

Workforce planning was mainstreamed through its integration in the organisational plan. An increased focus was placed on redeployment and realignment of skills to meet the Authority's needs.

Embracing new technology

Technology has a significant impact on both the structure of HR and the skills necessary for its implementation. Process improvement is an integral part of structural change. The first phase of this process that took place in 2015 was the re-engineering and streamlining processing and cutting out duplication of tasks.

Increasing professional recruitment

One of the MCCAAs main aims for 2015 was to strengthen the Authority, and to this effect thirteen officials have been employed in order to assist the respective entities with the required manpower.

Gender equality and balance

The MCCAAs is committed to achieve gender balance at all levels by 2020. Through family-friendly measures, progress has been made towards reaching this goal. The percentage of female employees remained stable. Imbalances still exist, particularly in senior management and at the technical level, but there have been improvements.

The Way Forward

During 2016, a Human Resources Information System (HRIS) will be introduced in order to achieve a number of practical benefits, such as self-service, the elimination of repetitive paperwork, streamlining of processes and a reduction in transaction time.

The HR function within MCCAAs is considered to be of a generic nature, involving both operations and strategies (HR-Related). A Human Resources model has been created in order to satisfy the Authority's needs better in 2016. These are functional (providing both theory and practice that are aligned to the Authority's strategy), shared services (providing both transactional and transformational work aligned to diversified environment), and embedded, that is, a model in which HR act as generalists towards the Authority's needs.

The plan is to set a vision for a new MCCAAs, within which it is acknowledged that improving the working lives of staff, offering better performance and improved recruitment contributes to their

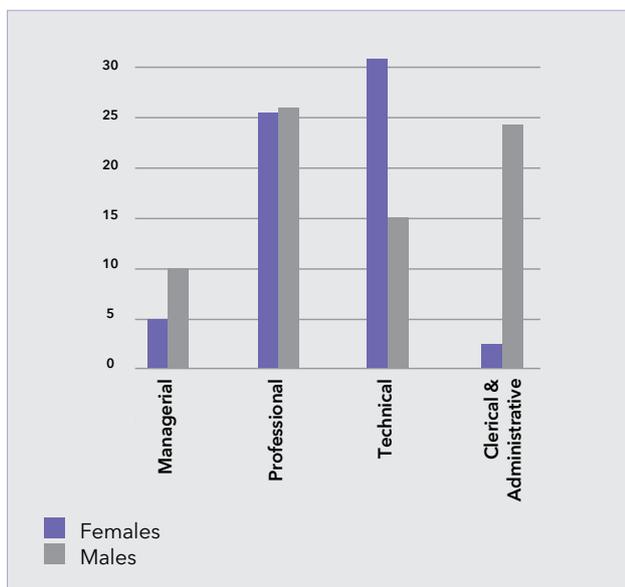


Figure 14: Recruitment by Gender

retention. The measurement of the human resources management system is geared to entitle every employee to work in a 'model employer' Authority that effectively tackles issues such as training, harassment at work and reducing accidents.

Finance

The Finance Unit is responsible to formulate and implement a set of policies aimed at offering support on issues related to financial reporting, budgetary control and procurement.

Financial Performance

During the period from January to December 2015, the Malta Competition and Consumer Affairs Authority registered a surplus on ordinary activities before taxation, amounting to €274,316.

The total commercial income generated by the MCCAA during the financial year under review amounted to €1,728,210, compared to €1,718,000 in 2014. Other income was attained from Local/EU Grants (€100,000) and the yearly 2015 subvention of €3,490,000.

Expenditure amounted to €5,045,000, an increase of €245,000 from the previous year.



From left to right:

- **Mr Ian Alamango**
Head Finance
- **Mr Marcel Pizzuto**
Chairman
- **Ms Pauline Vella**
Head Human Resources

The Statement of Financial Position indicates an increase in Net Assets to €1,208,700 whereas the Cash Flow Statement indicates a positive end-of-year situation, enabling the Authority to continue financing its current and future commitments and operations.

The Way Forward

The primary objective of the Finance Unit is to strengthen the financial position of the Authority through the continuous support on financial matters. In 2016, measures will come into effect to maximise the resources available, and secure a more pro-active approach in managing the financial

resources of the Authority effectively, through the re-assessment of cost-cutting exercises. Additionally, the Finance Unit will ensure that all the Authority's Assets are managed effectively and efficiently.

Internal Controls and Standard Operating Procedures will be established to guarantee business continuity and effective controls in the Authority.

Additional funding will be allocated to improve the Information Technology Systems to ensure that the MCCA will enhance its internal know-how and its dealings with consumers and traders in Malta.

Report and Financial Statements for the year ended 31 December 2015

REPORT OF THE BOARD OF GOVERNORS

Principal Activity

The Malta Competition and Consumer Affairs Authority (MCCAA) was established on 23rd May 2011 with the coming into force of Chapter 510.

The law provides for the establishment of an Authority to promote, maintain and encourage competition, to safeguard the interests of consumers and enhance their welfare, to promote sound business practices, to adopt and coordinate standards in relation to products or services, to regulate such activities and to provide for such matters ancillary or incidental thereto or connected therewith, to provide for the establishment, jurisdiction and procedure of an appeals tribunal and to make amendments to other laws.

The Board of Governors

The Board of Governors is the main governance body of the Authority. The Board is to be composed of not less than seven and not more than ten other members, to be appointed by the Minister.

The executive function of the Authority is vested in the Chairman. The functions of the Authority are as follows:

- to promote and enhance competition;
- to safeguard consumers' interests and enhance their welfare;
- to promote voluntary standards and provide standardization related services;
- to promote the national metrology strategy;
- to promote the smooth transposition and adoption of technical regulations; and
- to perform such other function that may be assigned to it under this or any other law or regulations.

Responsibilities of the Board of Governors

With reference to Article 11 (1) (e) and (f) of Chapter 510, the MCCAA's Board of Governors is responsible amongst other things to publish an annual report on the work of the Authority during the preceding year. This entails responsibility to ensure that, through the office of the Chairman:

- (a) Proper account records are kept of all transactions entered into by the Authority and of its assets and liabilities in terms of Article 55 (1) of the Act;
- (b) Adequate controls and procedures are in place for safeguarding the assets of the Authority, and prevention and detection of fraud and other irregularities.

In preparing the financial statements which give a true and fair view of the state of affairs as at the end of each financial year and of its surplus or deficit for that year, the Board of Governors, through the office of

the Chairman:

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

The Authority is required to present its audited financial statements and a copy of the report made by the auditor in those statements within six weeks after the year end to the Minister of Social Dialogue, Consumer Affairs and Civil Liberties, which financial statements will be incorporated in the Authority's annual report as required in terms of Article 58 of the MCCA Act.

Business Review

The results for the year under review show a surplus of **€ 274,316**.

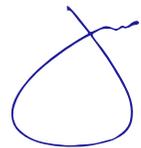
Auditors

Parker Randall Turner have intimated their willingness to continue in office as auditors of the Authority.

By Order of the Board of Governors



Mr Marcel Pizzuto
Chairman



Mr John Abela
Deputy Chairman

17 February 2016

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS

Report on the Financial Statements

We have audited the accompanying financial statements of the Malta Competition and Consumer Affairs Authority, which comprise the statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Governor's Responsibility for the Financial Statements

The Board of Governors of the Malta Competition and Consumer Affairs Authority is responsible for ensuring that the Authority keeps proper accounting and other records in respect of its operations in order to enable it to prepare and fairly present its financial statements in accordance with International Financial Reporting Standards, as adopted by the EU. Through the Executive Chairman's office, the Authority is also responsible to ensure that adequate control procedures are in place to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Governors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Malta Competition and Consumer Affairs Authority, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

In our opinion, proper accounting records in respect of the operations of the Authority have been kept in terms of Article 55 (1) of the Malta Competition and Consumer Affairs Authority Act 2011.



Mr Arthur Douglas Turner (Partner)
For and on behalf of Parker Randall Turner

'Parker Randall Turner'
13, Curate Fenech Street,
Birzebbugia BBG 2032
Malta

18 February 2016

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	<i>Notes</i>	2015 €	2014 €
INCOME			
Government Subvention and Other Grants		3,590,944	3,415,600
Administrative and other expenses		(5,044,837)	(4,811,226)
		<hr/>	<hr/>
(DEFICIT) ON OPERATIONS		(1,453,893)	(1,395,626)
Other income from other activities	4	1,728,209	1,717,563
		<hr/>	<hr/>
SURPLUS ON ORDINARY			
ACTIVITIES BEFORE TAXATION	5	274,316	321,937
Taxation	6	-	-
		<hr/>	<hr/>
SURPLUS ON ORDINARY			
ACTIVITIES AFTER TAXATION		274,316	321,937
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STATEMENT OF FINANCIAL POSITION

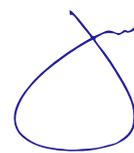
At 31 December 2015

ASSETS	<i>Notes</i>	2015 €	2014 €
Non-Current Assets			
Property, plant and equipment	8	729,889	847,850
Current Assets			
Trade and other receivables	9	1,009,162	789,696
Cash at bank and in hand		945,944	649,415
		1,955,106	1,439,111
Current Liabilities			
Trade and other payables	10	(1,192,783)	(985,395)
		762,323	453,716
Total assets less current liabilities		1,492,212	1,301,566
Non-Current Liabilities			
Deferred government grants	11	(283,512)	(367,182)
Total Net Assets		1,208,700	934,384
Reserves			
Capital reserve		11,493	11,493
Retained Funds		1,197,207	922,891
Total Reserves		1,208,700	934,384

The financial statements on pages 41 to 59 were approved by the Board of Governors on 17 February 2016.



Mr Marcel Pizzuto
Chairman



Mr John Abela
Deputy Chairman

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Retained Funds €	Capital Reserve €	Total €
At 31 December 2013	695,290	11,493	706,783
FINANCIAL YEAR ENDED 31 DECEMBER 2014			
Prior year adjustment (<i>note 7</i>)	(94,336)	-	(94,336)
Surplus for the year	321,937	-	321,937
At 31 December 2014	<u>922,891</u>	<u>11,493</u>	<u>934,384</u>
FINANCIAL YEAR ENDED 31 DECEMBER 2015			
Surplus for the year	274,316	-	274,316
At 31 December 2015	<u>1,197,207</u>	<u>11,493</u>	<u>1,208,700</u>

Note:

The capital reserve represents an allocation of funds due to government in relation to a claim originating from Malta Government Grant on defective works carried out by third parties.

STATEMENT OF CASHFLOWS

For the year ended 31 December 2015

	<i>Notes</i>	2015 €	2014 €
OPERATING ACTIVITIES			
Cash generated from operating activities	12 (a)	360,538	79,716
NET CASH GENERATED FROM OPERATING ACTIVITIES		360,538	79,716
CASH (OUTFLOW) FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment	12 (b)	(64,009)	(40,913)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	12 (c)	296,529	38,803
Cash and cash equivalents at end of year	12 (c)	945,944	649,415

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. TRANSFER OF THE AUTHORITY ASSETS AND LIABILITIES

The Malta Competition and Consumer Affairs Authority began to operate on 23 May 2011 as enacted in the Malta Competition and Consumer Affairs Authority Act. Section 3(6) of the said Act states that the Authority shall assume the persona previously vested in the Consumer and Competition Department, the Malta Standards Authority and the Malta National Laboratory Company Limited and, from the entry into force of this Act, shall assume responsibility for all assets, liabilities and obligations previously entered into by the said Department, Authority and Company or by other bodies on their behalf.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. These financial statements are presented in Euro (€).

The preparation of the financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's accounting policies. However, in the opinion of the Board of Governors, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Standards, interpretations and amendments to published standards effective in 2015.

The Authority adopted new standards, amendments and interpretations to existing standards that are mandatory for the Authority's accounting period beginning on or after 1 January 2015. The adoption of these revisions to the requirements of the IFRSs as adopted by the EU did not result in substantial changes to the company's accounting policies.

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

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorization for issue of these financial statements, that are mandatory for accounting periods beginning on or after 1 January 2015. The Authority has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Board of Governors are of the opinion that there are no requirements that will have a significant impact on the company's financial statements in the period of initial application.

The particular accounting policies which have been applied consistently are described below.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with International Financial Reporting Standards, as adopted by the EU. The particular accounting policies which have been applied consistently are described below:

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives, using the straight line method, on the following bases:

	%
Improvements to premises	2
Computer equipment	33.3
Equipment, furniture and fittings	15
Air conditioning equipment	16.67
Metrology equipment	10 -33.3
Motor vehicles	20

(c) Intangible assets

Intangible assets represent library publications. These are measured initially at purchase cost and amortised on a straight line basis over their estimated useful life

(d) Website costs

Website costs have been accounted for in the statement of comprehensive income in view of the fact that it will be mainly for advertising and information purposes.

(e) Impairment

At each statement of financial position date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

(f) Financial instruments

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

Financial assets are derecognized 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 derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured initially at fair value. They are subsequently measured as described below.

For the purpose of subsequent measurement, financial assets of the Authority are classified into loans and receivables upon initial recognition. The category determines subsequent measurement and whether any resulting income and expense is recognized in the statement of comprehensive income. Loans and receivables are subject to review for impairment at least at each reporting date.

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 when the effect of discounting is immaterial. The Authority's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

The Authority's financial liabilities include bank borrowings, long term payables, and trade and other payables. These are stated at their nominal amount which is a reasonable approximation of fair value.

(g) Foreign currency amounts

Assets and liabilities in foreign currencies are translated into Euro at the rate of exchange ruling at the statement of financial position date.

Transactions in foreign currency during the period are translated into Euro at the rate of exchange ruling on the date of the transaction.

All profits and losses on exchange are dealt with through the income and expenditure account.

(h) Deferred Grants

Deferred grants availed of by the Authority are disclosed as per International Accounting Standard 20. These have been disclosed under financial liabilities and will be amortised over the useful life of the assets.

(i) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity. Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to the investment in subsidiary to the extent that the company is able to control the timing of the reversal of temporary differences and it is probable that those temporary differences will not reverse in the foreseeable future. Deferred tax assets for the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

(j) Government contributions

Government contributions are recognized as income when received. Government grants represent amounts received in terms of capital votes. Government grants received in respect of expenditure charged to the income and expenditure account during the year have been included in the income and expenditure account. The remainder is deferred and is included in the income and expenditure account by instalments over the expected useful lives of the related assets.

Pre-accession funds, ERDF and other grants represent income received in accordance with the 'project fiche' agreement signed between the Government of Malta and the European Union. Funds received or paid on behalf of the Authority arising from the government vote in relation to operational expenditure are charged to the income and expenditure account as they arise and are reflected in the statement of comprehensive income. Funds paid on behalf of the Authority in respect of capital expenditure are deferred and included in the income and expenditure by instalments over the expected useful lives of the related assets.

(k) Other income

Other income is recognised when the amount of revenue and the associated costs can be measured reliably. Other income represents income arising from various commercial activities carried out by the Authority which are accounted for as they arise, in line with the provision of services rendered, and the underlying contractual obligations. Interest income is accrued on a time basis, by referencing to the principal outstanding and the interest rate applicable.

(l) Significant judgement in applying accounting policies

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable and reliable in the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the opinion of the Board of Governors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their descriptions as critical in terms of the requirements of IAS 1 (revised).

(m) Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

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 the 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. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4. OTHER INCOME

	2015 €	2014 €
Accreditation fees	50,257	85,398
Bank interest	124	388
Calibration and Legal Metrology	93,161	212,595
Certification services	130,266	154,211
Decrease in provision for doubtful debts	-	29,894
ECC Income	106,428	109,342
EC Type approval certification	218,401	161,922
EFSA agreement	25,000	20,000
General income	15,743	12,314
NAB Income	15,995	13,617
Net income from translations	25,028	13,423
Other income	22,839	21,107
Plant protection	490,834	460,833
Regulatory fees	73,305	41,223
Refund ESF Project	41,780	8,643
Sale of standards	12,082	25,882
Seminars	4,743	14,081
Transport Malta Agreement	270,034	198,443
Tribunal fees	4,990	5,212
Testing services	39,253	43,190
Travel refunds	87,946	77,370
Veterinary Laboratory Agreement	-	8,475
	<hr/> 1,728,209 <hr/>	<hr/> 1,717,563 <hr/>

5. SURPLUS ON ORDINARY ACTIVITIES

	2015	2014
	€	€
Surplus on ordinary activities is stated after charging :		
Board of Governors' remuneration	28,592	26,204
Depreciation of plant and equipment	181,970	179,532
Staff costs (note)	3,039,752	2,779,611
Audit fees	5,500	5,500
	<hr/>	<hr/>

Note:

Staff costs

	2015	2014
	€	€
Wages and salaries	2,828,176	2,584,342
Social security costs	211,576	195,269
	<hr/>	<hr/>
	3,039,752	2,779,611
	<hr/>	<hr/>

Managerial	19	15
Professional	52	44
Technical	30	32
Clerical and administration	50	47
	<hr/>	<hr/>

Average number of employees:	151	138
	<hr/>	<hr/>

6. TAXATION

No taxation is provided for on statutory income in view of unabsorbed capital allowances and unabsorbed statutory losses brought forward from previous years. During the year, the Authority had unabsorbed capital allowances of € 1,746,523 (2014 - € 1,795,943).

Deferred taxation is not reflected in the financial statements, since from a review of taxable income it is anticipated that the substantial tax losses and capital allowances will not be crystallized in the foreseeable future.

7. PRIOR-YEAR ADJUSTMENT

During the year, the Authority paid rent arrears of € 94,336 in relation to leased premises previously held by the Consumer and Competition Division and the Malta National Laboratory Company Limited, arising prior to 2011. This amount was deducted from the opening retained earnings, with the corresponding entry being reflected in trade creditors. No tax effect has resulted from this prior-year adjustment, in view of unabsorbed capital allowances brought forward by the Authority, as disclosed in note 6. Corresponding figures were re-instated to reflect such change.

8. PROPERTY, PLANT AND EQUIPMENT

	Improvements to Premises	Computer Equipment	Furniture and Fittings	Metrology equipment	Other Equipment	Motor Vehicles	Total
	€	€	€	€	€	€	€
Cost							
At 1 January 2014	293,282	262,826	792,755	2,451,420	17,939	237,922	4,056,144
Reclassifications	-	-	5,725	(9,170)	3,445	-	-
Additions	8,897	19,475	5,503	7,038	-	-	40,913
At 31 December 2014	302,179	282,301	803,983	2,449,288	21,384	237,922	4,097,057
Depreciation							
At 1 January 2014	29,188	256,709	748,880	1,779,622	17,939	237,337	3,069,675
Reclassifications	-	-	816	(4,261)	3,445	-	-
Charge for the year	6,045	11,114	19,536	142,252	-	585	179,532
At 31 December 2014	35,233	267,823	769,232	1,917,613	21,384	237,922	3,249,207
Net Book value							
At 31 December 2014	266,946	14,478	34,751	531,675	-	-	847,850
At 31 December 2013	264,094	6,117	43,875	671,798	-	585	986,469
Cost							
At 1 January 2015	302,179	282,301	803,983	2,449,288	21,384	237,922	4,097,057
Additions	10,840	44,287	8,139	743	-	-	64,009
Released on disposal	-	-	-	-	-	(19,800)	(19,800)
At 31 December 2015	313,019	326,588	812,122	2,450,031	21,384	218,122	4,141,266
Depreciation							
At 1 January 2015	35,233	267,823	769,232	1,917,613	21,384	237,922	3,249,207
Charge for the year	6,262	18,636	16,638	140,434	-	-	181,970
Released on disposal	-	-	-	-	-	(19,800)	(19,800)
At 31 December 2015	41,495	286,459	785,870	2,058,047	21,384	218,122	3,411,377
Net Book value							
At 31 December 2015	271,524	40,129	26,252	391,984	-	-	729,889
At 31 December 2014	266,946	14,478	34,751	531,675	-	-	847,850

10. TRADE AND OTHER RECEIVABLES	2015	2014
	€	€
Trade debtors - Public entities	481,224	359,373
Trade debtors - Private entities	355,811	336,843
Vat recoverable	19,315	-
Prepayments and accrued income	152,812	93,480
	<hr/>	<hr/>
	1,009,162	789,696
	<hr/>	<hr/>
 11. CURRENT LIABILITIES	 2015	 2014
	€	€
Current portion on deferred government grants (<i>note 11</i>)	83,671	100,945
Trade creditors	264,493	387,877
Vat payable	-	18,213
Deferred income (<i>note</i>)	428,833	256,167
Accruals and other creditors	415,786	222,193
	<hr/>	<hr/>
	1,192,783	985,395
	<hr/>	<hr/>

Note:

Deferred income represents income from plant protection services which will crystallize during 2016.

11. NON-CURRENT LIABILITIES

	European Union Grant	National Laboratory Vote	Equipment Vote	Metrology Laboratory Grants	ICT Operations Allocation	Transition Facility Grant	Refurbish Works Vote	ERDF Grant	Mater Dei Grant	Consumer Division Grant	Malta National Lab Grant	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Grants received												
At 1/01/2014 and 31/12/2014	168,686	-	-	498,297	1,735	451,689	66,402	587,464	129,551	213,277	909,201	3,026,302
Grants utilization												
At 01/01/2014	168,686	-	-	498,297	1,735	337,429	8,557	235,960	82,743	213,277	811,891	2,358,575
Transferred to income	-	-	-	-	-	23,191	1,334	58,325	19,440	-	97,310	199,600
At 31/12/2014	168,686	-	-	498,297	1,735	360,620	9,891	294,285	102,183	213,277	909,201	2,558,175
Balance												
At 31/12/2014	-	-	-	-	-	91,069	56,511	293,179	27,368	-	-	468,127
At 31/12/2013	-	-	-	-	-	114,260	57,845	351,504	46,808	-	97,310	667,727
Grants received												
At 1/01/2015 and 31/12/2015	168,686	-	-	498,297	1,735	451,689	66,402	587,464	129,551	213,277	909,201	3,026,302
Grants utilization												
At 01/01/2015	168,686	-	-	498,297	1,735	360,620	9,891	294,285	102,183	213,277	909,201	2,558,175
Transferred to income	-	-	-	-	-	23,196	1,332	56,988	19,428	-	-	100,944
At 31/12/2015	168,686	-	-	498,297	1,735	383,816	11,223	351,273	121,611	213,277	909,201	2,659,119
Balance												
At 31/12/2015	-	-	-	-	-	67,873	55,179	236,191	7,940	-	-	367,183
At 31/12/2014	-	-	-	-	-	91,069	56,511	293,179	27,368	-	-	468,127

11. NON-CURRENT LIABILITIES *(continued)*

	2015	2014
	€	€
Deferred Government Grants	367,183	468,127
Less: Amounts to be transferred to income and expenditure account within one year (<i>note 10</i>)	(83,671)	(100,945)
	<u>283,512</u>	<u>367,182</u>

12. NOTES TO THE CASH FLOW STATEMENT
(a) Cash generated from operations

	2015	2014
	€	€
Surplus for the year	274,316	321,937
Adjustment for:		
Depreciation	181,970	179,532
Increase/ (decrease) in provision for doubtful debtors	26,026	(29,894)
Government Grants transferred to the statement of comprehensive income	(100,944)	(199,600)
SURPLUS BEFORE WORKING CAPITAL CHANGES	381,368	271,975
(Increase) in debtors	(245,492)	(197,089)
Increase in creditors	224,662	4,830
Net cash generated from operations	360,538	79,716

(b) Plant and equipment

During the period, the Authority acquired plant and equipment with an aggregate cost of €64,009 and which were paid for in cash.

(c) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and balances with bank. A cash flow is an increase or decrease in amount of cash or cash equivalents resulting from a transaction.

	2015	2014
	€	€
<i>Cash at bank and in hand</i>	<u>945,944</u>	<u>649,415</u>

13. FINANCIAL INSTRUMENTS

Financial assets of the company are cash and cash equivalents, trade and other receivables and financial derivate instruments.

The main risks arising from the Authority's financial instruments are credit risk, market risk and liquidity risk. The Board of Governors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Credit risk

The Authority monitors credit risk closely and the policy is that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Authority exposure to bad debts is not significant. The necessary provisions and impairments are provided for and reviewed on an ongoing basis.

The Authority has no significant concentration of credit risk. Amounts in the statement of financial position best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

(b) Liquidity risk

The Authority policy is to maintain a balance between continuity of funding and flexibility through the use of banks overdrafts, loans and finance leases. It is the Authority's policy to ensure that resources are available at all times to enable the Authority to meet its liquidity risk obligations.

(c) Market Risk

Market risk includes interest and currency risk.

Interest rate risk arises from the possibility that changes in interest rates will affect the future cash flows or fair values of financial instruments. The Authority exposure to risk relates primarily to bank balances held.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Authority monitors all exposures on a real time basis and uses a variety of hedging techniques to bring all exposures within agreed limits.

14. CONTINGENT LIABILITIES

	2015	2014
	€	€
Guarantees given in the course of business	<u>28,000</u>	<u>5,000</u>

Possible provisions could arise from unaccounted liabilities arising from the Malta National Laboratory Co Limited which is still in the process of being liquidated. During the year under review, a prior-year adjustment, as disclosed under note 7 to the financial statements, had to be affected as a result of these unaccounted liabilities.

INCOME AND EXPENDITURE ACCOUNT SCHEDULES

For the year ended 31 December 2015

	<i>Pages</i>	2015	2014
		€	€
INCOME			
Government subvention		3,490,000	3,216,000
Grants		100,944	199,600
		<hr/>	<hr/>
Total government contributions		3,590,944	3,415,600
Other income	58	1,728,209	1,717,563
		<hr/>	<hr/>
TOTAL INCOME		5,319,153	5,133,163
Administrative and other expenses	59	(5,044,837)	(4,811,226)
		<hr/>	<hr/>
SURPLUS FOR THE YEAR		274,316	321,937
		<hr/>	<hr/>

INCOME AND EXPENDITURE ACCOUNT SCHEDULES *(continued)*

For the year ended 31 December 2015

OTHER INCOME

	2015	2014
	€	€
Accreditation fees	50,257	85,398
Bank interest	124	388
Calibration and Legal Metrology	93,161	212,595
Certification services	130,266	154,211
Decrease in provision for doubtful debts	-	29,894
ECC Income	106,428	109,342
EC Type approval certification	218,401	161,922
EFSA agreement	25,000	20,000
General income	15,743	12,314
NAB Income	15,995	13,617
Net income from translations	25,028	13,423
Other income	22,839	21,107
Plant protection	490,834	460,833
Regulatory fees	73,305	41,223
Refund ESF Project	41,780	8,643
Sale of standards	12,082	25,882
Seminars	4,743	14,081
Transport Malta Agreement	270,034	198,443
Tribunal fees	4,990	5,212
Testing services	39,253	43,190
Travel refunds	87,946	77,370
Veterinary Laboratory Agreement	-	8,475
- to page 57	<u>1,728,209</u>	<u>1,717,563</u>

INCOME AND EXPENDITURE ACCOUNT SCHEDULES (continued)

For the year ended 31 December 2015

	2015	2014
	€	€
ADMINISTRATIVE AND OTHER EXPENSES		
Accreditation costs	24,161	33,779
Advertising and Public Relations	12,438	52,669
Audit fees	5,500	5,500
Audit of Quality Assurance System	5,480	5,791
Bank Charges and interest	3,029	2,883
Board of Governors' fees	28,592	26,204
Certification expenses	17,800	12,162
Cleaning expenses	24,306	17,350
Depreciation	181,970	179,532
General Expenses	11,851	20,637
Hospitality and Entertainment	14,040	13,895
Information Technology expenses	31,004	28,814
Insurance	15,516	14,701
Irrecoverable VAT	10,765	34,427
Legal and Professional fees	23,268	26,138
Membership fees	105,895	108,699
Metrology Laboratory expenses	3,718	6,675
National Accreditation Board Expenses	33,473	50,889
National Laboratory expenses	115,935	79,041
Plant Protection Evaluation services	416,548	431,615
Postage and Couriers	7,987	9,888
Printing and Stationery	26,821	28,148
Provision for Doubtful Debts	26,026	-
Realised Loss on exchange	8,567	3,710
Rent	409,807	394,058
Repairs and Maintenance	18,349	20,178
Salaries	3,053,903	2,779,611
Support services	15,630	-
Seminar Costs	4,909	7,627
Telecommunications	40,004	44,222
Testing of Pesticides	7,890	16,574
Training and Professional Development	31,182	26,372
Transport	50,837	44,357
Travelling	181,449	189,818
Water and Electricity	76,187	95,262
	5,044,837	4,811,226
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