



MALTA AIR TRAFFIC
SERVICES LIMITED

Annual Report
& Financial Statements

'19





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Mission Statement

The mission of MATS is to facilitate the safe movement of aircraft, efficiently and cost effectively, through the provision of air navigation services that are sustainable in the long term.

OUR VISION

MATS's vision is to be recognised as one of the Euro-Mediterranean region's most respected ANSPs:

- in the eyes of the flying public for our safety performance record;
- in the eyes of our customers for our cost effectiveness, customer service and efficiency in providing air traffic services; and
- in the eyes of our employees for establishing a motivating and satisfying workplace, as well as opportunities for a challenging career.

We strive to reach the next level of safety, efficiency, environmental responsibility and excellence. We are accountable to the Maltese public, users of our airspace and all our stakeholders.

OUR VALUES

- **Safety** is our priority. We strive to ensure that all users of our airspace travel safely through our airspace.
- **Excellence** is our promise. We endeavour to achieve results that demonstrate professionalism, transparency and accountability.
- **People** are our strength. Our success depends on the esteem, teamwork and commitment of our workforce.
- **Integrity** is our benchmark. We accomplish our duties honestly, with moral soundness, and with the highest level of moral principles.
- **Innovation** is our mark. We promote creativity and vision to ensure continuous improvement of our services.



Chairman's Statement

Major (ret'd) Anthony Abela

2019 has been another good year for Malta Air Traffic Services Limited (MATS), both in terms of income from services rendered and also the projects achieved, including those for which the planning was put in motion. While the traffic density hardly changed from the previous year, the cash return was better and, together with controlled spending, left a positive result in our accounts, when the forecast was that we would have hardly broken even.

At the same time, MATS fared well in all auditing processes during the year by both national and international authorities.

Plans for the new ATCC project were unfortunately hindered. The Contractor failed to start excavation works as agreed due to increased landfill costs and the contract was terminated.

This year saw the engagement of a number of ATCO trainees and the first five completed the first stage of their training in Prague in Spring. A second process to engage more ATCO trainees was approved by the Board of Directors in January 2019. This was a significant step towards the Company's sustainability since the ATCO complement has fallen below that established and a number of ATCOs were due to retire in 2019/2020.

Luqa TAR was brought back in service in March 2019 as a stopgap solution until the new Dingli PSR

was commissioned, after LEONARDO managed to supply us with a Klystron and repaired the outstanding gearbox problem.

MATS took another important step forward to ensure sustainability and continuity when, for the first time, it recruited a small number of Specialists within a number of its Sections. This step is aimed to relieve some of the Management's 'hands-on' and daily tasks, and at the same time create a pool of professionals apart from the Management structure.

The Board approved a *Letter of Agreement on the Exchange of Information for Safety Management Purposes* with the Cypriot ANSP (Cyprus Air Traffic Services), a step in the right direction in the expected spirit of BlueMed.

An AMHS was procured during this year and an upgrade to the Searidge system was also approved. A high level meeting was held with LEONARDO on my request to find a way forward to address the issues we had experienced on the Dingli Primary Radar during the SAT. This meeting was held in a very cordial atmosphere and LEONARDO promised to give this task a high priority to commission the system in the shortest time possible, which would be in some months' time.

MATS signed an agreement with Malta Industrial Parks (MIP) to 'operationally' manage the Safi



MATS took another important step forward to ensure sustainability and continuity when, for the first time, it recruited a small number of Specialists within a number of its Sections.

Chairman's Statement CONTINUED

◀ Aviation Park on its behalf, since MIP are short of aviation expertise.

During the year, a new collective agreement was concluded with the ATSEPs. Unfortunately, another collective agreement for the Aeronautical and Training Section Personnel remained in deadlock since the Management could not go any further on its final offer, which was rejected by their union.

In November, LEONARDO solved the issues related to the Dingli Primary Radar and this system was Site Accepted and ready for operational trials so that it could be commissioned into service.

Towards the end of the year, trouble was evident on the horizon with the outbreak of COVID-19 in China. The prospects of this virus spreading worldwide were becoming more evident with every day that passed. Thus, MATS's Management and Board were already planning for any eventualities. The whole global aviation environment was turned upside down during the first weeks of 2020, with the World Health Organisation proclaiming a global pandemic.

This clearly indicates that MATS will be facing some difficult times, but we are sure that we will go through it with minimal damage and with the co-operation of all our staff and stakeholders.



CEO's Statement

Dr Ing. Kenneth Chircop

Malta Air Traffic Services closed the second decade of the 21st century on an upbeat note, with an increased workload and notably positive results thanks to the input of the entire team, the Board of Directors, management and all its employees.

There was a record of 129,900 movements in 2019, some 5,000 more movements than that recorded in 2018. Overflight traffic increased by 6%, and the trend experienced in recent years of increased terminal traffic continued, up by 2.9% in and out of Malta International Airport.

It is always a pleasure when the hard work of all the sections is acknowledged and rewarded, not just locally but also internationally. Ultimately, it is the aerodrome and airspace users that benefit.

It is thus with pride that MATS received an award from the GNSS agency in recognition of the implementation of the first LPV-200 approach procedure for RNP Approaches on non-instrument runways 23/05. These RNP Approaches have been available at Malta's international aerodrome (LMML) since 24 May 2018



and were instrumental in keeping the airfield open when, in February 2019, Malta was hit by a particularly fierce NW'ly storm that would otherwise have closed the airfield to arrivals for 48 hours.

The second phase of the project is still ongoing and will involve a redesign of the Terminal Movement Area (TMA), updated Standard Instrument Departures and the design of Standard Terminal Arrival Routes for the four runways.

A long-term project that appears to be nearing completion is that of the surveillance camera system around the airfield. Network switches, needed to upgrade the entire network infrastructure, were sent from the manufacturers, as well as night vision cameras. A new camera mast was erected at the Safi Aviation Park and the entire new system went through a factory acceptance test (FAT) early in 2020.

The Aeronautical Message Handling System (AMHS) passed its second FAT in April. Great credit is due to MATS Technical Management for coming up with the re-arrangement in the topology and jointly implementing the redesign with the manufacturer.

Despite the heavy workload, progress was also registered on the Integration of ADS-B in the operational environment. This is a first for MATS and uses the Greek ADS-B feed from Kithira to provide ADS-B surveillance coverage in the East Sector. 

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CEO's Statement CONTINUED

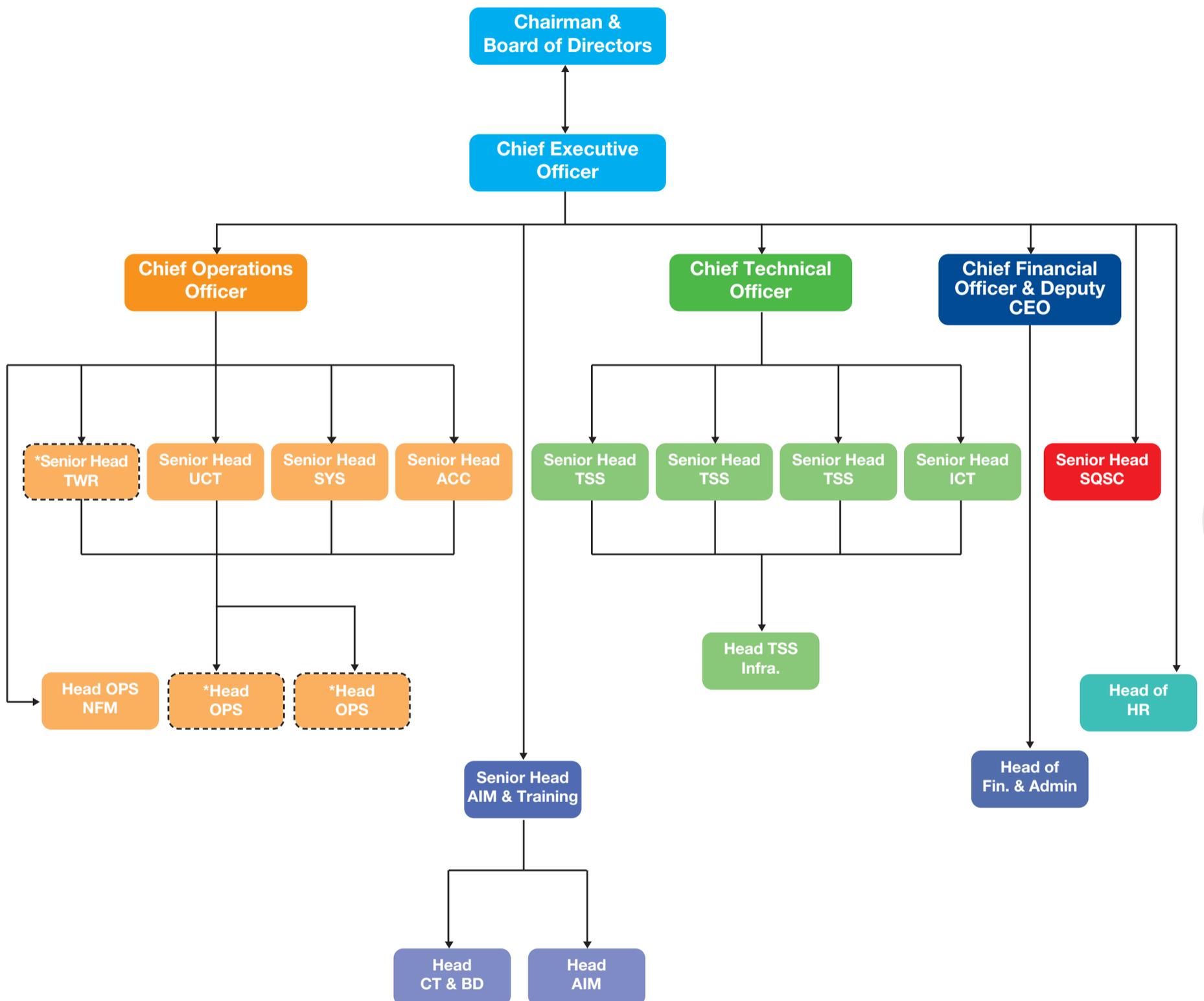
◀ The plans for the new Air Traffic Control Centre complex were revisited after a topographic survey of the site was conducted by a specialised company and the tower had to be relocated by 25 m since it would have infringed the Obstacle Limitation Surface (OLS) of the runways. All the teams involved continued to give their contribution as this planning phase, in preparation for the submission of an application to the Planning Authority, continued to evolve.

A lot of work was undertaken in 2019 with respect to succession planning and career progression of all

team members. The organisational structure was changed with the introduction of a separate HR department whose head reports directly to me. We also embarked on a mission to ensure that all employees are trained in stress and fatigue management.

I trust that all the hard work that went on in 2019 received due credit. Yet nothing and no one could have prepared us for the huge challenges we would be facing in 2020. Still, MATS is so well set up it can face any and all the challenges that were to come our way and we will emerge stronger for it.

Management Organisational Chart



*Posts Currently Vacant

SECTION REPORTS

Finance and Administration

During the financial year ending on 31 December, 2019, MATS registered a profit before tax of €7.435 million (€4.453 million after tax) and this resulted in an 11% increase in the company's net asset value. In fact, as at the end of 2019, the value of the company increased from €35.810 million to €39.763 million.

FINANCIAL REVIEW

When compared to the previous year, the profit before tax increased by some €6.4 million from €1,061,685 in 2018 to €7,434,885 in 2019. The reason for this significant increase in profit is mainly attributable to the increase in revenue brought about by the rise in unit rates, although traffic also registered growth in 2019.

Revenue

During 2019, MATS registered a total revenue of €31,371,549 (2018: €23,788,474). Of the total revenue generated, 70% is from charges for en-route traffic and 20% is generated from terminal navigational charges. The rest is generated from maintenance services and revenue from Government to reimburse MATS for the loss of revenue from the exemption of military aircraft.

Revenue from en-route traffic increased by some €7.660 million (or 53%) when compared to 2018. This is mainly attributable to the increase in the unit rate for en-route traffic from €15.89 in 2018 to €22.37 in 2019.

Income from terminal navigational charges (TNC) increased by €1.073 million (or some 20.4%), i.e., from €5.266 million in 2018 to €6.339 million during the year under review.

Income from maintenance and technical fees increased by €44,093 and totalled €1,020,265 in



Mr Mario J. Azzopardi

2019. Otherwise, proceeds from the Maltese Government to compensate MATS for loss of revenue resulting from the exemption of military traffic remained at the same level of the previous year. For the seventh consecutive year, during 2019 MATS did not receive any Government subvention but paid a €500,000 dividend to the Government of Malta.

During 2019 our controllers provided services to a total of 129,233 instrument flight rules (IFR) flights that passed through Maltese airspace. This means 

SECTION REPORTS

Finance and Administration CONTINUED

← an increase of 3.3% when compared to 2018 (125,014 flights); 56% of the flights controlled were overflights. The remaining 44% were arrivals and departures at MIA.

Expenditure

Total expenditure for 2019 amounted to €24.851 million (an increase of €1.608 million or 6.9% from the €23.243 million in 2018). The cost of wages and salaries is the largest component and, at €12.309 million, accounts for about 49.5% of the company's total expenditure. Compared to the wage costs of €12.206 million for 2018, the wage bill for 2019 increased by some €103,000, or by almost 0.8%.

Other operating expenditure for 2019 increased by €1.270 million (15%) and amounted to €9.597 million (2018: €8.327 million). Depreciation charge

also increased by some €237,000 or about 9%, from €2.646 million for 2018 to €2.883 during the year under review.

Statement of Financial Position

MATS registered another consecutive improvement in its financial position during 2019. The value of the company as at the end of 2019 increased by €3.953 million (about 11%), from €35.810 million as at 31 December, 2018, to €39.763 million at the end of 2019. Total assets increased by about €6.429 million (or some 14% from €45.235 million at the end of 2018 to €51.664 million at 2019). Total liabilities also increased by €2.476 million (26%) from €9.425 million at the end of 2018 to €11.901 million. Included in the total liabilities is the amount due to Government in the form of shareholder's loans, amounting to €4.043 million. →



SECTION REPORTS

Finance and Administration CONTINUED

During 2019 MATS invested over €2.6 million in additions to fixed assets and the total cost of fixed assets as at 31 December, 2019, amounted to €45.867 million. Up to 31 December, 2019, €34.890 million was charged in depreciation on this expenditure, leaving a net book value of €10.978 million.

EN-ROUTE UNIT RATE AND TRAFFIC REVIEW

Unit Rate

The en-route unit rate is derived by dividing the 'total charges' by the 'total service units'. The unit rate for Malta increased from €15.89 in 2018 to €22.37 for 2019. The en-route unit rate for Malta remained one of the cheapest in Europe. As can be seen from Table 1 below, at €22.37 Malta's unit rate was less than half of the €46.78 average unit rate for all

Eurocontrol member states. This makes MATS one of the most efficient ANSPs in Europe since it renders a very efficient service to airspace users with negligible delays at one of the cheapest unit rates. In fact, MATS is being considered as a role model of an efficient ANSP in Europe.

En-Route Traffic Overview

In 2019 Malta registered an increase of almost 9% in TSUs (from 934,710 in 2018 to 1,019,977 in 2019). This growth is significantly higher than the average growth of 2.8% registered in Europe.

About 97% of the TSUs were chargeable service units (988,876). The rest were mostly attributable to military flights that are exempt from paying for air traffic control services. Table 2 below shows the annual percentage growth in TSUs for Malta and the average of Eurocontrol member states.

UNIT RATE	2011 (€)	2012 (€)	2013 (€)	2014 (€)	2015 (€)	2016 (€)	2017 (€)	2018 (€)	2019 (€)
Malta	20.75	27.72	31.50	27.61	22.33	25.79	18.79	15.89	22.37
Average Eurocontrol members	57.60	57.60	57.40	57.20	58.60	55.80	52.80	54.60	46.78

Table 1: Comparison of the en-route unit rates for Malta and the average of Eurocontrol's member states

ANNUAL GROWTH	2011	2012	2013	2014	2015	2016	2017	2018	2019
Malta	4.1%	26.8%	14.6%	1.1%	13.2%	10%	1.2%	2.0%	9.1%
Europe	5.0%	-1.3%	-0.8%	5.8%	4.2%	4.2%	7%	6.1%	2.8%

Table 2: Annual percentage growth in total service units for Malta and the average for Eurocontrol member states

SECTION REPORTS

Human Resources

The entire human resource function, previously the remit of the Finance and Administration Section, has been hived off into a new section that also incorporates Occupational Health & Safety.

APPOINTMENT OF NEW HEAD OF H.R.

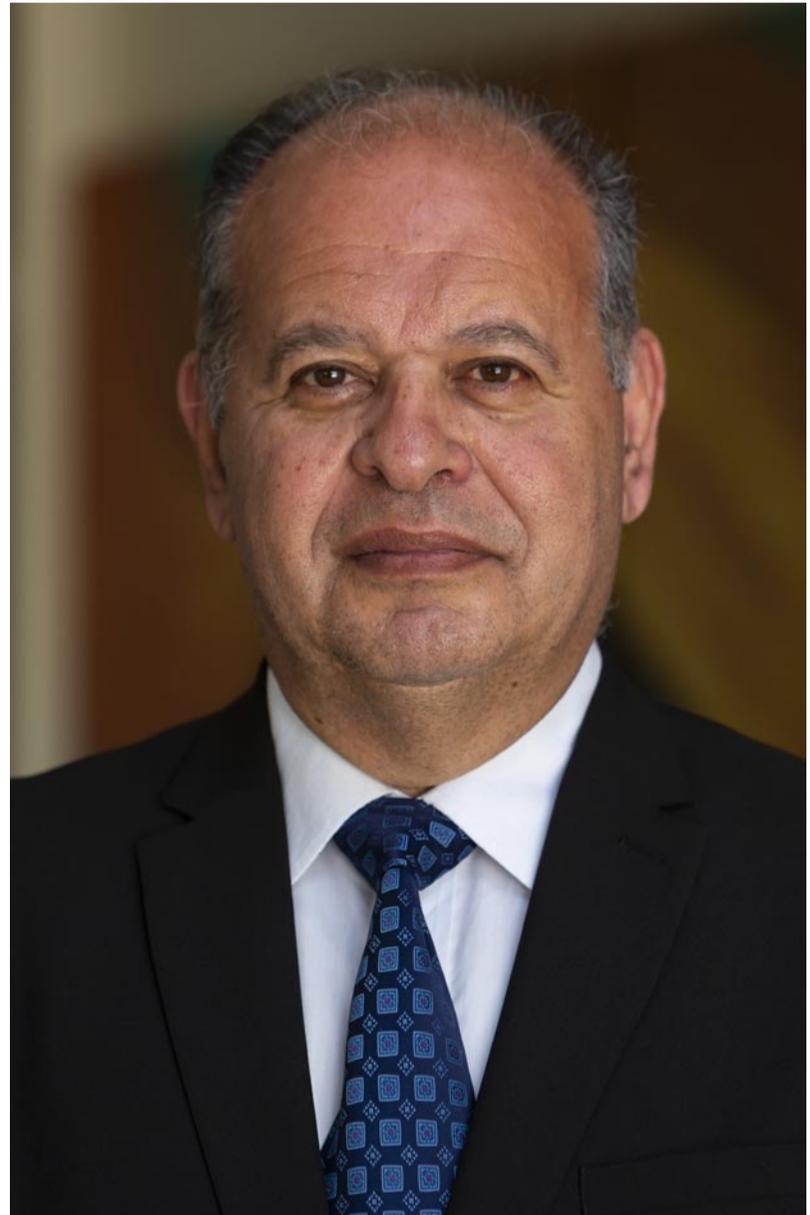
The HR Section was set up in 2019 following the external recruitment of Michael Parnis as section head. Mr Parnis, who studied engineering and is a former Dockyard employee, has 35 years' experience with the largest trade union on the island, including 14 years as the union's deputy secretary general (International and Education).

He holds a B.Sc. in Human Resources from the University of Leicester and his previous two posts have been as Executive Director of HR at the Water Services Corporation and as HR Consultant to Sport Malta. He has served on numerous boards, notably as a member of the European Economic and Social Committee of the EU from 2004 to 2014, and contributed to the areas of industrial relations, education and the national economy.

Areas of responsibility

Mr Parnis will be following local legislation on employment and industrial relations, formulating and implementing the necessary HR strategies, policies and procedures. He will be keeping healthy communication relations with the trade unions.

He is responsible for recruitment and filling of internal vacancies, applying decisions on HR practices within the organisation and handling day-to-day employee issues. He will issue and maintain records of memos and other forms of correspondence with HR, prepare reports for



Mr Michael Parnis

Senior Management and follow the development of new employees.

He is also responsible for ATCO rostering and approval of vacation leave, all Health & Safety issues and will continue to develop a coherent, overall prevention policy that covers technology, the organisation of work, working conditions, social relationships and the influence of factors related to the working environment.



SECTION REPORTS

Human Resources CONTINUED

2019 HIGHLIGHTS

Recruitment

The following were recruited externally at Malta Air Traffic Services in 2019:

Number	Position
1	Training Facilities Specialist
1	Operations Specialist
1	ATASO 1 – Administration
1	ATASO 1 – Technical Section
8	ATCO trainees
6	ATSEO Trainees
1	Head of HR
1	ATASO 4, HR
3	Summer students (Technical)

Promotions/Appointments

The following were promoted at MATS in 2019:

Number	Previous position	Current position
1	Assistant Head Finance & Admin	Head, Finance, Administration & Procurement
1	Assistant Head of HR	Head, Corporate Training & Business Development
1	ATASO 3	ATASO 4 OHS
1	ATASO 3	ATASO 4
3	ATCOs	ATCO Supervisors
1	Project Co-ordinator	Safety, Quality, Security & Compliance Specialist
1	Head Technical Services	Senior Head Technical Services
1	ATCO Supervisor	Senior Head Unit Competency and Training
2	Flight Data Support Personnel	SIM Co-ordinators
2	Flight Data Support Personnel	AIP Co-ordinators
1	Head Technical Services	ATCC Project Manager

Internal Memos

Thirty internal Memos were issued to give necessary information to all employees on subjects varying from:

- announcements of new employees;
- internal vacancies; and
- other general information.

HEALTH & SAFETY

MATS engaged a full time ATASO 4 (OHS) to continue safeguarding all employees' health and safety at work, including all other persons visiting MATS's premises. Occupational health and safety legislation and regulations are rigorously adhered to in MATS.

Fire detection systems, intruder systems, lifts and fire extinguishing equipment are regularly inspected and certified in all the company's sites. All employees are provided with the required personal protective equipment to ensure they are always safeguarded at the workplace.

SECTION REPORTS

Human Resources CONTINUED

Two Fire-Fighting courses were organised in November 2019. In all, 29 members of staff attended.

RICHMOND FOUNDATION

The company continued to support the Richmond Foundation, which specialises in promoting mental health and well-being in the community. MATS continued to implement the Staff and Organisation Support Programme (SOSP) for all MATS employees.

Information literature was regularly disseminated among employees and a number of employees attended courses organised by the foundation. A

number of employees (on strict anonymity) have benefited from the services offered.

MAJOR CHALLENGES

The biggest challenge was that of establishing a new Human Resources Department, which not only incorporated all relative issues normally pertaining to HR but also included the responsibility for Occupational Health & Safety.

Once the department was set up, direct contacts were re-established with the Department of Industrial and Employment Relations, Jobsplus and the unions representing employees within MATS.



New recruits (clockwise from top left): Paul Abela, Clint Pullicino, Franklin Abela, Peter Said and David Cristina



Promotions in 2019 (clockwise from top left): Victor Vella, Pauline Attard, Antoine Sciberras, Emanuel Gauci, Leslie Zammit, Julie Chatlani and Kyle Beeston

SECTION REPORTS

Operations

All services from the Main Control Room at LMML and the Visual Control Room are provided by the Operations Section, assisted by the team of ATSEOs. OPS Management ensures the continued viability of the service to all stakeholders.

TRAFFIC ANALYSIS

Malta Air Traffic Services registered a record 129,990 movements in 2019. This was almost 5,200 more movements than in 2018. Overflight activity increased by 6% to 72,293 and inbound and outbound traffic increased by 2.9% to 57,697. Translated into time, Malta ACC provided 4,673,356 minutes of service (NM STATFOR) in 2019.

The low traffic months of January-March and October-December recorded the biggest percentage growth, which were in line with forecasts for the year. The continued closure of Libyan airspace, favourable jet streams and the geopolitical situation around the Malta FIR contributed to the increase in overflights, although significant north-south traffic continued to be lost.

An increased number of pilgrim flights associated with the Islamic calendar contributed to the increase, along with strategic re-routings co-ordinated with the Network Manager during industrial actions in France.

ATC SPINS Manual

The OPS Section released two major amendments to the SPINS Manual in 2019. SPINS AMDT Edition 2.2 was dated 31 January and SPINS AMDT Edition 2.3 was dated 20 June.

Edition 2.2 featured the integration of a number of Supplementary Instructions. In Edition 2.3, the Medium-Term Conflict Detection Tool, one of the



Mr Robert Sant

enabling tools for Free Route Airspace, was declared operational. MTCD has been implemented at the Malta ACC on an operational trial since 2017. A number of minor issues were resolved during this testing period.

Award for RNP Approaches

MATS received an award from the European GNSS Agency for the implementation of the RNP Approaches on non-instrument runways 23/05. These RNP Approaches have been available at LMML since 24 May 2018 and were instrumental in keeping the airfield open when, in February



SECTION REPORTS

Operations CONTINUED



◀ 2019, Malta was hit by a particularly fierce NW'ly storm.

AERODROME ACTIVITIES

Runway closures, which have such a big impact on Tower operations, totalled 1,994 hours (equivalent to 83 days) in 2019. As documented in the Preferential Runway Scheme, RWY 13/31 is the main runway for IFR traffic, with RWY 23/05 dedicated for VFR traffic.

As soon as this arrangement is compromised, both IFR and VFR movements shift to one runway,

increasing the complexity on Tower operations. Furthermore, infrastructure works also have an impact on the standard taxi routing scheme, which is designed to segregate inbound/outbound movements on the airfield.

The OPS Section engaged Airsight to assess firework activity effecting Runway 13/31 in 2019. The study revealed that, from a PANS OPS perspective, there are no mitigation measures possible unless the fireworks let-off sites move outside the take-off path of RWY 31 or new departure procedures are established with much higher design gradients.



SECTION REPORTS

Operations CONTINUED

RUNWAY CLOSURES IN 2019

Reason for runway closure	RNW 13/31 (hrs)	RNW 23/05 (hrs)
Fireworks	61	158.5
Obstacles (cranes) in the vicinity	11	54
Drone activity	38	19.5
Engine runs	7	135.5
Grass cutting	53	40
PAPI lights out of service	–	9
Survey works	19	28
Aerodrome infrastructure works	902	455

The above is a breakdown of the reasons for the runway closures.

PROJECTS COMPLETED

Clean Flight 2

Clean Flight 2, a project funded by the Malta Council for Science and Technology, and led by the University of Malta, relating to the development of a tool to facilitate aircraft flying more efficient climbs and descents, thus reducing fuel burn and emissions, was concluded in January. A final public event explaining the concept was held on 23 January at the University of Malta Valletta Campus.

The OPS Section has been involved in this project since 2015, when MATS recognised that this was a positive concept and engaged in it from the outset.

It worked in detail on the Air Traffic Control Concept of Operations, in particular to assimilate current scenarios and practices from the stage following take off to the Top of Descent and vice-versa.

Together with the UoM, the OPS Section was also involved in the development process of the Human Machine Interface (HMI) tool to make it as user friendly as possible for ATC use.

In January 2019, MATS participated in simulator sessions involving SH ACC and the Air Traffic Controllers, who worked different sectors of ATC, ranging from Tower to Approach to Area. These simulations were performed at Simliner Malta using the A320 full flight simulator and the participation of MATS ATCOs ensured that all views were practical and the concept was manageable.

SECTION REPORTS

Operations CONTINUED

Dingli PSR/MSSR

The implementation of an advanced en-route PSR in 2019 enabled PSR coverage in the Malta West sector, plus improved real-time weather capability in the Malta TMA since a weather channel was incorporated. The new Dingli MSSR, which will replace the current MSSR, will also be the last MSSR radar to be implemented in Malta.

Drome road survey

Infrastructure Malta together with PWC organised an aerial survey of the roads across Malta and Gozo. The drone operations required heavy co-ordination for the implementation of several restricted areas around the Island on a daily basis until the project was concluded in April.

Although there were instances when airport operations were impacted, the disruption was kept to a minimum.

ATM Fallback system upgraded

A third tier of the ATM system back-up for contingency operations was implemented in the ACC during the first week of June. This project, which was co-ordinated with the Technical Section, involved several steps to remove the old Fallback display from the operational position and introduce the new Fallback system.

The new Fallback system has been enhanced with new 30-inch (ACC positions) or 2Kx2K (APP position) displays and a KVM extender to support higher resolution over fibre optic.

New AMS at MIA

Malta International Airport launched a new Airport Management System (AMS) in September, which has since replaced the SMART tool. This updated interface allows ATC to update landing/departure time in real time.

The implementation of an advanced en-route PSR in 2019 enabled PSR coverage in the Malta West sector, plus improved real-time weather capability in the Malta TMA since a weather channel was incorporated.

The new AMS encountered a lot of teething problems and required a high level of monitoring. Briefings were organised for Tower Controllers.

Reduced lateral separation

Preparatory work for the implementation of a reduced horizontal separation minimum from 10 NM to 5 NM in the West Sector, planned for the end of January 2020, was concluded in 2019. This project harmonises the application of surveillance separation to 5 NM in the West Sector and TMA sector, improving efficiency and doubling capacity.

The preliminary work for the Reduced Lateral Separation Minimum project involved MATS engaging Eurocontrol to review safety net parameters and MTCD system parameters required. The results received were positive and indicated that the reduction of lateral separation to 5 NM in the West sector was possible.



SECTION REPORTS

Operations CONTINUED



← A system customisation was required, several simulations were conducted and documentation was updated. This airspace update was also co-ordinated with neighbouring states.

IRIS Project

An additional layer of surveillance data was introduced over the East Sector in December 2019. Automatic Dependent Surveillance Broadcast (ADS-B) surveillance data is being transmitted from a ground station in Kithira.

ADS-B is a surveillance technology in which an aircraft determines its position via GNSS and periodically broadcasts it, enabling it to be tracked. Besides its position, ADS-B technology allows the

aircraft to transmit other information obtained from on-board systems, including altitude, velocity and identification.

Contrary to Primary and Secondary surveillance technologies, ADS-B does not use interrogation signals from the ground.

ONGOING PROJECTS

Searidge

A new mast was erected close to the Safi Aviation Park in February to be used as a platform for additional new HD cameras. These cameras will provide visual coverage of Taxiway Bravo and the

SECTION REPORTS

Operations CONTINUED

← Upper Safi Aviation Park, which are both currently not visible from the Control Tower.

The network switches, needed to upgrade the entire Searidge network infrastructure, arrived in April and the project picked up momentum once again. Since the network switches were delivered directly to Malta from Canada, the factory acceptance test (FAT) was performed here. This should also give a better indication of how the cameras will perform in their local environment.

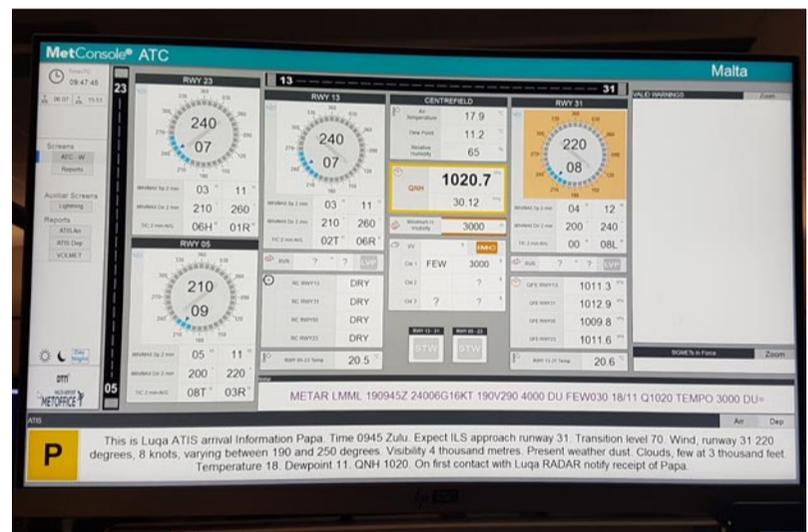
Night vision cameras were delivered in September and between October and the end of the year regular WEBEX meetings were held with Searidge to discuss final preparations and requirements for the FAT early in 2020.



INTRAC Phase II

The second phase of the project to implement Required Navigation Performance (RNP) Approaches on all the four runways at Luqa Airport was launched with an OPS working group delegated with responsibility to review and assess the airspace design options for RWY 13/31.

This project experienced an unforeseen delay due to project prioritisation and rostering issues with the WG. The INTRAC Phase II project will be the main project for 2020.



AWOS upgrade

The Met Office at MIA contacted MATS at the end of 2018 to advise that it intended to upgrade its Automated Weather Observations System (AWOS). This included a change in the system infrastructure, added redundancy, including dual wind sensors, and a software upgrade of the operating system and HMI Met console.

Discussions on the implementation plan started with MIA in April. The new HMI was demonstrated for the first time in June and two safety assessments, one by MIA and the other by MATS, were conducted in September to safety assess the transition process from the old system to the new system. A →

SECTION REPORTS

Operations CONTINUED

← terminal was also installed in one of the server rooms for demonstration purposes to the ATCOs.

The new system was installed in a number of controller working positions (CWP) to conduct the parallel run with the intention to provide additional testing, familiarisation and interaction with the system. During this period, the old system was still being used as the main operational system to provide meteorological information.

Between November and the end of the year, the project shifted to the shadow run phase. The new system is now installed in all CWP and is being used as the main operational system, while the old system is now operating as a shadow (back-up) system. The old system will be decommissioned once the remaining issues in the new system have been resolved and the new system is considered stable.

Tablet PCs for OPS

The project to supply, set up and configure tablet PCs to ATCOs in the OPS Room and the VCR is in its final stage. The tablet PCs will give ATCOs access to applications like Centrik, enabling them easy access to Operational instructions, NOTAMs and daily events, and provide them with a more modern, paperless information resource.



A number of applications are being developed in-house for these laptop PCs, including logging of local VFR traffic, which is currently being done manually, and online information resources, such as an aircraft database. More apps are also being developed. The tablet PCs should be in service in the first quarter of 2020.

EU-FUNDED PROJECTS

SESAR Project PJ10.05

The final input of the OPS Section in this project to integrate Remotely Piloted Aircraft Systems (RPAS) in non-segregated airspace was to take part in the final two separate simulations on mainly RPAS unusual and emergency situations. The objective was to evaluate the effect of loss of C2 link and verbal communication with one or more RPAS, the use of specific surveillance code and the importance for the ATCOs to be aware what procedures the RPAS would follow during these situations.

The simulations covered the west sector of the Malta AoR and the south sector of Rome AoR. These were performed in February and March together with the involvement of ENAV ATCOs using the facilities of the Eurocontrol Experimental Centre in Bretigny, France.

The simulations (seven in total) were a success and MATS OPS received praise for its involvement, professionalism and valuable input.

GRADE project

The final, real time simulations and flight trials for this Very Large Demonstration project were performed in October. Its objective is to demonstrate the applicability to General Aviation (GA) and Rotorcraft (RC) of the concepts developed through the SESAR programme, to enable the integration of GA and RC into the airspace and

SECTION REPORTS

Operations CONTINUED

← the airports where the SESAR concepts and technologies are implemented.

Again, the input by MATS OPS involved refining ATC procedures and air traffic control. A section head and two ATCOs took part in these trials, which involved an experimental aircraft performing RNAV approach procedures and GNSS curved and continuous descent procedures.

These trials demonstrated that these approaches may be performed by aircraft equipped with non-certified or specific on-board equipment, in this case in the form of an off-the-shelf tablet PC. During these trials HMI, pilot and ATC workload, situational awareness, equipment reliability and other performance factors were evaluated.

UOM PROJECT

SATMET

SATMET (Situation Awareness and Traffic Management for Engineless Taxiing) is an R&I project being conducted by the University of Malta in partnership with a local IT company and MATS that was ongoing and is expected to be completed in 2020. It aims to create a solution to address current challenges related to aircraft taxiing procedures on taxiways and aprons. The project aims to address three specific challenges, namely:

- **Obstacle detection** – developing sensing technologies and algorithms that can be used to detect and track generic obstacles around aircraft and tow trucks to prevent accidents in the manoeuvring area;

- **Taxiway line detection** – developing image processing algorithms to determine the position of an aircraft relative to the centre of a taxiway in all weather conditions. This information can then be used by pilots to steer the aircraft towards the taxiway centreline. The same technology can also be applied to the autonomous tow trucks to ensure that they follow the taxiway centreline.
- **Tow truck fleet management** – developing a decision support tool for ATCOs and ground handlers to manage the operation of a fleet of autonomous tow trucks used to tow aircraft between the gate and the runway (or vice-versa). The core of the tool will consist of optimisation algorithms for routing, scheduling and conflict detection and resolution. On the other hand, the front end will consist of a Human Machine Interface (HMI) to allow the users to interact with the tool.

MATS was involved in providing feedback and input through two Air Traffic Controllers who guided the software developers whenever proposed solutions needed to be improved or changed since they were either not feasible or did not reflect the current traffic situation in LMML.

The ATCOs' input helped make the final product better suited for it to be applied at different airports, including giving a better insight into the taxi route schemes in place at Malta International Airport since the developers were not familiar with them at first and were proposing routes that did not apply to the current aerodrome scenario.

SECTION REPORTS

Technical Support

The Technical Support Section gives all the necessary logistic support to Air Traffic Operations relating to Communication, navigation and surveillance. ICT, general projects and civil works projects also fall under its remit.

COMMUNICATION, NAVIGATION AND SURVEILLANCE

AMHS

A new Aeronautical Message Handling System (AMHS), acquired from the manufacturer in 2018, passed the second factory acceptance test (FAT) during a visit by members of the Technical team in April 2019.

The main reason the system failed the first FAT in October 2018 was a compatibility issue of the VMware running on the HP DL380 Gen10 servers, causing the servers to reset and behave erratically. The impression given was that of hardware reliability issues.

Also, during the FAT, network security issues were noticed. One was related to the vulnerability of the two installed automatic power transfer static switches and the back-end LAN connecting the user terminals to the servers.

The other major issue was the exposure of the back-end servers/LANs to internal attacks, whether intentional or not. Finally, there was the requirement for the servers and databases to be able to be backed up on tape, which was not available at the time.

The back-end security issue took longer to resolve since it involved a topology change. The goal was to mitigate the issue while avoiding a thorough topology change. The main aim was to gain time, lower the cost of the intervention by trying to



Ing. Jesmond Farrugia

avoid costly hardware additions and convince the manufacturer that this was necessary since they had a different interpretation of the security arrangements.

It was agreed in March 2019 that MATS would propose the re-arrangement in the topology and jointly implement the redesign with the manufacturer's Network and Systems engineers in an appropriate five-day workshop (comprising testing) to be held at the manufacturer from 25 to 29 March. The visit was also intended to give the opportunity to pen-test the new implementation

SECTION REPORTS

Technical Support CONTINUED

◀ in lieu of (following a successful pass) of the planned preFAT, agreed for 8-12 April 2019.

The redesign was subsequently carried out by MATS Technical personnel, successfully discussed during the workshop and implemented during the visit to the manufacturer in March.

The new system has now been successfully installed and, by the end of the year, inter-operability testing with other neighbouring ANSPs had begun.

Contingency system

The contingency system project was passed on to the Technical section in October 2019, pending the outcome of the Planning Authority (PA's) decision to allow the installation of a wooden 27.5-metre mast at the Fawwara radar site. The plan contemplated the housing of all radio transmitters and receivers on this mast, with remote interfacing and VOIP control through a separate system at the Tower in Luqa.

Successively, PA gave a favourable decision in mid-December 2019. In consideration of previous experiences in other sites, the Technical section intends to move away from a one-site-fits-all approach and to diversify the various transmitter and receiver sites according to the exigencies of the service.

The aim is to:

1. afford the maximum sensitivity to the receivers in the absence of nearby transmitters;
2. eliminate mutual interference between transmitters and receivers, and enable a less complicated installation at the Fawwara site, considering the lack of available space to house equipment, cabling, filters and associated back-up infrastructure; and
3. enable the recovery of neglected sites that

would serve MATS for other immediate and future projects.

The above reasoning thus required a number of other sites to house the various contingency frequencies.

SURVEILLANCE AND DATA PROCESSING

Dingli PSR Radar

Perhaps the company's major project for 2019, despite the difficulties encountered, the Dingli primary surveillance radar (PSR) project, was concluded successfully by year end. This project progressed through a failed site acceptance test (SAT), which had to be repeated in the summer months. For this SAT, Leonardo invested heavily, and, at the critical instances, they swarmed on the equipment to ensure a positive outcome.

The Intersoft evaluation was also successful and it was followed by a challenging SASS-C evolution. The Dingli PSR radar is now operational.

ADS-B in Lefkas, Greece, and Fawwara, Malta

A delegation from MATS attended a meeting at HCAA to confirm our plan to deploy an ADS-B Ground Station on Lefkas.

Despite the workload, the ADS-B project has started and site visits to Lefkas and Fawwara were organised. The survey reports were submitted by the manufacturer and we reviewed them. The start-up actions are planned for 2020, after which we should conduct the installation phase.

Ustica Radar

A Technical Report on the Performance Capabilities of Ustica Radar was compiled after this radar was upgraded. The report recommended Ustica Radar for operation, following three months of data ▶

SECTION REPORTS

Technical Support CONTINUED

analysis. The radar was eventually reintegrated and, based on this recommendation, the PSR Targets were also re-enabled.



Ustica Radar

New ATM system

The Technical section continued to work in 2019 on the outstanding milestones to accomplish the objectives set in the original safety assessment related to the ATM system upgrade.

Upgrade of the Fallback System

The fallback (FLB) system upgrade was successfully completed in June. The technical requirements were completed in the first quarter of 2019. The architectural design of the FLB system was developed entirely by the MATS Technical section. A new, independent UPS system was introduced to increase the resilience of the system, especially in case of severe failures on the main UPS systems.

The technical and operational procedures and associated briefings were performed between April and May, and the migration was eventually completed on 5 June.

Subsequently, the old FLB system was decommissioned, and the equipment removed from the OPS Room. This brought the ATM system upgrade project to a successful close.

Migration of Lefkas and Kithira radar data

The provision of air traffic services in the East sector of Malta's FIR is entirely dependent on the continuous flow of data from Greek radars, particularly the Kithira SSR. Interruptions of service from this radar site result in the closure of important airways and the re-routing of traffic.

In 2018, the Greek ANSP (HANSP) requested the telecom service provider in Greece to replace the aging radio link equipment in Kithira to be able to support the transmission of ASTERIX data over Ethernet. This was an important upgrade since it would have enabled us to migrate from the legacy AIRCAT500 format, which is around 40 years old, to the richer, modern ASTERIX data format.

Since the introduction of ASTERIX from Kithira and Lefkas in October 2019, the track stability improved significantly.

Integration of ADS-B in the operational environment

The integration of Kithira ADS-B Ground Station on the operational ATM systems was one of the biggest achievements for MATS in 2019. We have been waiting for this additional layer of surveillance in the East sector for many years and we are pleased that we managed to meet this important milestone.

The process involved a lengthy and detailed analysis of ADS-B data from Kithira over six months to ensure it is configured and then see the result of the configuration. Talks were held with Eurocontrol to share this data to compare the ADS-B data with radar information.

Failures on the site power generation and communication infrastructure will affect both the radar and ADS-B systems and will still result in the re-routing of traffic. This issue will be resolved

SECTION REPORTS

Technical Support CONTINUED

← once MATS installs its ADS-B Ground Station in Lefkas, since we would have dual ADS-B coverage in the East sector up to ARLOS.

Despite the limitations caused by the common site, we should still be proud to be one of the few ANSPs in Europe that is using the contribution of ADS-B sensors for operational use.

Implementation of RAID configuration on Operational ATM servers

To improve the resilience of the system, enable continuous operations and minimise down time, it was decided to implement the RAID configuration on all the operational servers: OPS, SBS, FLB and SIM. This was a massive job since every server on the system was reconfigured.

In case of a hard disk failure, the servers can now continue to work on the healthy disk. The faulty disk can be replaced without interrupting the service and is rebuilt automatically by the operating system, a process that is completely transparent to Operations.

Reduction of separation minima in the West sector

The Operations section is leading a project intended to reduce the lateral separation minima in the West sector from 10 NM to 5 NM to increase the efficient flow of traffic in the West sector, especially between ACC West and Approach.

This project to double the amount of traffic MATS can handle required the support from the Technical section both for the surveillance aspect and to apply the associated changes to the ATM system.

This was a massive job involving updating MTCD separation criteria parameters in the West air zone volumes, in association with consultants from Eurocontrol. The task of the Technical section is now



to ensure the equipment continues to work efficiently according to the new criteria.

ATM simulator

Further progress was made in 2019 on the LEONARDO Hi-fi Simulator system to accommodate the increasing load from trainees. Thanks to the continuous support from LEONARDO, we managed to improve both the performance and the stability of the system.

The JSI and ATG applications have been upgraded to support the processing of the speed expressed in both TAS and IAS. The solution enables the ATG to process the original scenarios where the speed values inserted in the APD (Aircraft Performance Database) was expressed in TAS.

The new JSI and ATG applications enable the insertion and execution of exercises where the speed values in the APD are expressed in IAS. →

SECTION REPORTS

Technical Support CONTINUED

← MNET

As in the previous year, MNet took the vast majority of the ICT Section's resources in 2019. Starting from a blank sheet three years ago, this has been a very tough challenge.

Dingli DER Link

The Dingli DER link to Luqa Tower is the flagship connection of the MNet point-to-point design since it is the most critical. The implementation is complete, has been tested, documented and found to work reliably.



The same toolkit owned by the SH ICT has been used to perform an initial penetration test, even though the implementation concentrates on the data delivery and integrity aspects and carries only basic ACL-based firewalling. A small number of device-related vulnerabilities have nonetheless been identified and rectified accordingly.

Training has been provided to all ATSEPs on its basic, day-to-day running as requested during the relevant safety case and the system is expected to go into operational use in early January 2020.

Gozo VOR Link

The Gozo VOR link to the Luqa Tower was successfully completed and put into operational use. Although this link relies on a single fibre connection provided by one CSP (since procuring a second fibre from a different CSP was prohibitively expensive and the company decided not to go for it), the same core design employed in the more critical Luqa-Dingli link was utilised to make the link as secure and stable as possible.

Monitoring is ongoing to ensure the link's stability and it is much better than the old analogue link that relied on copper lines that had rusted and caused noise when it rained.

newPENS

The newPENS project was another major project of 2019, beginning with the basic topology design for which the SH ICT insisted with BT to have a dual-POP, dual CSP set-up to maximise resilience. In an island state such as Malta with a single ACC, further complicating matters, this is of utmost importance.

The process of migrating services currently running on the PENS network is now in progress after the newPENS was installed in 2019. The Eurocontrol services, namely CHMI and ETFMS, are expected



SECTION REPORTS

Technical Support CONTINUED

← to be completed in Q1 of 2020, followed by EAD shortly after.

MATS Corporate ICT

The topology of the core subnet has been redesigned to cater for the considerable increase of data file traffic within the corporate office block, especially after the capacity of the file servers was expanded. Additionally, the file replication topology has been updated to be in line with that of the underlying network, solving the issues related to the syncing of files.

Once this was done, no more issues were noticed. However, a process was then launched to rectify the file-related issues caused before the upgrade since, although the topology redesign prevented new issues from occurring, those already present still needed to be amended.

Individual meetings were held with every affected user of the system and any un-synced files were manually synchronised. The issue did not reoccur up to the end of the year, confirming that the proposed solution was effective.

INFRASTRUCTURE

The infrastructure section was fully taken up in 2019 with closing some of the active projects. The three-way standby generator and two brand new UPSes were installed and fully operational at the ATC. This project was severely affected, timewise, due to the triple lightning strike occurrence in 2018.

This occurrence forced Technical management to re-evaluate the project to take into consideration the eventuality of such an unlikely event. A full investigation was undertaken to find out how the lightning penetrated the set-up and how it travelled along the system to cause the outage.



As a result, the two UPSes were placed in separate rooms, with each room having its own external synchronised bypass switch, which is again located in a separate confinement area. All changes had to be carried out slowly to cause minimum disruption to Operations at the Tower.

The completion of the ATC project enabled the company to transfer one of the old generators to Dingli to complete the dual generator configuration at that site. All sites are now backed up by a dual generator configuration.

New recruits

This is an ongoing process for all levels within the Technical section. As regards the ATSEP community, six additional ATSEP Trainees were employed to replace a group of ATSEPs who will be retiring over the next decade. They all attended MCAST and are graduates.



SECTION REPORTS

Technical Support CONTINUED



◀ Recruitment will continue in 2020 since we intend to increase the complement during the day-to-day work on projects and perform system analysis, which goes beyond the standard maintenance procedures.

Succession planning at management level has been set and agreed within the company and the plan will start being implemented in 2020. It is thanks to the excellent Technical team that solutions are found.

A new mindset has been adopted, even in the Technical section Workshop, to adopt an engineering mentality rather than one that does fire-fighting

when things go wrong. The team spends time analysing data and the results are apparent.

There is still room for improvement, but the change is yielding the desired results and will continue to do so over time as this challenge continues to be overcome.

New ATCC

Planning efforts by the Technical section for the new Air Traffic Control Centre were continuous during 2019. The section was present throughout, giving its input and ensuring the smooth workflow and better organisation of the space within the new ATCC.

SECTION REPORTS

AIM and Training

The AIM and Training Section ensures that all the necessary training required to maintain the rating of key staff members is maintained, delivers and organises the training for new recruits and ensures that there is a career path for all joiners.

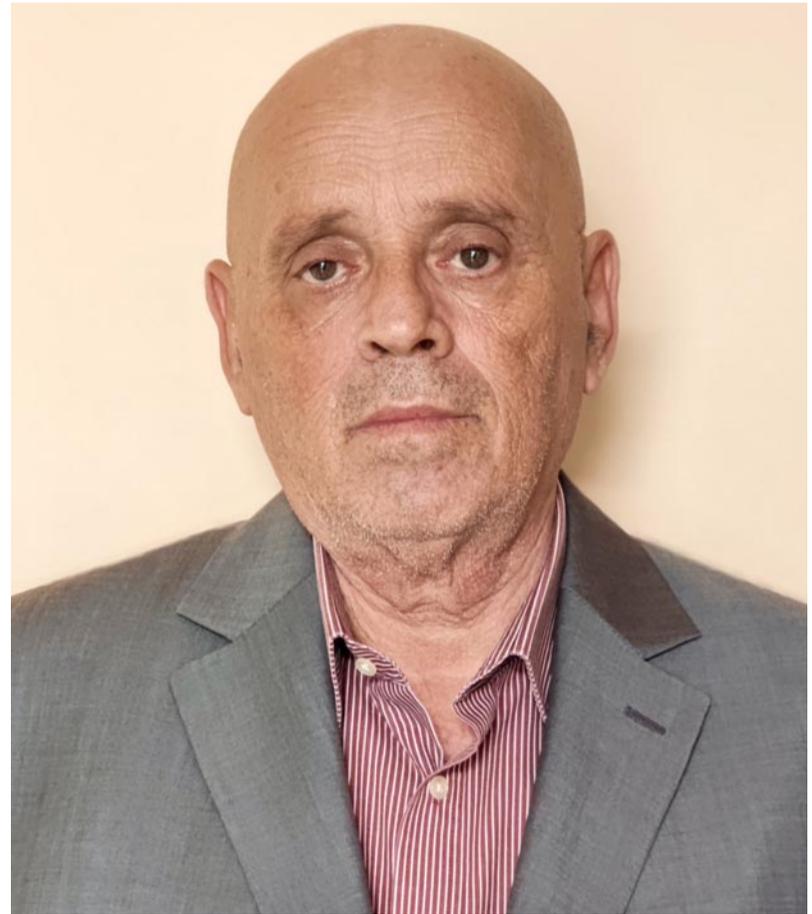
Total training delivered to Malta Air Traffic Services employees in 2019 amounted to an unprecedented 1,254 man-hours. This compares to just under 600 hours in 2017 and around 600 for 2018. All departments were involved, with one programme being delivered to every single member of staff.

SPOT training

The greatest achievement by the section in 2019 was SPOT (Standard Procedures and Operational Training), which was delivered to all 53 air traffic controllers (ATCOs) for the first time. The planning phase for the delivery of this training programme started in 2018.

A full week was dedicated to trying out the exercises and fine-tuning them, thanks to feedback from the instructors and assessors. Once the exercises were compiled, they were run on a basic simulator in Malta and then sent to the Czech Air Navigation Institute (CANI), which translated them into their own simulators.

The ATCOs then proceeded for training at CANI, where they could practise using Maltese airspace and air traffic with local radar data. Some controllers



Mr Anthony Haidon

needed validation for Approach, Tower and Area, which took four or five days. Total SPOT amounted to 219 man-days of training.

The staff at CANI are extremely helpful and accommodating. MATS is building an excellent working relationship with them, with any changes and updates being uploaded immediately. They sometimes come up with proposals and suggestions themselves, which is an indication of their experience.

Selection testing

The remaining hours of Selection Testing from 2018 were delivered, with three ATCOs following the Basic and ADI training. On their return to Malta, they received their pre-OJT.

In addition, another training programme, APS (Approach with Surveillance), which was meant



SECTION REPORTS

AIM and Training CONTINUED

← to be delivered in 2018 but could not because of a backlog of work and the unavailability of the training position, was delivered in 2019 to five ATCOs. It was also later validated.

ATSEP training

Four ATSEPs attended two days of Qual (qualification) training overseas. Other training for ATSEPs included on the CENTRIK system that is being introduced in 2020, the ADSB, the AMHS system and general training.

Stress and fatigue

A half day of awareness training in Stress and fatigue was delivered by Dr Gottfried Catania, Deputy Head of Department of Psychology, Faculty for Social Wellbeing from the University of Malta, for all members of staff – 140 employees. Reference was also made during this session to Critical Incident Stress Management.

Planning began in 2019 on restructuring the training set-up at MATS, which will be implemented in 2020, including the moving of the simulators to a larger room.

COURSE	Number of participants	Duration (days)	Total Man Days
SPOT	53	4	212
ADI Pre OJT	4	10	40
APS PRE OJT	5	10	50
ADSB T	1	3	3
AMHS T	22	10	220
SAF FAT	5	1	5
SAF CHG BASIC	3	1	3
SEC MS	2	3	6
SAF SAS 1	1	3	3
SAF CHG INTRO	3	4	12
CENTRIK	14	1	14
HF CASE	1	4	4
HUM CCA	1	5	5
ATCO TRM	32	3	96
CMS T	8	2	16
SYS ARC T	3	3	9
REC&PLB T	3	3	9
LINUX T	10	4	40
SAF SMS A	2	3	6
ARTAS	2	5	10
MHA	9	2	18
ATSEP TRM	20	3	60
HUM STRESS	1	1	1
HUM MNG	1	1	1
SAF SASS 3	3	2	6
SUP TEAM	20	1	20
STRESS AND FATIGUE	140	.5	70
ATCO BASIC	3	50	150
ADI	3	40	120
AIRBUS SIM AWARENESS	33	.5	17
FIRE WARDENS	29	1	29
TOTALS	437	184	1,254

SECTION REPORTS

Safety, Quality, Security and Compliance Management

Safety, Quality and Security Management at Malta Air Traffic Services was set up 14 years ago. In 2017, the area of Compliance was added to ensure that all regulatory matters that may affect the SES ANSP certification of MATS fall under the management systems umbrella. This was done to maintain an internal oversight activity of the regulatory provisions.

POWER IMPROVEMENTS

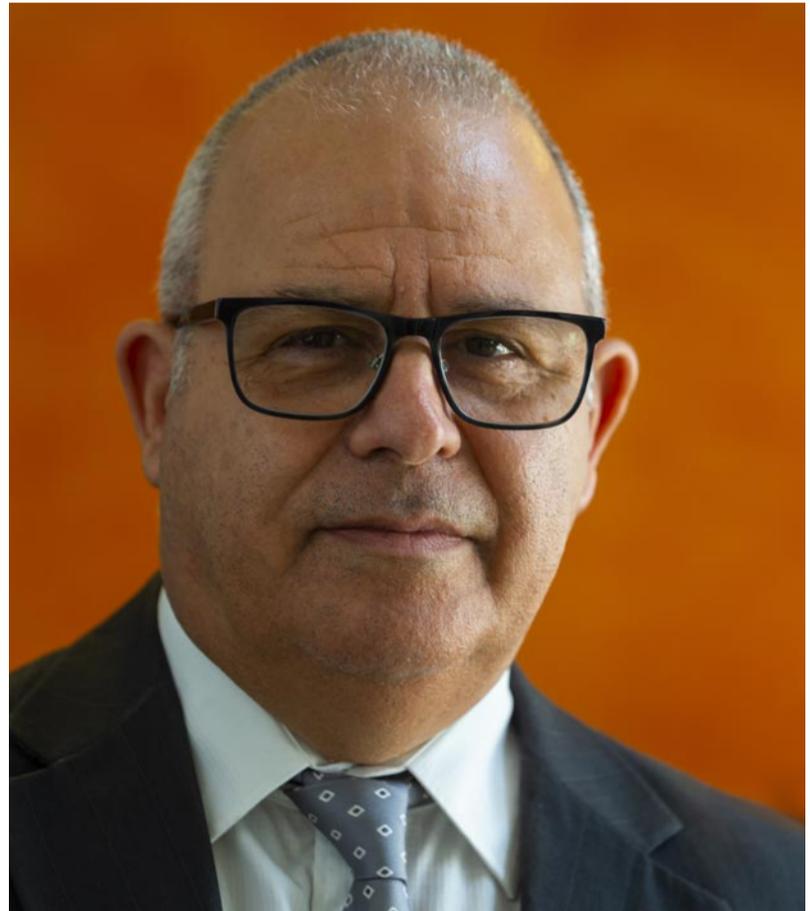
The major project handled by the SQS and Compliance section in 2019 were the safety cases related to the completion of the project to improve and standardise the power supply set-up at all the MATS sites. The biggest improvement was the total revamp of the power supply system of the ATCC.

The power supply set-up of the ATCC is now achieving N-2 capability thanks to the redundancy in generators, and the new state-of-the-art UPS units. Another level of redundancy in power is afforded to the Standby Backup System (SBS) with a dedicated genset and a new UPS over and above to accomplish the N-2 capability. This new set-up provides the necessary peace of mind in case of national grid power outages and the necessary autonomy.

Another linked project is the safety cases to upgrade the ATM fall-back N-2 systems (survival system) within the Ops Room, which now mirrors the main ATM system, in terms of HMI. It only lacks the FDP facility. This project and its safety assessment were another excellent collaboration between all MATS sections.

ADS-B SERVICE

Another innovation is that, for the first time, MATS have an ADS-B surveillance layer in its Surveillance



Mr Francis Bezzina

portfolio covering the ACC EAST sector using a station in Kithira, Greece. This was one of the main achievements because the EAST sector was basically only supported by the Radar of Kithira and another Radar sensor at Lefkas offering partial coverage.

With the addition of the ADS-B we have increased the capability in terms of surveillance in the ACC EAST sector. More ADS-B stations are planned to be installed locally and abroad to ensure that the ADS-B surveillance layer covers the entire Maltese FIR (AoR).

SQSC conducted a highly detailed safety assessment, supported by detailed documentation from the Technical and Operational sections. This safety case had to be engineered with a lot of detail and testing because this was a completely new surveillance layer for MATS ATC Operations. 

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED

← This proved to be the one of the biggest challenges for the SQSC section in 2019 since MATS had to provide ample backing evidence to convince the NSA that it had sufficient resilience and backing evidence for an acceptably safe introduction of the ADS-B surveillance with credibility and resilience coming from the extensive testing and monitoring done in line with expected signal quality and reliability.

A lot of testing was conducted with Eurocontrol and an ARTAS expert from Austria supported the MATS Technical Section during the entire testing phase. MATS is now supporting Eurocontrol doing analysis using data extracted from the testing conducted by MATS. Testing and monitoring are an ongoing process, which is now also shared with Eurocontrol.

So, for the first time the ACC East Sector has an ADS-B back-up if the data from the Kithira Radar is not available. This project of covering with ADS-B capability the entire airspace is still ongoing.

DINGLI PRIMARY RADAR

Another big challenge was that MATS has now practically completed the primary radar project at Dingli. The radar is ready, and its weather channel is operating. However, the target channel is still being tuned up and, once this slow process is concluded, it will also be put online after the extensive testing is concluded.

R-NAV APPROACH PROCEDURES

Two other major milestones were the completion of the R-NAV approach procedures, which are now fully applicable on the four runways. When in February 2019 a big storm hit the Maltese islands and runway 31-13 could not be used, runway 23-05 was used as an instrument runway applying R-NAV. This was a big milestone for MATS because, with the availability of the R-NAV approaches, all aircraft landed without the need for diversions to Sicily. →



SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED



← The project to convert all voice communications to VoIP was completed with ENAV of Italy and HCAA of Greece. Similarly, VoIP communications were established between the ATCC at Luqa and the Dingli station. MATS has now switched completely from analogue to digital communications and is in line with the current technology being offered by all ISPs. This was another landmark safety assessment covering a complete changeover in technology.

17TH BLUE MED FAB GOVERNING BOARD MEETING

On 5 July, 2019, the 17th Governing Board meeting of the BLUE MED FAB was held at the Grand Hotel Excelsior in Malta, with the participation of more than 20 representatives from the four FAB member States (Italy, Greece, Cyprus and Malta) and – for the first time – from the Republic of North Macedonia.

As specified in the State Level Agreement, which enshrines ways and aims of co-operation between the four member states, the BLUE MED FAB's

objectives also include the possibility for non-EU member states to co-operate with the FAB, in a reciprocal exchange of benefits and best practices.

Among the topics on the agenda were: the intention to sign at GB level the 'Just Culture Declaration' prepared jointly by the FAB's 'Safety Aspects Working Group' and the International Trade Unions and Professional Staff Associations (ATCEUC, ETF, IFATCA, IFATSEA); a reflection on the implications of the entry into force of Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and repealing Implementing Regulations (EU) No 390/2013 and (EU) No 391/2013, which removes the requirement for states to submit a Performance Plan at FAB level, instead giving the faculty to opt for a national performance plan; and the presentation of expectations of co-operation with the FAB by the North Macedonian delegation, made up of representatives from the national ANSP, the Civil Aviation Authority and the Ministry of Transport.

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED



← EUROCONTROL SAFETY TEAM MALTA MEETING

MATS SQSC section hosted a meeting of the Eurocontrol Safety Team and the CANSO-CESAF group in Malta during October 2019. The Eurocontrol Safety Team is a specialist advisory body established within the framework of Eurocontrol that drives safety innovation, improvement and lesson dissemination for the provision of Air Navigation Services in all the Eurocontrol member states and also external Air Navigation Service Providers that qualify to be members of the Safety Team.

Accordingly, the Eurocontrol Safety Team promotes, develops and supports effective European air traffic management (ATM) Safety Management; and provides support for the maintenance and improvement of ATM operational safety.

The CANSO-CESAF group operates in close co-ordination with CECM under the umbrella of the EC3

on all ATM matters related to safety. The CESAF team participates in an advisory group to support the development of European safety regulations and their implementation in close co-operation with EASA and the Eurocontrol ST. It is also the European arm of the CANSO Safety Standing Committee (SSC), which is the CANSO Global safety team. MATS is a member of the SSC and represented by the SH-SQSC.

Some 50 delegates attended the meeting which required months of planning. Thanks to the support from the CEO, the Board of Directors and the SQSC team, the meeting was a great success.

ISO CERTIFICATION

A full recertification of the MATS Management System to ISO 9001:2015, and in line with the preparatory groundwork on Regulation EU 2017/373, was carried out in November 2019. Simon Clark from Bureau ▶▶

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED



Veritas UK conducted a five-day audit, with the company achieving its continued certification without a single non-conformity.

This is the 14th year that MATS has achieved and extended the ISO certification without a single non-conformity.

NEW ANS COMMON REQUIREMENTS REGULATION EU 2017/373

The last six months of 2019 were devoted to tackling the new Regulation EU 2017/373 and the work needed to get the organisation in line with its

requirements. A Task Force was set up within the SQSC team to go through the requirements of each annex and embark on a process to get the company in line with requirements. The process is large, needing a lot of time and to achieve this milestone working teams were set up to support this complex initiative.

Apart from this team, another task force was set up, led by the SQSC Section to support the Technical Section, to review all the technical documentation to bring it in line with Regulation EU 2017/373. This process was extremely complicated. However, with a holistic approach moderated by the SQSC, the intended objectives were achieved, and the project is now concluded.

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED

← STRESS AND FATIGUE TRAINING TO ALL STAFF

The process of training the entire workforce in stress and fatigue risk management is now concluded. Dr Gottfried Catania from the Department of Psychology in the Faculty for Social Wellbeing of the University of Malta gave lectures to all staff, covering stress and fatigue and also training on the use of psychoactive substances and their effects. All staff were given a certificate of attendance.

A 12-page pamphlet on fatigue and stress management was prepared by the SQSC section and distributed to all staff. Another training programme delivered to all staff covered the Critical Incident Stress Management (CISM) process. This training was given by the CISM peers. The process is owned by the CEO. However, this activity was supported by the SQSC section. A dedicated flyer was produced and distributed to all staff

The leaflet suggests coping strategies and lists useful contacts, assuring full confidentiality.



A process has been initiated to offer the supervisor community from the Operations and Technical sections training on mental health first aid in a gradual manner, with a small number of supervisors already sent for this training being delivered by the Richmond Foundation.

In June, a FranklinCovey facilitator from the UK delivered training for front-line managers. This arose as a result of the recognition that first-level leaders make a significant impact on every dimension of their organisation's work: employee productivity and engagement, aircraft safety and transition through Malta's airspace, innovation, and performance. They are the creators and carriers of culture for their staff. The supervisors are the first-level leaders and the "difference-makers" of every organisation.

The programme – *The 6 Critical Practices for leading a team™* – is a solution designed to equip first-level leaders with the essential skills and tools to get work done with and through other people. The programme was designed for first-level leaders who need to transition successfully from individual contributors to leaders of others. It also applies to leaders who have been in their roles for some time and are looking for practical and relevant guidance on how to lead and manage their teams more effectively. This training was another success story for the SQSC section.

SAFETY PERFORMANCE

Effectiveness of Safety Management

The Effectiveness of Safety Management (EoSM) result for MATS conducted by EASA in 2019 resulted in 85% maturity. In 2020 the RP3 will kick in and, with it, EASA is launching a completely new EoSM based on the CANSO-Eurocontrol Standard of Excellence (SoE) for safety management. →

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED

← This is a new questionnaire already being run by CANSO and Eurocontrol within the member states, which is much more detailed, and the weighing of the results is completely different. In fact, it brings the final maturity levels down by around 10%, which in itself is another challenge to improve performance.

This new weighing system may cause apprehension if the results are measured with the same yardstick of the current EoSM, which in itself is a completely different questionnaire. This information needs to be communicated to all those analysing the maturity results to understand the difference between the two questionnaires and the ensuing results presented.

SAFETY CULTURE SURVEY

The Safety Culture Survey, conducted in 2018 by the London School of Economics in collaboration with Eurocontrol, is practically completed. Although the recommendations are being implemented, work was put a bit on the back burner until the work related to Regulation EU2017/373 was completed and the objectives accomplished.

Safety surveys

Three surveys were also conducted internally during 2019 to identify areas for continuous improvement of our service delivery. One, which according to Eurocontrol had never been conducted before, was a Survey on the Reading Culture of Safety Critical Staff. There were some highly interesting results.

A second survey dealt with Knowledge Management among the administration staff of all the sections at MATS. The third tackled the occurrence reporting culture of ATCOs, ATSEPs and AIM staff. This produced a positive picture of the reporting culture within the entire staff community at MATS.

HUMAN RESOURCES UPDATE

Johan Debattista was employed with the SQSC section as a safety specialist in April 2019. He is handling mainly the compliance and security pillars. He also supports the SH-SQSC in safety duties. Johan is also the co-ordinator for the MATS involvement in the management of the Safi Aviation Park.

CENTRIK PLATFORM

MATS is now moving to the TOTAL AOC CENTRIK platform. The SQSC section is now using the CENTRIK and this tool is the main support tool and repository for the section. It is not only being used by the SQSC, but all sections are moving in the same direction, depending on the resources available in each section. CENTRIK is also being used by TM-CAD, MIA and Local AoCs, facilitating the exchange of data between the entities. MATS expect to completely move to the CENTRIK platform during 2020.

NEW ATCC

The CIP directorate, AFM and TM-CAD were briefed on the latest developments related to the new Air Traffic Control Centre project. The plans are almost finalised, and the team of architects are now formalising the proposals that will soon be presented to the Planning Authority. The first step is the excavation works planned for the first quarter of 2020.

The SQSC section is involved in the preparatory work for the safety assessments, the security set-up and supporting risk assessments, the quality aspects, monitoring, auditing and surveying, as necessary. It will be another huge task for the SQSC section when the project commences rolling forward. →

SECTION REPORTS

Safety, Quality, Security and Compliance Management CONTINUED

← SAFETY OCCURRENCES AND INVESTIGATIONS

The following is the list of occurrences gathered by MATS:

OPERATIONAL OCCURRENCES	
Type of occurrence	Number of occurrences
Bird Strike (BS)	10
Non-adherence to ATC instructions (including TWY and TXL incursion)	6
Radio Communication Failure (RCF)	6
Drones	6
Laser	5
Runway Incursion (RI)	3
Accident	3
Fireworks	3
Separation Minima Infringement (SMI)	0
ATM system security/safety related issues	0
Total reported Occurrences	42

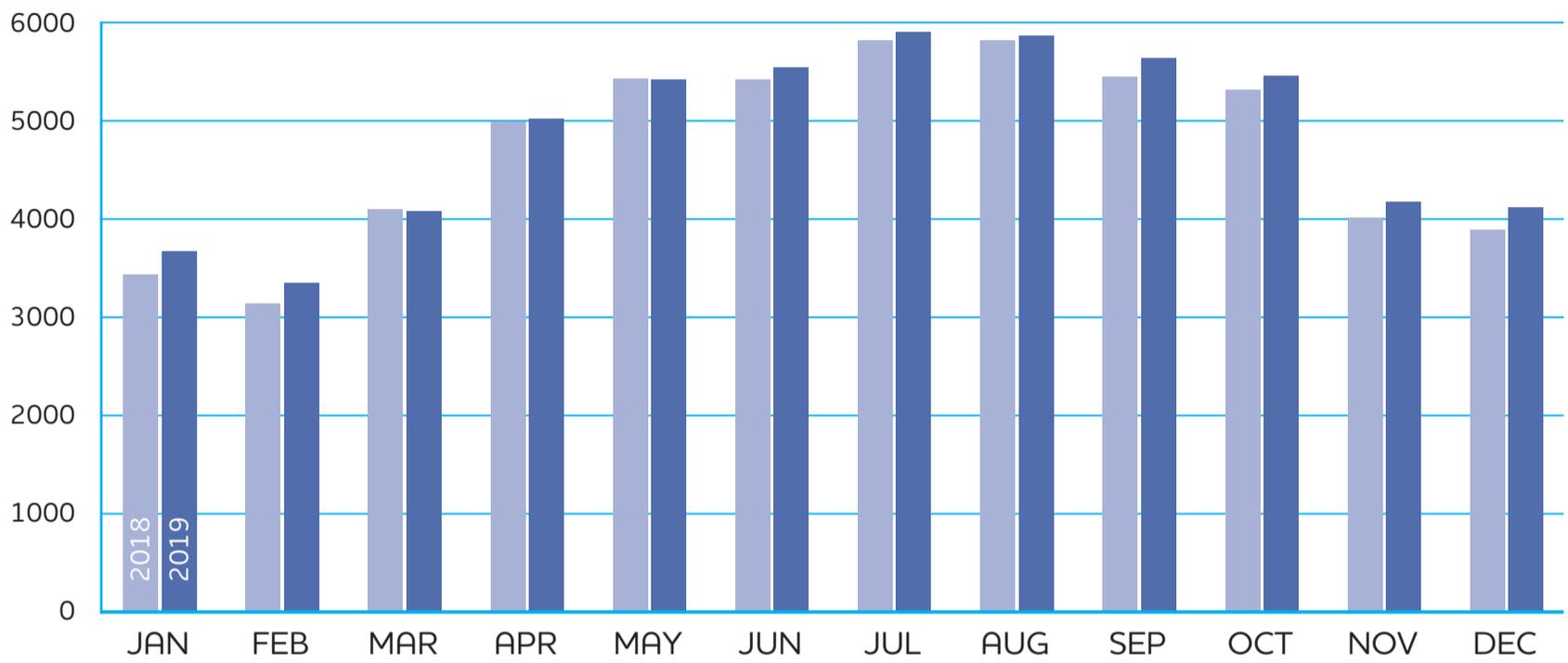
TECHNICAL OCCURRENCES	
Type of occurrence	Number of occurrences
Data Processing	15
Surveillance	13
Communications	12
Infrastructure	1
Navigation	0
Power	0
SEC	0
MET	0
ARS	0
ICT	0
Total reported Occurrences	41

OCCURRENCE REPORTS THAT QUALIFY FOR A RAT EXERCISE

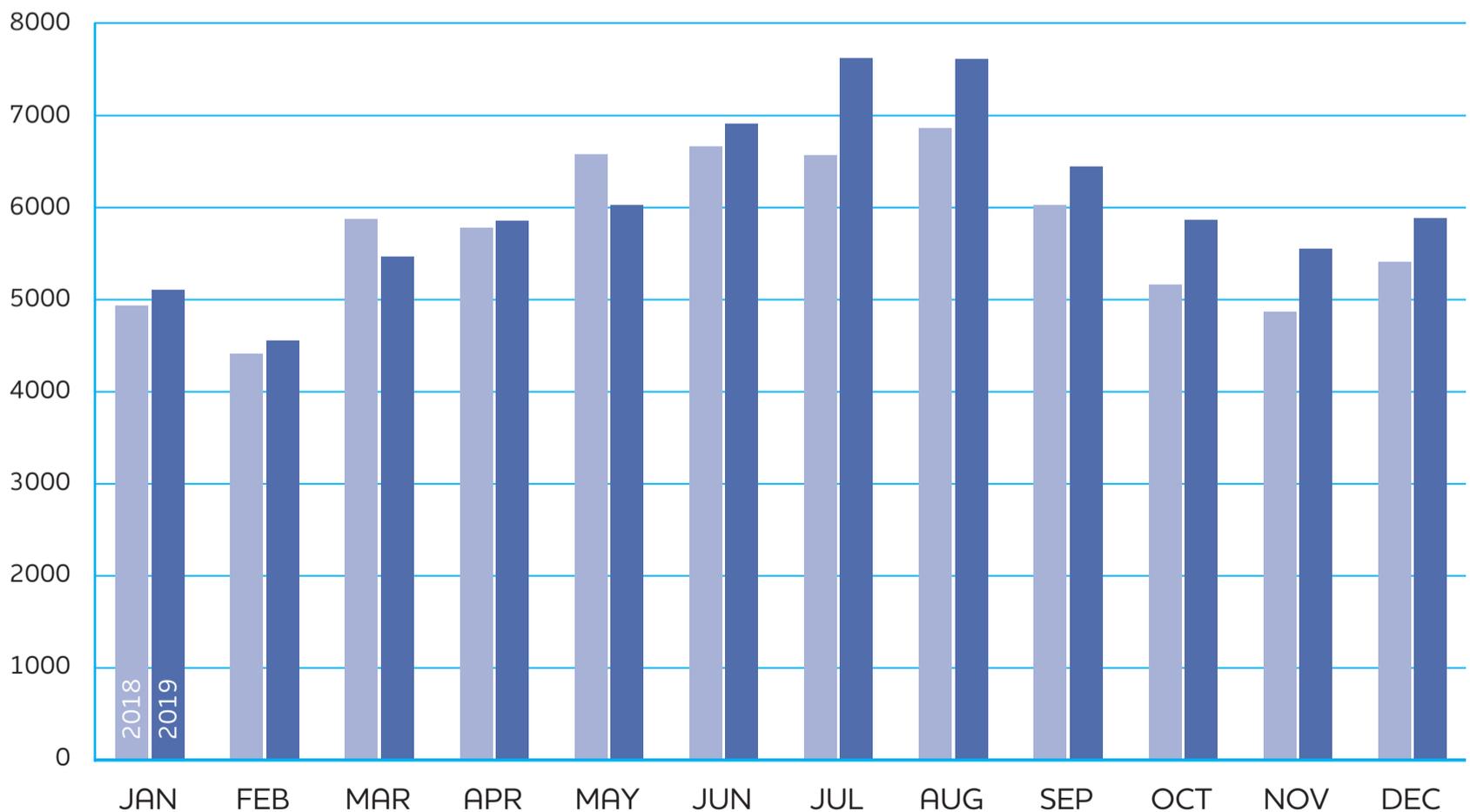
Type of occurrence	Occurrences that qualify for a RAT	RAT severity C or above	Amount of RAT conducted with Severity C or above
ATM Specific	16	3	100%
Runway Incursion	6	0	100%
Separation Minima Infringement	1	1	100%

Statistics

INTERNATIONAL TRAFFIC IN MALTA



EN-ROUTE TRAFFIC IN MALTA



Meet your colleagues

In this ongoing series, we put a little more than a face to a name. In these quick interviews we ask your colleagues to answer the same six questions. This year it was the turn of: **DEBBIE MICALLEF, Senior Administrator, Operations Section; EMANUEL GAUCI, Project Manager for the new ATCC; and LUCIENNE FRANCALANZA, AIM Support Officer.**

These are the questions we asked:

1. **How long have you been working at MATS?**
2. **What is your current role?**
3. **Describe a typical day at work.**
4. **What are your hobbies?**
5. **What is your favourite food?**
6. **What is the most satisfying aspect of your job?**

Debbie Micallef: I have been working with MATS for over eight years, always in the Operations Section. I started in the lowest Administrative grade and today I occupy the highest Administrative grade, following interviews and a call for applications last year.

MATS was my first full-time job after I left the University of Malta. I was studying something totally unrelated to my current job, social work, when I realised it was not the right thing for me. I had already completed three years of the course when I applied to join MATS, where I was accepted to fill a vacancy for a temporary clerk, since one of the officers was on maternity leave.

Although they told me it was only for six months, I still accepted the job offer in order to obtain



DEBBIE MICALLEF

Meet your colleagues CONTINUED

← work experience so that I could then apply for a more permanent job and I have been here ever since.

My colleague and I provide administrative support to the Head of the Operations Section and the section's management team, co-ordinating what is going on in the airfield at Malta International Airport and with all the various users, be they the airport management, airlines, small aircraft, and all those with access to the airfield. There are certain documents that I can pass on immediately, like NOTAMs (Notices to Airmen), because they are mostly more straightforward or we will already know about them, the safety assessment would have been done already and we can proceed.

Then there are matters that are more complicated and I will be co-ordinating constantly with the Section Head to see how to proceed. For larger scale events, after the relevant safety assessment is carried out, we issue Instructions, apart from NOTAMs – always in co-ordination with the company management.

My typical day varies greatly. I work from Monday to Friday from 9 a.m. to 5.30 p.m. I first check the e-mails and see the day-to-day tasks that need to be dealt with immediately. I then switch to more planned tasks, like updating of documentation, issuing an Instruction that is planned and constantly monitor my Inbox to see what day-to-day communications are coming in.

The Operations Section is highly dynamic. We have many day-to-day activities and co-ordination going on, apart from other things that are more planned, like preparation for audits and gathering of statistics. Those are routine matters and can be scheduled better.

Then there are day-to-day tasks that take up a lot of your time, including co-ordination of work that is

The Operations Section is highly dynamic. We have many day-to-day activities and co-ordination going on, apart from other things that are more planned.

taking place on the airfield and other things that will be going on, like engine runs, equipment calibration and compass wings for which NOTAMS need to be issued and co-ordination with management will be going on all the time.

There are the occurrences that need to be reported and investigated, training slots to be assigned, reservations of other slots, test flights, movements of small aircraft who request those training slots and maintenance check flights. Plus, we also assist management.

I attend supervisory meetings and other senior meetings related to the Operations Section to take minutes. I look after the Section Head's calendar, and make travel arrangements, assisting management in whatever they need. There are many bits and pieces that take up my time. The work is constant all the year round.

We work very well as a team. The management within the Operations Section has grown. There are five management members now. At the moment, there is the Section Head, three Senior Heads and a Head, plus a Specialist. We assist in whatever they need. Whether it relates to updates of documents, or if someone is working on a specific project or an app, we are there to help. →

Meet your colleagues CONTINUED

◀ With air traffic having dropped dramatically in a way we never imagined because of the COVID-19 pandemic, there is a lot of work going on around the airfield. They are taking advantage of this lull to carry out these infrastructural works, setting new parking procedures, since they need to know where to park the aircraft once they return. These are not planned, and you have to tackle them there and then.

I do not have much time for hobbies. I am newly married and have to do everything myself. In addition, last October I started attending a Diploma course in Management with a private training organisation. So, pre-COVID, I would go to attend my course after work. I spend a lot of time sitting down in front of a computer screen, so what I most enjoy at the moment is going out for a walk. I then spend the rest of my free time with my family and close friends.

Since all my family fall within the 'vulnerable' category, I keep in contact through Messenger. We even convinced my grandmother, who is 85, to use it. I miss them a lot. Due to the pandemic, we are working mostly from home, going into the office on a roster basis.

Both my husband and I share the load of cooking, although at the moment, since I am spending more time at home, I am the one doing most of the cooking. Once the routine goes back to what it was before, after work I go straight to the course, so I am glad to find the food ready when I get home. I like to eat a lot, although it does not show on me.

I really like eating pies – any type of pie. I prefer typical Maltese food. I like rabbit, fish, meat, vegetables. I am not fussy and there is nothing I do not like. I love sweets a lot but do not bake or make

desserts. At home my grandmother, my mother and my sister all cooked but none of us specialised in sweets. We tend to buy sweets from the confectionery. Perhaps we might get tempted to buy an ice-cream machine this year.

My work is very varied. Although sometimes I complain because there will be a lot of loose ends – and the job can be stressful and demanding – that is the aspect that in reality makes my job appealing and gives me most satisfaction. If I had to spend eight years doing the same thing – data input and a constant, repetitive routine, day after day – I would ask myself, 'Am I going to spend the rest of my life doing this type of work?'

The fact that it is dynamic and there is always something new to learn is what keeps me motivated and looking forward to going to the office. We also have a good team and work so well together – to the extent that at the moment we are missing meeting during our daily lunch breaks. Hopefully, we will go back to the way we were before too long.

Emanuel Gauci: 41 years – a lifetime! I started working in the Technical Section at the Civil Aviation Department when the British Forces left Malta in March 1979 and have been here ever since. My journey began in the summer of 1976, when I had an important decision to make: either go for the usual A levels or try something different and go for a technical education.

I elected to apply for a Telecommunications Technicians Course at the Technical Institute at Paola after speaking to the headmaster. However, the applications were closed! So, it took some persuading until the headmaster accepted my application – for which I still thank him to this day. ▶

Meet your colleagues CONTINUED



EMANUEL GAUCI

◀ During these past 41 years, I have either been involved in all the changes that took place at the airport, or witnessed them. My first posting was at Wied Rini Station in the limits of Rabat. We were a crew of eight people working shifts. I still possess a hand-made circuit diagram dated 1 February 1981, which I made out of the analogue triple conversion superheterodyne receivers in use at that time!

After two years, I moved to Dingli – before the radar was built – working on Ground-to-Air Communications transmitters and receivers left by the British Forces. Being analogue, they tended to drift and needed to be set from time to time. We worked alone in individual shifts, day and night, summer and winter, all year round. This served me well because I had to resolve any fault and problem that cropped up.

I moved to the Control Tower at Luqa after another two years. At the beginning, we used to work on all types of equipment – Communication/ Navigational/Surveillance equipment. There was no streaming between the technical staff. This time served us well because we learnt how to operate and repair all the equipment.

I still remember fondly my first week-long equipment Manufacturer Training Course in 1982 on the WEFAX Weather Satellite Imagery Ground Equipment and its equipment installation at the Met Office. Some of the images from this satellite receiver were screened on PBS during the daily weather report after the main news bulletin. When the new radar was being built at Dingli, I spent a year in Rome with other colleagues undergoing ▶

Meet your colleagues CONTINUED

← training at Selenia, the supplier, which is today LEONARDO. I was also sent to Rome to train on the TAR radars installed at the Luqa airfield in 1994.

In 1998, the majority of the DCA workers were amalgamated with Malta International Airport since the DCA became the regulating authority for aviation in Malta, with MIA as the operator. In 2002, the Malta Air Traffic Services Company was created to allow for the privatisation of the air passenger terminal.

In 2000, I decided it was time to go back to school and attended a Diploma in Management course at the University of Malta. In 2003, I was promoted to Air Traffic Safety Electronics Supervisor, which gave me the responsibility to lead the personnel within my watch.

I furthered my university studies in 2004, completing a Masters in Business Administration (MBA). As a result, in 2006 I moved into management as a Technical Officer. Later, in 2009, I was promoted to Head Technical Services, Communications and Nav aids. Over the years, I also got involved in the safety department as a surveyor and auditor. Training for these activities was held locally with the Malta Standards Authority and at Eurocontrol in Luxembourg.

Today, my role and responsibilities in the organisation have changed. After more than 40 years in the Technical Section, instead of retiring on pension, I have taken on a new challenge that amalgamates all my work experience with my private experience in the construction industry. When a vacancy arose since the previous project co-ordinator moved to new pastures, I decided to apply and now I am leading the biggest project MATS has ever undertaken – the new ATCC project. This will take me right to the end of my prolonged career, hopefully.

I am leading the biggest project MATS has ever undertaken – the new ATCC project. This will take me right to the end of my prolonged career, hopefully.

My typical day is packed with meetings. They include meetings with the project architects to finalise the project drawings so we can apply for the construction permit, many unofficial meetings and internal meetings with the different MATS sections to ensure we meet their requirements. Tendering is another job that takes up a big chunk of my time. Since MATS is a government-owned company, all jobs, including consultancies, excavation, construction, M&E and finishes, must go for tendering.

Surveying is also crucial at this planning stage of the project. In fact, one of the first things I did when I started in this new role in June 2019 was to contract the Planning Authority to carry out a topographic survey of the building site. The results were forwarded to the architects to include the Tower and the resultant drawings were sent to a specialised company, AirSight consultants, to determine the Obstacle Limitation Surface (OLS) with the two runways.

Since an infringement of more than 25m was found, the Control Tower had to be relocated within the site further away from both runways. This was a massive job which included the replanning of most of the drawings we already had.



Meet your colleagues CONTINUED

◀ I keep documentation and records updated, including bills and pending invoices, budgets, tenders, minutes of meetings, agendas, surveys, drawing versions, action plans, pending items, consultancies with third parties, and many other activities.

This is a project that has to serve MATS for the next 50 years. Hence, its minute planning is of utmost importance. Organising, leading and communicating with all other project stakeholders is taking up my remaining scarce and precious time.

Obviously, I cannot build this new Air Traffic Control Tower single-handedly. However, with the collaboration and contribution of all stakeholders, we will manage to build a new ATC centre of which we will all be proud, and it will be the new landmark in Malta.

I have always been a highly active person. My father was always inventing projects. Once I helped to build my brother's house and everyone did their bit. I love a fast walk, jogging and swimming in summer – anything that keeps my mind active. Although my father always had a dog, I do not have any pets. My mother always has a cat, but I did breed pigeons when I was younger.

I never say no when an opportunity for a short holiday crops up. I also like football and I am a Liverpool fan. So, as my fond colleagues who support Manchester United know, we have been after the 'holy grail' for the last 30 years!

I also have some fields where I usually spend my Saturday mornings. I grow some vegetables – potatoes, beans, peas, garlic and onions – enough to provide for my extended family. I enjoy eating this fresh produce and prefer to have less produce, free of insecticides. I also grow seasonal vegetables, again for family consumption, but these frequently

require a lot of water which for me is in short supply.

I am not a fussy eater as long as the food is simple, and I am aware of the ingredients I am eating. I like the Mediterranean diet since it includes most of the traditional Maltese specialities like soups, lasagne, rabbit, fish dishes, and tarts. My occasional preferred dish is *Patata l-forn*, which my 89-year-old mother still helps me to make.

I love the work I am doing. I find it challenging and I enjoy engaging with so many different people on the job. Since I am the face of the ATCC project, my job is to bring it all together and try to please everyone, which is no mean feat. I am hard working and I am proud to say that I gave the best years of my life to MATS.

I appreciate the loyalty that MATS has reciprocated. I take great satisfaction with the teamwork we have as everyone strives to evolve and contribute, even beyond normal expectations. If you did not have job satisfaction, you would not have lasted for 41 years in this line of work.

Lucienne Francalanza: I have been working with MATS since 1996 – 24 years, although I stopped for a year when I had my first daughter and for another period of two years when I had my twin boys. Initially, I enrolled as an Air Traffic Assistant Controller.

At that time, we worked in the VCR (Visual Control Room), assisting the Tower Controller, including relaying messages to vehicles on the airfield, and in the Area Control, passing the co-ordination information between the adjacent FIRs and Malta.

Later we worked in the Flight Planning Office, until in 2002 we were amalgamated with two ▶

Meet your colleagues CONTINUED

◀ other sections, Flight Planning and the Communications Centre.

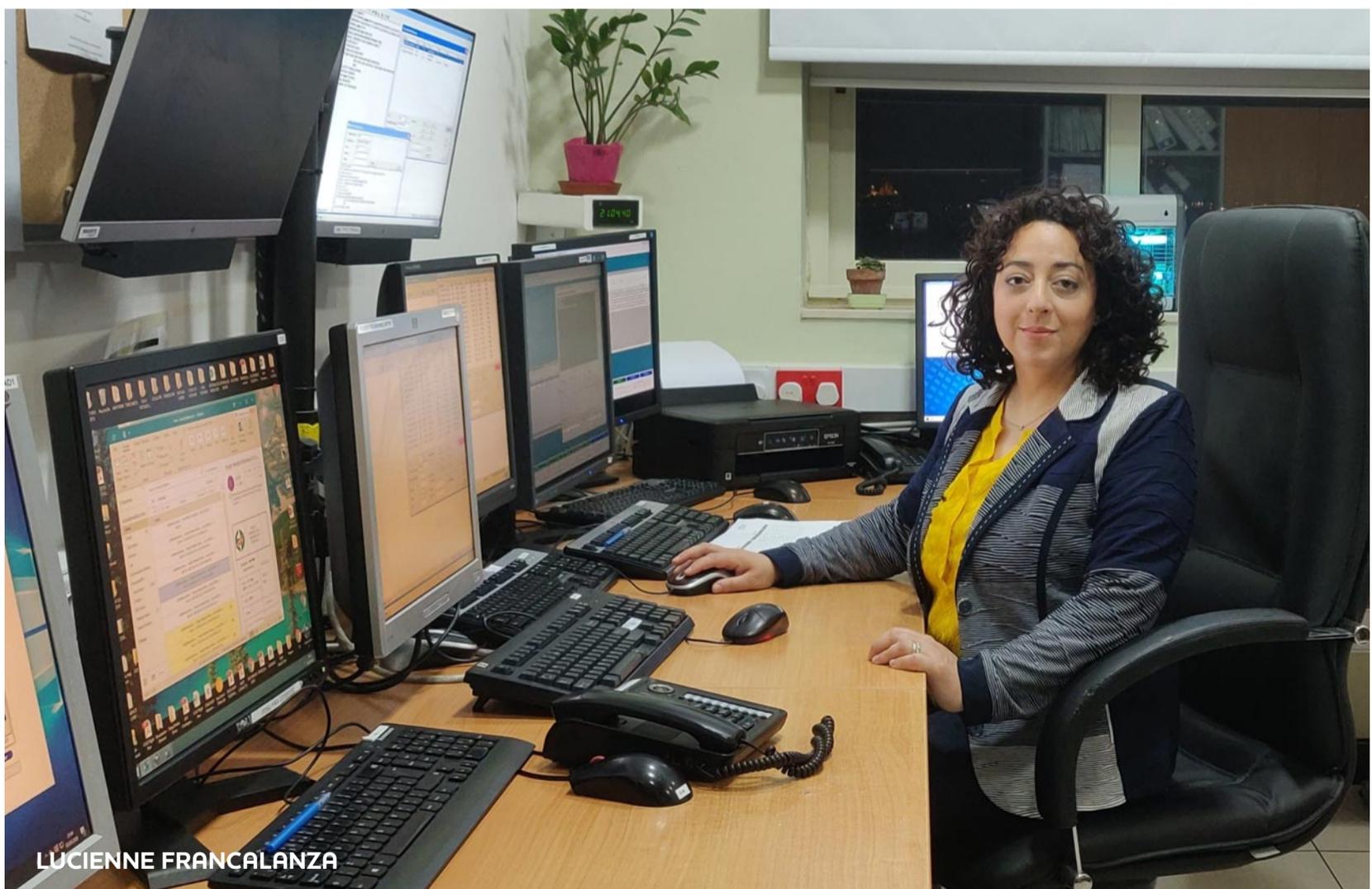
My current role is at AIM – Aeronautical Information Management. Within our office, we manage any aeronautical information, such as issuing Notams (Notice to Airmen), filing Flight Plans, monitoring the AFTN (Aeronautical Fixed Telecommunication Network) for any Notams issued within the immediate vicinity of our FIR (Flight Information Region) which concern us, monitoring Flight Plans for departing and incoming aircraft from/to Malta, as well as overflyers.

We monitor the FDP (Flight Data Processor) system for any corrupted/corrections to any Flight Plans so that the Controllers will have the correct flight

information in the RDP (Radar Data Processor). We also monitor the local and adjacent AFTN network connections from which the AFTN messages are distributed and issue any relevant messages to other communication centres. At the moment, we are also transmitting Notams on behalf of Libya due to the loss of their AFTN.

Our office is open 24x7 and we work on 12-hour shifts from 7 a.m. to 7 p.m. when on day duty, and from 7 p.m. to 7 a.m. when on night duty. These are followed by two days, one of rest and the other off duty.

There are two working positions manned at all times. One position is responsible for issuing Notams on the EAD (European Aeronautical Database) system; ▶



LUCIENNE FRANCALANZA

Meet your colleagues CONTINUED

← the other position is responsible for issuing Flight Plans and corrections, along with AFTN monitoring. The office holds 11 active monitors, of which nine are to be constantly monitored and acted upon at all times, while the other two are backups for the two most important systems.

A typical day at work starts with the preparation of the Mayfly Plaques for the following day. These flights are printed and distributed to the Tower Controller in the VCR. We then check and monitor the AFTN constantly for any foreign Notams that concern us. We also insert and process all flight plans received via e-mail/fax and compile and distribute Malta Notams that are raised during the day.

Twice daily, a PIB (Pre-flight Information Bulletin) is uploaded on the Company Information System and we also send it via e-mail so all organisations are notified of any forthcoming active local Notams. We also check the remote office stationed at MIA, where a pilot can obtain flight related information and also send his Flight Plan to our office for processing. The work is dynamic and sometimes it can be very hectic when a spike in the workload occurs at any point of the day or night.

Being a mother of three, I have little spare time to myself. However, whenever possible, I like to devote my time to my hobbies, one of which is painting. I like to explore my creativity by painting unique art pieces that I then decorate the walls of my house with. I also enjoy gardening and often attempt to grow my own herbs and small vegetables, many of which I use for cooking. In fact, cooking is the hobby I practise most often while cooking for my family. I love to follow cooking programmes and get inspiration from Pinterest to experiment and create new dishes.

The work is dynamic and sometimes it can be very hectic when a spike in the workload occurs at any point of the day or night.

Another hobby of mine is reading, which I have been passionate about since my youth. Although my daily routine prevents me reading as much as I would like, I always make sure I pack a book while on vacation so I can relax and unwind.

I used to be a fussy eater when I was young but, now that I have three fussy eaters at home, I eat absolutely everything. However, my favourite food is Pasta Marinara.

I feel that my work is the platform that links the paperwork to the operational side at MATS. The most satisfying aspect of my job is the fact that, since it is dynamic, I am never presented with the same problems every day. Different problems require different solutions and different outlooks, which is why I keep a positive attitude in that I see all problems as hurdles to be overcome.

All aeronautical information-related work requires effort in compiling and checking for data quality, accuracy and sourcing before being disseminated and, through this, I achieve the sense of satisfaction that comes from keeping everything categorised, organised and in control.



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Directors, officers and other information

REGISTRATION

Malta Air Traffic Services Limited is registered in Malta as a limited liability company under the Companies Act (Cap. 386) with registration number C 27965.



Directors

Major Anthony Abela (Chairman)

Mr Raymond Lanzon
 Prof. Ernest Cachia
 Dr John Vassallo
 Ms Xanthe Bartolo
 Ms Charmaine Felice

Company Secretary

Dr Andrew Sciberras

Registered Office

Malta Air Traffic Services
 Malta International Airport
 Luqa LQA 5000

Bankers

Bank of Valletta
 Sky Parks Business Centre
 Luqa LQA 4000, Malta

Auditors

GCS Assurance Malta Limited
 115A, Floor 1, Msida Valley Road, Birkirkara BKR 9024

The Malta Air Traffic Services Limited

Board of Directors:

Chairman Major Anthony Abela (*seated, centre*) is flanked by Mr Raymond Lanzon, Professor Ernest Cachia, Ms Xanthe Spiteri and Dr John Vassallo. Company Secretary Dr Andrew Sciberras is standing and (*inset*) the newly appointed Director Ms Charmaine Felice.

Directors' Report

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

PRINCIPAL ACTIVITIES

The company's principal activity is to provide air navigation services within the Malta Flight Information Region.

REVIEW OF THE BUSINESS

During the year ended 31 December 2019, the company generated a profit before tax of €7,434,885 (2018: €1,061,685).

RESULTS AND DIVIDENDS

The statement of comprehensive income is set out on page 55. The directors have proposed and paid a final net dividend of €500,000.

DIRECTORS

The directors of the company who held office during the year were:

Maj. (ret'd) Anthony Abela
Ms Xanthe Bartolo
Professor Ernest Cachia
Ms Charmaine Felice
Mr Raymond Lanzon
Dr John Vassallo

The company's Articles of Association do not require any directors to retire.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Companies Act, 1995, to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances; and
- ensuring that the financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the



Directors' Report CONTINUED

← assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

GCS Assurance Malta Limited have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



MAJOR ANTHONY ABELA
Chairman

18 September 2020



MR. RAYMOND LANZON
Director

Statement of Financial Position

AS AT 31 DECEMBER, 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Property, plant and equipment	5	10,977,502	11,280,892
Term deposits	9	7,000,000	13,500,000
Total non-current assets		17,977,502	24,780,892
Current assets			
Financial assets at fair value through profit or loss	6	4,768,570	3,023,481
Trade and other receivables	7	5,431,966	3,495,549
Cash and cash equivalents	8	4,985,510	2,033,726
Term deposits	9	18,500,000	11,200,000
Current tax receivable		-	701,028
Total current assets		33,686,046	20,453,784
TOTAL ASSETS		51,663,548	45,234,676
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	10,000,000	10,000,000
Retained earnings		29,762,986	25,809,852
TOTAL EQUITY		39,762,986	35,809,852
Non-current liabilities			
Provision for retirement benefits	11	2,515,271	2,339,206
Other financial liabilities	12, 13	4,043,180	3,583,245
Deferred tax liabilities		-	126,248
Total non-current liabilities		6,558,451	6,048,699
Current liabilities			
Trade and other payables	14	4,117,608	3,278,345
Bank overdraft	15	7,446	29,814
Other financial liabilities	12, 13	67,966	67,966
Current tax liability		1,149,091	-
Total current liabilities		5,342,111	3,376,125
TOTAL LIABILITIES		11,900,562	9,424,824
TOTAL EQUITY AND LIABILITIES		51,663,548	45,234,676

The notes on pages 58 to 78 are an integral part of these financial statements.

The financial statements on pages 54 to 78 were authorised for issue by the board on 18 September 2020 and were signed on its behalf by:



MAJOR ANTHONY ABELA
Chairman



MR. RAYMOND LANZON
Director

Statement of Comprehensive Income

	Note	2019 €	2018 €
Turnover	16	31,371,549	23,788,474
Staff costs		(12,308,888)	(12,206,359)
Depreciation expense		(2,883,080)	(2,645,643)
Other operating expenses		(9,596,967)	(8,326,691)
Operating profit	17	6,582,614	609,781
Finance costs	19	(62,492)	(64,106)
Other income/(expenses) - net	20	914,763	516,010
Profit before tax		7,434,885	1,061,685
Taxation	22	(2,981,751)	(419,678)
Profit for the financial year		4,453,134	642,007
Total comprehensive income for the year		4,453,134	642,007

Statement of Changes in Equity

	Note	Share capital €	Retained earnings €	Total equity €
Financial year ended 31 December, 2018				
Balance at 01 January, 2018		10,000,000	25,667,845	35,667,845
Comprehensive income				
Profit for the year - Total comprehensive income		-	642,007	642,007
Dividends declared and paid during the year		-	(500,000)	(500,000)
Balance at 31 December, 2018		10,000,000	25,809,852	35,809,852
Financial year ended 31 December, 2019				
Balance at 01 January, 2019		10,000,000	25,809,852	35,809,852
Comprehensive income				
Profit for the year - Total comprehensive income		-	4,453,134	4,453,134
Dividends declared and paid during the year		-	(500,000)	(500,000)
Balance at 31 December, 2019		10,000,000	29,762,986	39,762,986

The notes on pages 58 to 78 are an integral part of these financial statements.

Statement of Cash Flows

	Note	2019 €	2018 €
Cash flows from operating activities:			
Cash generated from operations	25	10,232,010	5,751,631
Interest paid		(465)	(1,791)
Income taxes paid		(1,573,033)	(734,447)
Income tax received		441,401	-
Net cash generated from operating activities		9,099,913	5,015,393
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(2,579,690)	(3,845,273)
Acquisition of financial assets at fair value through profit or loss		(1,500,000)	(1,500,000)
Interest received		325,982	258,847
Movement in term deposits - net		(800,000)	(700,000)
Net cash used in investing activities		(4,553,708)	(5,786,426)
Cash flows from financing activities:			
Proceeds from cash advances from related parties - net		397,909	397,908
Amounts due from shareholders		(1,469,962)	-
Dividends paid		(500,000)	(500,000)
Net cash used in financing activities		(1,573,053)	(102,092)
Net (decrease)/increase in cash and cash equivalents		2,974,152	(873,125)
Cash and cash equivalents at beginning of year		2,003,912	2,877,037
Cash and cash equivalents at end of year		4,978,064	2,003,912

The notes on pages 58 to 78 are an integral part of these financial statements.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and the requirements of the Companies Act, 1995. They have been prepared under the historical cost convention, as modified by the fair valuation of the land and buildings class of property, plant and equipment and financial assets at fair value through profit or loss.

During the year ended 31 December 2019, the Company generated a surplus before tax of €7,434,885 (2018: €1,061,685).

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgment in the process of applying the company's accounting policies (see Note 3 – Critical accounting estimates and judgments).

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1.3 Property, plant and equipment

All property, plant and equipment are initially recorded at historical cost. All other property, plant and equipment are stated at historical cost, less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. Decreases that offset



Notes to the Financial Statements CONTINUED

← previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Plant and machinery	20
Furniture, fixtures & other equipment	10-33.33
Motor vehicles	20
Technical equipment	12.5
Radar equipment	12.5
Land & buildings	1.5

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.5).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.4 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment assessment, the recoverable amount (i.e., the higher of the fair value, less cost to sell and the value-in-use) is determined on an individual asset basis, or on a Company basis, as a cash generating unit (CGU), when the individual asset does not generate cash inflows that are largely independent of those from other assets in the Company to which the asset belongs. To determine the value-in-use, management estimates expected future cash flows from each CGU and determines a suitable discount rate in order to calculate the present value of those cash flows.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss in profit or loss. →

Notes to the Financial Statements CONTINUED

 A reversal of impairment loss for an asset is recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

1.5 Financial assets

1.5.1 Classification

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

The Company's financial assets are as follows:

Financial assets at amortised cost

Financial assets at amortised costs are financial assets that are held within the business model whose objective is to collect contractual cash flows ("hold to collect") and the contractual terms give rise to cash flows that are solely payments of principal and interest.

On initial recognition, financial assets at amortised cost are recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Discounting is omitted when the effect of discounting is immaterial. Trade receivables without a significant financing component are measured at the transaction price as a practical expedient.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method, less impairment losses, if any. Gain or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets under this classification include cash and cash equivalents and trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading, financial assets designated on initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

On initial recognition, these are measured at fair value and transaction costs are charged to profit or loss. Subsequently, these are remeasured at fair value with fair value changes recognised in profit or loss. Dividends are recognised in profit or loss when the right of payment has been established.

The Company's financial assets at FVTPL include corporate bonds and quoted shares. 

Notes to the Financial Statements CONTINUED

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) on financial assets that are measured at amortised cost. Equity instruments are not subject to impairment assessment.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

For trade receivables and accrued income, the Company applies a simplified approach to measuring ECLs which recognises lifetime ECLs. The ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

The expected credit losses are accounted as impairment loss on financial assets and are presented as a separate line item in profit or loss.

1.5.2 Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The company first assesses whether objective evidence of impairment exists. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments; and
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.



Notes to the Financial Statements CONTINUED

◀ (a) Assets carried at amortised cost

For financial assets carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(b) Assets classified as available-for-sale

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is reclassified from equity to profit or loss as a reclassification adjustment. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

1.6 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 1.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Financial liabilities

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.



Notes to the Financial Statements CONTINUED

← The Company's financial liabilities are mainly financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially recognised at fair value, net of transaction cost, and are subsequently measured at amortised cost using the effective interest method. All interest-related charges under the interest amortisation process are recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

Financial liabilities under this category include trade and other payables, bank overdraft and other financial liabilities.

1.10 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

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

1.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.12 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. →

Notes to the Financial Statements CONTINUED

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.13 Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled when a performance obligation is satisfied in a manner that depicts the transfer of control over the goods or services promised to the customer. A performance obligation may be satisfied either at a point in time or over time.

The consideration relates to the transaction price allocated to each performance obligation as defined in the contract with the customer. The transaction price reflects discounts, rebates and refunds to customers and excludes sales taxes, if any.

Provision of services

Revenue from a contract to provide services is recognised at a point in time upon completion of the service. Services being provided by the Company includes en-route and terminal traffic.

Grants

Grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Grants that are receivable with no future related costs are recognised in profit or loss in the period in which they become receivable.

Interest income

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

1.14 Leases

At inception of an arrangement, the Company determines whether the arrangement contains a lease. The determination of whether an arrangement contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Notes to the Financial Statements CONTINUED

Finance leases

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. Where the Company is the lessee, the leased assets are capitalised. A lease asset and lease liability are established at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease

Assets held under other leases are classified as operating leases and are not recognised in the Company's statements of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

1.15 Retirement benefit expense

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with estimations being carried out at the end of each reporting period. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested. The amount recognised in the statement of financial position represents the present value of the defined benefit obligation.

1.16 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The company's activities potentially expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The parent company's board of directors provides principles for overall group risk management, as well as policies covering risks referred to above and specific areas, such as investment of excess liquidity. The company did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.



Notes to the Financial Statements CONTINUED

◀ (a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The transactions are mainly effected in euro, the company's functional and presentation currency, and as such the directors do not consider exposure to foreign exchange risk to be significant.

(ii) Interest rate risk

The Company has taken out government facilities to finance its operations, as disclosed in Note 12. The interest rates thereon and the terms of such borrowings are disclosed accordingly. The effective borrowing rate of finance lease obligations is disclosed in Note 13.

The Company is exposed to cash flow interest rate risk and fair value interest rate risk on borrowings carrying a floating interest rate.

Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing arrangements.

(iii) Price risk

The Company is exposed to price risks arising from its holding of certain investments classified on its statement of financial position at fair value through profit or loss.

The carrying amounts of financial instruments at the reporting date, which could potentially subject the Company to price risk, are disclosed in the notes to the financial statements.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2019 €	2018 €
Loans and receivables category:		
Trade and other receivables (Note 7)	5,431,966	3,495,549
Cash and cash equivalents	4,978,064	2,003,912
	<u>10,410,030</u>	<u>5,499,461</u>

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The company does not hold any collateral as security in this respect. ▶

Notes to the Financial Statements CONTINUED

← The company banks only with local financial institutions with high quality standing or rating.

(c) Liquidity risk

The Company monitors and manages its risk of a shortage in funds by maintaining sufficient cash. Management does not consider that the Company is significantly exposed to liquidity risk.

2.2 Fair values of financial instruments

At 31 December 2019 and 31 December 2018, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to short term maturities of these assets and liabilities.

The fair values of non-current assets are not materially different from their carrying amounts.

2.3 Capital risk management

The Company's objectives when managing capital are to safeguard its ability as a going concern and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The Company's capital structure consists of debt, which includes the borrowings disclosed in Notes 12 and 15, cash and cash equivalents disclosed in Note 8 and items presented within equity in the statement of financial position.

The Company's directors manage the Company's capital structure in light of changes in economic conditions. The capital structure is reviewed on an ongoing basis. Based on the directors' recommendations, the Company balances its overall capital structure through the payment of dividends, issuance of new shares, as well as the issuance of new debt or the redemption of existing debt.

The Company's overall strategy remains unchanged from the prior year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.



Notes to the Financial Statements CONTINUED

← 4. CHANGES IN ACCOUNTING POLICIES

4.1 New and amended IFRS Standards that are effective for the current year

In the current year, the company has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in EU for an accounting period that begins on or after 1 January 2019.

- IFRS 16 – Leases (effective for financial years beginning on or after 1 January 2019);
- Amendment to IFRS 9: Prepayment features with negative compensation (effective for financial years beginning on or after 1 January 2019);
- IFRIC 23 – Uncertainty over income tax treatment (effective for financial years beginning on or after 1 January 2019);
- Amendments to IAS 28: Long-term interests in associates and joint ventures (effective for financial years beginning on or after 1 January 2019);
- Annual improvements to IFRS standards 2015-2017 Cycle (effective for financial years beginning on or after 1 January 2019); and
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective for financial years beginning on or after 1 January 2019).

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

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Company.

- Amendments to IAS 1 and IAS 8: Definition of Material (effective for financial years beginning on or after 1 January 2020);
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective for financial years beginning on or after 1 January 2020);
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for financial years beginning on or after 1 January 2020); and
- Amendments to IFRS 3 Business Combinations (effective for financial years beginning on or after 1 January 2020).

Management anticipates that all the relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement.

Certain new standards and interpretations have been issued but are not expected to have a material impact on the company's financial statements. →

Notes to the Financial Statements CONTINUED

4.3 Standards, amendments and interpretations to published standards that are not yet endorsed by the EU

IFRS 17 – Insurance contracts (effective for financial years beginning on or after 1 January 2023);

- Amendment to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020 (effective for financial years beginning on or after 1 January 2022);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (effective for financial years beginning on or after 1 January 2022);
- Amendment to IFRS 16 Leases COVID-19-Related Rent Concessions (effective for financial years beginning on or after 1 June 2020); and
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19 (effective for financial years beginning on or after 1 January 2021).

5. PROPERTY, PLANT AND EQUIPMENT

	Assets under construction €	Plant and machinery €	Furniture, fixtures & other equipment €	Motor vehicles €	Technical equipment €	Land & buildings €	Radar equipment €	Total €
At 1 January, 2019								
Cost	3,443,112	92,560	1,529,357	382,916	13,800,147	4,841,060	19,198,235	43,287,387
Accumulated depreciation	-	(92,560)	(1,213,427)	(331,942)	(10,525,313)	(3,325,667)	(16,517,586)	(32,006,495)
Net book amount	3,443,112	-	315,930	50,974	3,274,834	1,515,393	2,680,649	11,280,892
Year ended 31 December								
Opening net book amount	3,443,112	-	315,930	50,974	3,274,834	1,515,393	2,680,649	11,280,892
Additions	-	-	176,905	12,297	1,704,343	86,711	599,434	2,579,690
Depreciation charge	-	-	(193,781)	(14,204)	(1,589,461)	(37,423)	(1,048,211)	(2,883,080)
Closing net book amount	3,443,112	-	299,054	49,067	3,389,716	1,564,681	2,231,872	10,977,502
At 31 December, 2019								
Cost	3,443,112	92,560	1,706,262	395,213	15,504,490	4,927,771	19,797,669	45,867,077
Accumulated depreciation	-	(92,560)	(1,407,208)	(346,146)	(12,114,774)	(3,363,090)	(17,565,797)	(34,889,575)
Net book amount	3,443,112	-	299,054	49,067	3,389,716	1,564,681	2,231,872	10,977,502



Notes to the Financial Statements CONTINUED

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 €	2018 €
Year ended 31 December		
At beginning of the year	3,023,481	1,594,839
Acquisition of investment portfolio	1,500,000	1,500,000
Net gain/(loss) from changes in fair value during the year	245,089	(61,169)
Portfolio movements	-	(10,189)
At end of year	4,768,570	3,023,481

7. TRADE AND OTHER RECEIVABLES

	2019 €	2018 €
Current		
Trade receivables - gross	3,358,666	1,841,617
Less: Provisions for impairment of trade receivables	(84,793)	(72,825)
Trade receivables - net	3,273,873	1,768,792
Prepayments and accrued income	604,114	1,645,181
Amounts due from shareholders	1,469,962	-
Other receivables	84,017	81,576
	5,431,966	3,495,549

Trade Receivables is stated net of provision for doubtful debts amounting to €84,793 (2018: €72,825). Accrued income is stated net of provision for doubtful debts amounting to €1,291,501 (2018: €1,077,714). Movements in the provision of doubtful debts include bad debts written off during the year, amounting to €23,104.

Amounts due from shareholders are unsecured, interest free and repayable on demand.

Notes to the Financial Statements CONTINUED

8. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following:

	2019 €	2018 €
Cash at bank and in hand	4,985,510	2,033,726
Bank overdraft (Note 15)	(7,446)	(29,814)
	<u>4,978,064</u>	<u>2,003,912</u>

9. TERM DEPOSITS

The profit before tax is stated after charging:

	2019 €	2018 €
Maturing within one year		
1 year fixed deposits	18,500,000	11,200,000
Maturing after one year		
2 year fixed deposits	7,000,000	13,500,000
	<u>25,500,000</u>	<u>24,700,000</u>

10. SHARE CAPITAL

	2019 €	2018 €
Authorised		
10,000,000 ordinary shares of €2 each	<u>20,000,000</u>	<u>20,000,000</u>
Issued and fully paid		
5,000,000 ordinary shares of €2 each	<u>10,000,000</u>	<u>10,000,000</u>



Notes to the Financial Statements CONTINUED

11. PROVISION FOR RETIREMENT BENEFITS

The provision for retirement benefits is unfunded and represents the year-end provision for possible future liabilities relating to pensions of employees who joined the Public Service before 15 January 1979 and were transferred to the Company. The provision has been computed in accordance with the accounting policy stated in note 1.15 and represents the Company's obligation discounted to the net present value at the rate of 7% after considering the average life expectancy of these employees and expected increases in salaries, where applicable.

The movement in the provision for retirement benefits may be analysed as follows:

	2019 €	2018 €
At the beginning of the year	2,339,206	765,233
Retirement benefit expense	176,065	1,573,973
At end of year	2,515,271	2,339,206

On 24 January 2020, the Company was charged by the Service Pensions Department (Government) for the Company's contribution in respect of the pension paid out to the retirees from the date of their retirement up to 31 December 2019. The total amount to be paid out by the Company, as charged by the Service Pensions Department, as at 31 December 2019, amounted to €2,515,271.

12. OTHER FINANCIAL LIABILITIES

	2019 €	2018 €
Amounts owed to government	2,900,836	2,434,961
Obligations under finance lease (Note 13)	1,210,310	1,216,250
	4,111,146	3,651,211
Other financial liabilities are repayable as follows:		
Within one year	67,966	67,966
Between two and five years	271,864	271,864
Over five years	3,771,316	3,311,381
	4,111,146	3,651,211
Less amounts due for settlement within 12 months	(67,966)	(67,966)
Amount due for settlement after 12 months	4,043,180	3,583,245

Amounts owed to government are unsecured and interest free. There is no fixed date for repayment and the company has an unconditional right to defer settlement of the amount due for 12 months after the reporting period.

Notes to the Financial Statements CONTINUED

13. OBLIGATIONS UNDER FINANCE LEASE

	Minimum lease payments		Present value of minimum lease payments	
	2019	2018	2019	2018
	€	€	€	€
Amounts payable under finance leases:				
Within one year	67,966	67,966	62,027	62,315
Between two and five years	271,866	271,866	243,544	244,919
After five years	2,992,559	2,990,526	972,705	909,016
	3,262,391	3,330,358	1,278,276	1,216,250
Future finance charges	(2,052,081)	(2,114,108)	-	-
Present value of lease obligations	1,210,310	1,216,250	1,278,276	1,216,250
Amounts included in current liabilities	(67,966)	(67,966)		
Amounts included in non-current liabilities	1,142,344	1,148,284		

It is the Company's policy to lease its buildings under finance leases. The original lease term was 63 years with a fixed effective borrowing rate of 5.10%. The lease is on a fixed repayment basis denominated in Euro and no arrangements have been entered into for contingent rental payments. The fair value of the finance lease obligation approximates their carrying amount. The finance lease obligation is secured with the assets to which they relate to.

14. TRADE AND OTHER PAYABLES

	2019	2018
	€	€
Current		
Trade payables	2,986,754	2,408,393
Accruals and deferred income	1,121,890	869,952
Other payables	8,964	-
	4,117,608	3,278,345

Notes to the Financial Statements CONTINUED

15. BANK OVERDRAFT

	2019 €	2018 €
Current		
Bank overdraft	7,446	29,814
	7,446	29,814

The outstanding bank overdraft as at 31 December 2019 and 2018 is secured by general hypothec over the Company's assets. The average rate of interest during the year was 5.15% (2018: 5.15%).

16. REVENUE

	2019 €	2018 €
Provision of air traffic control services:		
En-Route traffic	22,092,677	14,432,502
Terminal traffic	6,339,033	5,265,645
Exempt traffic	1,863,499	1,863,499
Grants	56,075	1,250,656
Maintenance and technical fees	1,020,265	976,172
	31,371,549	23,788,474

17. EXPENSES BY NATURE

	2019 €	2018 €
Staff costs (Note 18)	12,308,888	12,206,359
Depreciation of property, plant and equipment	2,883,080	2,645,643
Auditor's remuneration	2,650	3,000
Other expenses	9,594,317	8,323,691
Total expenses	24,788,935	23,178,693

Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2019 and 2018 relate to the following:

	2019 €	2018 €
Annual statutory audit	2,650	3,000

Notes to the Financial Statements CONTINUED

18. STAFF COSTS

	2019 €	2018 €
Staff costs incurred during the year were as follows:		
Wages and salaries	11,777,680	10,296,560
Social security costs	355,144	335,826
Retirement benefit expense	176,064	1,573,973
	12,308,888	12,206,359

Average number of persons employed by the company during the year:

	2019	2018
Operations	57	51
Technical	51	45
Administration	48	49
	156	145

19. FINANCE COSTS

	2019 €	2018 €
Finance leases	62,027	62,315
Interest on bank overdraft	465	1,791
	62,492	64,106

20. OTHER INCOME/(EXPENSES) – NET

	2019 €	2018 €
Interest income on bank deposits	325,982	258,847
Net gain/(loss) from changes in fair value of financial assets at fair value through profit or loss	245,090	(61,169)
Reversal of provision of doubtful debts	-	328,521
Loss on disposal of financial assets at fair value through profit or loss	-	(10,189)
Other income	343,691	-
	914,763	516,010

Notes to the Financial Statements CONTINUED

21. OPERATING LEASE

	2019 €	2018 €
Minimum lease payments under operating leases recognised as an expense for the year	<u>2,261,406</u>	<u>2,261,406</u>
At the end of the reporting period, the company had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Within one year	2,261,406	2,261,406
Between two and five years	9,045,624	9,045,624
Over five years	97,240,506	99,501,912
	<u><u>108,547,536</u></u>	<u><u>110,808,942</u></u>

Operating lease payments represent ground rent payable by the Company for a number of sites originally acquired for a 63-year period. The Government of Malta leased these sites to enable the Company to provide navigational transmitting services.

22. TAX EXPENSE

	2019 €	2018 €
Current tax expense	2,981,751	726,580
Deferred tax expense/credit	-	(306,902)
	<u><u>2,981,751</u></u>	<u><u>419,678</u></u>

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate applicable as follows:

	2019 €	2018 €
Profit before tax	<u>7,434,885</u>	<u>1,061,685</u>
Tax on profit at 35%	2,602,210	371,590
Tax effect of:		
Income subject to 15% final withholding tax	(114,094)	(51,769)
Non-deductible expenses	81,020	27,151
Temporary differences	412,615	72,706
Tax charge in the accounts	<u><u>2,981,751</u></u>	<u><u>419,678</u></u>

Notes to the Financial Statements CONTINUED

23. DIRECTORS' EMOLUMENTS

	2019 €	2018 €
Salaries and other emoluments	<u>63,490</u>	<u>50,347</u>

24. DIVIDENDS

	2019 €	2018 €
Gross of income tax		
Ordinary shares dividend	<u>769,231</u>	<u>769,231</u>
Net of income tax		
Ordinary shares dividend from Malta Tax Account	<u>500,000</u>	<u>500,000</u>

25. CASH GENERATED FROM OPERATIONS

Reconciliation of operating profit to cash generated from operations:

	2019 €	2018 €
Operating profit	7,434,885	1,061,685
Adjustments for:		
Depreciation of property, plant and equipment (Note 5)	2,883,080	2,645,643
Retirement benefit expense	176,065	1,573,973
Provision for doubtful debts	225,755	72,825
Interest expense	62,492	64,106
Decrease/(increase) in fair value of financial assets at fair value through profit or loss	(245,090)	61,169
Loss/(gain) on disposal of financial assets at fair value through profit or loss	–	10,189
Interest income	(325,982)	(258,847)
Reversal of provision for doubtful debts	–	(328,521)
Movement in deferred tax liability	(126,248)	–
Changes in working capital:		
Decrease in trade and other receivables	(692,210)	(140,625)
Increase in trade and other payables	839,263	990,034
Cash generated from operations	<u><u>10,232,010</u></u>	<u><u>5,751,631</u></u>

Notes to the Financial Statements CONTINUED

◀ 26. RELATED PARTY TRANSACTIONS

Except for transactions disclosed or referred to previously, the following significant operating transactions, which were carried out principally with related parties, have a material effect on the company's operating results and financial position:

	2019	2018
	€	€
Transactions with ultimate controlling party:		
Revenue	1,862,499	1,863,499
Administrative expenses	2,330,069	2,261,406

27. EVENTS AFTER THE REPORTING PERIOD

After the date of issue of these financial statements, the Company's activities were directly affected due to the COVID-19 outbreak and the subsequent Government restrictions put in place. The Board has indicated that revenue for the year 2020 will decrease due to the temporary closure of the airport and airlines services. Since the current circumstances are ever changing, the Company is constantly monitoring the situation and believes that the situation will eventually return to normal and thus it will not affect the Company's ability to continue as a going concern.

Accordingly, these financial statements have been prepared on a going concern basis.

28. STATUTORY INFORMATION

Malta Air Traffic Services Limited is a limited liability company and is incorporated in Malta.

The immediate and ultimate parent company of Malta Air Traffic Services Limited is Malta Government Investments Limited, a company registered in Malta, with its registered address at Malta International Airport, Luqa LQA 5000, Malta.

29. COMPARATIVE INFORMATION

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

Independent Auditors' Report

To the Shareholders of Malta Air Traffic Services Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

In our opinion:

- Malta Air Traffic Services Limited's financial statements give a true and fair view of the company's financial position as at 31 December 2019, and of the company's financial performance in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap.386).

What we have audited

Malta Air Traffic Services Limited's financial statements, set out on pages 54 to 78, comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

EMPHASIS OF MATTER

We draw attention to Note 27, in relation to the basis of preparation of these financial statements, which addresses developments in connection with

COVID-19, and the potential impact on financial and operational performance. This matter is considered to be of fundamental importance to the users of the study of the financial statements because of the potentially unfavourable nature of these developments, and the impact they could have on the basis of preparation of these financial statements. Our opinion is not modified in respect of this matter.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive, issued in terms of the Accountancy Profession Act (Capt. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Statement of directors' report on pages 52 and 53 (but does not include the financial statements and our auditors' report thereon).



Independent Auditors' Report CONTINUED

◀ Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, since fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

Independent Auditors' Report CONTINUED

- ← auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

COMPARATIVE INFORMATION

The financial statements for the year ended 31 December 2018 were not audited by us. The auditor expressed an unqualified opinion dated on 05 August 2019.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.

- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities

CHRISTIAN GRAVINA (Director)

for and on behalf of
GCS Assurance Malta Limited
Certified Public Accountants

18 September 2020



MALTA

GCS Assurance Malta Limited
 115A, Floor 1
 Msida Valley Road
 Birkirkara BKR 9024
 Malta



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Detailed Statement of Comprehensive Income

SCHEDULE I

	2019	2019	2019	2018
	€	En-route €	Terminal €	€
Revenue	€31,371,549	€22,092,677	€9,278,872	€23,788,474
Staff costs	(12,308,888)	(9,972,421)	(2,336,467)	(12,206,359)
Depreciation expense	(2,883,080)	(2,217,794)	(665,286)	(2,645,643)
Other operating expenses	(9,596,967)	(8,372,804)	(1,224,163)	(8,326,691)
Finance costs	(62,492)	(49,994)	(12,498)	(64,106)
Other income/(expenses) – net	914,763	795,844	118,919	516,010
	<u>7,434,885</u>	<u>2,275,508</u>	<u>5,159,377</u>	<u>1,061,685</u>

Schedule does not form part of the audited financial statements.

Revenue

SCHEDULE II

Turnover	2019 €	2019 En-route €	2019 Terminal €	2018 €
<i>Provision of air traffic control services:</i>				
En-route traffic	22,092,677	22,092,677	-	14,432,502
Terminal traffic	6,339,033	-	6,339,033	5,265,645
Exempt traffic	1,863,499	-	1,863,499	1,863,499
Grants	56,075	-	56,075	1,250,656
Maintenance Fees	1,020,265	-	1,020,265	976,172
	31,371,549	22,092,677	9,278,872	23,788,474

This schedule does not form part of the audited financial statements.

Other operating expenses

SCHEDULE III

Turnover	2019	2019	2019	2018
	€	En-route €	Terminal €	€
Rent	2,262,102	2,166,964	95,138	2,261,907
Regulatory and supervisory costs	1,504,799	1,027,366	477,433	1,183,754
MOT regulation costs	1,000,000	870,000	130,000	60,000
Eurocontrol contribution	984,000	943,000	41,000	962,000
Meteorological services	765,288	665,801	99,487	778,551
Communication expenses	649,939	565,447	84,492	418,784
Training	646,587	562,531	84,056	395,801
Insurance	439,740	382,574	57,166	448,203
Provision for doubtful debts	225,755	213,787	11,968	72,825
Travelling	211,236	183,775	27,461	95,827
Water and electricity	193,366	168,228	25,138	187,975
Legal and professional fees	137,105	119,281	17,824	213,879
General expenses	133,529	115,779	17,750	840,483
Subscriptions	103,588	90,122	13,466	58,832
Cleaning	96,493	83,949	12,544	92,806
Directors' fees	63,490	55,236	8,254	50,347
Printing and stationery	43,196	37,581	5,615	48,260
Motor vehicle expenses	14,164	12,335	1,829	55,995
Bank charges	26,379	21,103	5,276	4,842
Bad debts written off	23,104	21,956	1,148	–
Sponsorship	20,970	18,244	2,726	34,096
Medical fees	12,954	12,954	–	19,153
Hire of equipment	9,773	8,503	1,270	3,320
Advertising	7,082	6,161	921	11,814
Donations	7,150	6,220	930	4,890
Carriage	6,633	6,487	146	5,516
Entertainment	3,678	3,200	478	4,078
Auditor's remuneration	2,650	2,260	390	3,000
Registration fees	1,400	1,218	182	1,877
Penalties & fines	580	505	75	4,695
Safety wear	237	237	–	112
Staff welfare	–	–	–	2,967
Visitors' fees	–	–	–	102
	9,596,967	8,372,804	1,224,163	8,326,691

This schedule does not form part of the audited financial statements.



MALTA AIR TRAFFIC
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